

Jetcon Corporation Limited

INTERIM RESULTS

First Quarter to March 2016

Unaudited Financial Statements

Report of the directors to the shareholders of
Jetcon Corporation Limited
For the First quarter ending March 2016


The directors are pleased to present their first report on the operation of your company since our listing on March 24, 2016 with a strong increase in sales and profit after tax.


We thank all our new members who invested not only their money but confidence in the company. We also thank those persons and institutions who made our record breaking time between agreeing to go public in early January and the actual listing, possible. We note that demand exists for our stock which has traded as high as \$2.99 compared to the issue price of \$2.25. We pleased to hear that the government intends to restore the tax benefit to the Junior Market.

Growth in Revenues - Jetcon recorded growth in revenues of 55 percent in the first quarter ending March, compared with 2015 March quarter. The growth for the quarter is above the 50 percent increase enjoyed during all of 2015. The company enjoyed growth in gross margin during the quarter, moving from 16.9 percent to 21.9 percent and an increase of 127 percent in pretax profit, to \$19.35 million. With most of the quarter's profit subject to tax, the net profit ended at \$14.45 million compared with \$6.8 million in the same period in 2015. Earnings per share based on the average number of units in issue for the quarter, ended at 9.2 cents.

Balance sheet - Our inventory of motor vehicles and parts increased moderately since March 2015 and 46.7 percent since December 2015, to reach \$123.9 million, a deliberate strategy to increase sales, which has been working so far with the strong increased sales being enjoyed. We sell motor vehicles for cash and therefore have very low levels of receivables, however, total receivables have increased sharply but is due to amounts deposited with suppliers for goods. All loans that were outstanding at the end of December last year have now been repaid in full and cash on hand increased to \$60.5 million and is due partly to the funds from the IPO.

Outlook - Sales based on the early days of April continue to be ahead of 2015 and augurs well for the results for the June quarter, barring any unfavourable developments. The capital raised in the IPO places us in a position to add and widen our inventories of motor vehicles, amongst other strategies planned for expansion. We note government's announced decision to use preowned vehicles in the security service and we look forward to the opportunity of bidding for the contract.


John Jackson


Andrew Jackson

Chairman

Managing Director

JETCON CORPORATION LIMITED
Statement of Comprehensive Income
First Quarter ending March 31, 2016

	2016	<u>1st Quarter</u> 2015	<u>Audited</u> 2015
Revenues	147,669,375	95,548,773	523,245,799
Cost of Sales	<u>115,309,463</u>	<u>79,412,025</u>	<u>435,647,929</u>
Gross Profit	32,359,912	16,136,748	87,597,870
Other Operating Income	<u>431,188</u>	<u>273,759</u>	<u>1,010,164</u>
	<u>32,791,100</u>	<u>16,410,507</u>	88,608,034
Selling and Marketing expenses	2,694,485	884,026	6,027,949
Administrative and other expenses	10,354,426	5,833,624	27,270,122
Financial expenses	<u>387,239</u>	<u>1,173,444</u>	<u>4,697,763</u>
	<u>13,436,150</u>	<u>7,891,094</u>	<u>37,995,834</u>
Profit before Taxation	19,354,950	8,519,413	50,612,200
Taxation Expense	<u>4,729,836</u>	<u>2,037,174</u>	<u>10,262,789</u>
Net Profit after Tax	<u>\$14,625,114</u>	<u>6,482,239</u>	<u>40,349,411</u>
Earnings per share - note 5	<u>\$0.094</u>	<u>\$0.043</u>	<u>\$0.27</u>

JETCON CORPORATION LIMITED
Statement of Financial Position
March 31, 2016

ASSETS	<u>2016</u>	<u>2015</u>	<u>Audited December 2015</u>
NON-CURRENT ASSETS:			
FIXED ASSETS	<u>30,340,827</u>	<u>31,145,587</u>	<u>30,864,271</u>
CURRENT ASSETS:			
Inventories	123,938,237	119,443,141	84,479,822
Receivables	48,674,137	10,620,473	18,285,768
Due from Parent	5,829,041		4,877,282
Cash and Cash Equivalents	<u>60,524,496</u>	<u>397,228</u>	<u>5,594,368</u>
Total Current Assets	<u>238,965,911</u>	<u>130,460,843</u>	<u>113,237,240</u>
CURRENT LIABILITIES:			
Payables	49,192,171	57,068,191	18,615,541
Taxation	4,546,408	1,400,485	7,045,495
Due to Parent		1,987,059	
Short Term Borrowings	<u>5,921,090</u>	<u>28,313,985</u>	<u>7,828,987</u>
Total Current Liabilities	<u>59,660,669</u>	<u>88,769,720</u>	<u>33,490,023</u>
NET CURRENT ASSETS	<u>179,305,242</u>	<u>41,691,122</u>	<u>79,747,217</u>
	<u>\$209,646,069</u>	<u>72,836,709</u>	<u>110,611,488</u>
SHAREHOLDERS EQUITY	209,646,069	72,836,709	106,703,737
LONG TERM LOANS	<u>0</u>	<u>0</u>	<u>3,907,751</u>
	<u>\$209,646,069</u>	<u>72,836,709</u>	<u>110,611,488</u>

Approved by the Board of directors on 25th of April, 2016

 John Jackson Chairman	 Andrew Jackson Managing Director
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JETCON CORPORATION LIMITED
Statement of Changes in Equity
First Quarter Ending March 31, 2016

	No. of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
Balance at December 2014	18,350	18,350	17,196,276	49,139,844	66,354,470
Comprehensive Income for Period	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,482,239</u>	<u>6,482,239</u>
Balance at March 2015	<u>18,350</u>	<u>\$18,350</u>	<u>17,196,276</u>	<u>55,622,083</u>	<u>72,836,709</u>
Balance at December 2015	18,350	18,350	17,196,276	89,489,111	106,703,737
Issue of Bonus shares	481,650	481,650	(481,650)		0
Stock Split	149,500,000				0
Issue of shares	44,500,000	87,317,218			87,317,218
Comprehensive Income for Period	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,625,114</u>	<u>14,625,114</u>
Balance at March 2016	<u>194,500,000</u>	<u>\$88,817,218</u>	<u>16,714,626</u>	<u>104,114,225</u>	<u>209,646,069</u>

JETCON CORPORATION LIMITED
Statement of Cash Flows
First Quarter Ending March 31, 2016

	<u>2016</u>	<u>2015</u>
Cash Flows from operating activities		
Net Income	14,625,114	6,482,239
Non-Cash Items		
Depreciation	225,000	66,529
Other adjustments	<u>4,866,068</u>	<u>1,709,270</u>
Net Cash provided by Operations	<u>19,716,182</u>	<u>8,258,038</u>
Changes in working Capital	<u>47,287,618</u>	<u>(16,001,754)</u>
Cash Flows from Financing activities		
Issue of shares	88,317,218	-
Loans net of repayments	<u>(4,301,309)</u>	<u>9,263,207</u>
Net cash used provided by Financing activities	<u>84,015,909</u>	<u>9,263,207</u>
Net increase in cash	56,444,473	1,519,491
Cash Balance at Beginning of Period	<u>4,080,023</u>	<u>(1,122,263)</u>
Cash Balance at End of Period	<u>\$60,524,496</u>	<u>397,228</u>
Represented by cash and equivalent		
Cash and Bank balance	<u>\$60,524,496</u>	<u>397,228</u>

Jetcon Corporation Limited

Notes to the Financial Statements

For the 1st quarter ending March 31, 2016

1. IDENTIFICATION

Jetcon Corporation Limited is incorporated and domiciled in Jamaica. Its registered office is situated at 2 Sandingham Avenue, Kingston 10, Jamaica, WI.

The Company is listed on the Junior Market of the Jamaica Stock Exchange. The principal activity of the company is the importation of motor vehicles for resale in Jamaica.

3. ACCOUNTING POLICIES:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act. The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2015 and comply with the requirements of the International Financial Reporting Standards (IAS 34, Interim Financial Reporting).

4. NEW STANDARDS

IFRS 9, 'Financial Instruments', (effective for annual periods beginning on or after 1 January 2018).

5. USE OF ESTIMATES AND JUDGEMENTS:

(a) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation.

(b) Depreciation

Depreciation is recognized on profit or loss on the straight-line basis, over the estimated useful lives of property, plant, motor vehicles and equipment except for land and investment properties.

(c) Borrowings

Borrowings are recognized initially as the proceeds received net of transaction costs incurred and are subsequently stated at amortized cost using the effective interest method with any differences between proceeds net of transactions cost and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

d) Inventories are valued at the lower of cost or net realisable value.

5. Earnings per share

Earnings per share for the 2016 quarter, is based on the average number of shares issued during the quarter, amounting to 156,357,143. The prior periods reflect the increased number of shares in 2016, based on the issue of bonus shares and a stock split. (See note 6 below).

6. Share Capital

During the quarter the company opted to be listed on the junior market of the Jamaica Stock Exchange. In preparation for the listing, the share capital was restructured, resulting in the issue of 481,650 bonus shares, in addition the authorized share capital was split into 300 million shares of no par value, resulting in the issued capital increasing to 150 million shares of no par value. In March the company issued 44.5 million shares to the public, bringing the total issued shares to 194,500,000 units.

