

Jetcon Corporation Limited

INTERIM RESULTS

3rd Quarter to September 2016

Unaudited Financial Statements

Report of the directors to the shareholders of Jetcon Corporation Limited

Profit up 230% for Q3

Jetcon had another quarter of strong results with revenues climbing 86 percent over the September 2015 quarter to \$267 million and 61 percent to \$610 million for the nine months to September. Profit grew 230 percent to \$30.5 million from \$9.2 million in the September quarter compared with the similar period in 2015 and is up 141 percent for the nine months period over the same period in 2015. The improvement is due to increased exposure received from the listing of the company shares, as well as the additional capital that allowed for funding of an increase in inventory and a wider variety of motor vehicles.


Attractive financing conditions and an increase in economic activity seems to be playing a role as well. Costs were held well below the increase in revenues which also contributed to the improved profit out turn.

Gross profit margin after accounting for import cost and cost relating to preparing vehicles for sale ended at 16 percent for the quarter and 17.7 percent for the nine months.

Administrative and other expenses rose but this was due solely to improved staff compensation to better align salaries to market rates, directors fees and cost incurred as a result of listing on the stock exchange.

Subsequent to the Quarter, revenues continue be ahead of the same period for 2015 by approximately 70 percent. The final quarter ending in December, is usually one of the best periods annually and is expected to deliver another quarter of positive results for the company.

There are three main changes to the statement of financial position with cash and bank balances rising sharply to \$47 million from \$641,000 and flowed from operations since the half year. Inventory rose to \$236 million due to a decision to expand the available choices for customers, while the payable went up to \$85 from \$32 million at September 2015 due mainly to amounts due on the purchase of motor vehicles that were in transit to the island and amounts borrowed was drastically slashed.


John Jackson
Andrew Jackson

Chairman

Managing Director

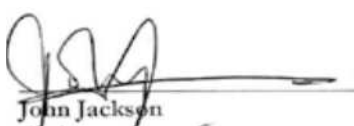
JETCON CORPORATION LIMITED
STATEMENT of PROFIT & LOSS & OTHER COMPREHENSIVE INCOME
Revised Nine Months to September 30, 2016

	<u>Three Months to</u>		<u>Nine Months to September</u>		<u>Audited</u>
	2016	2015	2016	2015	December 2015
	\$	\$	\$	\$	\$
Revenue	267,118,451	143,264,334	609,795,438	379,177,426	523,245,799
Less Cost of sales	<u>224,555,869</u>	<u>120,295,280</u>	<u>502,049,056</u>	<u>312,468,251</u>	<u>435,647,929</u>
Gross profit	42,562,581	22,969,054	107,746,382	66,709,175	87,597,870
Other operating income	<u>843,110</u>	<u>67,010</u>	<u>1,066,630</u>	<u>121,545</u>	<u>1,010,164</u>
	<u>43,405,692</u>	<u>23,036,064</u>	<u>108,813,012</u>	<u>66,830,720</u>	<u>88,608,034</u>
Selling and marketing expenses	3,177,873	1,829,875	8,971,184	5,831,152	6,027,949
Administrative and other expenses	9,427,477	7,847,390	27,556,658	19,787,793	27,270,122
Financial expenses	<u>307,317</u>	<u>1,053,330</u>	<u>915,665</u>	<u>4,415,223</u>	<u>4,697,763</u>
Total expenses	<u>12,912,668</u>	<u>10,730,595</u>	<u>37,443,508</u>	<u>30,034,168</u>	<u>37,995,834</u>
Net profit before taxation	30,493,024	12,305,469	71,369,504	36,796,552	50,612,200
Taxation	-	<u>3,076,367</u>	<u>4,729,836</u>	<u>9,199,138</u>	<u>10,262,789</u>
Total comprehensive income for the period	<u>30,493,024</u>	<u>9,229,102</u>	<u>66,639,668</u>	<u>27,597,414</u>	<u>40,349,411</u>
Weighted average number of shares in issue	<u>194,500,000</u>	<u>150,000,000</u>	<u>180,985,185</u>	<u>150,000,000</u>	<u>150,000,000</u>
Earnings per share	<u>\$0.16</u>	<u>\$0.06</u>	<u>\$0.37</u>	<u>\$0.18</u>	<u>\$0.27</u>

Revision note: The cost of sales was increased \$4,124,314 resulting in a fall in the gross profit and the net profit by the same amount for the quarter compared to the initial release of the results

JETCON CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
September 30, 2016

	<u>Unaudited September</u>		<u>Audited</u>
	<u>2016</u>	<u>2015</u>	<u>Dec. 2015</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
PROPERTY, PLANT and EQUIPMENT	31,545,022	30,508,087	30,504,360
INVESTMENTS	4,116	4,116	4,116
DEFERRED TAX ASSET	-	354,372	355,795
CURRENT ASSETS			
Inventories	235,544,857	127,715,524	84,479,822
Receivables	33,699,309	15,466,324	18,285,768
Parent company	7,577,282	-	4,877,282
Cash and bank balances	46,728,251	641,348	5,594,368
	323,549,699	143,823,196	113,237,240
CURRENT LIABILITIES			
Payables	84,543,606	32,373,276	18,615,541
Taxation	2,423,579	8,917,456	7,045,495
Parent company	-	1,884,418	-
Short-term borrowings	6,471,028	19,290,163	7,828,987
	93,438,214	62,465,314	33,490,023
NET CURRENT ASSETS	230,111,485	81,357,882	79,747,217
	261,660,623	112,224,457	110,611,488
EQUITY	261,660,623	93,951,884	106,703,737
NON-CURRENT LIABILITIES			
LONG-TERM LIABILITIES	-	18,272,573	3,907,751
	261,660,623	112,224,457	110,611,488


John Jackson


Andrew Jackson

JETCON CORPORATION LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Nine Months ending September 30, 2016

	No of Shares	Share capital ₹	Capital reserves ₹	Retained earnings ₹	Total ₹
Balance at January 1, 2015	18,350	18,350	17,196,276	49,139,844	66,354,470
Total comprehensive income	-	-	-	27,597,414	27,597,414
Balance at September 30, 2015	18,350	18,350	17,196,276	76,737,258	93,951,884
Balance at January 1, 2016	18,350	18,350	17,196,276	89,489,111	106,703,737
Issue of shares	481,650	481,650	(481,650)	-	-
Stock split	149,500,000	-	-	-	-
Issue of shares	44,500,000	88,317,218	-	-	88,317,218
Total comprehensive income		-	-	66,639,668	66,639,668
Balance at September 30, 2016	194,500,000	88,817,218	16,714,626	156,128,779	261,660,623

JETCON CORPORATION LIMITED
STATEMENT OF CASH FLOWS
Nine Months ending September 30, 2016

	<u>Unaudited at September</u>		<u>Audited</u>
	2016	2015	Dec. 2015
	<u>\$</u>	<u>\$</u>	<u>\$</u>
CASH FLOWS WERE PROVIDED BY/ (USED IN):			
OPERATING ACTIVITIES			
Net profit after taxation	66,639,668	27,597,414	40,349,411
Item not affecting cash resources:	<u>675,000</u>	<u>637,500</u>	<u>971,881</u>
	<u>67,314,668</u>	<u>28,234,914</u>	<u>41,321,292</u>
Movements in working capital			
Inventories	(151,065,035)	(56,050,672)	(12,814,970)
Receivables	(15,413,541)	(1,390,429)	(4,209,872)
Parent company	(2,700,000)	4,239,921	(2,521,779)
Payables	65,928,065	1,363,185	(12,394,550)
Taxation	<u>(4,266,121)</u>	<u>6,837,907</u>	<u>4,965,946</u>
Decrease in net cash provided by operations	<u>(107,516,631)</u>	<u>(45,000,087)</u>	<u>(26,975,225)</u>
	<u>(40,201,963)</u>	<u>(16,765,173)</u>	<u>14,346,067</u>
FINANCING ACTIVITIES			
Issue of shares	88,317,218	-	-
Repayment of loans	<u>(9,973,187)</u>	<u>7,918,911</u>	<u>(8,828,386)</u>
Cash provided by financing activities	<u>78,344,031</u>	<u>7,918,911</u>	<u>(8,828,386)</u>
INVESTMENT ACTIVITIES			
Purchase of fixed assets	<u>(1,964,869)</u>	<u>-</u>	<u>(315,395)</u>
Cash used in investment activities	<u>(1,964,869)</u>	<u>-</u>	<u>(315,395)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	36,177,199	(8,846,262)	5,202,286
CASH AND CASH EQUIVALENT - Beginning of year	<u>4,080,023</u>	<u>(1,122,263)</u>	<u>(1,122,263)</u>
CASH AND CASH EQUIVALENT - End of year	<u><u>40,257,222</u></u>	<u><u>(9,968,525)</u></u>	<u><u>4,080,023</u></u>
REPRESENTED BY:			
Cash and bank balances	46,728,251	641,348	5,594,368
Bank overdraft	<u>(6,471,028)</u>	<u>(10,609,873)</u>	<u>(1,514,345)</u>
	<u><u>40,257,223</u></u>	<u><u>(9,968,525)</u></u>	<u><u>4,080,023</u></u>

Jetcon Corporation Limited

Notes to the Financial Statements For the Third quarter ending September 30, 2016

1. IDENTIFICATION

Jetcon Corporation Limited is incorporated and domiciled in Jamaica. Its registered office is situate 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 quarters, are based on the average number of shares issued during the quarter. 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.

