

Jetcon Corporation Limited

INTERIM RESULTS

First Quarter ended March 2017

Unaudited Financial Statements

Report of the Directors to Shareholders of **Jetcon Corporation Limited** **For the First quarter ending March 2017**

Jetcon Corporation, dealers of quality pre-owned cars, enjoyed another quarter of growth in revenues and profit for the first quarter of this year compared with the similar quarter in 2016. The performance continues the improvement experienced over the last two years.

Growth in Revenues - Revenues increased 75 percent to \$258.5 million compared to 55 percent in the first quarter ending March 2016. The growth for the quarter is in line with the increase in the December 2016 quarter, and slightly lower than the September quarter of 86 percent increase, but well ahead of the June 2016 quarter of 39 percent. The company enjoyed growth in gross margin during the quarter, from 18.5 percent to 20.7 percent and an increase of 138 percent in pretax profit, to \$37.3 million versus \$15.7 million in 2016. Earnings per share ended at 19 cents versus 7.5 cents last year.

Cost of sales for the 2016 quarter, was adjusted upward while some items in administrative expenses were reclassified to direct cost, the net result is downward revision to the profit, reported in our first quarter results released in 2016. There are also changes to inventories and amounts in receivables relating to amounts paid for goods in Transit.


Balance sheet - Inventory of motor vehicles and parts more than doubled since March 2016 and is up by \$51 million since December 2016, to reach \$292 million, a deliberate strategy to increase choice for customers and sales. We sell motor vehicles for cash and therefore have very low levels of receivables, Total receivables increased to just \$31 million which include amounts deposited with suppliers for goods.

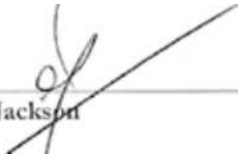
Outlook - Sales for the period after the quarter, continue to be ahead of 2016 with an increase of 52 percent and points to positive outcome for the June quarter, barring any unfavourable developments. With the strong increase in revenues for the second half of 2016, it is not possible to say with any amount of certainty, what the level of growth will be for the second half of the year.

Jetcon has not yet participated in the sale of motor vehicles to any government agencies to date but we note the government's continued commitment to the use pre-owned vehicles in the security service and other areas of their operations and look forward to opportunities to bid on any contract that may be available in the future.

The company's annual General Meeting is scheduled to be held on June 14 at 4:30 on the Knutsford Court Hotel in Kingston. Shareholders will be asked to approve amongst other things a 3 for 1 stock split.

The directors are also pleased to note that we paid an interim dividend of 7 cents in March.


John Jackson


Andrew Jackson

Chairman

Managing Director

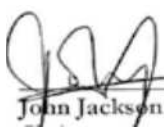

JETCON CORPORATION LIMITED
Statement of Comprehensive Income
First Quarter ending March 31, 2017

	1st Quarter		Audited
	2017	2016	2016
Revenues	258,499,118	148,040,207	857,044,456
Cost of Sales	<u>204,889,089</u>	<u>120,672,766</u>	<u>703,856,068</u>
Gross Profit	53,610,030	27,367,441	153,188,388
Other Operating Income	<u>73,489</u>	<u>3,500</u>	1,227,296
	<u>53,683,519</u>	<u>27,370,941</u>	<u>154,415,684</u>
EXPENSES			
Sales and Marketing	5,354,226	2,755,851	13,075,296
Administrative and other	10,817,177	8,524,799	36,319,037
Finance	<u>251,145</u>	<u>409,038</u>	1,851,856
	<u>16,422,548</u>	<u>11,689,688</u>	<u>51,246,189</u>
Profit Before Taxation	<u>37,260,971</u>	<u>15,681,253</u>	<u>103,169,495</u>
Taxation	<u>0</u>	<u>4,182,206</u>	<u>4,182,206</u>
Net Profit after Tax	37,260,971	11,499,047	98,987,289
Other comprehensive income:			
Fair Value Investment gains	<u>22,722</u>	<u>15,364</u>	<u>6,229</u>
Total comprehensive income	<u>\$37,283,693</u>	<u>11,514,411</u>	<u>98,993,518</u>
Earnings per share (Cents)	19.16	7.52	<u>54.00</u>

JETCON CORPORATION LIMITED
Statement of Financial Position
March 31, 2017

	<u>Unaudited</u>		<u>Audited</u>
	2017	2016	2016
ASSETS			
NON-CURRENT ASSETS:			
FIXED ASSETS	<u>35,832,095</u>	<u>31,520,497</u>	<u>35,827,423</u>
CURRENT ASSETS:			
Inventories	291,601,578	141,621,331	250,826,759
Receivables	31,422,868	23,063,049	35,698,274
Due from Parent	2,345,639	7,577,283	7,577,282
Investment	32,746	19,480	10,345
Cash and Cash Equivalents	<u>23,077,813</u>	<u>61,298,095</u>	<u>3,161,330</u>
Total Current Assets	<u>348,480,643</u>	<u>233,579,237</u>	<u>297,273,990</u>
CURRENT LIABILITIES:			
Payables	63,835,247	48,088,428	34,911,206
Taxation	0	954,319	1,520,155
Short Term Borrowings	<u>2,279,325</u>	<u>9,521,620</u>	<u>2,655,579</u>
Total Current Liabilities	<u>66,629,572</u>	<u>58,564,368</u>	<u>39,086,940</u>
NET CURRENT ASSETS	<u>281,851,071</u>	<u>175,014,869</u>	<u>258,187,050</u>
	<u>\$317,683,166</u>	<u>205,535,366</u>	<u>294,014,473</u>
SHAREHOLDERS EQUITY	<u>\$317,683,166</u>	<u>205,535,366</u>	<u>294,014,473</u>

Approved by the board of Directors of Directors on May 11, 2017

 John Jackson Chairman	 Andrew Jackson Managing Director
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JETCON CORPORATION LIMITED
Statement of Changes in Equity
First Quarter Ending March 31, 2017

	No. of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
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	88,317,218			88,317,218
Total Comprehensive Income for Period	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,514,411</u>	<u>11,514,411</u>
Balance at March 2016	<u>194,500,000</u>	<u>\$88,817,218</u>	<u>16,714,626</u>	<u>101,003,522</u>	<u>206,535,366</u>
Balance at December 2016	194,500,000	88,817,218	16,714,626	188,482,629	294,014,473
Dividend Paid				(13,615,000)	(13,615,000)
Total Comprehensive Income for Period				<u>37,283,693</u>	<u>37,283,693</u>
Balance at March 2017	<u>194,500,000</u>	<u>\$88,817,218</u>	<u>16,714,626</u>	<u>212,151,322</u>	<u>317,683,166</u>

JETCON CORPORATION LIMITED
Statement of Cash Flows
First Quarter Ending March 31, 2017

	2017	2,016
Cash Flows from operating activities		
Net Income	37,283,693	11,514,411
Non-Cash Items		
Depreciation	225,000	225,000
Other adjustments	<u>0</u>	<u>94,040</u>
Net Cash provided by Operations	<u>37,508,693</u>	<u>11,833,451</u>
Changes in working Capital	<u>(3,886,284)</u>	<u>(41,256,559)</u>
Cash Flows from Financing activities		
Issue of shares net		88,317,218
Dividend Payment	(13,615,000)	
Loans repaid net	<u>0</u>	<u>(4,608,524)</u>
Net cash used provided by investing activities	<u>(13,615,000)</u>	<u>83,708,694</u>
Investment Activity	(229,672)	(1,241,137)
Net increase in cash	19,777,737	53,044,450
Cash Balance at Beginning of Period	<u>505,751</u>	<u>4,080,023</u>
Cash Balance at End of Period	<u>\$20,283,488</u>	<u>57,124,473</u>
Represented by cash and equivalent		
Bank Overdraft	(2,794,325)	(4,173,623)
Cash and Bank balance	<u>23,077,813</u>	<u>61,298,095</u>
	<u>\$20,283,488</u>	<u>57,124,473</u>

Jetcon Corporation Limited

Notes to the Financial Statements

For the 1st quarter ending March 31, 2017

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, 2016 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 2017 quarter, is based on 194,500,000 shares issued during the quarter, and the average number of shares amounting to 156,357,143 for March 2016. The prior period reflects 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

The company opted to be listed on the junior market of the Jamaica Stock Exchange on the 24th of March 2016. 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. In March the company issued 44.5 million shares to the public, bringing the total issued shares to 194,500,000 units.

