

# Jetcon Corporation Limited

INTERIM RESULTS

**Third Quarter ending September 2017**

**Unaudited Financial Statements**

**Report of the Directors to Shareholders of  
Jetcon Corporation Limited  
For the third quarter  
ending September 2017**

Jetcon Corporation, dealers of quality pre-owned cars, enjoyed another quarter of strong growth in revenues and profit for the third quarter and for the nine months to September this year, compared to the similar periods in 2016. The 2017 performance continues the improvement experienced over the last two years.

**Growth in Revenues** - Revenues increased 24 percent to \$333 million in the September 2017 quarter compared to the same period last year and is up 45 percent in the Nine months to September this year over the same period in 2016. Gross profit margin improved from 16 percent in the 2016 quarter and 17 percent for the nine months period to 21 percent in the September 2017 quarter and for the year to date.


**Profit after tax** for the quarter grew by 60 percent to \$48.4 million, and is up 105 percent for the nine months to September, to \$128.7 million versus \$62.7 million in 2016.


The company effected a 3 for 1 stock split in the second quarter, resulting in 583.5 million shares in issue and earnings per share ended at 22 cents versus 13.9 cents last year, for the nine months to September.

**Balance sheet** - Inventory of motor vehicles and parts increased to \$339 million from \$227 million in September 2016, a deliberate strategy to increase choice for customers which is expected to grow sales. We sell motor vehicles on a cash on delivery basis and therefore have very low levels of receivables, however, total receivables increased to \$60 million which include amounts deposited with suppliers for goods in the course of delivery.

During the September quarter, the company acquired additional property that will allow for more space to store our motor vehicle inventory and greater facility to carry out servicing of vehicles.

**Outlook** – Orders for the period after the quarter, are ahead of 2016 by 60 percent and revenues for October are 56 percent ahead of 2016, accordingly, we are confident that the full year's results will show a strong increase over last year. You board expects the continuing growth to carry over into 2018, barring any unfavorable developments.

  
John Jackson

  
Andrew Jackson

Chairman



Managing Director

**JETCON CORPORATION LIMITED**  
**Statement of Comprehensive Income**  
**Third Quarter ending September 30, 2017**

	<u>3rd Quarter</u>		<u>9 months to September</u>	
	2017	2016	2017	2016
Revenues	333,221,011	268,137,106	886,547,467	611,114,348
Cost of Sales	<u>264,783,330</u>	<u>224,521,147</u>	<u>703,674,855</u>	<u>505,383,316</u>
Gross Profit	<u>68,437,681</u>	<u>43,615,959</u>	<u>182,872,612</u>	<u>105,731,032</u>
EXPENSES				
Sales and Marketing	6,268,985	3,573,593	17,389,401	9,696,465
Administrative	9,772,800	7,223,033	26,902,138	21,435,890
Other Operating Cost	3,993,984	2,437,497	9,804,245	6,749,979
Finance	<u>43,853</u>	<u>136,679</u>	<u>117,156</u>	<u>387,385</u>
	<u>20,079,622</u>	<u>13,370,802</u>	<u>54,212,940</u>	<u>38,269,719</u>
Profit Before Taxation	<u>48,358,059</u>	<u>30,245,157</u>	<u>128,659,672</u>	<u>67,461,313</u>
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,729,836</u>
Net Profit after Tax	48,358,059	30,245,157	128,659,672	62,731,477
Other comprehensive income:				
Fair Value Investment gains	<u>4,441</u>	<u>15,364</u>	<u>32,998</u>	<u>15,364</u>
<b>Total comprehensive income</b>	<u>\$48,362,500</u>	<u>30,260,521</u>	<u>128,692,670</u>	<u>62,746,841</u>
Earnings per share (Cents)	<u>8.29</u>	<u>5.18</u>	<u>22.05</u>	<u>11.34</u>

**JETCON CORPORATION LIMITED**  
**Statement of Financial Position**  
**September 30, 2017**

<b>ASSETS</b>	<b>Unaudited</b>		<b>Audited</b>
	<b>2017</b>	<b>2016</b>	<b>2016</b>
<b>NON-CURRENT ASSETS:</b>			
<b>FIXED ASSETS</b>	<u>65,995,389</u>	<u>31,745,171</u>	<u>35,827,423</u>
<b>CURRENT ASSETS:</b>			
Inventories	339,206,519	227,475,025	250,826,759
Due from Parent	2,345,639	7,577,282	7,577,282
Receivables	57,960,154	28,625,048	35,698,274
Investment	43,343	19,480	10,345
Cash and Cash Equivalents	<u>35,504,477</u>	<u>49,293,019</u>	<u>3,161,330</u>
Total Current Assets	<u>435,060,132</u>	<u>312,989,854</u>	<u>297,273,990</u>
<b>CURRENT LIABILITIES:</b>			
Payables	65,890,499	78,448,117	34,911,206
Taxation	0	2,424,849	1,520,155
Short Term Borrowings	<u>5,904,859</u>	<u>6,094,263</u>	<u>2,655,579</u>
Total Current Liabilities	<u>71,795,358</u>	<u>86,967,229</u>	<u>39,086,940</u>
NET CURRENT ASSETS	<u>363,264,774</u>	<u>226,022,625</u>	<u>258,187,050</u>
	<u>\$429,260,163</u>	<u>257,767,796</u>	<u>294,014,473</u>
LONG TERM LOANS	20,168,020	0	0
<b>SHAREHOLDERS' EQUITY</b>	<u>\$409,092,143</u>	<u>257,767,796</u>	<u>294,014,473</u>
	<u>\$429,260,163</u>	<u>257,767,796</u>	<u>294,014,473</u>


  
 John Jackson                      Andrew Jackson

Chairman

Managing Director

**JETCON CORPORATION LIMITED**  
**Statement of Changes in Shareholders' Equity**  
**September 30, 2017**

	<b>No. of Shares</b>	<b>Share Capital</b>	<b>Capital Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at December 2015</b>	16,515,000	18,350	17,196,276	89,489,111	106,703,737
<b>Issue of Bonus shares</b>	433,485,000	481,650	(481,650)		0
					0
<b>Issue of shares</b>	133,500,000	88,317,218			88,317,218
<b>Total Comprehensive Income for Period</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62,746,841</u>	<u>62,746,841</u>
<b>Balance at September 2016</b>	<u>583,500,000</u>	<u>\$88,817,218</u>	<u>16,714,626</u>	<u>152,235,952</u>	<u>257,767,796</u>
<b>Balance at December 2016</b>	583,500,000	88,817,218	16,714,626	188,482,629	294,014,473
<b>Dividend Paid</b>				(13,615,000)	(13,615,000)
<b>Total Comprehensive Income for Period</b>				<u>128,692,670</u>	<u>128,692,670</u>
<b>Balance at September 2017</b>	<u>583,500,000</u>	<u>\$88,817,218</u>	<u>16,714,626</u>	<u>303,560,299</u>	<u>409,092,143</u>

**JETCON CORPORATION LIMITED**  
**Statement of Cash Flows**  
**For Nine months to September 30, 2017**

	2017	2,016
<b>Cash Flows from operating activities</b>		
Net Income	128,659,672	62,731,477
Non-Cash Items		
Depreciation	675,000	675,000
Other adjustments	-	<u>701,095</u>
<b>Net Cash provided by Operations</b>	<u>129,334,672</u>	<u>64,107,572</u>
<b>Changes in working Capital</b>	<u>(75,950,859)</u>	<u>(96,201,907)</u>
Cash Flows from Financing activities		
Issue of shares net		88,317,218
Dividend Payment net	(13,615,000)	-
Bank advances net	0	
Taxation Paid	<u>0</u>	<u>(4,965,946)</u>
<b>Net cash used provided by Financing activities</b>	<u>(13,615,000)</u>	<u>83,351,272</u>
<b>Financing Activity</b>	<u>20,168,020</u>	-10,222,393
<b>Investment Activity</b>	<u>(30,842,966)</u>	<u>(1,915,811)</u>
<b>Net increase in cash</b>	29,093,867	39,118,733
Cash Balance at Beginning of Period	<u>505,751</u>	<u>4,080,023</u>
Cash Balance at End of Period	<u>\$29,599,618</u>	<u>43,198,756</u>
<b>Represented by cash and equivalent</b>		
Bank Overdraft	(5,904,859)	(6,094,263)
Cash and Bank balance	<u>35,504,477</u>	<u>49,293,019</u>
	<u>\$29,599,618</u>	<u>43,198,756</u>

# Jetcon Corporation Limited

## Notes to the Financial Statements

For the Third quarter ending September 30, 2017

### 1. IDENTIFICATION

Jetcon Corporation Limited is incorporated and domiciled in Jamaica. Its registered office is situated at 2 Sandringham Avenue, Kingston 10, Jamaica, WI. The Company is listed on the Junior Market of the Jamaica Stock Exchange. The principal activity 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 is based on 583,500,000 shares issued, and the average number of shares amounting to 519,493,151 for 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 was listed on the Junior Market of the Jamaica Stock Exchange on the 24<sup>th</sup> 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, and the issued capital was increased to 150 million shares. In March 2016, the company issued 44.5 million shares to the public, bringing the total issued shares to 194,500,000 units. During the second quarter of 2017, shareholders approved a 3 for 1 stock split resulting in the total number of shares issued to 583,500,000 units.