

Jetcon Corporation Limited

INTERIM RESULTS

First Quarter ended March 2019

Unaudited Financial Statements

Report of the Directors to Shareholders of Jetcon Corporation Limited For the First Quarter ended March 2019

Jetcon Corporation, dealers of quality pre-owned cars, ended a quarter of reduced profits and revenues for the first quarter in 2019, ended March 31st.

Revenues - Revenues decreased 19.5 percent, to \$246 million compared with \$306 million in the first quarter ended March 2018. The company experienced a decrease in gross margin, from 19 percent to 18 percent and a decrease of 66 percent in pretax profit, to \$15.2 million versus \$44.5 million in 2018. Earnings per share ended at 2.61 cents versus 7.62 cents last year.

Balance sheet - Inventory of motor vehicles and parts have increased to \$401 million, owing to the decline in sales not depleting stock as fast as expected. Total receivables amount to \$65 million which include amounts deposited with suppliers for goods.

Outlook – We attribute the fall in sales to customers realigning their finances to qualify for mortgages as the housing market gains strength and persons to go in search of houses. However we expect that some normality will return to the market soon. To date we have seen increased orders for cars for the month of May.

The company announced a dividend of 3 cents per share on April 29th, to be paid out on August 15th.



John Jackson

Chairman



Andrew Jackson

Managing Director

JETCON CORPORATION LIMITED
Statement of Comprehensive Income (unaudited)
First quarter ended March 31, 2019

	1st Quarter		<u>Audited</u>
	2019	2018	2018
REVENUES	246,066,503	305,943,749	1,161,472,587
Cost of Sales	<u>202,088,796</u>	<u>241,544,818</u>	<u>999,173,012</u>
Gross Profit	43,977,707	64,398,931	162,299,575
Other Operating Income	<u>0</u>	<u>44,273</u>	<u>935,257</u>
	<u>43,977,707</u>	<u>64,443,204</u>	<u>163,234,832</u>
EXPENSES			
Sales and Marketing	5,713,032	5,908,349	23,571,544
Administrative and other	17,947,551	11,055,826	44,945,546
Other Operating Expenses	5,094,233	2,398,998	0
Finance	<u>3,847</u>	<u>601,910</u>	<u>2,776,272</u>
	<u>28,758,663</u>	<u>19,965,083</u>	<u>71,293,362</u>
Profit Before Taxation	<u>15,219,044</u>	<u>44,478,121</u>	<u>91,941,470</u>
Taxation	-	-	(60,000)
Net Profit after Tax	15,219,044	44,478,121	91,881,470
Other comprehensive income:			
Fair Value Investment gains	-	<u>4,870</u>	<u>58,612</u>
Total comprehensive income	<u>\$15,219,044</u>	<u>44,482,991</u>	<u>91,940,082</u>
Earnings per share (Cents)	<u>2.61</u>	<u>7.62</u>	<u>15.75</u>


 John Jackson

Chairman

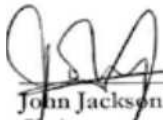
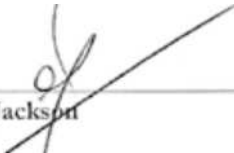

 Andrew Jackson

Managing Director

JETCON CORPORATION LIMITED
Statement of Financial Position
First Quarter ended March 31, 2019

ASSETS	Unaudited		Audited
	2019	2018	2018
NON-CURRENT ASSETS:			
FIXED ASSETS	<u>84,228,841</u>	<u>69,996,245</u>	<u>81,903,972</u>
CURRENT ASSETS:			
Inventories	401,519,943	335,626,240	434,648,425
Receivables	65,266,825	83,458,772	32,813,588
Investments	104,390	50,648	104,390
Due from Parent	2,345,639	2,345,639	2,345,639
Cash and Equivalents	5,722,139	<u>26,443,701</u>	<u>11,046,798</u>
Total Current Assets	<u>474,958,936</u>	<u>447,925,000</u>	<u>480,958,840</u>
CURRENT LIABILITIES:			
Payables	14,166,086	32,849,624	53,564,128
Short Term Borrowings	25,250,809	<u>6,367,239</u>	<u>4,746,845</u>
Total Current Liabilities	<u>39,416,895</u>	<u>39,216,863</u>	<u>58,310,973</u>
NET CURRENT ASSETS	435,542,041	408,708,137	422,647,867
LONG TERM LIABILITY		<u>0</u>	<u>0</u>
	<u>519,770,882</u>	<u>478,704,382</u>	<u>504,551,839</u>
SHAREHOLDERS EQUITY	<u>\$519,770,882</u>	<u>478,704,382</u>	<u>504,551,838</u>

Approved by the Board of Directors on May 14, 2019

 John Jackson Chairman	 Andrew Jackson Managing Director
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JETCON CORPORATION LIMITED
Statement of Cash Flows
First Quarter ended March 31, 2019

	2019	2018
Cash Flows from operating activities		
Net Income	15,219,044	44,482,991
Non-Cash Items		
Depreciation	140,000	420,000
Other adjustments	<u>-</u>	<u>-</u>
Net Cash provided by Operations	<u>15,359,044</u>	<u>44,902,991</u>
Changes in working Capital	<u>(38,722,797)</u>	<u>(18,923,195)</u>
Cash Flows from Financing activities		
Dividend Payment	-	
Loans repaid net	<u>-</u>	<u>(19,054,235)</u>
Net cash used provided by investing activities	<u>-</u>	<u>(19,054,235)</u>
Investment Activity	(2,464,870)	(1,692,124)
Net increase in cash	-25,828,623	5,233,437
Cash Balance at Beginning of Period	<u>6,299,953</u>	<u>14,843,025</u>
Cash Balance at End of Period	<u><u>-\$19,528,670</u></u>	<u><u>20,076,462</u></u>
Represented by cash and equivalent		
Bank Overdraft	(25,250,809)	(6,367,239)
Cash and Bank balance	<u>5,722,139</u>	<u>26,443,701</u>
	<u><u>-\$19,528,670</u></u>	<u><u>20,076,462</u></u>

Jetcon Corporation Limited
Statement of Shareholders' equity
March 31, 2019

	No. of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
Balance at December 2017	194,500,000	88,817,218	16,756,288	328,647,885	434,221,391
Total Comprehensive Income for Period	0	0	0	44,482,991	44,482,991
Dividend Paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance at March 2018	<u>194,500,000</u>	<u>\$88,817,218</u>	<u>16,756,288</u>	<u>373,130,876</u>	<u>478,704,382</u>
Balance at December 2018	194,500,000	88,817,218	16,814,900	398,919,720	504,551,838
Total Comprehensive Income for Period				<u>15,219,044</u>	<u>15,219,044</u>
Balance at March 2019	<u>194,500,000</u>	<u>\$88,817,218</u>	<u>16,814,900</u>	<u>414,138,764</u>	<u>519,770,882</u>

Jetcon Corporation Limited

Notes to the Financial Statements

For the First quarter ending March 31, 2019

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.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

The interim financial report for the reporting period ended September 30, 2018 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'.

Changes in significant accounting policies relevant to the company's operations:

IFRS 9, Financial instruments replaces the provisions of IAS 39 that relates to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, and impairment of financial assets. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' [ECL], which means that a loss event will no longer need to occur before an impairment allowance is recognised. The impact of the application of **IFRS 9** is not considered material to the company's disclosure. The immateriality disclosure exemption under IAS 1 'Presentation of Financial Statements', has been applied.

The company applies the simplified approach permitted by **IFRS 9**, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using the ECL. As a practical expedient, a provision matrix is utilized in determining the lifetime ECLs for trade receivables.

The adoption of **IFRS 9** from January 1, 2018 resulted in no adjustments to the comparative figures presented in the financial statements. Further, as stated above, the immateriality exemption under IAS 1 'Presentation of Financial Statements', has been applied.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (continued)

BASIS OF PREPARATION

(b) Property, plant and equipment

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

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

3. EARNINGS PER SHARE

Earnings per share is based on 583,500,000 shares issued.

4. 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 and in 2018 the shares were split into 3 and brought the issued capital to 583,500,000 units.