

Jetcon Corporation Limited

INTERIM RESULTS

Second Quarter ended June 2023



Unaudited Financial Statements Revised

JETCON CORPORATION LIMITED

FINANCIAL REPORTS

Second Quarter Ended June 30, 2023

Contents

	<u>Page #</u>
Report of the Directors to Shareholders of Jetcon Corporation Limited	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Cash Flows	4
Statement of Shareholders' Equity	5
Notes to the Financial Statements	6

Report of the Directors to Shareholders of Jetcon Corporation Limited For the Second Quarter Ended June 2023

Jetcon's Statement of comprehensive income for the second quarter ended June 30, 2023 shows a loss of 3.50 million dollars. This is due to prudent fiscal policy adopted by the company in the month of April 2023 which saw the company disposing of 10 vehicles which it carried on the books that were hemorrhaging in value. If these vehicles were sold at market value the company's profit would have been \$8.99 Million.

Jetcon Corporation ended the second quarter of 2023 with revenue decreasing 27 percent, to \$184 million, compared with the same period in 2022 and 28 percent for the half year to \$363 million. This was mostly due to increased rates by the Bank of Jamaica which saw lenders preferring to invest available funds with the Bank of Jamaica rather than lending to those wishing to purchase vehicles.

Cost of Sales relatively remained constant.

We are in the process of lobbying with the Jamaican government in hopes of reversing the Bank of Jamaica policy.

With total inventories at \$367 million we continue to have an adequate supply of vehicles with a small stock of EV units, to meet the needs of customers who want these units.

Receivables include \$82 million in deposits to miscellaneous suppliers for capital and revenue expenditures.

Despite the setbacks for the first 6 months the company remains a viable going concern.



John Jackson

Chairman



Andrew Jackson

Managing Director

JETCON CORPORATION LIMITED

Statement of Comprehensive Income

Second Quarter Ended June 30, 2023

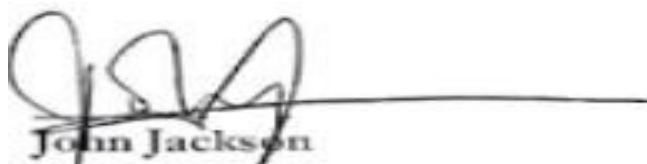
	<u>2nd Quarter</u>		<u>6 months to June</u>		<u>Audited 12</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>Months</u>
	<u>2022</u>				
Revenues	183,751,521	251,582,907	363,458,321	506,411,812	1,037,200,634
Cost of Sales	168,856,453	219,377,628	322,964,712	434,474,819	891,951,183
Gross Profit	14,895,067	32,205,279	40,493,608	71,936,993	145,249,451
Expenses					
Sales and Marketing	4,847,780	6,702,079	10,358,194	14,701,174	25,688,607
Administrative and Other	10,851,891	17,532,644	29,120,426	34,466,152	73,320,834
Other Operating Expenses	2,477,315	3,733,252	6,188,451	8,586,312	12,204,443
Finance	214,466	51,134	83,284	51,423	5,276,108
	18,391,452	28,019,109	45,750,355	57,805,061	116,489,992
Profit Before Taxation	(3,496,385)	4,186,170	(5,256,747)	14,131,932	28,759,459
Taxation	-	-	-	-	(4,003,475)
Net Profit after Tax	(3,496,385)	4,186,170	(5,256,747)	14,131,932	24,755,984
Other Comprehensive Income:					
Fair Value Investment Gains					9,643
Total Comprehensive Income	(3,496,385)	4,186,170	(5,256,747)	14,131,932	24,765,627
Earnings Per Share (cents)	(0.60)	0.72	(0.90)	2.42	4.24

JETCON CORPORATION LIMITED

Statement of Financial Position

As At June 30, 2023

	Unaudited	Unaudited	Audited
	<u>Jun-23</u>	<u>2022</u>	<u>December 2022</u>
ASSETS			
NON-CURRENT ASSETS:			
Property, Plant & Equipment	<u>202,877,064</u>	<u>168,574,211</u>	<u>161,371,226</u>
CURRENT ASSETS:			
Inventories	367,178,573	365,846,064	392,706,022
Receivables	119,712,863	78,607,883	60,788,230
Due From Parent	20,345,639	20,345,639	20,345,639
Investment	86,472	86,472	86,472
Cash and Equivalents	<u>16,564,169</u>	<u>18,036,658</u>	<u>6,535,346</u>
Total Current Assets	523,887,716	482,922,716	480,461,709
CURRENT LIABILITIES:			
Payables	78,191,134	35,880,188	51,507,789.00
Right of Use Liability	22,365,395	15,357,718	9,475,144.00
Short Term Borrowings	<u>51,911,538</u>	<u>30,115,877</u>	<u>1,296,542.00</u>
Total Current Liabilities	152,468,067	81,353,783	62,279,475
NET CURRENT ASSETS	371,419,649	401,568,933	418,182,234
Rights of Use long Term Liability	-	-	-
	<u>574,296,713</u>	<u>570,143,144</u>	<u>579,553,460</u>
SHAREHOLDERS' EQUITY	<u>574,296,713</u>	<u>570,143,144</u>	<u>579,553,460</u>



John Jackson

Chairman



Andrew Jackson

Managing Director

JETCON CORPORATION LIMITED

Statement of Cash Flows


Second Quarter Ended June 30, 2023

	<u>2023</u>	<u>2022</u>
Cash Flows from operating activities		
Net Income	(5,256,747)	14,131,932
<u>Non-Cash Items</u>		
Depreciation	10,434,859	10,166,859
Other adjustments	27,000	(1,006,538)
Net Cash provided by Operations	<u>5,205,112</u>	<u>23,292,253</u>
Changes in working capital	<u>6,884,130</u>	(76,573,217)
Cash Flows from Financing activities		
Loans repaid net	(2,060,419)	(7,007,677)
Net cash used provided by investing activities	(2,060,419)	(7,007,677)
Investment activity	-	(5,112,505)
Cash used in financing operations	<u>10,028,823</u>	<u>(65,401,146)</u>
Cash Balance at Beginning of Period	<u>6,535,346</u>	<u>53,321,927</u>
Cash Balance at End of Period	<u>16,564,169</u>	<u>(12,079,219)</u>
Represented by cash and equivalent		
Bank Overdraft	-	(30,115,877)
Cash and Bank balance	<u>16,564,169</u>	<u>18,036,658</u>
	<u>16,564,169</u>	<u>(12,079,219)</u>

JETCON CORPORATION LIMITED

Statement of Shareholders' Equity Second Quarter Ended June 30, 2023

	No. of Shares	Share Capital	Capital Reserve	Retained Earnings	Total
Balance at December 2021	194,500,000	88,817,218	16,787,339	450,406,656	556,011,213
Total Comprehensive Income for Period				24,755,984	24,755,984
Prior year adjustments				(1,223,380)	(1,223,380)
Increase in fair value of investments			9,643		9,643
Balance at December 2022	194,500,000	88,817,218	16,796,982	473,939,260	579,553,460
Balance at December 2022	194,500,000	88,817,218	16,796,982	473,939,260	579,553,460
Total Comprehensive Income for Period				(5,256,747)	(5,256,747)
Prior year adjustments					-
Increase in fair value of investments					-
Balance at June 2023	194,500,000	88,817,218	16,796,982	468,682,513	574,296,713


John Jackson

Chairman


Andrew Jackson

Managing Director

Jetcon Corporation Limited

Notes to the Financial Statements

Second Quarter Ended June 30, 2023

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 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 June 30, 2023 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

(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.