

Jetcon Corporation Limited

INTERIM RESULTS

First Quarter ended March 2021

Unaudited Financial Statements (Revised)

Report of the Directors to Shareholders of

Jetcon Corporation Limited

For the First Quarter ending March 2021

Jetcon Corporation ended the first quarter of 2021 with a decrease in profit compared with the same period of 2020 due to the continued effects of the Covid-19 pandemic.

In 2020 Jetcon started to feel the effects of the disruptions to the economy caused by the pandemic. While we are beginning to see recovery in our operations our first quarter results show we are not yet back to normal levels resulting in moderate decline in sales of vehicles, with revenue for the quarter declining 11 percent, from \$228 million to \$202 million for the first quarter of 2020.

The company ended the quarter with a small net profit of \$494 thousand dollars, down from \$10.3 million for the same period in 2020.

One of the areas we focused on during the past year is the reduction of our inventories, which now total \$375 million, down from \$477 million a year ago; we also paid off loans that was on our books. Receivables amounted to \$63 million, down from \$85 million in the same period last year. The receivables includes amounts deposited with suppliers for purchase of vehicles.

Despite the challenges Jetcon continues to maintain a strong financial position, and with vaccinations starting, and new cases decreasing, we expect business to continue recovering as the Government eases restrictions. We are pleased that orders for vehicles are up from the last quarter levels which bodes well for the upcoming periods.

Management takes this opportunity to thanks the staff, customers and shareholders for their continued resilience in these challenging times.


John Jackson

Chairman


Andrew Jackson


Managing Director

JETCON CORPORATION LIMITED
Statement of Comprehensive Income
First Quarter Ending March 31, 2021

	<u>1st Quarter</u>		<u>Audited</u>
	2021	2020	2020
			-
REVENUES	202,033,914	227,758,801	630,463,230
Cost of Sales	<u>176,886,531</u>	191,129,120	548,483,052
Gross Profit	<u>25,147,383</u>	36,629,681	81,980,178
EXPENSES			
Sales and Marketing	5,659,940	7,101,199	21,588,490
Administrative and Other	14,657,946	14,599,807	43,535,275
Other Operating Expenses	3,614,815	3,709,958	17,604,086
Finance costs	<u>720,750</u>	<u>909,551</u>	<u>5,987,176</u>
Total Expenses	<u>24,653,451</u>	<u>26,320,515</u>	<u>88,715,027</u>
Profit Before Taxation	493,932	10,309,166	(6,734,849)
Taxation	0	0	0
Net Profit After Taxation	493,932	10,309,166	(6,734,849)
Other comprehensive Income			
Fair Value Investment Gain	0	0	(27,174)
Total comprehensive Income	<u>\$493,932</u>	<u>10,309,166</u>	<u>(6,762,023)</u>
Earnings Per Share (\$)	<u>\$0.001</u>	<u>0.018</u>	<u>(0.012)</u>

JETCON CORPORATION LIMITED
Statement of Financial Position
First Quarter Ending March 31, 2021

	<u>1st Quarter Unaudited</u>		<u>Audited</u>
	2021	2020	2020
ASSETS			
NON-CURRENT ASSETS:			
Fixed Assets	138,956,019	140,624,760	137,932,195
Lease Right- of-use asset	35,971,196	-	39,810,625
Quoted Investment	<u>68,479</u>	<u>93,309</u>	<u>66,135</u>
	<u>174,995,693</u>	<u>140,718,069</u>	<u>177,808,955</u>
CURRENT ASSETS:			
Inventories	374,897,993	477,725,243	391,858,946
Receivables	62,822,373	84,980,985	45,572,477
Due from Parent	10,345,639	2,345,639	8,345,639
Cash and Equivalents	<u>13,334,093</u>	<u>3,635,290</u>	<u>26,357,714</u>
Total Current Assets	<u>461,400,098</u>	<u>568,687,157</u>	<u>472,134,776</u>
TOTAL ASSETS	<u>636,395,791</u>	<u>709,405,226</u>	<u>649,943,731</u>
CURRENT LIABILITIES:			
Payables	45,273,522	78,547,841	53,938,220
Short Term Portion of Long Term Liability	15,719,613	46,181,919	10,377,480
Right of Use Liability	<u>15,357,718</u>	<u>-</u>	<u>15,357,718</u>
Total Current Liabilities	<u>76,350,853</u>	<u>124,729,760</u>	<u>79,673,418</u>
NET CURRENT ASSETS	<u>385,049,245</u>	<u>443,957,397</u>	<u>392,461,358</u>
NON CURRENT LIABILITIES			
Long Term Liability	-	27,026,548	6,879,877
Right of Use Liability	<u>18,973,278</u>	<u>-</u>	<u>22,812,707</u>
Total Non Current Liabilities	<u>18,973,278</u>	<u>27,026,548</u>	<u>29,692,584</u>
	<u>\$541,071,661</u>	<u>557,648,918</u>	<u>540,577,729</u>
SHAREHOLDERS EQUITY	<u>\$541,071,661</u>	<u>557,648,918</u>	<u>540,577,729</u>


 John Jackson

Chairman


 Andrew Jackson

Managing Director

JETCON CORPORATION LIMITED
Statement of Cash Flows
Second Quarter Ending June 30 2021

	2021	2020
Cash Flow from Operating Activities		
Net Income	493,932	10,309,166
Non-Cash Item		
Depreciation	900,000	420,000
Lease Right- of-use asset	3,839,430	0
Other adjustments	<u>(422,525)</u>	<u>0</u>
Net Cash Provided by Operations	4,810,837	10,729,166
Changes in Working Capital	<u>(10,953,641)</u>	<u>(46,921,932)</u>
	<u>(6,142,804)</u>	<u>(36,192,766)</u>
Financing Activities		
Loan Repaid Net	<u>(17,257,357)</u>	<u>34,467,975</u>
Net cash Flows from Financing Activities	<u>(17,257,357)</u>	<u>34,467,975</u>
Investment Activity	<u>(5,343,073)</u>	<u>(5,315,292)</u>
	<u>(5,343,073)</u>	<u>(5,315,292)</u>
Net Increase in Cash and cash equivalent	<u>(28,743,234)</u>	<u>(7,040,083)</u>
Cash Balance at Beginning of Period	<u>26,357,714</u>	<u>10,675,373</u>
Cash Balance as End of Period	<u>(\$2,385,520)</u>	<u>3,635,290</u>
Represented by cash and equivalent		
Net cash and cash equivalent	<u>(\$2,385,520)</u>	<u>3,635,290</u>

JETCON CORPORATION LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FIRST QUARTER ENDING MARCH 31, 2021

	No. of Shares	Share capital	Capital reserves	Retained earnings	Total
<u>First quarter to March 31, 2020</u>					
Balance as at December 31, 2019	583,500,000	88,817,218	16,803,819	441,718,715	547,339,752
Total comprehensive income:	-	-	-	<u>10,309,166</u>	<u>10,309,166</u>
Balance as at March 31, 2020	<u>\$583,500,000</u>	<u>88,817,218</u>	<u>16,803,819</u>	<u>452,027,881</u>	<u>557,648,918</u>
<u>First quarter to March 31, 2021</u>					
Balance as at December 31, 2020	583,500,000	88,817,218	16,776,645	434,983,866	540,577,729
Total comprehensive income:	-	-	-	<u>493,932</u>	<u>493,932</u>
Balance as at March 31, 2021	<u>\$583,500,000</u>	<u>88,817,218</u>	<u>16,776,645</u>	<u>435,477,798</u>	<u>541,071,661</u>

Jetcon Corporation Limited

Notes to the Financial Statements

For the First Quarter ending March 31, 2021

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 March 31, 2021 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.

Jetcon Corporation Limited
Notes to the Financial Statements
For the First quarter ending March 31, 2021

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 total number of shares issued amounts to 583,500,000 units for 2020 and 2021.