



[Company No.: 200501009101 (686148-A)]

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 MARCH 2020**

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	(Unaudited) Current Quarter 31.3.20 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.3.19 RM'000	(Unaudited) Current Year To Date 31.3.20 RM'000	(Unaudited) Preceding Year Corresponding Period 31.3.19 RM'000
Revenue	48,537	60,562	48,537	60,562
Cost of sales	<u>(40,639)</u>	<u>(44,216)</u>	<u>(40,639)</u>	<u>(44,216)</u>
Gross profit	7,898	16,346	7,898	16,346
Other operating income	666	971	666	971
Administrative expenses	<u>(1,648)</u>	<u>(5,679)</u>	<u>(1,648)</u>	<u>(5,679)</u>
Operating profit	6,916	11,638	6,916	11,638
Finance costs	<u>(544)</u>	<u>(561)</u>	<u>(544)</u>	<u>(561)</u>
Profit before tax	6,372	11,077	6,372	11,077
Tax expenses	<u>(1,084)</u>	<u>(2,689)</u>	<u>(1,084)</u>	<u>(2,689)</u>
Total comprehensive income for the period	<u>5,288</u>	<u>8,388</u>	<u>5,288</u>	<u>8,388</u>
Profit/(loss) attributable to:				
-Owners of the parent	5,288	8,388	5,288	8,388
-Non-controlling interests ("NCI")	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,288</u>	<u>8,388</u>	<u>5,288</u>	<u>8,388</u>
Earnings per share attributable to owners of the parent (sen):				
- Basic	<u>0.95</u>	<u>1.43</u>	<u>0.95</u>	<u>1.43</u>

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report.

* Negligible

JHM CONSOLIDATION BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At End of Current Year to Date 31.3.20 RM'000	(Audited) At End of Preceding Financial Year 31.12.19 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	92,900	88,441
Right-of-use assets	2,620	2,819
Goodwill on Consolidation	21,532	21,532
	<u>117,052</u>	<u>112,792</u>
Current assets		
Inventories	33,104	31,239
Trade receivables	95,830	103,401
Other receivables, deposits and prepayments	2,934	3,774
Tax recoverable	255	158
Cash and cash equivalents	44,955	54,446
	<u>177,078</u>	<u>193,018</u>
TOTAL ASSETS	<u>294,130</u>	<u>305,810</u>
EQUITY AND LIABILITIES		
Share capital	113,231	113,231
Retained profits	106,648	104,148
Capital reserve	(15,957)	(15,957)
	<u>203,922</u>	<u>201,422</u>
Non controlling interests	500	-
Total equity	<u>204,422</u>	<u>201,422</u>
Non-current liabilities		
Borrowings	22 34,687	33,682
Lease liabilities	1,665	1,814
Deferred tax liabilities	1,149	1,141
	<u>37,501</u>	<u>36,637</u>
Current liabilities		
Trade payables	26,137	25,394
Contract liabilities	121	251
Other payables and accruals	11,695	14,656
Borrowings	22 12,756	24,547
Lease liabilities	649	672
Refund liabilities	-	83
Tax payables	849	2,148
	<u>52,207</u>	<u>67,751</u>
Total liabilities	<u>89,708</u>	<u>104,388</u>
TOTAL EQUITY AND LIABILITIES	<u>294,130</u>	<u>305,810</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) At End of Current Year to Date 31.3.20 RM'000	(Audited) At End of Preceding Financial Year 31.12.19 RM'000
Net assets per share (RM)	<u>0.37</u>	<u>0.36</u>

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report.

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JHM CONSOLIDATION BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	----- Attributable to the owners of the parent -----				Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Retained Profits RM'000			
Balance as at 1 January 2020	113,231	-	(15,957)	104,148	201,422	-	201,422
Total comprehensive income for the period	-	-	-	5,288	5,288	-	5,288
<i>Transaction with owners:</i>							
Issuance of share to Non-controlling interest of a subsidiary	-	-	-	-	-	500	500
Dividend Paid	-	-	-	(2,788)	(2,788)	-	(2,788)
Balance as at 31 March 2020	<u>113,231</u>	<u>-</u>	<u>(15,957)</u>	<u>106,648</u>	<u>203,922</u>	<u>500</u>	<u>204,422</u>
Balance as at 1 January 2019	113,231	-	(15,957)	84,834	182,108	-	182,108
Total comprehensive income for the period	-	-	-	8,388	8,388	-	8,388
<i>Transaction with owners:</i>							
Dividend Paid	-	-	-	(2,788)	(2,788)	-	(2,788)
Balance as at 31 March 2019	<u>113,231</u>	<u>-</u>	<u>(15,957)</u>	<u>90,434</u>	<u>187,708</u>	<u>-</u>	<u>187,708</u>

Note:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report.

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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Current Year To Date 31.3.20 RM'000	(Unaudited) Preceding Year Corresponding Period 31.3.19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,372	11,077
Adjustments for:		
-Non cash items	(1,690)	3,636
-Interest expense	516	540
-Interest income	(125)	(354)
Operating profit before working capital changes	5,073	14,899
Decrease/(Increase) in inventories	(1,247)	(4,025)
Increase in receivables	12,979	1,777
(Decrease)/Increase in payables	(3,229)	(7,812)
Cash generated from operations	13,576	4,839
Net income tax paid	(2,463)	(1,095)
Interest paid	(516)	(540)
Net cash generated from operating activities	10,597	3,204
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	125	354
Proceed from disposal of property, plant and equipment	3	33
Purchase of property, plant and equipment*	(3,459)	(1,114)
Net cash used in investing activities	(3,331)	(727)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase loans	(1,392)	(1,356)
Payment of lease liabilities	(200)	(160)
Repayment of trade financing	(10,883)	(101)
Repayment of term loans	(605)	(266)
Proceeds from issuance of share to NCI of a subsidiary	500	-
Payment of Dividend	(2,788)	(2,788)
Net cash from financing activities	(15,368)	(4,671)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,102)	(2,194)
CASH AND CASH EQUIVALENTS AT BEGINNING	45,480	45,236
CASH AND CASH EQUIVALENTS AT END	37,378	43,042
The cash and Cash equivalents are represented by:		
Cash and cash equivalents	44,955	49,326
Less: Fixed deposits pledged to licensed bank	(5,005)	(4,848)
	39,950	44,478
Less: Bank overdraft	(2,572)	(1,436)
	37,378	43,042

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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	(Unaudited)
	Current Year	Preceding Year
	To Date	Corresponding
	31.3.20	Period
	RM'000	31.3.19
	RM'000	RM'000
* Purchase of property, plant and equipment		
Total acquisition cost	6,942	1,244
Acquired under finance lease	(3,483)	(130)
Total cash acquisition	<u><u>3,459</u></u>	<u><u>1,114</u></u>

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this report.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2020**

1. Basis Of Preparation

The condensed consolidated interim financial statements ("Report") are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to this Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

The accounting policies adopted for this Report are consistent with those of the last audited financial statements for the financial year ended ("FYE") 31 December 2019.

The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior and current years or changes in comparatives.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the FYE 31 December 2019 were not subject to any audit qualification.

3. Seasonality or Cyclical Factors

The Group's operations were not materially affected by any major seasonal or cyclical changes during the financial year and the current quarter under review.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or exceptional items for the current quarter to date under review.

5. Material Changes in Estimates of Amounts Reported

There were no material changes in the estimates used for the preparation of this interim financial report.

6. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

7. Dividend Paid

The Company had declared the fourth interim single tier dividend of 0.5 cents per share amounting to RM2,788,000 in respect of the financial year ended 31 December 2019 which was paid on 31 March 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2020

8. Segmental Information

Segmental information is presented in respect of the Group's business segments.

Results for the Year-To-Date ended 31 March 2020

	< ----- Manufacturing ----- >			Investment Holding RM'000	Adjustment RM'000	Total RM'000
	Automotive RM'000	Industrial RM'000	Others RM'000			
Segment Revenue						
Revenue from external customers	28,609	19,650	75	203	-	48,537
Inter-segment revenue	3,369	371	-	129	(3,869)	-
Total revenue	<u>31,978</u>	<u>20,021</u>	<u>75</u>	<u>332</u>	<u>(3,869)</u>	<u>48,537</u>
Segment Results	5,200	2,341	(614)	(136)	-	6,791
Interest income						125
Interest expense						(544)
Profit before tax						6,372
Tax expenses						(1,084)
Net profit for the period						<u>5,288</u>

Results for the Year-To-Date ended 31 March 2019

	< ----- Manufacturing ----- >			Investment Holding RM'000	Adjustment RM'000	Total RM'000
	Automotive RM'000	Industrial RM'000	Others RM'000			
Segment Revenue						
Revenue from external customers	41,203	18,974	61	324	-	60,562
Inter-segment revenue	3,736	623	-	2,129	(6,488)	-
Total revenue	<u>44,939</u>	<u>19,597</u>	<u>61</u>	<u>2,453</u>	<u>(6,488)</u>	<u>60,562</u>
Segment Results	9,888	2,003	(392)	(236)		11,263
Interest income						354
Interest expense						(540)
Profit before tax						11,077
Tax expenses						(2,689)
Net profit for the period						<u>8,388</u>

9. Valuation of Property, Plant and Equipment

There has been no revaluation of property, plant and equipment during the quarter ended 31 March 2020.

As at 31 March 2020, all property, plant and equipment were stated at cost less accumulated depreciation.

10. Significant Events After the Reporting Period

There were no significant events subsequent to the end of the current quarter under review and up to the date of this announcement, except for the Movement Control Order ("MCO") that implemented by Malaysia government on 18 March 2020 in response to the COVID-19 pandemic in the country.

On 26 March 2020, subsidiary that located at Kulim, namely Mace Instrumentation Sdn Bhd received approval from Ministry of International Trade and Industry ("MITI") to operate at 20% of its headcount capacity. The operation remain halted for rest of the subsidiaries from 18 March 2020 until mid of April 2020. All the subsidiaries were allowed to operate at 50% headcount capacity starting from mid of April 2020 and full capacity starting from 29 April 2020 under strict Standard Operating Procedures ("SOP").

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR FIRST QUARTER ENDED 31 MARCH 2020**

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

12. Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2019.

13. Capital Commitments

Authorised and contracted but not provided for :	RM'000
Purchase of property, plant and equipment	<u>16,000</u>

14. Review of Results for the Quarter and Year to Date

	Current Quarter & Year To-Date 31.03.2020	Preceding Year Corresponding Period 31.03.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	48,537	60,562	(12,025)	-19.86%
Operating profit	6,916	11,638	(4,722)	-40.57%
Profit before tax	6,372	11,077	(4,705)	-42.48%
Profit after tax ("PAT")	5,288	8,388	(3,100)	-36.96%
Profit attributable to ordinary equity holders of the parent	5,288	8,388	(3,100)	-36.96%

The Group posted a revenue and PAT of RM48.54 million and RM5.29 million respectively in the financial period ended 31 March 2020 ("FPE 2020"). This represent a decrease in revenue and PAT of 19.86% and 36.96% respectively compared to the Financial period ended 31 March 2019 ("FPE 2019").

The Group recorded lower revenue for the quarter under review as compared with the corresponding quarter last year. This was mainly attributable to the softening of demand in the automotive segment, raw material supply chain disruption due to lockdown in China from January 2020 onwards and the implementation of MCO in Malaysia on 18 March 2020.

Lower revenue coupled by the unabsorbed overheads during MCO period has resulted in lower PAT for the current quarter under review as compared to the corresponding quarter last year.

15. Comparison With Immediate Preceding Quarter's Results

	INDIVIDUAL QUARTER			
	31.3.20	31.12.19	Changes	
	RM'000	RM'000	RM'000	%
Revenue	48,537	69,893	(21,356)	-30.56%
Operating profit	6,916	11,375	(4,459)	-39.20%
Profit before tax ("PBT")	6,372	10,748	(4,376)	-40.71%
Profit after tax ("PAT")	5,288	7,734	(2,446)	-31.63%
Profit attributable to ordinary equity holders of the parent	5,288	7,734	(2,446)	-31.63%

The Group posted revenue and PAT of RM48.54 million and RM5.29 million respectively for the current quarter under review as compared to the revenue and PAT of RM69.89 million and RM7.73 million respectively for the immediate preceding quarter. The lower revenue was mainly due to raw materials supply chain being affected by the lockdown in China from January 2020 onwards and followed by the implementation of MCO in Malaysia on 18 March 2020. The disruption of the production activities during MCO has resulted lower PAT for the current quarter under review.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2020**

16. Statement of Financial Position review

	As at	As at	Changes	
	31.3.20	31.12.19		
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	92,900	88,441	4,459	5.04%
Borrowings	47,443	58,229	(10,786)	-18.52%

Property, plant and equipm

The increase was mainly due to the capital expenditure incurred for industrial segment.

Borrowings

Total borrowing recorded 18.52% decrease mainly due to settlement of short term borrowing by using internal generated fund.

17. Statement of Cash Flow review

	As at	As at	Changes	
	31.3.20	31.3.19		
	RM'000	RM'000	RM'000	%
Net cash generated from operating activities	10,597	3,204	7,393	230.74%
Net cash used in investing activities	(3,331)	(727)	(2,604)	358.18%
Net cash used in financing activities	(15,368)	(4,671)	(10,697)	229.01%

Operating activities

The Group's net cash generated from operating activities had improved from RM3.20 million for FPE 2019 to RM10.61 million for FPE 2020. This was mainly due to the collection from customers.

Investing activities

The net cash outflow in investing activities was mainly due to the acquisition of property, plant and equipment.

Financing activities

The net cash outflow in financing activities was mainly attributable from the payment of dividend and repayment of trade financing of RM10.88 million.

18. Commentary on Prospects

Despite disruption of manufacturing activities during MCO period which has impacted the financial performance for the first half of the financial year ending 2020. However, the manufacturing activities has returned to normal when MITI lifted the cap on the headcount utilisation at the end of April.

We remain optimistic for the period ahead as we have seen the demand in automotive and industrial segment has rebounded when US and Europe gradually reopens and production halts lifted.

19. Profit Forecast or Profit Guarantee

Not applicable as no profit forecast or profit guarantee was announced or published.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2020

20. Tax expenses

	Current Year Quarter 31.03.2020 RM'000	Current Year To Date 31.03.2020 RM'000
Tax expenses comprise the following :		
Based on results for the period		
- Current tax	1,084	1,084

21. Corporate Proposals

Save as below, there was no corporate proposal announced but not completed as at the date of this report.

The Company had on 31 December 2019 announced the following proposals:

(i) proposed transfer of the listing of and quotation for the entire issued share capital of JHM from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad; and

(ii) proposed amendments to the Constitution of JHM to facilitate the implementation of the Proposed Transfer

On 31 March 2020, the Company announced that the application to the Securities Commission shall be extended for 3 months to 30 June 2020.

22. Group Borrowings And Debt Securities

Particulars of the Group's borrowings are as follow:-

	As at 31 March 2020					
	Short term		Long term		Total	
	Foreign '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
Secured:						
Hire purchase loans *	-	5,228	-	14,819	-	20,047
Banker acceptance	-	1,910	-	-	-	1,910
Term Loan	-	3,046	-	19,868	-	22,914
Unsecured:						
Bank overdraft	-	2,572	-	-	-	2,572
	-	12,756	-	34,687	-	47,443

	As at 31 March 2019					
	Short term		Long term		Total	
	Foreign '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
Secured:						
Hire purchase loans *	-	5,573	-	13,134	-	18,707
Banker acceptance	-	7,496	-	-	-	7,496
Term Loan	-	1,219	-	11,338	-	12,557
Unsecured:						
Bank overdraft	-	1,436	-	-	-	1,436
	-	15,724	-	24,472	-	40,196

* In the previous quarterly financial report, this was described as finance lease liabilities.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR FIRST QUARTER ENDED 31 MARCH 2020**

23. Dividend Payable

No dividend has been recommended for the current quarter under review.

24. Profit before tax

Profit before tax is derived from after charging/(crediting)	Current Quarter & Year To Date 31.03.2019 RM'000	Current Quarter & Year To Date 31.03.2020 RM'000
Depreciation of property, plant and equipment	2,226	2,481
Depreciation of right-of-use assets	145	199
Gain on disposal of property, plant and equipment	(33)	(2)
Interest expense	540	516
Interest expense on lease liabilities	21	28
Interest income	(354)	(125)
Property, plant and equipment written off	9	-
Realised loss / (gain) on foreign exchange	(1,094)	188
Unrealised loss / (gain) on foreign exchange	1,333	(3,771)

Other than the above items, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and financial period ended 31 March 2020.

25. Earnings Per Share

The basic earnings per share for the quarter and cumulative year to date are computed as follow:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.20	Preceding Year Corresponding Quarter 31.3.19	Current Year To Date 31.3.20	Preceding Year Corresponding Period 31.3.19
Net profit attributable to owners of the parent (RM'000)	<u>5,288</u>	<u>8,388</u>	<u>5,288</u>	<u>8,388</u>
Weighted average number of ordinary shares issued ('000)	<u>557,600</u>	<u>557,600</u>	<u>557,600</u>	<u>557,600</u>
Basic Earnings Per Share based on weighted average number of ordinary shares issued (sen)	<u>0.95</u>	<u>1.43</u>	<u>0.95</u>	<u>1.43</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the current year quarter and current year to date.

-- END OF UNAUDITED FIRST QUARTER INTERIM FINANCIAL REPORT --