JADE MARVEL GROUP BERHAD 200201024617 (592280-W)
(Formerly known as JMR CONGLOMERATION BHD.)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	As At Dec 31, 2019 (Unaudited) RM'000	As At Mar 31, 2019 (Audited) RM'000
Non-current assets		
Property, plant and equipment	18,199	18,223
Right-of-use assets	186	-
Investment properties	13,889	18,269
Prepaid lease payments on leasehold land	449	460
Inventories	31,217	31,197
Goodwill	592	592
Investment in associates	269	270
Total non-current assets	64,801	69,011
Current assets		
Inventories	32,961	33,685
Trade and other receivables	3,785	6,070
Current tax assets	1,103	1,312
Other assets	169	208
Short-term deposits with licensed banks	-	725
Cash and bank balances	1,691	3,028
Total current assets	39,709	45,028
Total assets	104,510	114,039
EQUITY AND LIABILITIES		
Share capital	126,784	126,784
Accumulated losses	(35,318)	(33,776)
Total equity attributable to equity holders of the Parent	91,466	93,008
Non-controlling interests	2,621	2,621
Total equity	94,087	95,629
Non-current liabilities		
Borrowings	319	335
Deferred tax liabilities	942	942
Total non-current liabilities	1,261	1,277
Current liabilities		
Trade and other payables	3,905	3,885
Lease liabilities	192	-
Borrowings	5,065	13,210
Current tax liabilities	-	38
Total current liabilities	9,162	17,133
Total liabilities	10,423	18,410
Total equity and liabilities	104,510	114,039
Net Assets per Share (RM)	**0.72**	**0.73**

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended March 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

JADE MARVEL GROUP BERHAD 200201024617 (592280-W)
(Formerly known as JMR CONGLOMERATION BHD.)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarters		
	3 months ended Dec 31, 2019 (Unaudited) RM'000	3 months ended Dec 31, 2018 (Unaudited) RM'000	Changes %	9 months ended Dec 31, 2019 (Unaudited) RM'000	9 months ended Dec 31, 2018 (Unaudited) RM'000	Changes %
Revenue	4,691	3,400	38	10,543	13,219	-20
Cost of sales	(3,849)	(2,717)	-42	(9,021)	(11,247)	20
Gross profit	842	683	23	1,522	1,972	-23
Investment revenue	8	7	14	79	21	>100
Other income	80	20	>100	539	61	>100
Other gains and losses	58	4,454	-99	980	4,564	-79
Distribution costs	(21)	(13)	-62	(43)	(103)	58
Administrative expenses	(958)	(1,712)	44	(3,328)	(4,190)	21
Share of loss of associates	-	25	-100	(1)	(13)	92
Finance costs	(117)	(351)	67	(613)	(1,063)	42
Profit/(Loss) before taxation	(108)	3,113	>-100	(865)	1,249	>-100
Tax expense	(511)	(95)	>-100	(676)	(95)	>-100
Profit/(Loss) for the period	(619)	3,018	>-100	(1,541)	1,154	>-100
Other comprehensive income:	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	(619)	3,018	>-100	(1,541)	1,154	>-100
Profit/(Loss) attributable to:						
Equity holders of the Company	(620)	3,019	>-100	(1,542)	1,155	>-100
Non-controlling interests	1	(1)	>100	1	(1)	>100
	(619)	3,018	>100	(1,541)	1,154	>-100
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	(620)	3,019	>-100	(1,542)	1,155	>-100
Non-controlling interests	1	(1)	>100	1	(1)	>100
	(619)	3,018	>-100	(1,541)	1,154	>-100
Basic earnings/(losses) per ordinary share (sen)	(0.49)	2.38	>-100	(1.22)	0.91	>-100
Fully diluted earnings per ordinary share (sen)	N/A	N/A	-	N/A	N/A	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended March 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non-Distributable Foreign Exchange Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance as of Apr 1, 2018	126,784	(1)	(32,730)	94,053	202	94,255
Share acquired by Non-Controlling interests	-	-	-	-	2,499	2,499
Total comprehensive income for the period	-	1	1,155	1,156	(1)	1,155
Balance as of Dec 31, 2018	126,784	-	(31,575)	95,209	2,700	97,909
Balance as of Apr 1, 2019	126,784	-	(33,776)	93,008	2,621	95,629
Total comprehensive loss for the period	-	-	(1,542)	(1,542)	-	(1,542)
Balance as of Dec 31, 2019	126,784	-	(35,318)	91,466	2,621	94,087

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended March 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED DECEMBER 31, 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended Dec 31, 2019 (Unaudited) RM'000	9 months ended Dec 31, 2018 (Unaudited) RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation	(865)	1,249
Adjustments for :		
Non-cash items	641	832
Non-operating items	(621)	(309)
Operating (loss)/profit before working capital changes	(845)	1,772
Movements in working capital:		
Net changes in current assets	3,270	(917)
Net changes in current liabilities	20	(168)
Cash generated from operations	2,445	687
Tax paid	(939)	(544)
Tax refunded	435	283
Net cash generated from operating activities	1,941	426
Cash flows from investing activities		
Other investments	4,752	706
Net cash generated from investing activities	4,752	706
Cash flows from financing activities		
Borrowings	(240)	(476)
Net cash used in financing activities	(240)	(476)
Net increase in cash and cash equivalents	6,453	656
Cash & cash equivalents at beginning of period	(8,735)	(14,518)
Cash & cash equivalents at end of period	(2,282)	(13,862)
Cash & cash equivalents at end of period consist of		
Short-term deposits with licensed banks	-	-
Cash & bank balances	1,691	2,060
Bank overdrafts	(3,973)	(15,922)
	(2,282)	(13,862)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended March 31, 2019 and the accompanying explanatory notes attached to the interim financial statements.

PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MFRS 134 Interim Financial Reporting, provision of the Companies Act 2016 in Malaysia and the additional disclosure requirements as paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

This interim financial report include only condensed consolidated financial statements and should be read in conjunction with the audited financial statements for the year ended March 31, 2019, as this interim report focus on events and transactions that are significant to an understanding of the changes in financial position and performance of the Group that have occurred since that report.

The significant accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those of the audited financial statements for the year ended March 31, 2019.

On 1 April 2018, the Group and the Company have also adopted the following new and amended MFRS which are mandatory for annual financial periods beginning on or after 1 January 2018.

Description	**Effective for annual periods beginning on or after**
- Amendments to MFRS 1, First-time Adoptions of Malaysian Financial Reporting Standards	1 January 2018
- Amendments to MFRS 128, Investment in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 2, Share-based Payment: Classification and Measurements of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts	1 January 2018
MFRS 9, Financial Instruments	1 January 2018
MFRS 15, Revenue from Contract with Customers	1 January 2018
Clarifications to MFRS 15, Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 140, Investment Property: Transfer of Investment property	1 January 2018
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2018

Adoption of the above amendments, standards and interpretations did not have any material impact on the financial performance or position of the Group and of the Company.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group and the Company except as mentioned below:

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis.

A1 **Basis of Preparation (Continued)**

The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group adopted MFRS 16 at beginning of financial year, using modified retrospective approach, without restating prior years' comparatives. The adoption of MFRS 16 resulted an increase in total assets and total liabilities as well as the finance costs and depreciation.

MFRS 15 Revenue from Contracts with Customers

In the current financial year, the Group and the Company have adopted MFRS 15, Revenue from Contracts with Customers ("MFRS 15") effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is as of the beginning of the reporting period in which the Group and the Company first apply MFRS 15 i.e. 1 April 2018.

The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of (or prevent other entities from directing the use of), and obtain substantially all of the remaining benefits (or prevent other entities from obtaining the benefits) from the goods and services.

The Group and the Company elect to apply MFRS 15 retrospectively to contracts that are not complete at the date of initial application and recognise the cumulative effect of initially applying MFRS 15 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the annual reporting period that includes the date at initial application.

The adoption of MFRS 15 resulted in changes in accounting policies but does not have any significant effect on the financial statements of the Group and of the Company.

MFRS 9 Financial instrument

In the current financial year, the Group and the Company have adopted MFRS 9, Financial Instruments ("MFRS 9") effective for the annual financial period beginning on or after 1 January 2018. The date of initial application is the date when the Group and the Company first apply the requirements of MFRS 9 and must be beginning of a reporting period after the issuance of MFRS 9 i.e. 1 April 2018.

(i) Under adoption of MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

    In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held to collects its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model that the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is subsequently measured at fair value through other comprehensive income. If the business model is neither of these, then the financial asset is measured at fair value through profit or loss.

PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of Preparation (Continued)

(ii) New expected-loss impairment model that will require a timelier basis recognition of expected credit losses ("ECL"). Specifically, MFRS 9 requires entities to account for ECL from when financial instruments are first recognised and to recognise a 12-months ECL on a timely basis. The model requires an entity to recognised ECL at all times and to update the amount of ECL recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of ECL, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Loss allowance for receivables (other than trade receivables) is recognised at an amount equal to lifetime expected credit losses until the receivables is derecognised.

The adoption of MFRS 9 resulted in changes in accounting policies but does not have any significant effect on the financial statements of the Group and of the Company.

A2 Qualification of Financial Statements

The auditors' report on the audited financial statements for the financial year ended March 31, 2019 dated July 11, 2019 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The principal business of the Group was not significantly affected by any significant seasonal or cyclical factors in the current quarter.

A4 Unusual Items

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A5 Changes in Estimates

There were no major changes in estimates which have a material effect in the current financial period ended December 31, 2019.

A6 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current quarter ended December 31, 2019.

A7 Dividends Paid

There were no dividends paid during the current financial quarter ended December 31, 2019.

A8 Segment Information

	Investment Holdings RM'000	Manufacturing RM'000	Property Development RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
Cumulative Quarters						
9 months ended December 31, 2019						
Revenue						
External sales	294	8,844	1,405	10,543	-	10,543
Inter-segment revenue	981	13	-	994	(994)	-
Total revenue	1,275	8,857	1,405	11,537	(994)	10,543
Results						
Segment loss	(42)	(341)	(1,466)	(1,849)	-	(1,849)
Investment revenue						79
Other gains and losses						1,519
Finance costs						(613)
Share of loss of associates						(1)
Loss before tax						(865)
Tax expense						(676)
Loss for the period						(1,541)
Cumulative Quarters						
9 months ended December 31, 2018						
Revenue						
External sales	294	11,720	1,205	13,219	-	13,219
Inter-segment revenue	1,016	56	-	1,072	(1,072)	-
Total revenue	1,310	11,776	1,205	14,291	(1,072)	13,219
Results						
Segment profit/(loss)	41	(263)	(2,099)	(2,321)	-	(2,321)
Investment revenue					.	21
Other gains and losses						4,625
Finance costs						(1,063)
Share of loss of associates						(13)
Profit before tax						1,249
Tax expense						(95)
Profit for the period						1,154

Information on geographical segment is not presented as the Group operates in Malaysia.

A9 Valuation of Property, Plant & Equipment

The carrying amounts of property, plant and equipment have been brought forward from the previous audited financial statements without amendment.

PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING

A10 Material Subsequent Events

There were no material events subsequent to the current financial quarter ended December 31, 2019 up to the date of this announcement.

A11 Changes in the Composition of the Group

The Company had disposed of the entire equity interest of its wholly owned subsidiary, namely Sunnyside Landscape Sdn. Bhd., comprising 2 ordinary shares for a total consideration of RM4,800,000, and the transaction completed on 13 November 2019.

Other than the above, there were no changes in the composition of the Group during the current financial quarter ended December 31, 2019.

A12 Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company are as follows:

	Dec 31, 2019 RM'000
Unsecured:	
Corporate guarantees given by the Company to local banks and third parties for credit facilities granted to certain subsidiaries	6,259

There were no contingent assets for the Group as at December 31, 2019.

Save as disclosed above, there were no material contingent liabilities or assets as at February 12, 2020 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A13 Capital Commitments

There were no capital commitments during the current financial quarter under review.

PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance

During the 9 months period ended December 31, 2019, the Group registered revenue of RM10.54 million as compared to the revenue in preceding year corresponding quarter of RM13.22 million. Revenue had decreased by approximately 20.27% due mainly to revenue decreased by manufacturing division of the Group during the period.

Revenue from manufacturing division decreased 24.49% or RM2.87 million to RM8.85 million in the current period as compared to RM11.72 million in the preceding year corresponding period. The division recorded an operating loss of RM0.34 million as compared to the operating loss of RM0.26 million in the corresponding period.

Revenue from the property development division decreased 16.53% to RM1.41 million in the current period from RM1.21 million in the corresponding period. The division recorded an operating loss of RM1.47 million as compared to the operating loss of RM2.10 million in the corresponding period.

During the same period, the Group recorded the loss before tax of RM0.87 million as compared to the profit before tax of RM1.25 million in the preceding year corresponding period. The increase of loss before tax was mainly due to recognition of other gains and losses during the preceding year corresponding period.

B2 Variation of Results Against Immediate Preceding Quarter

The Group's revenue for the quarter ended December 31, 2019 increased by 32.11% to RM4.69 million as compared to RM3.55 million in the preceding quarter ended September 30, 2019. The increase in revenue was due to revenue increased by the manufacturing division of the Group for the current quarter.

The revenue from manufacturing division increased by 70.00% to RM4.59 million in the current quarter as compared to RM2.70 million in the preceding quarter. The division recorded an operating profit of RM0.63 million as compared to the operating loss of RM0.15 million in the preceding quarter.

The revenue from the property development division was RM NIL in the current quarter as compared to RM0.76 in the preceding quarter. The division recorded an operating loss of RM0.72 million in the current quarter as compared to the operating loss of RM0.32 million in the preceding quarter.

The Group recorded a loss before tax of RM0.11 million in the current quarter as compared to the profit before tax of RM0.23 million in the immediate preceding quarter. It was mainly due to the operating result decreased from the property development division during the current quarter.

B3 Prospects for the Current Financial Year

We anticipate the property sales in Malaysia to soften due to challenging global economic outlook in year 2020. Rising of construction and compliance costs as well as stringent lending policies are expected to affect the property market coupled with cautious business sentiment in the country. The Group will focus to develop the rest of SA65 at Simpang Ampat in the coming financial year. The management will continue its effort in improving the efficiency and maintain its competitiveness in the market despite the intense competition within the property industry.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic that the Group will remain resilient for the financial year ending March 31, 2020.

B4 Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or provide any profit guarantee for the financial period ended December 31, 2019.

B5 Taxation

	Individual Quarter 3 months ended		Cumulative Quarters 9 months ended	
	Dec 31, 2019 RM'000	Dec 31, 2018 RM'000	Dec 31, 2019 RM'000	Dec 31, 2018 RM'000
Income tax expense				
- Current	-	(190)	-	(190)
- Prior years	(511)	95	(511)	95
- Real Property Gain Tax	-	-	(165)	-
	(511)	(95)	(676)	(95)

There were no income tax expenses other than real property gain tax for the current quarter and period-to-date mainly due to losses incurred in the financial quarter ended December 31, 2019.

B6 Status of Corporate Proposal Announced

There were no corporate proposals as at the date of this announcement.

B7 Group Borrowings and Debts Securities

	Dec 31, 2019 RM'000
Current	
Trade bills	1,002
Bank overdrafts	3,973
Term loan	90
	5,065
Non-current	
Hire purchase	220
Term loan	99
	5,384

The above borrowings are denominated in Ringgit Malaysia and represents secured short-term borrowings and bank overdrafts.

The borrowings are secured against legal charge/ negative pledge over certain land and buildings of the Group, a lien over the Group’s short-term deposits and by corporate guarantees from the Company.

B8 Profit before taxation

The profit before taxation is stated after charging/ (crediting):

	Individual Quarter 3 months ended		Cumulative Quarters 9 months ended	
	Dec 31, 2019 RM'000	Dec 31, 2018 RM'000	Dec 31, 2019 RM'000	Dec 31, 2018 RM'000
Interest income on:				
Short-term deposits	(3)	(7)	(74)	(21)
Interest expense on:				
Short-term borrowings	122	374	594	1,086
Depreciation and amortisation	178	200	505	574
Other gains and losses:				
Unrealised loss on foreign exchange	-	1	-	4
Expected credit losses	-	-	131	258
Gain on disposal of investment in subsidiary	-	-	(569)	-
Gain on disposal of property, plant and equipment	-	(3,150)	-	(3,150)
Gain on disposal of investment property	-	-	(131)	-
Allowance for doubtful debts no longer required	(64)	-	(353)	(70)
Other income:				
Rental income	(20)	(20)	(62)	(57)

PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B9 Changes in Material Litigation

Other than stated below, there were no changes in the status of the material litigation of the Group since the date of last annual Statement of Financial Position.

(i) High Court of Malaya at Penang, Statement of Claim and Writ of Summon No. PA-22NCC-35-11/2019 (”Claim”) filed by Nanjing Changjiang Waterway Engineering Bureau (the Plaintiff”) against Dato’ Ir. Goh Nai Kooi @ Gah Mai Kwai (“the First Defendant”) and Jade Marvel Group Berhad (Company No. 592280-W) (“the Second Defendant”).

The Company had on 4th December 2019 served with a Statement of Claim and Writ of Summon dated 22nd November 2019 by Plaintiff through its solicitor inter alia that the Company as the holding company is liable for the arbitration award against its previous subsidiary company, JMR Construction Sdn Bhd (“the previous subsidiary”) for an amount of RM29,092,052.70 together with costs and interests therein (“the arbitration award”) jointly with the First Defendant, as the previous Managing Director of the previous subsidiary company, for matters pertaining to the arbitration award. As at 29th October 2012, JMR Construction Sdn Bhd ceased to be a subsidiary of the Company.

The Company had been advised by its solicitors to resist the Plaintiff’s Claim. The Company had on 16th December 2019 filed the Memorandum of Appearance in Court through its solicitors. The Company had filed its defence on 10th January 2020. The Plaintiff had been granted until 11th February 2020 to file its reply to the Company’s defence. The Court has directed parties to file Common Bundle of Documents on or before the next case management which is now fixed on 25th March 2020.

B10 Dividends

The directors do not recommend any dividend for the current financial period ended December 31, 2019.

B11 Earnings/(Losses) per Share

	Individual Quarter		**Cumulative Quarters**	
	3 months ended Dec 31, 2019	**3 months ended Dec 31, 2018**	**9 months ended Dec 31, 2019**	**9 months ended Dec 31, 2018**
Net profit/(loss) attributable to shareholders (RM'000)	(620)	3,019	(1,542)	1,155
Weighted average number of ordinary shares in issue ('000)	126,784	126,784	126,784	126,784
Basic earnings/(losses) per ordinary share (sen)	(0.49)	2.38	(1.22)	0.91

BY ORDER OF THE BOARD

OOI YOONG YOONG (MAICSA 7020753)

Secretary

Penang
February 19, 2020