

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	As At Sept 30, 2020 (Unaudited) RM'000	As At Mar 31, 2020 (Audited) RM'000
Non-current assets		
Property, plant and equipment	17,278	17,537
Right-of-use assets	1,128	1,218
Investment properties	13,852	13,876
Inventories	28,136	28,112
Goodwill	592	592
Investment in associates	253	257
Total non-current assets	61,239	61,592
Current assets		
Inventories	31,581	31,692
Trade and other receivables	3,562	2,904
Current tax assets	1,137	778
Other assets	203	228
Cash and bank balances	1,411	2,155
Total current assets	37,894	37,757
Total assets	99,133	99,349
EQUITY AND LIABILITIES		
Share capital	126,784	126,784
Accumulated losses	(42,151)	(40,905)
Total equity attributable to equity holders of the Parent	84,633	85,879
Non-controlling interests	2,614	2,615
Total equity	87,247	88,494
Non-current liabilities		
Lease liabilities	401	401
Deferred tax liabilities	820	820
Total non-current liabilities	1,221	1,221
Current liabilities		
Trade and other payables	3,721	4,047
Lease liabilities	236	339
Borrowings	6,708	5,248
Total current liabilities	10,665	9,634
Total liabilities	11,886	10,855
Total equity and liabilities	99,133	99,349
Net Assets per Share (RM)	0.67	0.68

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended March 31, 2020 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarters		
	3 months ended	3 months ended	Changes %	6 months ended	6 months ended	Changes %
	Sept 30, 2020 (Unaudited) RM'000	Sept 30, 2019 (Unaudited) RM'000		Sept 30, 2020 (Unaudited) RM'000	Sept 30, 2019 (Unaudited) RM'000	
Revenue	2,779	3,553	-22	4,139	5,852	-29
Cost of sales	(2,443)	(2,937)	17	(3,715)	(5,172)	28
Gross profit	336	616	-45	424	680	-38
Investment revenue	-	5	-100	1	71	-99
Other income	162	210	-23	328	459	-29
Other gains and losses	9	786	-99	29	923	-97
Distribution costs	(30)	(8)	>100	(44)	(23)	-91
Administrative expenses	(1,134)	(1,144)	1	(1,757)	(2,371)	26
Share of loss of associates	(2)	-	-100	(4)	(1)	>-100
Finance costs	(112)	(233)	52	(224)	(496)	55
(Loss)/Profit before tax	(771)	232	>100	(1,247)	(758)	-65
Tax expense	-	(17)	100	-	(165)	100
(Loss)/Profit for the period	(771)	215	>100	(1,247)	(923)	-35
Other comprehensive income:	-	-	-	-	-	-
Total comprehensive (loss)/profit for the period	(771)	215	>100	(1,247)	(923)	-35
(Loss)/Profit attributable to:						
Equity holders of the Company	(770)	215	>100	(1,246)	(923)	-35
Non-controlling interests	(1)	-	-100	(1)	-	-100
	(771)	215	>100	(1,247)	(923)	-35
Total comprehensive (loss)/profit attributable to:						
Equity holders of the Company	(770)	215	>100	(1,246)	(923)	-35
Non-controlling interests	(1)	-	-100	(1)	-	-100
	(771)	215	459	(1,247)	(923)	-35
Basic (losses)/earning per ordinary share (sen)	(0.61)	0.17	>100	(0.98)	(0.73)	-34

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended March 31, 2020 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as of Apr 1, 2019	126,784	(33,776)	93,008	2,621	95,629
Total comprehensive loss for the period	<u>-</u>	<u>(923)</u>	<u>(923)</u>	<u>-</u>	<u>(923)</u>
Balance as of Sept 30, 2019	<u>126,784</u>	<u>(34,699)</u>	<u>92,085</u>	<u>2,621</u>	<u>94,706</u>
Balance as of Apr 1, 2020	126,784	(40,905)	85,879	2,615	88,494
Total comprehensive loss for the period	<u>-</u>	<u>(1,246)</u>	<u>(1,246)</u>	<u>(1)</u>	<u>(1,247)</u>
Balance as of Sept 30, 2020	<u>126,784</u>	<u>(42,151)</u>	<u>84,633</u>	<u>2,614</u>	<u>87,247</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended March 31, 2020 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended Sept 30, 2020 (Unaudited) RM'000	6 months ended Sept 30, 2019 (Unaudited) RM'000
Cash flows from operating activities		
Loss before taxation	(1,247)	(758)
Adjustments for :		
Non-cash items	373	464
Non-operating items	173	(676)
Operating loss before working capital changes	(701)	(970)
Movements in working capital:		
Net changes in current assets	(498)	3,759
Net changes in current liabilities	(326)	(997)
Cash (used in)/generated from operations	(1,525)	1,792
Tax paid	(359)	(568)
Tax refunded	-	435
Net cash (used in)/generated from operating activities	(1,884)	1,659
Cash flows from investing activities		
Other investments	7	5,078
Net cash (used in)/generated from investing activities	7	5,078
Cash flows from financing activities		
Borrowings	(458)	(581)
Net cash used in financing activities	(458)	(581)
Net (decrease)/increase in cash and cash equivalents	(2,335)	6,156
Cash & cash equivalents at beginning of period	(2,298)	(8,735)
Cash & cash equivalents at end of period	(4,633)	(2,579)
Cash & cash equivalents at end of period consist of		
Cash & bank balances	1,411	6,497
Bank overdrafts	(6,044)	(9,076)
	(4,633)	(2,579)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended March 31, 2020 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

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, 2020, 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, 2020.

On 1 April 2019, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2019.

Description

MFRS 16 Leases

Annual improvements to MFRSs 2015-2017 cycle

- Amendments to MFRS 3 *Business Combinations*
- Amendments to MFRS 11 *Joint Arrangements*
- Amendments to MFRS 112 *Income Taxes*
- Amendments to MFRS 123 *Borrowing Costs*

Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment and Settlement

Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

Amendments to MFRS 128 Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures

IC Interpretation 23 Uncertainty over Income Tax Treatments

Adoption of the above accounting standards, amendments, standards and interpretation did not have any material impact on the financial performance or position of the Group and of the Company except as mentioned below:

MFRS 16 Leases

In the current financial year, the Group has adopted MFRS 16 *Leases* (“MFRS 16”) effective for the annual financial period beginning on or after 1 January 2019. The Group has elected not to restate comparatives for the financial year ended 31 March 2019 and recognise the cumulative effect of initial applying MFRS 16 as an adjustment to the opening balance of retained earnings.

The Group has also elected not to reassess whether a contract is, or contains, a lease at 1 April 2019 (date of initial application). Instead, the Group relied on their assessment made applying MFRS 117 *Leases* (“MFRS 117”) and IC Interpretation 4 *Determining whether an Arrangement contains a Lease* for contracts entered into (or changed) before the date of initial application.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of Preparation (Continued)

As a lessee

At the date of initial application, for leases previously classified as an operating lease applying MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's and the Company's incremental borrowing rate at the date of initial application. On 1 April 2019, the weighted average incremental borrowing rate of the Group applied to the lease liabilities is 8.39%.

The right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In The following practical expedients have been applied to leases previously classified as operating leases applying MFRS 117:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on previous assessment on whether leases are onerous as an alternative to perform impairment review – there were no onerous contracts as at 1 April 2019;
- accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For leases previously classified as finance leases applying MFRS 117, the carrying amount of the right-of-use assets and the lease liabilities as at 1 April 2019 are determined to be the same as the carrying amount of the lease assets and lease liabilities under MFRS 117.

As a lessor

Group entities who is an intermediate lessor reassessed the classification of subleases that previously classified as operating leases applying MFRS 117 and concluded that the subleases are finance leases under MFRS 16. The subleases are accounted as new finance leases entered into at the date of initial application.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING

A2 Qualification of Financial Statements

The auditors' report on the audited financial statements for the financial year ended March 31, 2020 dated August 17, 2020 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

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

The COVID-19 pandemic is disrupting business environments, dampening consumer and business sentiments, and dismantling supply chains and financial markets. The Government implemented the Movement Control Order ("MCO") to curb the spread of COVID-19 pandemic since 18 March 2020. The Group was impacted as operation was not allowed during the MCO as the nature of our business is considered non-essential activity which is prohibited to operate during the MCO period. The MCO was eased into a Conditional MCO ("CMCO") from 4 May 2020 to 9 June 2020. On 7 June 2020, the Government announced that CMCO will end on 9 June 2020 and Malaysia will ease into a Recovery MCO ("RMCO") from 10 June 2020 until 31 August 2020 and subsequently extended until 31 December 2020. Following to the spike of COVID-19 cases, the Government have implemented CMCO from 9 November 2020 until 6 December 2020. Although operations have since re-commenced, but under strict Standard Operating Procedures, the Group is faced with disrupted operational efficiency and sub-optimal utilisation of assets. Collectively, this will have an impact on the Group's performance.

A5 Changes in Estimates

There were no major changes in estimates which have a material effect in the current financial period ended September 30, 2020.

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 September 30, 2020.

A7 Dividends Paid

There were no dividends paid during the current financial quarter ended September 30, 2020.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING

A8 Segment Information

	Investment Holdings	Manufacturing	Property Development	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cumulative Quarters						
6 months ended September 30, 2020						
Revenue						
External sales	166	3,973	-	4,139	-	4,139
Inter-segment revenue	534	7	-	541	(541)	-
Total revenue	700	3,980	-	4,680	(541)	4,139
Results						
Segment loss	(72)	(490)	(815)	(1,377)	-	(1,377)
Investment revenue						1
Other gains and losses						357
Finance costs						(224)
Share of loss of associates						(4)
Loss before tax						(1,247)
Tax expense						-
Loss for the period						(1,247)
Cumulative Quarters						
6 months ended September 30, 2019						
Revenue						
External sales	197	4,250	1,405	5,852	-	5,852
Inter-segment revenue	648	13	-	661	(661)	-
Total revenue	845	4,263	1,405	6,513	(661)	5,852
Results						
Segment profit/(loss)	7	(968)	(753)	(1,714)	-	(1,714)
Investment revenue						71
Other gains and losses						1,382
Finance costs						(496)
Share of loss of associates						(1)
Loss before tax						(758)
Tax expense						(165)
Loss for the period						(923)

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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

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 September 30, 2020 up to the date of this announcement.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter ended September 30, 2020.

A12 Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company are as follows:

	Sept 30, 2020
	RM'000
Unsecured:	
Corporate guarantees given by the Company to local banks and third parties for credit facilities granted to certain subsidiaries	<u>7,960</u>

There were no contingent assets for the Group as at September 30, 2020.

Save as disclosed above, there were no material contingent liabilities or assets as at November 10, 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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

**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 6 months period ended September 30, 2020, the Group registered revenue of RM4.14 million as compared to the revenue in preceding year corresponding quarter of RM5.85 million. Revenue had decreased by approximately 29.23% due mainly to revenue decreased by property development division of the Group during the period.

Revenue from manufacturing division decreased 6.59% or RM0.28 million to RM3.97 million in the current period as compared to RM4.25 million in the preceding year corresponding period. The division recorded an operating loss of RM0.49 million as compared to the operating loss of RM0.97 million in the corresponding period.

Revenue from the property development division was RM Nil in the current period as compared to RM1.41 million in the corresponding period. The division recorded an operating loss of RM0.82 million as compared to the operating loss of RM0.75 million in the corresponding period.

During the same period, the Group recorded the loss before tax of RM1.25 million as compared to the loss before tax of RM0.76 million in the preceding year corresponding period.

B2 Variation of Results Against Immediate Preceding Quarter

The Group's revenue for the quarter ended September 30, 2020 increased by 104.41% to RM2.78 million as compared to RM1.36 million in the preceding quarter ended June 30, 2020. 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 107.75% to RM2.68 million in the current quarter as compared to RM1.29 million in the preceding quarter. The division recorded an operating loss of RM0.17 million as compared to the operating loss of RM0.32 million in the preceding quarter.

The revenue from the property development division remains unchanged at RM Nil in the current and preceding quarter. The division recorded an operating loss of RM0.56 million in the current quarter as compared to the operating loss of RM0.26 million in the preceding quarter.

The Group recorded a loss before tax of RM0.77 million in the current quarter as compared to the loss before tax of RM0.48 million in the immediate preceding quarter. It was mainly due to the operating result decreased from the property development division during the current quarter.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

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

B3 Prospects for the Current Financial Year

We anticipate the property sales in Malaysia to soften due to challenging global economic outlook in year 2021. 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 current 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, 2021.

B4 Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or provide any profit guarantee for the financial period ended September 30, 2020.

B5 Taxation

	Individual Quarter 3 months ended		Cumulative Quarters 6 months ended	
	Sept 30, 2020	Sept 30, 2019	Sept 30, 2020	Sept 30, 2019
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Real Property Gain Tax	-	(17)	-	(165)

The effective tax rate was higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

B6 Status of Corporate Proposal Announced

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

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

B7 Group Borrowings and Debts Securities

	Sept 30, 2020 RM'000
Current	
Trade bills	517
Bank overdrafts	6,044
Hire purchase	64
Term loan	83
	6,708
Non-current	
Hire purchase	352
	7,060

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 tax

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

	Individual Quarter 3 months ended		Cumulative Quarters 6 months ended	
	Sept 30, 2020 RM'000	Sept 30, 2019 RM'000	Sept 30, 2020 RM'000	Sept 30, 2019 RM'000
Interest income on:				
Short-term deposits	-	(4)	(1)	(71)
Interest expense on:				
Short-term borrowings	112	233	224	496
Depreciation and amortisation	187	164	373	327
Other gains and losses:				
Expected credit losses	-	-	-	131
Gain on disposal of investment in subsidiary	-	(569)	-	(569)
Gain on disposal of property, plant and equipment	(30)	1	(30)	1
Gain on disposal of investment property	-	(131)	-	(131)
Allowance for doubtful debts no longer required	(4)	(148)	(24)	(289)
Other income:				
Rental income	(96)	(19)	(202)	(42)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020**

**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 through its solicitors filed the Memorandum of Appearance on 16th December 2019 and its defence on 10th January 2020. The Company had filed an application to strike out the Plaintiff’s Claim upon the advice of its solicitors on 15th May 2020. Both parties have been directed by the Court to file their respective Written Submission on or before 30th July 2020 and Submission in Reply on or before 20th August 2020. The Company’s application to Strike Out the Plaintiff’s Claim and application for Security for Costs have been heard on 14th October 2020. Decision for the both applications was fixed on 11th December 2020.

B10 Dividends

The directors do not recommend any dividend for the current financial period ended September 30, 2020.

B11 (Losses)/Earning per Share

	Individual Quarter		Cumulative Quarters	
	3 months ended Sept 30, 2020	3 months ended Sept 30, 2019	6 months ended Sept 30, 2020	6 months ended Sept 30, 2019
(Losses)/Profit attributable to shareholders (RM'000)	(770)	215	(1,246)	(923)
Weighted average number of ordinary shares in issue ('000)	126,784	126,784	126,784	126,784
Basic (losses)/earning per ordinary share (sen)	(0.61)	0.17	(0.98)	(0.73)

BY ORDER OF THE BOARD

OOI YOONG YOONG (MAICSA 7020753)

Secretary

Penang
November 17, 2020