



Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the 4th Quarter Ended 31 March 2020

	Note	Current Quarter		Year To-date	
		31-3-20	31-3-19	31-3-20	31-3-19
		3-months	3-months	12-months	12-months
		RM'000	RM'000	RM'000	RM'000
Revenue	9	7,010	8,727	31,815	34,587
Cost of sales		(6,739)	(6,892)	(25,545)	(26,869)
Gross profit		271	1,835	6,270	7,718
Other income		285	717	1,037	1,546
Bargain on purchase		412	-	412	-
Net gain/(loss) on impairment on financial assets		(355)	(59)	(540)	(59)
Impairment on goodwill		(320)	-	(320)	-
Other operating expenses		(1,733)	(9,911)	(10,291)	(20,323)
Administrative expenses		(153)	(317)	(425)	(651)
Finance costs		-	-	-	-
Loss before tax	10	(1,593)	(7,735)	(3,857)	(11,769)
Tax expense	20	180	(136)	(56)	(376)
Loss for the period		(1,413)	(7,871)	(3,913)	(12,145)
Other comprehensive income, net of tax		-	-	-	-
Loss and other comprehensive loss for the period		(1,413)	(7,871)	(3,913)	(12,145)
Loss and other comprehensive loss for the period attributable to :					
Owners of the Company		(1,413)	(7,871)	(3,913)	(12,145)
Non-controlling Interest		-	-	-	-
		(1,413)	(7,871)	(3,913)	(12,145)
Basic Loss per share attributable to owners of the Company (sen)	25	(0.31)	(1.75)	(0.87)	(2.70)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes.

Condensed Consolidated Statements of Financial Position

		Unaudited As at <u>31/3/20</u> RM'000	Audited As at <u>31/03/19</u> RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	15,967	14,775
Investment properties		4,301	4,382
Intangible asset		335	398
Right-of-use assets		269	-
<u>Current assets</u>			
Inventories		8,266	12,183
Trade receivables		11,451	7,922
Non-trade receivables, deposits and prepayments		1,288	2,130
Tax recoverable		410	1,661
Deposits with licensed financial institutions		14,101	22,500
Cash and bank balances		10,876	5,926
		<u>46,392</u>	<u>52,322</u>
TOTAL ASSETS		<u><u>67,264</u></u>	<u><u>71,877</u></u>
EQUITY AND LIABILITIES			
Share Capital	7	44,955	44,955
Retained earnings		20,227	24,151
Attributable to Equity holders of the parent		<u>65,182</u>	<u>69,106</u>
Non-controlling Interest		-	-
TOTAL EQUITY		<u><u>65,182</u></u>	<u><u>69,106</u></u>
<u>Non-current liabilities</u>			
Lease liabilities		-	-
Deferred tax liabilities		-	40
		<u>-</u>	<u>40</u>
<u>Current liabilities</u>			
Trade payables		642	1,209
Non-trade payables and accruals		1,149	1,424
Lease liabilities		278	-
Tax payable		13	98
		<u>2,082</u>	<u>2,731</u>
TOTAL LIABILITIES		<u><u>2,082</u></u>	<u><u>2,771</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>67,264</u></u>	<u><u>71,877</u></u>
Net assets per share (RM)		<u>0.14</u>	<u>0.15</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes.



**Condensed Consolidated Statements of Changes in Equity
For the 4th Quarter Ended 31 March 2020**

	Attributable to Owners of the Company			Non-Controlling Interest	Total Equity
	Share Capital	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000		
At 1 April 2018	44,955	36,476	81,431	(131)	81,300
Loss and other comprehensive loss for the period	-	(12,145)	(12,145)		(12,145)
Changes in ownership interest in a subsidiary		(180)	(180)	131	(49)
At 31 March 2019	44,955	24,151	69,106	-	69,106
At 1 April 2019	44,955	24,151	69,106	-	69,106
Effect of adoption of MFRS 16 (note 2B(i))	-	(11)	(11)	-	(11)
Loss and other comprehensive loss for the period	-	(3,913)	(3,913)	-	(3,913)
At 31 March 2020	44,955	20,227	65,182	-	65,182

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes.

Condensed Consolidated Statements of Cash Flows

	12-months <u>31/3/20</u> RM'000	12-months <u>31/3/19</u> RM'000
Cash flows from operating activities		
Loss before tax	(3,857)	(11,769)
Adjustments for:-		
Depreciation of property, plant and equipment	601	695
Depreciation of investment property	60	60
Amortisation of intangible asset	60	34
Depreciation of right-of use assets	280	-
Property, plant and equipment written down	320	292
Gain on disposal of property, plant and equipment	(5)	(84)
Bad debts written off	-	533
Deposit forfeited	-	50
Impairment of trade receivables	540	157
Reversal of Impairment of trade receivables no longer required	-	(680)
Impairment of inventories	208	5,797
Reversal of Impairment of inventories no longer required	(110)	-
Utilisation of unutilised leaves	(60)	(27)
Fair value adjustment on investment securities	-	52
Unrealised foreign exchange loss/(gain)	27	(24)
Interest expense on lease liabilities	18	-
Distribution income from investment securities	-	(136)
Interest income	(833)	(789)
Operating loss before changes in working capital	(2,751)	(5,839)
Property development cost	-	-
Inventories	3,917	(201)
Receivables	(3,227)	590
Payables	(842)	(1,361)
Cash used in operations	(2,903)	(6,811)
Tax paid	(398)	(500)
Tax refund	1,377	28
Net cash used in operating activities	(1,924)	(7,283)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,288)	(1,069)
Purchase of intangible asset	(1)	(27)
Proceeds from disposal of property, plant and equipment	500	86
Redemption of investment securities	-	6,593
Acquisition of subsidiaries	(4,758)	-
Acquisition of non-controlling interest	-	(49)
Withdrawal of fixed deposits	5,200	6,500
Interest received	797	557
Net cash (used in)/from investing activities	(550)	12,591
Cash flows from financing activities		
Repayment of lease liabilities	(258)	-
Interest on lease liabilities	(18)	-
Net cash used in financing activities	(276)	-
Net (decrease)/increase in cash and cash equivalents	(2,750)	5,308
Cash and cash equivalents as at 1 April	22,926	17,618
Cash and cash equivalents as at end of period	20,176	22,926
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	9,300	17,000
Cash and bank balances	10,876	5,926
	20,176	22,926

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes)



Part A - Explanatory Notes Pursuant to MFRS 134

1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019. The explanatory notes attached to the interim financial statements 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 March 2019.

2 Significant Accounting Policies

The significant accounting policies and computation methods are consistent with those of the audited financial statements for the year ended 31 March 2019, except for the adoption of the following Amendments to MFRSes during the current financial period:

(A) Standards issued and effective

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

i) Effective for annual periods commencing on or after 1 January 2018

- Annual improvements to MFRSs 2014 - 2016 cycle
 - Amendments to MFRS 1, First-time Adoptions of Malaysian Financial Reporting Standards
 - Amendments to MFRS 128, Investment in Associates and Joint Ventures
- Amendments to MFRS 2, Share-based Payment: Classification and Measurements of Share-based Payment Transactions
- Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts
- MFRS 9, Financial Instruments
- MFRS 15, Revenue from Contract with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- Amendments to MFRS 140, Investment Property: Transfer of Investment property
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

Adoption of the above MFRSs does not have any significant impact to the Group and of the Company.

(B) Standards issued and not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

i) Effective for annual periods commencing on or after 1 January 2019

- Annual Improvements to MFRS 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
- MFRS 16, Leases
- Amendments to MFRS 9, Financial Instruments: Prepayment Features with Negative Compensation

i) Effective for annual periods commencing on or after 1 January 2019 (continued)

Impact of the initial application of MFRS 16

The following table is a reconciliation of the carrying amount of the Group's statement of financial position from MFRS 117 to MFRS 16 as at 1 April 2019:

	Opening balance as at 1 April 2019 RM'000	Initial recognition RM'000	Restated opening balance as at 1 April 2019 RM'000
Right-of-use assets	-	549	549
Lease liabilities	-	(552)	(552)
Retained earnings	24,151	(11)	24,140

- 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

ii) Effective for annual periods commencing on or after 1 January 2020

- Amendments to MFRS 2, Share-based Payment

- Amendments to MFRS 3, Business Combinations

- Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources

- Amendments to MFRS 14, Regulatory Deferral Accounts

- Amendments to MFRS 101, Presentation of Financial Statements

- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors

- Amendments to MFRS 134, Interim Financial Reporting

- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets

- Amendments MFRS 138, Intangible Assets

- Amendments to IC Interpretation 12, Service Concession Arrangements

- Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments

- Amendments to IC interpretation 20, Stripping Costs in the Production Phase of a Surface Mine

- Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

- Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs

iii) Effective for annual periods commencing on or after 1 January 2021

- MFRS 17, Insurance Contracts

iv) Deferred

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impact to the financial statements of the Group and of 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. 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.

Based on the assessment, the Group and the Company do not expect the application of MFRS 16 to have a significant impact on its consolidated financial statements.

3 Auditors' Report

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

4 Seasonality or Cyclical Factors

There were no material factors of a seasonal or cyclical nature which affected the operations of the Group during the current financial quarter and financial year-to-date.

5 Unusual Items

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

6 Changes in Estimates

There were no other changes in estimates of amounts reported previously, that would have had a material effect on the figures reported in the current financial year-to-date.

7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review and financial year-to-date.

8 Dividend Payment

There was no dividend payment made in the current quarter.

9 Segment Information

Segment Revenue

Investment holding	-	-	-	-
Distribution and trading	6,071	7,893	28,223	31,218
Logistics related services	620	649	2,767	2,828
Others	220	317	1,005	1,067
Total including inter-segment sales	6,911	8,859	31,995	35,113
Elimination of inter-segment sales	99	(132)	(180)	(526)
Total	7,010	8,727	31,815	34,587

Segment Results - Loss before tax

Investment holding	106	178	9,234	375
Distribution and trading	(272)	(7,435)	(3,172)	(12,554)
Logistics related services	(387)	(28)	(515)	39
Others	(936)	(333)	(568)	(30)
Eliminations	(1,489)	(7,618)	4,979	(12,170)
Total	(1,685)	(7,532)	(3,949)	(11,769)

	<u>31-3-20</u> 3-months	<u>31-3-19</u> 3-months	<u>31-3-20</u> 12-months	<u>31-3-19</u> 12-months
	RM'000	RM'000	RM'000	RM'000
Investment holding	-	-	-	-
Distribution and trading	6,071	7,893	28,223	31,218
Logistics related services	620	649	2,767	2,828
Others	220	317	1,005	1,067
Total including inter-segment sales	6,911	8,859	31,995	35,113
Elimination of inter-segment sales	99	(132)	(180)	(526)
Total	7,010	8,727	31,815	34,587
Investment holding	106	178	9,234	375
Distribution and trading	(272)	(7,435)	(3,172)	(12,554)
Logistics related services	(387)	(28)	(515)	39
Others	(936)	(333)	(568)	(30)
Eliminations	(1,489)	(7,618)	4,979	(12,170)
Total	(1,685)	(7,532)	(3,949)	(11,769)

10 Profit / (Loss) before tax

There are no items applicable pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad other than the following :

	<u>31-3-20</u> 3-months	<u>31-3-19</u> 3-months	<u>31-3-20</u> 12-months	<u>31-3-19</u> 12-months
	RM'000	RM'000	RM'000	RM'000
Interest income	222	344	833	789
Foreign exchange gain	3	11	168	166
Depreciation and amortization	(175)	214	(721)	(789)
Property, Plant and Equipment written down	(58)	(131)	(320)	(131)
Gain / (Loss) on disposal of Property, Plant and Equipment	8	-	5	-
(Additional) / reversal on Impairment on trade receivables	(533)	995	(718)	513
Additional impairment on inventories	(208)	(5,797)	(208)	(5,797)
Bad debts written off	-	-	-	-
Fair value loss on investment securities	-	-	-	(52)

11 Valuation of Assets

There has been no revaluation of property, plant and equipment as the Group does not adopt a revaluation policy on the said assets.

12 Subsequent Events

There were no material events subsequent to the end of the financial period that have not been reflected in the financial statements for the reporting quarter.

13 Changes in Group Composition

On 10th March 2020, the Group ("JKB") has completed the acquisition of the entire issued share capital of Paragon Globe Berhad's two subsidiaries namely GBH Bathroom Products Sdn Bhd (89564-D) and Crown Lynn Sdn Bhd (174452-V) for a total cash consideration of RM10,200,001.

14 Capital Commitments

There were no material capital commitments not provided for as at the end of the reporting quarter.

15 Contingent Liabilities and Assets

Corporate Guarantee given to a licensed financial institution in respect of facilities utilised by a subsidiary company as at the end of the current financial quarter amounted to RM2.503 million.



Part B - Explanatory Notes

(Appendix 9B of Listing Requirements of BMSB)

16 Review of Performance

Quarter 4, FYE 2020 vs Quarter 4, FYE 2019

For the quarter under review, Group's turnover declined 19.7% from RM8.73 million to RM7.01 million. Gross profit declined 85.2% from RM1.84 million to RM271,000.

Distribution and trading

Turnover declined 23.1% from RM7.89 million to RM6.07 million, mainly attributable to lower sales from power tools and electric motors divisions. Gross profit declined 90.4% to RM157,000 as compared to RM1.63 million, mainly attributable to the cessation of automotive batteries trading business as a result of high overhead and inability to achieve breakeven sales volume.

Logistics related services

Turnover declined 4.5% from RM649,000 to RM620,000. Warehouse division suffered a gross loss position of RM204,000 as a result of higher rental expenses.

Year-to-date 31 March 2020 vs Year-to-date 31 March 2019

Group's turnover declined 8.0% from RM34.6 million for the previous year to RM31.8 million for the current year mainly attributable to lower contribution from tools divisions. However, losses before tax was lower by 67.2% from RM11.8 million to RM3.9 million, due to operational expenses reduction from cost rationalisation in tools division, cessation of automotive batteries trading business and the impairment of inventories of RM5.8 million in the previous year.

Distribution and trading

Turnover declined 9.6% from RM31.2 million to RM28.2 million. Losses before tax is lower by 74.7% from RM12.6 million for the previous year to RM3.2 million for the current year. Lower losses is due to cost rationalisation in tools division and cessation of automotive batteries trading business and impairment of inventories in the previous year.

Logistics related services

Turnover decreased marginally by 2.2% from RM2.82 million for the previous year to RM2.77 million for the current year. Profit before tax decreased from RM39,000 to a loss before tax of RM515,000 due to higher rental expenses incurred with effect from August 2019.

17 Current Quarter vs Preceding Quarter Results

Group's turnover declined 11.6% to RM7.01 million for the current quarter as compared to RM7.93 million for the preceding quarter. Decreased in turnover was mainly due to lower sales from hand tools and electric motors division in the current quarter.

Losses before tax was higher by 101.1% to RM1.69 million as compared to RM838,000 for the preceding quarter. Higher losses in the current quarter under review were mainly attributable to cessation of loss making automotive batteries trading business.

18 Commentary on Prospects

Globally, businesses are facing unprecedented social and economic challenges following the outbreak of the Covid-19 pandemic. The Group's financial performance of all its business divisions is expected to be even more challenging.

Moving forward, the Group will take appropriate measures to mitigate this impact which include cost cutting measures and cessation of non-profitable division, as well as the contribution from the newly acquired sanitary ware business.

19 Profit Forecast and Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

20 Taxation

	<u>31-3-20</u> 3-months	<u>31-3-19</u> 3-months	<u>31-3-20</u> 12-months	<u>31-3-19</u> 12-months
	RM'000	RM'000	RM'000	RM'000
Income tax - current year	(140)	142	99	386
(Over)/under-provided in prev. years	-	-	(3)	(4)
Deferred tax - originating & reversal	(40)	(5)	(40)	(10)
Change in tax rates	-	-	-	-
(Over)/under-provided in prev. years	-	-	-	4
Tax expense	(180)	137	56	376
Profit/(loss) before taxation	(1,593)	(7,735)	(3,857)	(11,769)
Tax at 24% (previous year - 24%)	(382)	(1,856)	(926)	(2,825)
Income tax (over)/under-provided in prior year	-	-	(3)	(4)
Change in tax rates	-	-	-	-
Deferred tax under/(over) prov. in prior year	(40)	-	(40)	4
Unrecognized losses brought forward (utilized)	-	-	-	-
Deferred tax asset not recognized	(10)	1,817	626	2,920
Effects of transactions :-	-	-	-	-
Non-deductible expenses	231	176	441	314
Income not taxable	43	-	(20)	(33)
Tax expense	(158)	137	78	376

The effective tax rates for the current financial quarter and period to-date were higher than the statutory rate due to certain non-deductible expenses for income tax purposes and non-recognition of deferred tax asset due to uncertainty of its recoverability.

21 Corporate Proposals

There were no corporate proposals announced but not completed at the latest practicable date, which is not earlier than seven days from the date of issue of this quarterly report.

22 Group Borrowings

There were no borrowings as at the end of the current financial quarter.

23 Material Litigation

No new material litigation has arisen nor were there any material changes to any case which had been pending since the last annual balance sheet date.

24 Dividends

The Company did not declare any dividend during the current financial quarter.

25 Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	<u>31-3-20</u> 3-months	<u>31-3-19</u> 3-months	<u>31-3-20</u> 12-months	<u>31-3-19</u> 12-months
Loss attributable to ordinary equity holders of the parent (RM'000)	(1,413)	(7,871)	(3,913)	(12,145)
Weighted average number of ordinary shares in issue ('000)	449,550	449,550	449,550	449,550
Basic loss per share (sen)	(0.31)	(1.75)	(0.87)	(2.70)

By order of the Board

Ong Bing Yap
Executive Director

Kuala Lumpur
Date : 26 June 2020