



**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the 2nd Quarter Ended 30 September 2023**

	Note	Current Quarter		Year To-date	
		<u>30/9/23</u>	<u>30/9/22</u>	<u>30/9/23</u>	<u>30/9/22</u>
		3-months	3-months	6-months	6-months
		RM'000	RM'000	RM'000	RM'000
Revenue	9	4,758	5,886	9,162	11,998
Cost of sales		(3,362)	(4,488)	(6,511)	(8,709)
Gross profit		1,396	1,398	2,651	3,289
Other income		296	175	551	442
Other operating expenses		(850)	(1,414)	(2,900)	(3,121)
Administrative expenses		(137)	(112)	(252)	(233)
Finance costs		-	-	-	-
Profit / (Loss) before tax	10	705	47	50	377
Tax expense	20	(26)	-	(26)	-
Profit / (Loss) for the period		679	47	24	377
Other comprehensive income, net of tax		-	-	-	-
Profit / (Loss) and other comprehensive profit / (loss) for the period		679	47	24	377
Profit / (Loss) and other comprehensive profit / (loss) for the period attributable to :					
Owners of the Company		679	47	24	377
Basic Profit / (Loss) per share attributable to owners of the Company (sen)	25	0.15	0.01	0.01	0.08

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes.



Condensed Consolidated Statements of Financial Position

	Note	Unaudited As at <u>30/9/23</u> RM'000	Audited As at <u>31/3/23</u> RM'000
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	12,058	12,194
Investment properties		5,728	5,508
Intangible asset		126	156
Right-of-use assets		566	37
<u>Current assets</u>			
Inventories		8,726	7,934
Trade receivables		7,028	6,556
Non-trade receivables, deposits and prepayments		5,241	3,247
Tax recoverable		534	441
Deposits with licensed financial institutions		22,175	24,199
Cash and bank balances		4,082	5,749
		47,786	48,126
TOTAL ASSETS		66,264	66,021
EQUITY AND LIABILITIES			
Share Capital	7	44,955	44,955
Retained earnings		19,694	19,670
TOTAL EQUITY		64,649	64,625
<u>Current liabilities</u>			
Trade payables		24	320
Non-trade payables and accruals		1,015	1,035
Lease liabilities		571	38
Tax payable		5	3
		1,615	1,396
TOTAL LIABILITIES		1,615	1,396
TOTAL EQUITY AND LIABILITIES		66,264	66,021
Net assets per share (RM)		<u>0.14</u>	<u>0.14</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes.



Condensed Consolidated Statements of Changes in Equity

For the 2nd Quarter Ended 30 September 2023

	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 2022	44,955	19,669	64,624	-	64,624
Profit / (Loss) and other comprehensive profit / (loss) for the period	-	377	377		377
At 30 September 2022	44,955	20,046	65,001	-	65,001
At 1 April 2023	44,955	19,670	64,625	-	64,625
Profit / (Loss) and other comprehensive profit / (loss) for the period	-	24	24	-	24
At 30 September 2023	44,955	19,694	64,649	-	64,649

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes.

**Condensed Consolidated Statements of Cash Flows**

	6-months 30/9/23 RM'000	6-months 30/9/22 RM'000
Cash flows from operating activities		
Profit / (Loss) before tax	50	377
Adjustments for:-		
Depreciation of property, plant and equipment	153	255
Depreciation of investment property	30	30
Amortisation of intangible asset	29	30
Depreciation of right-of use assets	141	142
(Gain)/Loss on disposal of property, plant and equipment	(49)	(1)
(Gain)/Loss on disposal of investment in subsidiary company	-	280
Reversal of impairment of trade receivables no longer required	-	(133)
Impairment of inventories	67	10
Reversal of impairment of inventories no longer required	(963)	(587)
Unrealised foreign exchange loss / (gain)	31	(7)
Interest expense on lease liabilities	11	4
Interest income	(409)	(226)
Operating profit / (loss) before changes in working capital	(909)	174
Inventories	104	(799)
Receivables	(2,497)	(977)
Payables	(316)	(905)
Cash (used in) / generated from operations	(3,618)	(2,507)
Tax paid	(139)	(113)
Tax refund	22	-
Net cash (used in) / generated from operating activities	(3,735)	(2,620)
Cash flows from investing activities		
Purchase of property, plant and equipment	(269)	(163)
Proceeds from disposal of property, plant and equipment	57	1
Proceeds from disposal of investments in subsidiary company	-	1,367
Placement of fixed deposits (> 3 months)	(13)	2,157
Interest received	409	226
Net cash used in investing activities	184	3,588
Cash flows from financing activities		
Repayment of lease liabilities	(141)	(142)
Interest expense on lease liabilities	(11)	(4)
Net cash used in financing activities	(152)	(146)
Net (decrease) / increase in cash and cash equivalents	(3,703)	822
Cash and cash equivalents as at 1 April	24,546	22,912
Cash and cash equivalents as at end of period	20,843	23,734
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks (< 3 months)	16,761	20,195
Cash and bank balances	4,082	3,539
	20,843	23,734

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023 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 Malaysian Financial Reporting Standards, MFRS 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 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 2023. 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 2023.

2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the financial statements of the Group for the financial year ended 31 March 2023.

The Group has not adopted the following accounting standards and interpretations (including the consequential amendments) that have been issued by the MASB but are not yet effective for the current financial period:

<u>MFRSs and Interpretations</u>	<u>Effective for annual periods beginning on or after</u>
• MFRS 17, Insurance Contracts	1 January 2023
• Amendments to MFRS 17, Insurance Contracts	1 January 2023
• Amendment to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 — Comparative Information	1 January 2023
• Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
• Amendments to MFSR 112, Income Tax: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to MFRS 16, Leases: Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101, Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
• Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	1 January 2024
• 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	Deferred

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.

3 Auditors' Report

The auditors' report on the financial statements for the year ended 31 March 2023 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 financial quarter under review.

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 quarter under review.

7 Debt and Equity Securities

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

8 Dividend Payment

There was no dividend payment made in the current financial quarter under review.

9 Segment Information

	<u>30/9/23</u> 3-months	<u>30/9/22</u> 3-months	<u>30/9/23</u> 6-months	<u>30/9/22</u> 6-months
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Investment holding	-	-	-	-
Distribution and trading	4,546	5,705	8,737	10,442
Logistics related services	-	-	-	889
Others	290	260	571	819
Total including inter-segment sales	4,836	5,965	9,308	12,150
Elimination of inter-segment sales	(78)	(79)	(146)	(152)
Total	4,758	5,886	9,162	11,998
<u>Segment Results - Profit / (Loss) before tax</u>				
Investment holding	(9)	(123)	(5)	(131)
Distribution and trading	1,030	584	700	721
Logistics related services	-	(209)	-	(242)
Others	(402)	33	(817)	181
	619	285	(122)	529
Eliminations	86	(238)	172	(152)
Total	705	47	50	377

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>30/9/23</u> 3-months	<u>30/9/22</u> 3-months	<u>30/9/23</u> 6-months	<u>30/9/22</u> 6-months
	RM'000	RM'000	RM'000	RM'000
<u>(Income) / Expenses</u>				
Interest income	(201)	(128)	(409)	(226)
Foreign exchange (gain) / loss	2	23	20	30
Depreciation and amortisation	100	118	212	315
Reversal of impairment of trade receivables no longer required	-	-	-	(133)
Impairment of inventories	(365)	10	67	10
Reversal of impairment of inventories no longer required	(883)	(370)	(963)	(587)
(Gain) / Loss on disposal of Property, Plant and Equipment	(49)	(1)	(49)	(1)

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 current financial quarter under review.

13 Changes in Group Composition

There were no changes in the composition of the Group during the financial quarter under review.

14 Capital Commitments

There were no material capital commitments as at the end of the current financial quarter under review.

Part B - Explanatory Notes

(Appendix 9B of Listing Requirements of BMSB)

15 Review of Performance

Quarter 2, FYE 2024 vs Quarter 2, FYE 2023

For the current quarter ended 30 September 2023 under review, the Group recorded a revenue of RM4.76 million compared with RM5.89 million reported in the preceding year's corresponding quarter, a decline of 19.2%. Nevertheless, the Group recorded higher profit before tax of RM0.71 million as compared to a profit before tax of RM0.05 million reported in the preceding year's corresponding quarter.

Distribution and Trading

This segment recorded a revenue of RM4.55 million, as compared to RM5.71 million reported in the preceding year's corresponding quarter, a decline of 20.3%. Lower revenue was reported across the board, due to timing factor in the bathroom products' delivery schedules, coupled with softening demand from the power tools and electric motors markets. In the current quarter under review, revenue from Power Tools Division fell by 38.3%, Bathroom Products Division fell by 35.3%, Electric Motors Division fell by 15.4% and Hand Tools Division fell by 2.9% as compared with the revenue reported in the preceding year's corresponding quarter.

Notwithstanding the lower revenue generated, this segment reported a higher profit before tax of RM1.03 million as compared to a profit before tax of RM0.58 million reported in the preceding year's corresponding quarter, an increase of 77.6% after improved operating results and revision of provision for impairment of slow moving inventories policy.

Others

This segment recorded a higher revenue of RM0.29 million compared with the RM0.26 million reported in the preceding year's corresponding quarter. The higher revenue was mainly due to higher rental income generated during the current quarter under review.

Year-to-date 30 September 2023 vs Year-to-date 30 September 2022

The Group's current cumulative revenue for the 6 months financial period ended 30 September 2023 was recorded at RM9.16 million, compared to RM12.00 million reported in the preceding year corresponding period, decline of 23.7%. The Group recorded a profit before tax of RM0.05 million as compared to a profit before tax of RM0.38 million reported in the preceding year corresponding period.

Distribution and Trading

This segment recorded a revenue of RM8.74 million, compared to RM10.44 million reported in the preceding year corresponding period, a 16.3% decline. In the current quarter under review, revenue from Electric Motors Division fell by 51.5%, Power Tools Division fell by 44.3%, Bathroom Products Division fell by 21.9%, respectively as compared with the revenue reported in the preceding year's corresponding quarter. Nevertheless, revenue from Hand Tools Division is up by 10.1% from the revenue reported in the preceding year's corresponding quarter.

This segment recorded a marginally lower profit before tax of RM0.70 million as compared to a profit before tax of RM0.72 million reported in the preceding year corresponding period.



15 Review of Performance (Continued)

Others

This segment reported a lower revenue of RM0.57 million and loss before tax of RM0.82 million compared to a revenue of RM0.82 million and profit before tax of RM0.18 million reported in the preceding year corresponding period.

The loss for this financial period was primarily attributable to an interest expense of RM0.45 million related to instalment payments on conversion premium and development charges for an investment property owned by JKB Development Sdn Bhd ("JKBD"), a wholly-owned subsidiary of the Company.

16 Current Quarter vs Preceding Quarter Results

The Group reported higher revenue at RM4.76 million for the current quarter under review, representing an improvement of 8.2% or RM0.36 million as compared to RM4.40 million reported in the immediate preceding quarter. The Group reported a profit before tax of RM0.72 million for the current quarter under review, compared to a loss before tax of RM0.66 million in the immediate preceding quarter. The profit was primarily attributable to the improved operating results and revision of provision for impairment of slow moving inventories policy in the current quarter.

17 Commentary on Prospects

The Board anticipates the country's economic outlook for the current financial year to remain challenging and will be mindful of navigating the business through the current challenging economic conditions. The Board will continue to monitor the business environment to ensure prudent fiscal management and sustainable growth moving forward. Nevertheless, the Group is optimistic of delivering positive performance for the 2024 financial year, based on the present improving business operations and outlook for the coming quarters.

18 Profit Forecast and Guarantee

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

19 Taxation

	<u>30/9/23</u> 3-months RM'000	<u>30/9/22</u> 3-months RM'000	<u>30/9/23</u> 6-months RM'000	<u>30/9/22</u> 6-months RM'000
Income tax - current year	26	-	26	-
Profit / (loss) before taxation	<u>705</u>	<u>47</u>	<u>50</u>	<u>377</u>
Tax at 24% (previous year - 24%)	170	10	12	90
Unrecognised tax losses brought forward (utilised)	(1)	1	(16)	(20)
Deferred tax asset not recognised	124	(8)	212	(45)
Effects of transactions :-				
Non-deductible expenses	35	(22)	168	9
Income not taxable	(302)	19	(350)	(34)
Tax expense	<u>26</u>	<u>-</u>	<u>26</u>	<u>-</u>

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.

**20 Corporate Proposals**

On 5 October 2023, the Company announced that JKBD, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement ("SPA") for the proposed disposal of a parcel of leasehold industrial land held under Pajakan Mukim 1029, Lot 30487, Jalan Genting Kelang, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("the Land") to Urban Reach Sdn Bhd ("URSB"), a 55% subsidiary of FCW Holdings Berhad ("FCW"), a related party, for a cash consideration of RM43.08 million ("the Proposed Disposal"). The Group expects to realise a net gain of RM37.54 million from the Proposed Disposal.

The Proposed Disposal is subject to and conditional upon the following approvals being obtained from:

- (i) the shareholders of the Company and FCW at the respective Extraordinary General Meetings to be convened; and
- (ii) the State Authority for the transfer of the Land from JKBD to URSB.

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Disposal to be completed by the 2nd quarter of 2024.

The full announcement can be viewed on the Company's website.

The Company intends to use the proceeds from the sale of land in the following manner:-

Use of proceeds	Amount (RM'000)	Expected time frame for usage of proceeds
Special interim dividend of 1 sen per JKB share	4,496	Within 2 months (from the unconditional date of the SPA for the Proposed Disposal)
Estimated expenses in relation to the Proposed Disposal	1,400	Immediately
Acquisition of new business(es) / asset(s) to be identified	37,184	Within 36 months from the date of receipt of the Disposal Consideration
Total	43,080	

21 Group Borrowings

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

22 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.

23 Dividends

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

24 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 current financial period.

	<u>30/9/23</u> 3-months	<u>30/9/22</u> 3-months	<u>30/9/23</u> 6-months	<u>30/9/22</u> 6-months
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	679	47	24	377
Weighted average number of ordinary shares in issue ('000)	449,550	449,550	449,550	449,550
Basic profit / (loss) per share (sen)	0.15	0.01	0.01	0.08

By order of the Board

Boon Shi Hou
Executive Director

Kuala Lumpur
Date : 22 November 2023