



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

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 MARCH 2022**

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	(Unaudited) Current Quarter 31.3.22 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.3.21 RM'000	(Unaudited) Current Year To Date 31.3.22 RM'000	(Unaudited) Preceding Year Corresponding Period 31.3.21 RM'000
Revenue	100,012	73,320	100,012	73,320
Cost of sales	<u>(81,166)</u>	<u>(57,911)</u>	<u>(81,166)</u>	<u>(57,911)</u>
Gross profit	18,846	15,409	18,846	15,409
Other operating income	854	697	854	697
Administrative expenses	<u>(6,314)</u>	<u>(4,726)</u>	<u>(6,314)</u>	<u>(4,726)</u>
Operating profit	13,386	11,380	13,386	11,380
Finance costs	(586)	(518)	(586)	(518)
Share of loss of associated companies	<u>(119)</u>	<u>-</u>	<u>(119)</u>	<u>-</u>
Profit before tax	12,681	10,862	12,681	10,862
Tax expenses	<u>(3,182)</u>	<u>(1,853)</u>	<u>(3,182)</u>	<u>(1,853)</u>
Total comprehensive income for the period	<u>9,499</u>	<u>9,009</u>	<u>9,499</u>	<u>9,009</u>
Profit/(loss) attributable to:				
-Owners of the parent	9,657	9,009	9,657	9,009
-Non-controlling interests ("NCI")	<u>(158)</u>	<u>-</u> *	<u>(158)</u>	<u>-</u> *
	<u>9,499</u>	<u>9,009</u>	<u>9,499</u>	<u>9,009</u>
Earnings per share attributable to owners of the parent (sen):				
- Basic	<u>1.73</u>	<u>1.62</u>	<u>1.73</u>	<u>1.62</u>

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this report.

* Negligible

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) At End of Current Year to Date 31.3.22 RM'000	(Audited) At End of Preceding Financial Year 31.12.21 RM'000
	Note	
ASSETS		
Non-current assets		
Property, plant and equipment	131,908	126,803
Right-of-use assets	2,003	2,171
Investment in associated companies	1,122	1,241
Goodwill on Consolidation	21,532	21,532
	<u>156,565</u>	<u>151,747</u>
Current assets		
Inventories	65,626	70,735
Trade receivables	147,214	126,486
Other receivables, deposits and prepayments	11,650	7,909
Tax recoverable	2,936	4,359
Cash and cash equivalents	38,534	46,620
	<u>265,960</u>	<u>256,109</u>
TOTAL ASSETS	<u>422,525</u>	<u>407,856</u>
EQUITY AND LIABILITIES		
Share capital	113,231	113,231
Retained profits	161,909	152,252
Capital reserve	(15,957)	(15,957)
	<u>259,183</u>	<u>249,526</u>
Non controlling interests	779	312
Total equity	<u>259,962</u>	<u>249,838</u>
Non-current liabilities		
Borrowings	22 51,421	54,247
Lease liabilities	1,342	1,466
Deferred tax liabilities	4,641	4,620
	<u>57,404</u>	<u>60,333</u>
Current liabilities		
Trade payables	52,727	53,241
Other payables and accruals	20,050	17,073
Refund liabilities	26	280
Borrowings	22 27,826	24,434
Lease liabilities	546	571
Tax payables	3,984	2,086
	<u>105,159</u>	<u>97,685</u>
Total liabilities	<u>162,563</u>	<u>158,018</u>
TOTAL EQUITY AND LIABILITIES	<u>422,525</u>	<u>407,856</u>

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) At End of Current Year to Date 31.3.22 RM'000	(Audited) At End of Preceding Financial Year 31.12.21 RM'000
Net assets per share (RM)	<u>0.47</u>	<u>0.45</u>

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this report.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	----- Attributable to the owners of the parent -----				Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Retained Profits RM'000			
Balance as at 1 January 2022	113,231	-	(15,957)	152,252	249,526	312	249,838
Total comprehensive income for the period	-	-	-	9,657	9,657	(158)	9,499
<i>Transaction with owners:</i>							
Issuance of share to Non-controlling interest of a subsidiary	-	-	-	-	-	625	625
Dividend Paid	-	-	-	-	-	-	-
Balance as at 31 March 2022	<u>113,231</u>	<u>-</u>	<u>(15,957)</u>	<u>161,909</u>	<u>259,183</u>	<u>779</u>	<u>259,962</u>
Balance as at 1 January 2021	113,231	-	(15,957)	120,666	217,940	499	218,439
Total comprehensive income for the period	-	-	-	9,009	9,009	-	9,009
<i>Transaction with owners:</i>							
Issuance of share to Non-controlling interest of a subsidiary	-	-	-	-	-	-	-
Dividend Paid	-	-	-	(2,788)	(2,788)	-	(2,788)
Balance as at 31 March 2021	<u>113,231</u>	<u>-</u>	<u>(15,957)</u>	<u>126,887</u>	<u>224,161</u>	<u>499</u>	<u>224,660</u>

Note:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this report.

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Current Year To Date 31.3.22 RM'000	(Unaudited) Preceding Year Corresponding Period 31.3.21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,681	10,862
Adjustments for:		
-Non cash items	2,281	(3,472)
-Interest expense	569	485
-Interest income	(38)	(46)
Operating profit before working capital changes	15,493	7,829
(Increase) / Decrease in inventories	5,563	1,616
(Increase) / Decrease in receivables	(22,991)	30,212
Increase / (Decrease)/Increase in payables	1,746	(10,306)
Cash generated from operations	(189)	29,351
Net income tax (paid) / refund	161	(2,537)
Interest paid	(569)	(485)
Net cash generated from operating activities	(597)	26,329
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	38	46
Proceed from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment*	(8,455)	(5,935)
Net cash used in investing activities	(8,417)	(5,888)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown / (Payment) of hire purchase loans	1,392	(1,431)
Payment of lease liabilities	(470)	(202)
Drawdown / (Repayment) of trade financing	3,357	(8,388)
Drawdown / (Repayment) of term loans	(3,480)	11,771
Drawdown / (Repayment) of Revolving credit	(703)	
Proceeds from issuance of shares to non-controlling interest of subsidiary	625	
Payment of Dividend	-	(2,788)
Net cash from financing activities	721	(1,038)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,293)	19,403
CASH AND CASH EQUIVALENTS AT BEGINNING	38,348	21,805
CASH AND CASH EQUIVALENTS AT END	30,055	41,208
The cash and Cash equivalents are represented by:		
Cash and cash equivalents	38,534	50,229
Less: Fixed deposits pledged to licensed bank	(8,479)	(8,414)
	30,055	41,815
Less: Bank overdraft	-	(607)
	30,055	41,208

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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Current Year To Date 31.3.22 RM'000	(Unaudited) Preceding Year Corresponding Period 31.3.21 RM'000
* Purchase of property, plant and equipment		
Total acquisition cost	8,455	5,935
Acquired under finance lease	-	-
Total cash acquisition	<u>8,455</u>	<u>5,935</u>

Note:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this report.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2022**

1. Basis Of Preparation

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

This condensed report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to this Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

The accounting policies adopted for this Report are consistent with those of the last audited financial statements for the financial year ended ("FYE") 31 December 2021.

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

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the FYE 31 December 2021 were not subject to any audit qualification.

3. Seasonality or Cyclical Factors

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

4. Unusual Items

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

5. Material Changes in Estimates of Amounts Reported

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

6. Debt and Equity Securities

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

7. Dividend Paid

No dividend has been paid in respect of the current quarter under review.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2022**

8. Segmental Information

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

Results for the Year-To-Date ended 31 March 2022

	< ----- Manufacturing ----- >			Investment Holding RM'000	Adjustment RM'000	Total RM'000
	Automotive RM'000	Industrial RM'000	Others RM'000			
Segment Revenue						
Revenue from external customers	67,832	32,163	-	17	-	100,012
Inter-segment revenue	8,751	425	-	429	(9,605)	-
Total revenue	<u>76,583</u>	<u>32,588</u>	<u>-</u>	<u>446</u>	<u>(9,605)</u>	<u>100,012</u>
Segment Results	11,844	2,104	-	(600)	-	13,348
Interest income						38
Interest expense						(586)
Share of loss of associated companies						(119)
Profit before tax						<u>12,681</u>
Tax expenses						(3,182)
Net profit for the period						<u>9,499</u>

Results for the Year-To-Date ended 31 March 2021

	< ----- Manufacturing ----- >			Investment Holding RM'000	Adjustment RM'000	Total RM'000
	Automotive RM'000	Industrial RM'000	Others RM'000			
Segment Revenue						
Revenue from external customers	44,318	28,851	-	151	-	73,320
Inter-segment revenue	5,433	518	-	129	(6,080)	-
Total revenue	<u>49,751</u>	<u>29,369</u>	<u>-</u>	<u>280</u>	<u>(6,080)</u>	<u>73,320</u>
Segment Results	9,887	1,743	-	(296)	-	11,334
Interest income						46
Interest expense						(518)
Profit before tax						<u>10,862</u>
Tax expenses						(1,853)
Net profit for the period						<u>9,009</u>

9. Valuation of Property, Plant and Equipment

There has been no revaluation of property, plant and equipment during the quarter ended 31 March 2022.

As at 31 March 2022, all property, plant and equipment were stated at cost less accumulated depreciation.

10. Significant Events After the Reporting Period

There were no significant events subsequent to the end of the current quarter under review and up to the date of this announcement.

11. Changes in the Composition of the Group

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR FIRST QUARTER ENDED 31 MARCH 2022**

12. Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2021.

13. Capital Commitments

Authorised and contracted but not provided for :	RM'000
Purchase of property, plant and equipment	<u>11,500</u>

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

	Current Quarter & Year To-Date 31.03.2022	Preceding Year Corresponding Period 31.03.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	100,012	73,320	26,692	36.40%
Operating profit	13,386	11,380	2,006	17.63%
Profit before tax	12,681	10,862	1,819	16.75%
Profit after tax ("PAT")	9,499	9,009	490	5.44%
Profit attributable to ordinary equity holders of the parent	9,657	9,009	648	7.19%

The Group posted a revenue and PAT of RM100.01 million and RM9.50 million respectively in the financial period ended 31 March 2022 ("FPE 2022"). This represent an increase in revenue and PAT of 36.40% and 5.44% respectively compared to the Financial period ended 31 March 2021 ("FPE 2021").

PAT margin is lower was mainly due to the following:

- (i) Increase in research and development cost on new products development.
- (ii) Lower unrealised foreign exchange gain was recognised for the current quarter, i.e at RM0.47 million for FPE2022 as compared to FPE 2021 of RM5.29 million

15. Comparison With Immediate Preceding Quarter's Results

	INDIVIDUAL QUARTER			
	31.03.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	100,012	94,756	5,256	5.55%
Operating profit	13,386	17,264	(3,878)	-22.46%
Profit before tax ("PBT")	12,681	16,558	(3,877)	-23.41%
Profit after tax ("PAT")	9,499	12,759	(3,260)	-25.55%
Profit attributable to ordinary equity holders of the parent	9,657	12,912	(3,255)	-25.21%

The Group posted revenue and PAT of RM100.01 million and RM9.50 million respectively for the current quarter under review as compared to the revenue and PAT of RM94.76 million and RM12.76 million respectively for the immediate preceding quarter. The revenue increased by 5.55% while PAT decreased by 25.55%. Higher revenue for the current quarter was mainly due to higher demand from automotive segment.

Nonetheless, PAT decreased by 25.55% as compared to the immediate preceding quarter mainly due to the following:

- (i) Increase in research and development cost on new products development.
- (ii) Lower sales from certain industrial segment's customers resulting drop in economy of scale.
- (iii) Overprovision of FY2020 tax amounting to RM1.29 million was captured in immediate preceding quarter

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR FIRST QUARTER ENDED 31 MARCH 2022**

16. Statement of Financial Position review

	As at	As at	Changes	
	31.03.2022	31.12.2021	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	131,908	126,803	5,105	4.03%
Trade receivables	147,214	126,486	20,728	16.39%

Property, plant and equipment

The increase was mainly due to the capital expenditure incurred for both automotive and industrial segments.

Trade receivables

The trade receivables was increase from RM126.49 million as at 31 December 2021 to RM147.21 million as at 31 March 2022. The increase was in tandem with the revenue growth for the current quarter under review.

17. Statement of Cash Flow review

	As at	As at	Changes	
	31.03.2022	31.3.2021	RM'000	%
	RM'000	RM'000	RM'000	%
Net cash generated from operating activities	(597)	26,329	(26,926)	-102.27%
Net cash used in investing activities	(8,417)	(5,888)	(2,529)	42.95%
Net cash used in financing activities	721	(1,038)	1,759	-169.46%

Operating activities

The Group's net cash outflow of RM0.60 million for the Financial Period Ended ("FPE") 2022 as against net cash inflow of RM26.33 million for the FPE2021. This was mainly due to slight increase in trade receivables.

Investing activities

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

Financing activities

The net cash derived from financing activities was mainly attributable from the drawdown of trade financing during the FPE 2022.

18. Commentary on Prospects

Market conditions are expected to be volatile due to concerns over the Covid lockdown situation in China and Russia's war in Ukraine resulting further disruption of supply chains. Despite this, the Group's outlook remains resilient and is continuing with the business expansion plans to support new customers from automotive as well as industrial segments.

The manpower shortages and the supply chain disruption remain the major concerns that may continue to affect the manufacturing operation. The Group will continues taking appropriate measures and strategies to mitigate the business risk. Barring any unforeseen circumstances, the Board believes that the Group's prospects in this financial year ending 31 December 2022 remains positive.

19. Profit Forecast or Profit Guarantee

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED 31 MARCH 2022**

20. Tax expenses

	Current Year Quarter 31.03.2022 RM'000	Current Year To Date 31.03.2022 RM'000
Tax expenses comprise the following :		
Based on results for the period		
- Current tax	<u>3,182</u>	<u>3,182</u>

21. Corporate Proposals

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

On 15 December 2021, the Board announced that the Company proposes to undertake a private placement of up to 10% of the total number of issued shares of JHM ("Proposed Private Placement") to third party investors to be identified and at an issue price to be determined later. The Company has submitted the application to Bursa Securities for the listing and quotation of up to 55,760,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities. Bursa Securities had, vide its letter dated 29 December 2021, approved the Proposed Private Placement.

22. Group Borrowings And Debt Securities

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

	As at 31 March 2022					
	Short term		Long term		Total	
	Foreign * '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
Secured:						
Hire purchase loans	-	6,242	-	9,599	-	15,841
Banker acceptance	-	15,268	-	-	-	15,268
Term Loan	3,543	2,773	25,945	15,876	29,488	18,649
Unsecured:						
Bank overdraft	-	607	-	-	-	-
	3,543	24,890	25,945	25,475	29,488	49,758

* Exchange rate @ RM4.1877/USD

	As at 31 March 2021					
	Short term		Long term		Total	
	Foreign * '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
Secured:						
Hire purchase loans	-	6,088	-	11,984	-	18,072
Banker acceptance	-	2,795	-	-	-	2,795
Term Loan	2,340	3,940	10,309	17,430	12,649	21,370
Unsecured:						
Bank overdraft	-	607	-	-	-	607
	2,340	13,430	-	29,414	12,649	42,844

* Exchange rate @ RM4.146/USD

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR FIRST QUARTER ENDED 31 MARCH 2022**

23. Dividend Payable

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

24. Profit before tax

Profit before tax is derived from after charging/(crediting)	Current Quarter & Year To Date 31.03.2022 RM'000	Current Quarter & Year To Date 31.03.2021 RM'000
Depreciation of property, plant and equipment	3,344	3,091
Depreciation of right-of-use assets	168	174
(Gain) / Loss on disposal of property, plant and equipment	-	2
Interest expense	569	485
Interest expense on lease liabilities	22	33
Interest income	(38)	(46)
Realised loss / (gain) on foreign exchange	(74)	2,952
Unrealised loss / (gain) on foreign exchange	(473)	(5,286)

Other than the above items, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and financial period ended 31 March 2022.

25. Earnings Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.22	Preceding Year Corresponding Quarter 31.3.21	Current Year To Date 31.3.22	Preceding Year Corresponding Period 31.3.21
Net profit attributable to owners of the parent (RM'000)	<u>9,657</u>	<u>9,009</u>	<u>9,657</u>	<u>9,009</u>
Weighted average number of ordinary shares issued ('000)	<u>557,600</u>	<u>557,600</u>	<u>557,600</u>	<u>557,600</u>
Basic Earnings Per Share based on weighted average number of ordinary shares issued (sen)	<u>1.73</u>	<u>1.62</u>	<u>1.73</u>	<u>1.62</u>

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

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