



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

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
30 JUNE 2022**

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Current	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30.6.22	Quarter	30.6.22	Period
	RM'000	30.6.21	RM'000	30.6.21
		RM'000		RM'000
Revenue	93,143	69,738	193,155	142,592
Cost of sales	<u>(77,006)</u>	<u>(57,627)</u>	<u>(158,172)</u>	<u>(115,538)</u>
Gross profit	16,137	12,111	34,983	27,054
Other operating income	1,157	6,875	2,011	7,572
Administrative expenses	<u>(4,170)</u>	<u>(7,115)</u>	<u>(10,484)</u>	<u>(11,375)</u>
Operating profit	13,124	11,871	26,510	23,251
Finance costs	(684)	(515)	(1,270)	(1,033)
Share of loss of associated companies	<u>(305)</u>	<u>-</u>	<u>(424)</u>	<u>-</u>
Profit before tax	12,135	11,356	24,816	22,218
Tax expenses	<u>(2,558)</u>	<u>(2,036)</u>	<u>(5,740)</u>	<u>(3,889)</u>
Total comprehensive income for the period	<u><u>9,577</u></u>	<u><u>9,320</u></u>	<u><u>19,076</u></u>	<u><u>18,329</u></u>
Profit/(loss) attributable to:				
-Owners of the parent	9,772	9,321	19,429	18,330
-Non-controlling interests ("NCI")	<u>(195)</u>	<u>(1)</u>	<u>(353)</u>	<u>(1)</u>
	<u><u>9,577</u></u>	<u><u>9,320</u></u>	<u><u>19,076</u></u>	<u><u>18,329</u></u>
Earnings per share attributable to owners of the parent (sen):				
- Basic	<u><u>1.75</u></u>	<u><u>1.67</u></u>	<u><u>3.48</u></u>	<u><u>3.29</u></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.

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	(Unaudited) At End of Current Year to Date 30.6.22 RM'000	(Audited) At End of Preceding Financial Year 31.12.21 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		144,606	126,803
Right-of-use assets		1,835	2,171
Investment in associated companies		-	1,241
Goodwill on Consolidation		21,532	21,532
		<u>167,973</u>	<u>151,747</u>
Current assets			
Inventories		67,190	70,735
Trade receivables		173,322	126,486
Other receivables, deposits and prepayments		8,517	7,909
Tax recoverable		3,000	4,359
Cash and cash equivalents		20,493	46,620
		<u>272,522</u>	<u>256,109</u>
TOTAL ASSETS		<u>440,495</u>	<u>407,856</u>
EQUITY AND LIABILITIES			
Share capital		113,231	113,231
Retained profits		171,681	152,252
Capital reserve		(15,957)	(15,957)
		<u>268,955</u>	<u>249,526</u>
Non controlling interests		584	312
Total equity		<u>269,539</u>	<u>249,838</u>
Non-current liabilities			
Borrowings	22	51,834	54,247
Lease liabilities		1,218	1,466
Deferred tax liabilities		4,642	4,620
		<u>57,694</u>	<u>60,333</u>
Current liabilities			
Trade payables		55,690	53,241
Other payables and accruals		19,061	17,073
Refund liabilities		-	280
Borrowings	22	32,724	24,434
Lease liabilities		521	571
Tax payables		5,266	2,086
		<u>113,262</u>	<u>97,685</u>
Total liabilities		<u>170,956</u>	<u>158,018</u>
TOTAL EQUITY AND LIABILITIES		<u>440,495</u>	<u>407,856</u>

JHM CONSOLIDATION BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At End of Current Year to Date 30.6.22 RM'000	(Audited) At End of Preceding Financial Year 31.12.21 RM'000
Net assets per share (RM)	<u>0.48</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 SECOND QUARTER ENDED 30 JUNE 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	Treasury Shares 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	-	-	-	19,429	19,429	(353)	19,076
<i>Transaction with owners:</i>							
Issuance of share to Non-controlling interest of a subsidiary	-	-	-	-	-	625	625
Balance as at 30 June 2022	113,231	-	(15,957)	171,681	268,955	584	269,539
Balance as at 1 January 2021	113,231	-	(15,957)	120,666	217,940	499	218,439
Total comprehensive income for the period	-	-	-	18,330	18,330	(1)	18,329
<i>Transaction with owners:</i>							
Dividend Paid	-	-	-	(2,788)	(2,788)	-	(2,788)
Balance as at 30 June 2021	113,231	-	(15,957)	136,208	233,482	498	233,980

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 SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Current Year To Date 30.6.22 RM'000	(Unaudited) Preceding Year Corresponding Period 30.6.21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,816	22,218
Adjustments for:		
-Non cash items	2,741	(1,949)
-Interest expense	1,228	970
-Interest income	(79)	(116)
Operating profit before working capital changes	<u>28,706</u>	<u>21,123</u>
Decrease/(Increase) in inventories	3,999	(11,345)
Increase in receivables	(40,226)	31,724
(Decrease)/Increase in payables	1,852	(2,832)
Cash generated from operations	<u>(5,669)</u>	<u>38,670</u>
Net income tax paid	(1,179)	(4,095)
Interest paid	<u>(1,228)</u>	<u>(970)</u>
Net cash generated from operating activities	(8,076)	33,605
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	79	116
Proceeds from disposal of associated company	800	-
Proceeds from issuance of shares to non-controlling interest of subsidiary	625	-
Proceed from disposal of property, plant and equipment	69	7,842
Purchase of property, plant and equipment*	(22,184)	(7,954)
Net cash used in investing activities	(20,611)	4
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase loans	(2,683)	(3,613)
Payment of lease liabilities	(940)	(404)
Repayment of trade financing	7,648	(8,564)
Drawdown / (Repayment) of term loans	(1,672)	11,204
Payment of Dividend	-	(2,788)
Net cash from financing activities	2,353	(4,165)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(26,334)</u>	<u>29,444</u>
CASH AND CASH EQUIVALENTS AT BEGINNING	38,348	21,805
CASH AND CASH EQUIVALENTS AT END	<u>12,014</u>	<u>51,249</u>
The cash and Cash equivalents are represented by:		
Cash and cash equivalents	20,493	59,385
Less: Fixed deposits pledged to licensed bank	(8,479)	(8,136)
	<u>12,014</u>	<u>51,249</u>
Less: Bank overdraft	-	-
	<u>12,014</u>	<u>51,249</u>

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	(Unaudited)
	Current Year	Preceding Year
	To Date	Corresponding
	30.6.22	Period
	RM'000	30.6.21
		RM'000
* Purchase of property, plant and equipment		
Total acquisition cost	24,766	7,954
Acquired under finance lease	(2,582)	-
Total cash acquisition	<u>22,184</u>	<u>7,954</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 SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 2022**

8. Segmental Information

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

Results for the Year-To-Date ended 30 June 2022

Segment Revenue	< ----- Manufacturing ----- >			Investment Holding RM'000	Adjustment RM'000	Total RM'000
	Automotive RM'000	Industrial RM'000	Others RM'000			
Revenue from external customers	129,338	63,792	3	22	-	193,155
Inter-segment revenue	17,672	836	-	5,858	(24,366)	-
Total revenue	<u>147,010</u>	<u>64,628</u>	<u>3</u>	<u>5,880</u>	<u>(24,366)</u>	<u>193,155</u>
Segment Results	22,934	4,373	(12)	(864)	-	26,431
Interest income						79
Interest expense						(1,270)
Share of loss of associated companies						(424)
Profit before tax						<u>24,816</u>
Tax expenses						(5,740)
Net profit for the period						<u>19,076</u>

Results for the Year-To-Date ended 30 June 2021

Segment Revenue	< ----- Manufacturing ----- >			Investment Holding RM'000	Adjustment RM'000	Total RM'000
	Automotive RM'000	Industrial RM'000	Others RM'000			
Revenue from external customers	88,558	53,814	37	183	-	142,592
Inter-segment revenue	11,040	1,341	-	3,641	(16,022)	-
Total revenue	<u>99,598</u>	<u>55,155</u>	<u>37</u>	<u>3,824</u>	<u>(16,022)</u>	<u>142,592</u>
Segment Results	17,430	6,303	22	(620)	-	23,135
Interest income						116
Interest expense						(1,033)
Profit before tax						<u>22,218</u>
Tax expenses						(3,889)
Net profit for the period						<u>18,329</u>

9. Valuation of Property, Plant and Equipment

There has been no revaluation of property, plant and equipment during the quarter ended 30 June 2022.

As at 30 June 2022, all property, plant and equipment were stated at cost less accumulated depreciation.

10. Significant Events After the Reporting Period

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

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review except the Company has disposed of its associate company, namely Skywoo Manufacturing Sdn Bdn's equity for a consideration of RM800,004 on 18 May 2022.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 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

18,500

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

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	Current Year Quarter 30.6.22	Preceding Year Corresponding Quarter 30.6.21	Changes		Current Year To-Date 30.6.22	Preceding Year Corresponding Period 30.6.21	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	93,143	69,738	23,405	33.56%	193,155	142,592	50,563	35.46%
Operating profit	13,124	11,871	1,253	10.56%	26,510	23,251	3,259	14.02%
Profit before tax	12,135	11,356	779	6.86%	24,816	22,218	2,598	11.69%
Profit after tax ("PAT")	9,577	9,320	257	2.76%	19,076	18,329	747	4.08%
Profit attributable to ordinary equity holders of the parent	9,772	9,321	451	4.84%	19,429	18,330	1,099	6.00%

For the quarter under review, the Group posted a revenue and PAT of RM93.14 million and RM9.58 million respectively. These represent an increase of 33.56% and 2.76% in revenue and PAT respectively compared to the corresponding quarter ended 30 June 2021.

For the six months period ended 30 June 2022, the Group recorded revenue and PAT of RM193.16 million and RM19.08 million respectively, these represent an increase of 35.46% in revenue and 4.08% in PAT as compared to the same period a year ago.

PAT margin is lower was mainly due to the following:

- Increase in research and development cost on new products development.
- Cost incurred for newly setup businesses.
- Recognition of forex loss amounting to RM2.48 million which was derived from translation loss (no cashflow impact) of US Dollar denominated loans.
- Higher other operating income in corresponding period last year which included shortfall amount of RM3.46 million received from profit guaranteed and the recognition gain from the disposal of leasehold land of RM2.74 million.

15. Comparison With Immediate Preceding Quarter's Results

	INDIVIDUAL QUARTER			
	30.6.22	31.3.22	Changes	
	RM'000	RM'000	RM'000	%
Revenue	93,143	100,012	(6,869)	-6.87%
Operating profit	13,124	13,386	(262)	-1.96%
Profit before tax ("PBT")	12,135	12,681	(546)	-4.31%
Profit after tax ("PAT")	9,577	9,499	78	0.82%
Profit attributable to ordinary equity holders of the parent	9,772	9,657	115	1.19%

The Group posted revenue and PAT of RM93.14 million and RM9.58 million respectively for the current quarter under review as compared to the revenue and PAT of RM100.01 million and RM9.50 million respectively for the immediate preceding quarter. The global supply chain disruption has affected the revenue growth for the current quarter under review.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2022**

16. Statement of Financial Position review

	As at	As at	Changes	
	30.6.22	31.12.21		
	RM'000	RM'000	RM'000	RM'000
Investment in associated companies	-	1,241	(1,241)	-100.00%
Trade receivables	173,322	126,486	46,836	37.03%

Investment in associated companies

The Group has discontinued recognising its share of further losses from Mass Precision Sdn Bhd.

Trade receivables

The trade receivables was increase from RM126.49 million as at 31 December 2021 to RM173.32 million as at 30 June 2022. The increase was in tandem with the revenue growth for the Financial Period Ended ("FPE") 2022 under review.

17. Statement of Cash Flow review

	As at	As at	Changes	
	30.6.22	30.6.21		
	RM'000	RM'000	RM'000	%
Net cash generated from operating activities	(8,076)	33,605	(41,681)	-124.03%
Net cash used in investing activities	(20,611)	4	(20,615)	-515375.00%
Net cash used in financing activities	2,353	(4,165)	6,518	-156.49%

Operating activities

The Group's net cash outflow of RM8.08 million for the FPE 2022 as against net cash inflow of RM33.61 million for the FPE2021. This was mainly due to 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 rising global recession risks sparked by an aggressive monetary policy tightening in the US and slower growth in China. 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. Barring any unforeseen circumstances, the Group remains cautiously positive on the prospects for this financial year ending 31 December 2022.

19. Profit Forecast or Profit Guarantee

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

20. Tax expenses

Tax expenses comprise the following :

Based on results for the period

- Current tax

**Current Year
Quarter
30.6.22
RM'000**

**Current Year
To Date
30.6.22
RM'000**

2,558

5,740

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2022

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.

On 10 June 2022, the Board announced that the Company has submitted an application to Bursa Securities for an extension of time and Bursa Securities had vide its letter dated 27 June 2022, approved the extension of time of up to 28 December 2022 for the Company to implement the Private Placement.

22. Group Borrowings And Debt Securities

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

	As at 30 June 2022					
	Short term		Long term		Total	
	Foreign * '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
Secured:						
Hire purchase loans	-	6,145	-	8,400	-	14,545
Banker acceptance	-	19,559	-	-	-	19,559
Term Loan	4,234	2,786	28,258	15,176	32,492	17,962
Unsecured:						
Bank overdraft	-	-	-	-	-	-
	4,234	28,490	-	23,576	32,492	52,066

* Exchange rate @ RM4.3851 /USD

	As at 30 June 2021					
	Short term		Long term		Total	
	Foreign * '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
Secured:						
Hire purchase loans	-	5,970	-	11,250	-	17,220
Banker acceptance	-	2,619	-	-	-	2,619
Term Loan	2,340	4,141	10,309	16,130	12,649	20,271
Unsecured:						
Bank overdraft	-	-	-	-	-	-
	2,340	12,730	-	27,380	12,649	40,110

* Exchange rate @ RM4.1520/USD

23. Dividend Payable

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED 30 JUNE 2022**

24. Profit before tax

Profit before tax is derived from after charging/(crediting)	Current Quarter 30.6.22 RM'000	Year To Date 30.6.22 RM'000	Year To Date 30.6.21 RM'000
Depreciation of property, plant and equipment	3,582	6,926	6,320
Depreciation of right-of-use assets	168	336	350
Gain on disposal of property, plant and equipment	(37)	(37)	(2,743)
Interest expense	659	1,228	970
Interest expense on lease liabilities	20	42	64
Interest income	(41)	(79)	(116)
Property, plant and equipment written off	6	6	-
Realised loss / (gain) on foreign exchange	1,370	1,296	3,015
Unrealised loss / (gain) on foreign exchange	(4,078)	(4,551)	(5,580)

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 30 June 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 30.6.22	Preceding Year Corresponding Quarter 30.6.21	Current Year To Date 30.6.22	Preceding Year Corresponding Period 30.6.21
Net profit attributable to owners of the parent (RM'000)	<u>9,772</u>	<u>9,321</u>	<u>19,429</u>	<u>18,330</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>1.75</u>	<u>1.67</u>	<u>3.48</u>	<u>3.29</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 SECOND QUARTER INTERIM FINANCIAL REPORT --