

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Dec-18 RM'000	Preceding year Corresponding Quarter 31-Dec-17 RM'000	Changes %	Current Year To date 31-Dec-18 RM'000	Preceding year Corresponding year 31-Dec-17 RM'000	Changes %
Revenue	44,756	40,691	9.99%	154,411	143,623	7.51%
Direct costs	(583)	(546)	6.78%	(1,618)	(5,402)	-70.05%
Changes in inventories of finished goods and work in progress	(8,974)	759	-1282.35%	2,785	7,204	-61.34%
Raw materials and consumable used	(27,733)	(31,563)	-12.13%	(124,378)	(107,330)	15.88%
Changes in inventories of trading merchandise	(766)	(303)	152.81%	(1,899)	(2,215)	-14.27%
Staff costs	(2,498)	(2,932)	-14.80%	(11,192)	(11,207)	-0.13%
Other income	1,622	2,264	-28.36%	1,619	2,616	-38.11%
Depreciation and amortisation	(1,303)	(1,032)	26.26%	(4,624)	(3,982)	16.12%
Other operating expenses	(3,361)	(3,568)	-5.80%	(12,061)	(11,813)	2.10%
Finance cost	(269)	(173)	55.49%	(647)	(603)	7.30%
<b>Profit before taxation</b>	<b>891</b>	<b>3,597</b>	<b>-75.23%</b>	<b>2,396</b>	<b>10,891</b>	<b>-78.00%</b>
Taxation	(500)	(2,464)	-79.71%	(488)	(2,494)	-80.43%
<b>Profit after taxation</b>	<b>391</b>	<b>1,133</b>	<b>-65.49%</b>	<b>1,908</b>	<b>8,397</b>	<b>-77.28%</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
<b>Total comprehensive income for the year</b>	<b>391</b>	<b>1,133</b>	<b>-65.49%</b>	<b>1,908</b>	<b>8,397</b>	<b>-77.28%</b>
<b>Profit attributable to:</b>						
Owners of the Company	415	1,130		1,845	8,346	
Non-controlling interest	(24)	3		63	51	
	<b>391</b>	<b>1,133</b>		<b>1,908</b>	<b>8,397</b>	
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	415	1,130		1,845	8,346	
Non-controlling interest	(24)	3		63	51	
	<b>391</b>	<b>1,133</b>		<b>1,908</b>	<b>8,397</b>	
<b>Earning per share EPS attributable to owners of the Company (sen per share):</b>						
Basic EPS	0.03	0.09		0.10	0.68	
Diluted EPS	0.02	0.06		0.09	0.65	

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31-Dec-18 RM'000	Audited As at preceding Financial Year Ended 31-Dec-17 RM'000
<b>ASSETS</b>		
<b>Non Current assets</b>		
Property, plant and equipment	83,385	78,801
Other investment	103	104
	83,488	78,905
<b>Current Assets</b>		
Property development expenditure	19,588	18,576
Inventories	46,411	46,930
Trade and other receivables	14,502	18,556
Tax recoverable	465	965
Other investment	7,038	1,537
Fixed deposits with licensed banks	6,306	2,190
Cash and bank balances	9,167	10,852
Derivative assets	-	321
	103,477	99,927
<b>TOTAL ASSETS</b>	186,965	178,832
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	148,335	140,686
Share premium	8,916	9,141
Treasury shares	(100)	(100)
Revaluation reserve	23,379	23,379
Reverse acquisition reserve	(72,051)	(72,051)
Reserve - SIS	1,542	1,542
Retained profits	44,353	43,885
	154,374	146,482
Equity attributable to the owners of the Company	154,374	146,482
Non-controlling interest	168	105
<b>Total equity</b>	154,542	146,587
<b>Long term liabilities</b>		
Deferred taxation	3,473	3,338
Deferred income	868	1,008
Hire purchase liabilities	1,018	58
Term loan	8,765	8,976
	14,124	13,380
<b>Current Liabilities</b>		
Trade and other payables	10,006	10,524
Hire purchase liabilities	444	78
Short term borrowings	7,849	8,263
	18,299	18,865
<b>TOTAL LIABILITIES</b>	32,423	32,245
<b>TOTAL EQUITY AND LIABILITIES</b>	186,965	178,832
Net assets per share (sen) attributable to owners of the Company	10.19	10.64

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.

**JAG BERHAD ("JAG" OR "COMPANY")**  
**(Company No. 439230 - A)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share capital RM'000	Share premium RM'000	Tresury shares RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Reserve - SIS RM'000	Retained profits RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2017	114,384	19,162	-	23,379	(72,051)	2,576	36,805	124,255	54	124,309
Issue of share pursuant to:-										
- private placement	13,299	-	-	-	-	-	-	13,299	-	13,299
- bonus issue	9,738	(9,739)	-	-	-	-	-	(1)	-	(1)
- exercise of warrants	1	-	-	-	-	-	-	1	-	1
- exercise of SIS	3,264	-	-	-	-	(1,034)	-	2,230	-	2,230
Share issue expenses	-	(282)	-	-	-	-	-	(282)	-	(282)
Dividend paid	-	-	-	-	-	-	(1,266)	(1,266)	-	(1,266)
Treasury shares acquired	-	-	(100)	-	-	-	-	(100)	-	(100)
Net profit/Total comprehensive income for the year	-	-	-	-	-	-	8,346	8,346	51	8,397
At 31 December 2017	<u>140,686</u>	<u>9,141</u>	<u>(100)</u>	<u>23,379</u>	<u>(72,051)</u>	<u>1,542</u>	<u>43,885</u>	<u>146,482</u>	<u>105</u>	<u>146,587</u>
At 1 January 2018	140,686	9,141	(100)	23,379	(72,051)	1,542	43,885	146,482	105	146,587
Issuance of share in respect of exercised of Warrant (2017/2020)	1	-	-	-	-	-	-	1	-	1
Shares issue expenses in respect of private placement	7,648	(225)	-	-	-	-	-	7,423	-	7,423
Dividend paid	-	-	-	-	-	-	(1,377)	(1,377)	-	(1,377)
Net profit / Total comprehensive income for the year	-	-	-	-	-	-	1,845	1,845	63	1,908
At 31 December 2018	<u>148,335</u>	<u>8,916</u>	<u>(100)</u>	<u>23,379</u>	<u>(72,051)</u>	<u>1,542</u>	<u>44,353</u>	<u>154,374</u>	<u>168</u>	<u>154,542</u>

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 31-Dec-18 RM'000	Preceding Year Corresponding Period 31-Dec-17 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,396	10,891
Adjustments for:		
Allowance for doubtful debts	60	224
Allowance for doubtful debts no longer required	(446)	(1,390)
Changes in fair value on derivative financial liability	-	(872)
Depreciation of property, plant and equipment	4,624	3,982
Dividend income	(98)	(83)
Fair value loss on securities held for trading investments	(327)	292
Fixed assets written off	73	2
Gain on disposal of fixed assets	(224)	(105)
Loss/(Gain) on foreign exchange - unrealised	419	353
Government grant income	(140)	(140)
Realised loss on foreign exchange - cash and cash equivalent	(6)	190
Interest income	(395)	(217)
Interest expense	1,042	819
Operating cash flows before working capital changes	6,978	13,946
Changes in working capital:		
Decrease/(Increase) in inventories	519	(13,234)
Decrease/(Increase) in trade and other receivables	4,604	(4,542)
Decrease in trade and other payables	(680)	(1,045)
(Increase)/Decrease in investment held for trading	(5,175)	2,711
Cash generated from/(used in) operations	6,246	(2,164)
Income tax paid	(611)	(273)
Income tax refunded	759	2,110
<b>Net cash generated from/(used in) operating activities</b>	<b>6,394</b>	<b>(327)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in fixed deposit pledged	(35)	(38)
Increase in property development cost	(1,012)	(4,517)
Interest received	395	217
Dividend received	98	19
Deposit paid for purchase of property, plant and equipment	(100)	-
Proceed from disposal of fixed assets	200	105
Purchase of property, plant and equipment	(6,689)	(4,196)
Purchase of other investment	-	(13)
<b>Net cash used in investing activities</b>	<b>(7,143)</b>	<b>(8,423)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,042)	(819)
Dividend paid	(1,377)	(1,266)
Proceeds from issuance of shares	7,649	15,529
Payments of share buy back	-	(100)
Share issue expenses	(225)	(282)
Repayment of hire purchase liabilities	(274)	(270)
Repayment of term loan	(1,123)	(1,042)
<b>Net cash from financing activities</b>	<b>3,608</b>	<b>11,750</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,859</b>	<b>3,000</b>
Effect of exchange rate changes	6	(190)
<b>Cash and cash equivalents at 1 January</b>	<b>4,547</b>	<b>1,737</b>
<b>Cash and cash equivalents at 31 December</b>	<b>7,412</b>	<b>4,547</b>
<b>Cash and cash equivalents at end of financial year comprised:</b>		
Cash and bank balances	9,167	10,852
Fixed deposits with licensed banks	6,306	2,190
Bank overdraft	(6,706)	(7,175)
	8,767	5,867
Less: Fixed deposits pledged	(1,355)	(1,320)
	7,412	4,547

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting**

**A1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”).

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted and as disclosed in the Group’s annual report for the financial year ended 31 December 2017.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”), amendments to published standards and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs, amendments to published standards and IC Interpretations does not result in significant changes in the accounting policies of the Group.

**A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There was no audit qualification on the annual financial statements of JAG for the financial year ended 31 December 2017.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group’s business operations were mainly attributable (i.e., contributing approximately 97% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities, which are affected by the cyclicity of the semiconductor industry. The semiconductor industry, in turn, is cyclical and dependent on its end user industries, in particular the electrical & electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones and other electronic equipment.

As the availability of electrical and electronic waste (“E-waste”) for recycling and manufacturing services is dependent on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is also dependent on the trends in the semiconductor industry.

**A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and year under review.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have had effect on the current financial quarter and year under review.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES**

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and year ended 31 December 2018:

- (i) 6,839 new ordinary shares in JAG were issued at RM0.15 each pursuant to the exercise of Warrants 2017/2020 by the warrant holder were listed on 28 February 2018; and
- (ii) 137,793,700 new ordinary shares in JAG were issued pursuant to the Private Placement (as defined in B6), were listed on 11 October 2018 at RM0.0555 each.

**A8. DIVIDEND**

There were no dividend being declared, recommended or paid during the financial quarter and year under review.

**A9. SEGMENT INFORMATION**

The Group’s segmental information is as follows:

	<b>Current Quarter Ended</b>		<b>Year to date</b>	
	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
<b>Revenue by business segments</b>				
Manufacturing and trading activities	43,601	39,390	149,739	134,656
Proprietary solutions and software maintenance	141	180	588	706
Investment holding	581	733	941	16,344
Services	1,008	738	3,718	2,719
	<u>45,331</u>	<u>41,041</u>	<u>154,986</u>	<u>154,425</u>
Elimination of inter-segment sales	<u>(575)</u>	<u>(350)</u>	<u>(575)</u>	<u>(10,802)</u>
	<u><u>44,756</u></u>	<u><u>40,691</u></u>	<u><u>154,411</u></u>	<u><u>143,623</u></u>

**QUARTERLY REPORT**

Notes on the quarterly report for the fourth quarter ended 31 December 2018

**A9. SEGMENT INFORMATION (CONTINUED)**

	Current Quarter Ended		Year to date	
	31 Dec 2018 RM'000	31 Dec 2017 RM'000	31 Dec 2018 RM'000	31 Dec 2017 RM'000
<b>Segment results</b>				
Manufacturing and trading activities	2,034	3,777	4,998	12,016
Investment holding	(381)	(10)	(1,532)	(371)
Proprietary solutions and software maintenance	(50)	25	(162)	(185)
Services	71	112	502	414
Property development	(514)	(134)	(763)	(380)
Profit from operations	1,160	3,770	3,043	11,494
Interest income	120	61	395	217
Finance cost	(389)	(234)	(1,042)	(820)
Profit before taxation	891	3,597	2,396	10,891
Taxation	(500)	(2,464)	(488)	(2,494)
Profit after taxation	391	1,133	1,908	8,397
<b>Revenue By Geographical Segment</b>				
Malaysia	6,849	9,982	27,869	30,779
Foreign countries	37,907	30,709	126,542	112,844
	44,756	40,691	154,411	143,623
			<b>As at 31 Dec 2018 RM'000</b>	<b>As at 31 Dec 2017 RM'000</b>
<b>Segment assets</b>				
Manufacturing and trading activities			150,439	150,828
Investment holding			164,666	54,595
Proprietary solutions and software maintenance			2,752	1,028
Services			5,387	4,972
Property development			29,507	21,801
			352,751	233,224
Elimination			(165,786)	(54,392)
			186,965	178,832
<b>Segment liabilities</b>				
Manufacturing and trading activities			57,306	59,974
Investment holding			5,655	157
Proprietary solutions and software maintenance			4,766	2,864
Services			4,548	4,254
Property development			30,298	21,769
			102,573	89,018
Elimination			(70,150)	(56,773)
			32,423	32,245

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation or revaluation of property, plant and equipment during the current financial quarter and year under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

**A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER**

There were no material events subsequent to the current financial quarter ended 31 December 2018 up to the date of this report.

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no other changes and/or intended changes in the composition of the Group during the current financial quarter and year under review.

**A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no changes in the contingent liabilities and contingent assets during the current financial quarter and year under review.

**A14. CAPITAL COMMITMENTS**

As at 31 December 2018, the Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group.

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the current financial quarter and year under review.



**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**Part B - Explanatory Notes Pursuant to Appendix 9B of the ACE LR**

**B1. REVIEW OF PERFORMANCE**

The Group recorded revenue of approximately RM44.76 million for the current financial quarter and RM154.41 million for the financial year ended 31 December 2018. Export sales accounted for about RM37.91 million and RM126.54 million or 85% and 82% of total revenue for the current financial quarter and financial year ended 31 December 2018, respectively.

The Group recorded higher revenue for the current financial quarter as compared to previous corresponding financial quarter mainly due to higher sales from copper, gold and palladium. In respect of comparison on financial year basis, the Group recorded revenue of RM154.41 million in the financial year 2018 compared to financial year 2017 of RM143.62 million, marked an increase of 7.5% in revenue. Higher sales of copper, gold, nickel and palladium has been the main contributors to the said increase in revenue.

The Group recorded lower profit before tax of RM891,000 and RM2.40 million in the current financial quarter and financial year respectively as compared to previous year corresponding financial quarter and year of RM3.60 million and RM10.89 million respectively. This is mainly due to higher cost of sales incurred in the manufacturing and trading division.

Other income mainly consists of fair value gain on securities held for trading investment, gain on hedging commodities, allowance for doubtful debt no longer required, interest income generated from current account and fixed deposit, grant income and dividend income.

Other operating expenses mainly consists of manufacturing overhead expenses, unrealised and realised loss on foreign exchange, procurement fees, rental of premises, professional fees, entertainment expenses, rental expenses and travelling expenses.

**B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER**

	<b>Current Quarter 31 Dec 2018</b>	<b>Immediate Preceding Quarter 30 Sept 2018</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	44,756	36,972	21.1%
Staff costs	2,498	2,103	18.8%
Other income	1,622	242	>100%
Other operating expenses	3,361	4,299	-21.82%
Profit before interest and tax	1,160	414	>100%
Profit after taxation	391	278	40.6%

The Group recorded higher revenue of RM44.76 million for the current financial quarter ended 31 December 2018 compared to preceding financial quarter ended 30 September 2018 of RM36.97 million, marked a growth of 21.1%. The said increased in revenue mainly due to higher sales of copper, nickel and palladium.

There was higher staff costs incurred during the current financial quarter as compared to immediate preceding quarter. The said increase was mainly due to higher outsourced wages expenses incurred in order to increase the production during the current financial quarter.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER (CONTINUED)**

The higher other income in the current financial quarter resulted from gain on fair value adjustment on securities held for trading investment and allowance for doubtful debts no longer required.

The lower other operating expenses mainly due to absence of unrealised loss on foreign exchange, loss on fair value adjustment on securities held for trading and loss on hedging of commodity.

The Group's recorded higher profit before interest and tax in the current financial quarter mainly due to higher sales in the current financial quarter. However, the income tax expenses and deferred tax expenses in relation to the financial year 2018 have been adjusted in the current quarter leading to higher income tax expenses.

**B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019**

Fluctuations in exchange rates and commodity prices will continue to have an impact on the Group's financial performance and position. Nevertheless, the Board believes that the Group's prospects will remain positive as procurement contracts had been secured by the total waste management division during the financial year.

As part of the Group's strategy to diversify its sources of revenue and earnings, the property development division was established in the financial year 2017. The property development division carried the Group's maiden project named “**ARCA**” which is expected to contribute a gross development profit of between RM20 million to RM35 million to be achieved progressively over the development period of the project from the sales of the shop-offices, office suites and residential apartments. The project sales gallery has been open to public in July 2018.

Barring any unforeseen circumstances and in view of the above, the Board is of the opinion that the prospects for the financial year ending 31 December 2019 will be favourable.

**B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE**

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**B5. TAXATION**

	Current Quarter		Year to date	
	Ended			
	31 Dec	31 Dec	31 Dec	31 Dec
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income tax	(365)	4	(353)	(26)
Deferred tax	<u>(135)</u>	<u>(2,468)</u>	<u>(135)</u>	<u>(2,468)</u>
	<u>(500)</u>	<u>(2,464)</u>	<u>(488)</u>	<u>(2,494)</u>

The effective tax rate of the Group for current financial quarter and year ended 31 December 2018 are lower than the statutory tax rate of 24% due to business losses allowance carried forward and availability of reinvestment allowance which arose from the capital expenditure of a subsidiary in the current financial quarter and year under review.

**B6. STATUS OF CORPORATE PROPOSALS**

On 21 June 2018, M&A Securities Sdn Bhd (“M&A”) had on behalf of the Board announced that the Company proposes to undertake a proposed private placement of up to 10% of the total number of issued shares in JAG (excluding treasury shares) (“Private Placement”) to independent third party investor(s). The listing application for the Private Placement was submitted to Bursa Securities on 12 July 2018.

The Company had on 17 July 2018 obtained Bursa Securities’ approval for the listing and quotation of up to 192,186,600 Placement Shares to be issued pursuant to the Private Placement. The approval granted by Bursa Securities for the Private Placement, is subjected to the following conditions:

- i. JAG and M&A must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Private Placement;
- ii. JAG and M&A to inform Bursa Securities upon the completion of the Private Placement; and
- iii. JAG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement is complete.

On 11 October 2018, the Company completed the issuance of 137,793,700 new ordinary shares at RM0.0555 each and raised gross proceeds of RM7,647,550.

On 19 December 2018, the Company announced that JAG Development Sdn. Bhd. (“JAG Development”), a wholly-owned subsidiary of JAG, entered into a Sale and Purchase Agreement (“SPA”) with Hwee Seng & Co. Sdn. Bhd. (Company No. 11313-W) for the purchase of a parcel of freehold land held under GM 20871, Mukim Klang, District of Klang, State of Selangor, measuring approximately 16,720 square metres in an area bearing address Lot 171449, Sungei Rasau Ulu, Mukim Klang, Klang, Selangor Darul Ehsan (hereinafter referred to as “the Land”) by JAG Development, for a total purchase consideration of RM14,397,806.40. As at the date of this announcement, the terms and conditions have yet to be fulfilled and the balance purchase consideration has yet to be paid, as such the acquisition of land is pending completion.

Save as above, there were no corporate proposals announced but not completed as at 22 February 2019, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

**QUARTERLY REPORT**

Notes on the quarterly report for the fourth quarter ended 31 December 2018

**B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT**

The actual utilisation of the total gross proceeds of RM7,647,550 raised from the Private Placement (as detailed in Note B6) are as follows:

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance proceeds RM'000</b>	<b>Deviation amount RM'000</b>	<b>Intended timeframe for utilisation</b>
Property Development Expenditure	7,048	1,925	5,123 <sup>(1)</sup>	-	12 months
Working capital	300	25	275 <sup>(1)</sup>	60 <sup>(2)</sup>	12 months
Estimated expenses in relation to the Private Placement	300	240	60	(60) <sup>(2)</sup>	Within 1 month
<b>Total</b>	<b>7,648</b>	<b>2,190</b>	<b>5,458</b>	-	

Note:-

<sup>(1)</sup> The balance proceeds is expected to be fully utilised within the intended timeframe.

<sup>(2)</sup> The balance of unutilised proceeds will be utilised for working capital.

**B8. GROUP BORROWINGS**

The Group's borrowings as at 31 December 2018 (all denominated in Ringgit Malaysia) are as follows:-

	<b>As at 31 Dec 2018 RM'000</b>	<b>As at 31 Dec 2017 RM'000</b>
<b>Short term borrowing (secured)</b>		
Term loan	1,143	1,088
Overdraft	6,706	7,175
Hire purchase	444	78
	<u>8,293</u>	<u>8,341</u>
<b>Long term borrowing (secured)</b>		
Term loan	8,765	8,976
Hire purchase	1,018	58
	<u>9,783</u>	<u>9,034</u>
<b>Total</b>	<u><u>18,076</u></u>	<u><u>17,375</u></u>

	<b>As at 31 Dec 2018 %</b>	<b>As at 31 Dec 2017 %</b>
The effective interest rate are as follows:		
Term loan	4.93	4.93
Overdraft	10.20	10.20
Hire purchase	5.82	5.14

Proportion of borrowings between fixed and floating interest rates	8.09 : 91.91	0.78 : 99.22
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**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**B9. DERIVATIVE FINANCIAL INSTRUMENTS**

There was no outstanding derivative financial instrument as at the date of this announcement.

**B10. MATERIAL LITIGATION**

There was no pending material litigation as at the date of this announcement.

**B11. DIVIDEND**

There were no dividend being declared, recommended or paid during the financial quarter and year under review.

**B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME**

	Current Quarter		Year to date	
	31 Dec 2018 RM'000	31 Dec 2017 RM'000	31 Dec 2018 RM'000	31 Dec 2017 RM'000
Allowance for doubtful debts	60	224	60	224
Allowance for doubtful debts no longer required	(446)	(1,390)	(446)	(1,390)
Changes in fair value of derivative liabilities	-	(321)	-	(872)
Depreciation of property, plant and equipment	1,303	1,032	4,624	3,982
Dividend income	(26)	(18)	(98)	(83)
Fixed asset written off	73	2	73	2
Gain on disposal of fixed assets	(152)	(105)	(224)	(105)
(Gain)/Loss on foreign exchange – unrealised	(161)	353	419	353
Loss/(Gain) on foreign exchange – realised	342	(578)	361	559
Fair value (gain)/loss on securities held for trading investments	(649)	144	(327)	292
Government grant income	(35)	(35)	(140)	(140)
Interest income	(120)	(61)	(395)	(217)
Interest expenses	389	234	1,042	819

Other than as disclosed above, the Group does not have other material items (such as provision for and write-off of inventories, impairment of assets and exception items) that are recognised as profit/(loss) in the Statements of Comprehensive Income.

**QUARTERLY REPORT**

**Notes on the quarterly report for the fourth quarter ended 31 December 2018**

**B13. EARNINGS PER SHARE**

(i) Basic earnings per share

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and the financial year by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to date	
	31 Dec 2018 RM	31 Dec 2017 RM	31 Dec 2018 RM	31 Dec 2017 RM
Net profit attributable to owners of the Company (RM'000)	415	1,130	1,845	8,346
Weighted average number of ordinary shares in issue ('000)	1,514,731	1,318,938	1,889,268	1,234,772
Basic earnings per share (sen)	0.03	0.09	0.10	0.68

(ii) Diluted earnings per share

The diluted earnings per share was calculated by dividing the net profit for the current financial quarter and year by the weighted average number of ordinary shares based on the assumption that the warrants issued and SIS Options granted are fully exercised and converted into ordinary shares:

	Current Quarter Ended		Year to date	
	31 Dec 2018 RM	31 Dec 2017 RM	31 Dec 2018 RM	31 Dec 2017 RM
Net profit attributable to owners of the Company (RM'000)	415	1,130	1,845	8,346
Weighted average number of ordinary shares in issue ('000)	2,058,660	1,764,543	1,951,823	1,290,929
Diluted earnings per share (sen)	0.02	0.06	0.09	0.65

**B14. AUTHORISED FOR ISSUE**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 26 February 2019.

BY ORDER OF THE BOARD,

CHENG CHIA PING  
(MAICSA 1032514 PRACTITIONER)  
COMPANY SECRETARY

26 February 2019