

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Dec-19 RM'000	Preceding year Corresponding Quarter 31-Dec-18 RM'000	Changes %	Current Year To date 31-Dec-19 RM'000	Preceding year Corresponding year 31-Dec-18 RM'000	Changes %
Revenue	35,963	44,756	-19.65%	139,519	154,410	-9.64%
Direct costs	(1,004)	(583)	72.21%	(1,667)	(1,618)	3.03%
Changes in inventories of finished goods and work in progress	3,882	(8,974)	-143.26%	5,513	2,785	97.95%
Raw materials and consumable used	(28,692)	(27,733)	3.46%	(113,993)	(123,330)	-7.57%
Changes in inventories of trading merchandise	(327)	(766)	-57.31%	(2,876)	(1,899)	51.45%
Staff costs	(4,044)	(2,498)	61.89%	(13,410)	(11,220)	19.52%
Other income	1,140	1,622	-29.72%	1,406	1,169	20.27%
Depreciation and amortisation	(2,091)	(1,303)	60.48%	(6,608)	(4,624)	42.91%
Other operating expenses	(2,361)	(3,361)	-29.75%	(17,683)	(12,430)	42.26%
Finance cost	(295)	(269)	9.67%	(1,167)	(647)	80.37%
<b>Profit/(Loss) before taxation</b>	<b>2,171</b>	<b>891</b>	<b>143.66%</b>	<b>(10,966)</b>	<b>2,596</b>	<b>-522.42%</b>
Taxation	357	(500)	-171.40%	(958)	(838)	14.32%
<b>Profit/(Loss) after taxation/ Total comprehensive income/(loss)</b>	<b>2,528</b>	<b>391</b>	<b>546.55%</b>	<b>(11,924)</b>	<b>1,758</b>	<b>-778.27%</b>
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	2,531	415		(11,901)	1,695	
Non-controlling interest	(3)	(24)		(23)	63	
	<b>2,528</b>	<b>391</b>		<b>(11,924)</b>	<b>1,758</b>	
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	2,531	415		(11,901)	1,695	
Non-controlling interest	(3)	(24)		(23)	63	
	<b>2,528</b>	<b>391</b>		<b>(11,924)</b>	<b>1,758</b>	
<b>Earning/(Loss) per share attributable to owners of the Company (sen per share):</b>						
Basic earning/(loss) per share	0.15	0.03		(0.78)	0.12	
Diluted EPS	N/A	N/A		N/A	N/A	

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 2018 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at end of Current Quarter 31-Dec-19 RM'000	Audited As at preceding Financial Year Ended 31-Dec-18 RM'000
<b>ASSETS</b>		
<b>Non Current assets</b>		
Property, plant and equipment	82,118	83,385
Right of use assets	4,856	-
Land held for development	14,992	-
Investment properties	15,440	-
Intangible assets	102	103
	117,508	83,488
<b>Current Assets</b>		
Property development expenditure	734	19,588
Inventories	50,273	46,411
Trade and other receivables	9,386	16,847
Tax recoverable	54	242
Other investment	9,404	7,038
Fixed deposits with licensed banks	5,248	6,306
Cash and bank balances	8,875	9,167
Derivative assets	12	-
	83,986	105,599
<b>TOTAL ASSETS</b>	201,494	189,087
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	166,639	148,110
Share premium	-	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	32,302	44,203
	151,711	154,224
Equity attributable to the owners of the Company	151,711	154,224
Non-controlling interest	145	168
<b>Total equity</b>	151,856	154,392
<b>Long term liabilities</b>		
Deferred taxation	3,721	3,600
Deferred income	728	868
Hire purchase liabilities	824	1,018
Term loan	16,249	8,591
	21,522	14,077
<b>Current Liabilities</b>		
Trade and other payables	15,339	12,151
Hire purchase liabilities	629	444
Short term borrowings	6,854	8,023
Lease Liabilities	4,987	-
Tax payable	307	-
	28,116	20,618
<b>TOTAL LIABILITIES</b>	49,638	34,695
<b>TOTAL EQUITY AND LIABILITIES</b>	201,494	189,087
Net assets per share (sen) attributable to owners of the Company	8.35	10.18

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 2018 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Reserve - SIS RM'000	Retained profits RM'000	Equity attributable to owners Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2018	140,686	9,141	(100)	23,379	(72,051)	1,542	43,885	146,482	105	146,587
Issue of share pursuant to:-										
- private placement	7,648	-	-	-	-	-	-	7,648	-	7,648
- exercise of warrants	1	-	-	-	-	-	-	1	-	1
Shares issue expenses in respect of private placement	(225)	-	-	-	-	-	-	(225)	-	(225)
Dividend paid	-	-	-	-	-	-	(1,377)	(1,377)	-	(1,377)
Net profit/Total comprehensive income for the year	-	-	-	-	-	-	1,695	1,695	63	1,758
At 31 December 2018	148,110	9,141	(100)	23,379	(72,051)	1,542	44,203	154,224	168	154,392
At 1 January 2019	148,110	9,141	(100)	23,379	(72,051)	1,542	44,203	154,224	168	154,392
Capitalisation of share premium in pursuant to CA 2016	9,141	(9,141)	-	-	-	-	-	-	-	-
Issue of share pursuant to private placement	9,496	-	-	-	-	-	-	9,496	-	9,496
Shares issue expenses in respect of private placement	(108)	-	-	-	-	-	-	(108)	-	(108)
Net loss / Total comprehensive loss for the year	-	-	-	-	-	-	(11,901)	(11,901)	(23)	(11,924)
At 31 December 2019	166,639	-	(100)	23,379	(72,051)	1,542	32,302	151,711	145	151,856

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 2018 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	Cumulative Current Year 31-Dec-19 RM'000	Preceding Year Corresponding Period 31-Dec-18 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(10,966)	2,595
Adjustments for:		
Allowance for impairment of receivables	745	60
Allowance for impairment of receivables no longer required	(304)	(646)
Amortisation of club memberships	1	1
Changes in fair value on derivative financial instruments	(12)	-
Changes in fair value gain on other investments	(276)	(330)
Depreciation of property, plant and equipment and right of use assets	6,608	4,623
Dividend income	(211)	(98)
Fixed assets written off	11	73
Gain on disposal of fixed assets	(188)	(224)
Impairment loss on investment properties	4,005	-
Impairment loss on property, plant and equipments	1,880	-
Inventories written down	3,666	-
Loss on foreign exchange - unrealised	388	419
Government grant income	(140)	(140)
Realised loss on foreign exchange - cash and cash equivalent	5	(6)
Income distribution from quoted fund	(35)	-
Interest income	(216)	(394)
Interest expense	1,383	1,042
Operating cash flows before working capital changes	6,344	6,975
Changes in working capital:		
(Increase)/Decrease in inventories	(7,529)	519
Decrease in derivative assets	-	321
Decrease in trade and other receivables	6,532	3,612
Increase in trade and other payables	3,187	1,365
Increase in other investments	(2,090)	(5,168)
Increase in property development expenditure	(591)	(1,012)
Cash generated from operations	5,853	6,612
Income tax paid	(472)	(612)
Income tax refunded	129	758
<b>Net cash generated from operating activities</b>	5,510	6,758
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in fixed deposit pledged	(43)	(42)
Income distribution from quoted fund	35	-
Interest received	216	394
Dividend received	211	-
Deposit paid for purchase of property, plant and equipment	-	98
Deposit paid for purchase of land held for development	-	(1,472)
Proceed from disposal of fixed assets	188	248
Purchase of property, plant and equipment	(5,405)	(6,737)
Purchase of land held for development	(6,392)	-
<b>Net cash used in investing activities</b>	(11,190)	(7,511)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,146)	(1,042)
Cash payment for leases	(1,276)	-
Proceeds from issuance of shares	9,496	7,648
Share issuance expenses	(107)	(225)
Proceeds from term loan	11,616	-
Dividend paid	-	(1,377)
Repayment of hire purchase liabilities	(565)	(274)
Repayment of term loan	(11,130)	(1,123)
<b>Net cash generated from financing activities</b>	6,888	3,607
<b>Net increase in cash and cash equivalents</b>	1,208	2,854
Effect of exchange rate changes	(5)	6
<b>Cash and cash equivalents at 1 January</b>	7,406	4,546
<b>Cash and cash equivalents at 31 December</b>	8,609	7,406
<b>Cash and cash equivalents at end of financial quarter comprised:</b>		
Cash and bank balances	8,875	9,168
Fixed deposits with licensed banks	5,248	6,306
Bank overdraft	(4,109)	(6,706)
	10,014	8,768
Less: Fixed deposits pledged	(1,405)	(1,362)
	8,609	7,406

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 2018 and the accompanying explanatory notes attached to this interim financial statements.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

**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 2018.

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 other than the following:

MFRS 16 Leases (effective for financial periods beginning on or after 1 January 2019)

The scope of MFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right of use of an asset (the underlying asset) for a period of time in exchange for consideration.

MFRS 16 require lessees to account for all leases under a single on-balance sheet model in a similar way to finance lease under MFRS 117. The standard includes two recognition exemptions for lessees – leases of low value assets and short term leases (i.e. leases with lease term of 12 months or less). At the commencement date of a lease, a lease will recognize a liability to make lease payments (i.e. lease liability) and an asset representing the right of use of the underlying asset during the lease term (i.e. the right of use asset).

Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right of use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change of lease term, change in payments). The lessee will generally recognize the amount of remeasurement of the lease liability as an adjustment to the right of use asset.

Lessor accounting is substantially unchanged. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of lease which is operating and finance leases.

The Group adopted the modified retrospective application approach. The Group has completed its assessment on the financial impact on the adoption of standards. All relevant adjustments have been accounted in this quarterly report as well as the Group’s financial statements for the year ended 31 December 2019.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

**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 2018.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group’s business operations were mainly attributable (i.e., contributing approximately 96% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities, which are affected by the cyclicity of the semiconductor. 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.

**A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESELL 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 2019:

- (i) 196,125,000 new ordinary shares in JAG (“Placement Shares”), being first tranche of Placement Shares were issued pursuant to the Private Placement (as defined in Note B6), were listed on 13 December 2019 at RM0.031 each; and
- (ii) 106,750,000 Placement Shares, being second and final tranche of the Placement Shares were issued pursuant to the Private Placement (as defined in Note B6), were listed on 30 December 2019 at RM0.032 each. The listing of the second and final tranche of Placement Shares marked the completion of the Private Placement (as defined in Note B6)

**A8. DIVIDEND**

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



**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

**A9. SEGMENT INFORMATION (CONTINUED)**

	<b>As at 31 Dec 2019 RM'000</b>	<b>As at 31 Dec 2018 RM'000</b>
<b>Segment assets</b>		
Manufacturing and trading activities	151,107	152,562
Investment holding	173,316	159,587
Proprietary solutions and software maintenance	2,667	2,752
Services	10,280	5,387
Property development	36,687	29,507
	<u>374,057</u>	<u>349,795</u>
Elimination	<u>(172,563)</u>	<u>(160,708)</u>
	<u>201,494</u>	<u>189,087</u>
<b>Segment liabilities</b>		
Manufacturing and trading activities	61,014	59,579
Investment holding	4,792	104
Proprietary solutions and software maintenance	4,959	4,766
Services	9,557	4,548
Property development	44,993	30,298
	<u>125,315</u>	<u>99,295</u>
Elimination	<u>(75,677)</u>	<u>(64,600)</u>
	<u>49,638</u>	<u>34,695</u>

**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 and year ended 31 December 2019 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.



**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

**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**

Save as disclosed below, as at 31 December 2019, 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:

Purchase of machinery	<b>RM'000</b> <u>1,587</u>
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**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 financial year ended 31 December 2019**

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

**B1. REVIEW OF PERFORMANCE**

The Group recorded revenue of approximately RM35.96 million for the current financial quarter and RM139.52 million for the year ended 31 December 2019. Export sales accounted for about RM122.05 million or 87% of total revenue for the current financial year ended 31 December 2019.

The Group recorded decreased in revenue of 19.65% in current financial quarter as compared to fourth quarter 2018. This was mainly due to lower revenue from sales of copper, gold, iron and palladium in current financial quarter. On the other hand, revenue decreased by 9.64% in current financial year ended 31 December 2019 as compared to previous corresponding financial year ended 31 December 2018. The said lower revenue mainly resulted from lower revenue generated from sales of copper, gold and aluminum from manufacturing and trading division.

Cost of sales of the Group decreased in overall in relation to decrease in revenue as compared to previous corresponding year. In addition, the Group experienced lower profit margin mainly due to higher cost of sales compared to previous corresponding year. This was mainly due to higher purchase cost resulted from stiff competition during tendering process of E-waste from vendor. Furthermore, lower commodities prices of copper and tin as compared to previous financial year also contributed to the lower margin, in which these commodities were main product of the Group. However, the manufacturing and trading division is able to record positive financial result in fourth quarter 2019 mainly due to high margin products such as high purity commodity products has been disposed of during the said financial quarter.

Increase in depreciation mainly resulted from application of MFRS 16 in which, depreciation of right of use assets has been accounted since the adoption of the said standards as well as addition of assets in the Group.

The Group experienced lower operating expenses in current quarter as compared to previous year correspondence quarter mainly due to lower sales and marketing expenses incurred in property development division in current financial quarter, absence of rental expenses effect from the adoption of MFRS 16, and lower realised loss in foreign exchange. On the other hand, the other operating expenses recorded higher amount as compared to previous corresponding financial year 2018 mainly due to recognition of impairment loss of investment properties and property, plant and equipment in the property development division of approximately RM5.88 million. The said recognition of impairment loss was recommended by the management as prudence approach after taking into consideration of various external and internal factors which may not be favourable to the outlook of the Company such as market outlook of property development industry, respond of product and others.

The Group had successfully turnaround from three continuously loss making financial quarters into profit in fourth quarter 2019 with RM2.17 million profit before tax. This was mainly due to high purity commodity products which were sold during current financial quarter where the said commodities' prices were on the increasing trend. In addition, RM11.00 million of loss before tax has been recorded in the current financial year mainly due to exceptional recognition of impairment loss in property development division, inventory written down, lower revenue recorded, lower profit margin as well as higher cost of sales during the financial year.

Other operating expenses mainly consists of manufacturing overhead expenses, allowance for doubtful debt, impairment loss on investment properties and property, plant and equipment, unrealised loss on foreign exchange, loss on fair value adjustment on investment held for trading, procurement fees, professional fees, entertainment expenses and travelling expenses.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

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

	<b>Current Quarter 31 Dec 2019</b>	<b>Immediate Preceding Quarter 30 Sept 2019</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	35,963	44,889	-19.88%
Other income	1,140	99	>100.00%
Depreciation	2,091	1,292	61.82%
Other operating expenses	2,361	8,122	-70.93%
Profit/(Loss) before interest and tax	2,171	(3,523)	->100.00%
Profit/(Loss) after taxation	2,528	(4,494)	->100.00%

The Group recorded lower revenue of RM35.96 million for the current financial quarter ended 31 December 2019 compared to preceding financial quarter ended 30 September 2019 of RM44.89 million. The said decreased in revenue was mainly due to lower sales of gold, nickel, platinum, silver, and copper in current financial quarter.

Increase in other income was mainly due to gain on fair value adjustment on investment held for trading in the current financial quarter.

The lower other operating expenses was mainly due to the Group had recognised impairment loss of investment properties and property, plant and equipment in the property development division in preceding quarter ended 30 September 2019. The said recognition of impairment loss was recommended by the management as prudence approach after taking into consideration of various external and internal factors which may not be favourable to the future outlook of the Company

Although the revenue of the Group had decreased, the Group managed to turnaround in current quarter mainly due to high margin product such as high purity commodity products has been disposed of in the current financial quarter.

**B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020**

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.

For the property development division, the project in Klang had been discontinued in third quarter 2019. The land held is currently vacant and the management are actively exploring for opportunity and alternative development on the said Land.

After detail consideration with the experiences and market data collected, the management has decided that the upcoming development project for the Kemuning Utama's land will be planned for landed property which will cater better to current market demand. The development planning and relevant authority application has been submitted to the authority for approval.

In relation to the Group's sustainability approach, the management shall review the property development market conditions regularly to ensure all product roll out is befitting to the market conditions.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

**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.

**B5. TAXATION**

	Current Quarter Ended		Year to date	
	31 Dec 2019 RM'000	31 Dec 2018 RM'000	31 Dec 2019 RM'000	31 Dec 2018 RM'000
Income tax	(242)	(365)	(837)	(576)
Deferred tax	599	(135)	(121)	(262)
	<u>357</u>	<u>(500)</u>	<u>(958)</u>	<u>(838)</u>

The effective tax rate of the Group for current financial quarter and year ended 31 December 2019 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 31 May 2019, 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 20% 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 21 June 2019.

The Company had on 1 July 2019 obtained Bursa Securities’ approval for the listing and quotation of up to 411,932,000 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 Market Listing Requirement of Bursa Securities 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.

The Company had on 25 July 2019 obtained approval by the shareholders of JAG during the Extraordinary General Meeting held on same date.

On 13 December 2019, the Company completed the issuance of the first tranche of 196,125,000 Placement Shares at RM0.031 each and raised gross proceeds of RM6,079,875.

On 30 December 2019, the Company completed issuances of the second and final tranches of 106,750,000 Placement Shares at RM0.032 each and raised gross proceeds of RM3,416,000. The listing of the second and final tranche of Placement Shares marked the completion of the Private Placement.

**QUARTERLY REPORT**

Notes on the quarterly report for the financial year ended 31 December 2019

**B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)**

Save as above, there were no corporate proposals announced but not completed as at 21 February 2020, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

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

- (i) The gross proceeds of RM7,647,550 raised from the Private Placement on 11 October 2018 is for the Group’s development project, “ARCA”. Followed the announcement on 15 November 2019 on the variation of utilisation of proceeds, the utilisation are as below:

	<b>Revised utilisation RM’000</b>	<b>Actual utilisation RM’000</b>	<b>Balance proceeds RM’000</b>	<b>Revised timeframe for utilisation</b>
Property Development Expenditure	3,782	2,990	792	24 months
Property Development Expenditure (“New Project”)*	3,266	1,103	2,163	24 months
Working Capital	360	157	203	24 months
Estimated expenses in relation to the Private Placements	240	240	-	-
<b>Total</b>	<b>7,648</b>	<b>4,490</b>	<b>3,158</b>	

\* refer to upcoming development project in Kemuning Utama’s land

- (ii) The actual utilisation of the total gross proceeds of RM9,495,875 raised from the 20% private placement on 13 December 2019 and 30 December 2019 as below:

	<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>
Project development cost	2,000	-	2,000	-	12 months
Purchase of machinery	3,870	2,283	1,587	-	12 months
Working Capital	3,126	3,126	-	240 <sup>(1)</sup>	12 months
Estimated expenses in relation to the Private Placements	500	260	240	(240) <sup>(1)</sup>	within 1 month
<b>Total</b>	<b>9,496</b>	<b>5,669</b>	<b>3,827</b>	<b>-</b>	

(1) The balance of unutilised proceeds will be utilised for working capital

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**Notes on the quarterly report for the financial year ended 31 December 2019**

**B8. GROUP BORROWINGS**

The Group’s borrowings as at 31 December 2019 (all denominated in Ringgit Malaysia) are as follows:-

	<b>As at 31 Dec 2019 RM’000</b>	<b>As at 31 Dec 2018 RM’000</b>
<b>Short term borrowing (secured)</b>		
Term loan	2,745	1,317
Overdraft	4,109	6,706
Hire purchase	629	444
	<u>7,483</u>	<u>8,467</u>
<b>Long term borrowing (secured)</b>		
Term loan	16,249	8,591
Hire purchase	824	1,018
	<u>17,073</u>	<u>9,609</u>
<b>Total</b>	<u>24,556</u>	<u>18,076</u>

	<b>As at 31 Dec 2019 %</b>	<b>As at 31 Dec 2018 %</b>
The effective interest rate are as follows:		
Term loan	6.00	5.00
Overdraft	10.20	10.45
Hire purchase	5.60	6.23
Proportion of borrowings between fixed and floating interest rates	5.91 : 94.09	8.08 : 91.92

**B9. DERIVATIVE FINANCIAL INSTRUMENTS**

(l) Disclosure of derivatives

As at 31 December 2019, the Group has the following derivative financial instrument:

<b>Type of derivative</b>	<b>Contract value RM’000</b>	<b>Fair value RM’000</b>	<b>Fair value gain RM’000</b>
Forward foreign exchange contracts			
- Less than 1 year	1,651	1,663	12

The Group uses forward foreign exchange contracts to manage some of the transactions exposure of the Group’s sales denominated in USD.

There are no cash requirement risks as the Group only uses forward foreign currency contracts as its hedging instruments.

There have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group’s management objectives, accounting policies and processes.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

**B9. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

(II) Disclosure of gains/losses arising from fair value changes of financial assets/liabilities

The Group determines the fair value of the derivative financial instruments relating to the forward foreign exchange contracts by using the difference between the contracted foreign exchange rates and the market forward rates. The basis of fair value measurement is the difference between the contracted value and the market forward rates and market price.

This resulted in the Group recorded a gain when the rates moved favourable against the Group or recorded a loss when the rates moved unfavourable against the Group.

**B10. MATERIAL LITIGATION**

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

**B11. DIVIDEND**

There were no dividends 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 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment of receivables	-	60	745	60
Allowance for impairment of receivables no longer required	(326)	(645)	(304)	(645)
Changes in fair value of derivative financial instruments	(12)	-	(12)	-
Depreciation of property, plant and equipment and right of use assets	2,091	1,303	6,608	4,624
Dividend income	(65)	(26)	(211)	(98)
Gain on disposal of fixed assets	-	(152)	(188)	(224)
(Gain)/Loss on foreign exchange – unrealised	(6)	(161)	388	419
Loss/(Gain) on foreign exchange – realised	135	342	(173)	637
Changes in fair value gain on other investments	(470)	(649)	(276)	(327)
Fixed assets written off	11	73	11	73
Government grant income	(35)	(35)	(140)	(140)
Impairment loss on investment properties	-	-	4,005	-
Impairment loss on property, plant and equipment	-	-	1,880	-
Inventory written down	1,581	-	3,666	-
Income distribution from quoted fund	-	-	(35)	-
Interest income	(53)	(120)	(216)	(395)
Interest expenses				
- Hire purchase	22	19	89	51
- Short term borrowing	99	127	493	498
- Term loan	159	242	557	492
- Banker acceptance	-	-	6	-
- Unwinding interest	1	-	1	-
- Implicit interest of lease liabilities	70	-	237	-

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2019**

**B13. EARNINGS/(LOSS) PER SHARE**

- (i) Basic earnings/(loss) per share

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

	Current Quarter Ended		Year to date	
	31 Dec 2019 RM	31 Dec 2018 RM	31 Dec 2019 RM	31 Dec 2018 RM
Net profit/(loss) attributable to owners of the Company (RM'000)	2,531	415	(11,901)	1,695
Weighted average number of ordinary shares in issue ('000)	1,731,742	1,514,731	1,524,723	1,407,892
Basic (loss)/earnings per share (sen)	0.15	0.03	(0.78)	0.12

- (ii) Diluted earnings per share

Diluted earnings per share are not presented in the quarterly report as at 31 December 2019 as the fair value of the ordinary shares of the Company during the reporting period is lower than the exercise price of the outstanding warrants and options under the employee Share Issue Scheme. These potential ordinary shares have a dilutive effect only if the fair value of the ordinary shares during the reporting period exceeds the exercise price of these potential ordinary shares.

**B14. AUTHORISED FOR ISSUE**

This interim financial statement was authorised for issue by the Board on 25 February 2020 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING  
(MAICSA 1032514 PRACTITIONER)  
COMPANY SECRETARY

25 February 2020