

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Dec-20 RM'000	Preceding year Corresponding Quarter 31-Dec-19 RM'000	Changes %	Current Year To date 31-Dec-20 RM'000	Preceding year Corresponding year 31-Dec-19 RM'000	Changes %
Revenue	44,341	35,963	23.30%	159,061	139,517	14.01%
Direct costs	(1,823)	(1,004)	81.57%	(10,570)	(1,667)	534.07%
Changes in inventories of finished goods and work in progress	5,714	3,882	47.19%	4,663	8,967	-48.00%
Raw materials and consumable used	(37,991)	(28,692)	32.41%	(116,069)	(112,014)	3.62%
Changes in inventories of trading merchandise	(71)	(327)	-78.29%	(452)	(3,627)	-87.54%
Staff costs	(2,265)	(4,044)	-43.99%	(11,034)	(13,410)	-17.72%
Other income	964	1,140	-15.44%	3,896	1,105	252.58%
Depreciation and amortisation	(1,824)	(2,091)	-12.77%	(6,600)	(6,607)	-0.11%
Other operating expenses	(2,645)	(2,361)	12.03%	(9,352)	(22,070)	-57.63%
Finance cost	(205)	(295)	-30.51%	(1,728)	(1,165)	48.33%
<b>Profit/(Loss) before taxation</b>	<b>4,195</b>	<b>2,171</b>	<b>93.23%</b>	<b>11,815</b>	<b>(10,971)</b>	<b>-207.69%</b>
Taxation	(1,218)	357	-441.18%	(2,828)	(958)	195.20%
<b>Profit/(Loss) after taxation/ Total comprehensive income/(loss)</b>	<b>2,977</b>	<b>2,528</b>	<b>17.76%</b>	<b>8,987</b>	<b>(11,929)</b>	<b>-175.34%</b>
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	3,003	2,531		9,169	(11,906)	
Non-controlling interest	(26)	(3)		(182)	(23)	
	<b>2,977</b>	<b>2,528</b>		<b>8,987</b>	<b>(11,929)</b>	
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	3,003	2,531		9,169	(11,906)	
Non-controlling interest	(26)	(3)		(182)	(23)	
	<b>2,977</b>	<b>2,528</b>		<b>8,987</b>	<b>(11,929)</b>	
<b>Earning/(Loss) per share attributable to owners of the Company (sen per share):</b>						
Basic earning/(loss) per share	0.67	0.15		2.04	(0.78)	
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 2019 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As at end of Current Quarter 31-Dec-20 RM'000	Audited As at preceding Financial Year Ended 31-Dec-19 RM'000
<b>ASSETS</b>		
<b>Non Current assets</b>		
Property, plant and equipment	78,116	79,111
Right of use assets	7,060	7,664
Investment properties	18,611	15,440
Intangible assets	101	102
Land held for development	15,904	15,727
	119,792	118,044
<b>Current Assets</b>		
Inventories	57,561	50,273
Trade and other receivables	16,045	9,612
Tax recoverable	47	54
Other investment	11,605	9,404
Derivative assets	20	12
Fixed deposits with licensed banks	3,368	5,248
Cash and bank balances	7,080	8,875
	95,726	83,478
<b>TOTAL ASSETS</b>	215,518	201,522
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	179,072	166,639
Share premium	-	-
Treasury shares	(1,297)	(100)
Revaluation reserve	23,379	23,379
Reverse acquisition reserve	(72,051)	(72,051)
Reserve - SIS	-	1,542
Retained profits	43,008	32,297
	172,111	151,706
Equity attributable to the owners of the Company	172,111	151,706
Non-controlling interest	88	145
<b>Total equity</b>	172,199	151,851
<b>Non Current Liabilities</b>		
Lease liabilities	4,034	4,632
Deferred income	588	728
Borrowings	14,491	16,170
Provision	38	38
Deferred tax liabilities	4,371	3,721
	23,522	25,289
<b>Current Liabilities</b>		
Trade and other payables	8,993	15,302
Tax payable	1,406	307
Borrowings	7,538	6,933
Lease Liabilities	1,860	1,840
Derivative liabilities	-	-
	19,797	24,382
<b>TOTAL LIABILITIES</b>	43,319	49,671
<b>TOTAL EQUITY AND LIABILITIES</b>	215,518	201,522
Net assets per share (sen) attributable to owners of the Company	38.47	8.35

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 2019 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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 2019	148,110	9,141	(100)	23,379	(72,051)	1,542	44,203	154,224	168	154,392
Transfer in accordance with Section 618 (2) of the Companies Act 2016	9,141	(9,141)	-	-	-	-	-	-	-	-
Issuance of shares pursuant to private placements	9,496	-	-	-	-	-	-	9,496	-	9,496
Share issue expenses	(108)	-	-	-	-	-	-	(108)	-	(108)
Net loss/Total comprehensive loss for the year	-	-	-	-	-	-	(11,906)	(11,906)	(23)	(11,929)
At 31 December 2019	<u>166,639</u>	<u>-</u>	<u>(100)</u>	<u>23,379</u>	<u>(72,051)</u>	<u>1,542</u>	<u>32,297</u>	<u>151,706</u>	<u>145</u>	<u>151,851</u>
At 1 January 2020	166,639	-	(100)	23,379	(72,051)	1,542	32,297	151,706	145	151,851
Treasury shares acquired	-	-	(1,197)	-	-	-	-	(1,197)	-	(1,197)
Expiry of SIS option	-	-	-	-	-	(1,542)	1,542	-	-	-
Issuance of shares pursuant to private placements	12,542	-	-	-	-	-	-	12,542	-	12,542
Share issue expenses	(109)	-	-	-	-	-	-	(109)	-	(109)
Shares issued by a subsidiary to non controlling interest	-	-	-	-	-	-	-	-	125	125
Net profit / Total comprehensive profit for the year	-	-	-	-	-	-	9,169	9,169	(182)	8,987
At 31 December 2020	<u>179,072</u>	<u>-</u>	<u>(1,297)</u>	<u>23,379</u>	<u>(72,051)</u>	<u>-</u>	<u>43,008</u>	<u>172,111</u>	<u>88</u>	<u>172,199</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 2019 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 31-Dec-20 RM'000	Preceding Year Corresponding Period 31-Dec-19 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	11,815	(10,971)
Adjustments for:		
Allowance for impairment of receivables	39	821
Allowance for impairment of receivables no longer required	(400)	(371)
Amortisation of club membership	-	1
Changes in fair value of other investments	(2,253)	(240)
Changes in fair value of derivative financial instruments	(20)	(12)
Depreciation of property, plant and equipment and right of use assets	6,600	6,607
Dividend income	(68)	(247)
Fixed assets written off	46	11
Gain on disposal of fixed assets	(66)	(225)
Loss on foreign exchange - unrealised	73	387
Government grant income	(140)	(140)
Realised loss on foreign exchange - cash and cash equivalent	9	5
Impairment loss on investment properties	-	4,005
Impairment loss on property, plant and equipments	-	1,881
Inventories written down	-	3,666
Interest income	(239)	(215)
Interest expense	1,968	1,380
	17,364	6,343
Operating cash flows before working capital changes		
Changes in working capital:		
Increase in inventories	(7,288)	(3,862)
(Increase)/Decrease in trade and other receivables	(6,137)	5,016
(Decrease)/Increase in trade and other payables	(6,183)	3,134
Increase in property development expenditure	(537)	(17,418)
Decrease/(Increase) in other investments	52	(2,078)
	(2,729)	(8,865)
Cash used in operations		
Income tax paid	(1,102)	(558)
Income tax refunded	32	215
	(3,799)	(9,208)
<b>Net cash used in operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease/(Increase) in fixed deposit pledged	1,376	(859)
Interest received	239	214
Dividend received	68	247
Deposit paid for purchase of property, plant and equipment	-	(234)
Proceed from disposal of fixed assets	67	177
Purchase of property, plant and equipment	(3,745)	(5,116)
Purchase of land held for development	(3,171)	-
	(5,166)	(5,571)
<b>Net cash used in investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,402)	(1,739)
Cash payment for leases	(2,087)	(1,565)
Acquisition of treasury shares	(1,197)	-
Net proceeds from issuance of shares	12,433	9,389
Proceeds of term loan	250	10,468
Repayment of term loan	(1,989)	(1,382)
	6,008	15,171
<b>Net cash generated from financing activities</b>		
<b>Net decrease in cash and cash equivalents</b>	(2,957)	392
Effect of exchange rate changes	(9)	(5)
<b>Cash and cash equivalents at 1 January</b>	7,794	7,406
<b>Cash and cash equivalents at 31 December 2020</b>	4,828	7,793
<b>Cash and cash equivalents at end of financial quarter comprised:</b>		
Cash and bank balances	7,080	8,875
Fixed deposits with licensed banks	3,368	5,248
Bank overdraft	(4,774)	(4,109)
	5,674	10,014
Less: Fixed deposits pledged	(846)	(2,221)
	4,828	7,793

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 2019 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 2020**

**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 2019.

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 year. 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 2019.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group’s business operations were mainly attributable (i.e. contributing approximately 91% 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.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2020**

**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 2020:

- (i) The Company has repurchased 28,300,000 of its issued ordinary shares from open market at average price of RM0.0423 per share from 28 February 2020 to 19 March 2020. The purchases were financed by internally generated funds, and retained as treasury shares of the Company.

As at 31 December 2020, the number of treasury shares held were 7,325,000 ordinary share (after share consolidation) with the carrying amount of RM1,296,500.

- (ii) 89,460,000 Placement Shares were issued pursuant to the Private Placement (as defined in Note B6), were listed on 20 November 2020 at RM0.1402 each. The listing of the Placement Shares marked the completion of the Private Placement (as defined in Note B6).

**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:

	Current Quarter		Year to date	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM’000	RM’000	RM’000	RM’000
<b>Revenue by business segments</b>				
Manufacturing and trading activities	41,670	34,132	144,834	134,506
Proprietary solutions and software maintenance	-	126	108	555
Investment holding	1,926	600	11,415	660
Services	745	1,105	2,704	3,796
	<u>44,341</u>	<u>35,963</u>	<u>159,061</u>	<u>139,517</u>
Elimination of inter-segment sales	-	-	-	-
	<u>44,341</u>	<u>35,963</u>	<u>159,061</u>	<u>139,517</u>

**QUARTERLY REPORT**

Notes on the quarterly report for the financial year ended 31 December 2020

**A9. SEGMENT INFORMATION (CONTINUED)**

	Current Quarter Ended		Year to date	
	31 Dec 2020 RM'000	31 Dec 2019 RM'000	31 Dec 2020 RM'000	31 Dec 2019 RM'000
<b>Segment results</b>				
Manufacturing and trading activities	3,700	2,383	13,604	(1,199)
Investment holding	799	300	1,146	(1,063)
Proprietary solutions and software maintenance	-	(33)	(41)	(111)
Services	(109)	69	(745)	363
Property development	10	(280)	(421)	(7,796)
Profit/(Loss) from operations	4,400	2,439	13,543	(9,806)
Interest income	85	53	239	215
Finance cost	(290)	(321)	(1,967)	(1,380)
Profit/(Loss) before taxation	4,195	2,171	11,815	(10,971)
Taxation	(1,218)	357	(2,828)	(958)
Profit/(Loss) after taxation	<u>2,977</u>	<u>2,528</u>	<u>8,987</u>	<u>(11,929)</u>
<b>Revenue By Geographical Segment</b>				
Malaysia	16,109	2,464	39,733	6,865
Foreign countries	28,232	33,499	119,328	132,652
	<u>44,341</u>	<u>35,963</u>	<u>159,061</u>	<u>139,517</u>
			<b>As at 31 Dec 2020 RM'000</b>	<b>As at 31 Dec 2019 RM'000</b>
<b>Segment assets</b>				
Manufacturing and trading activities			162,408	151,099
Investment holding			181,436	155,329
Proprietary solutions and software maintenance			-	2,667
Services			12,793	10,315
Property development			37,453	36,689
			<u>394,090</u>	<u>356,099</u>
Elimination			<u>(178,572)</u>	<u>(154,577)</u>
			<u>215,518</u>	<u>201,522</u>
<b>Segment liabilities</b>				
Manufacturing and trading activities			67,740	61,010
Investment holding			6,210	4,959
Proprietary solutions and software maintenance			-	4,792
Services			11,556	9,592
Property development			23,051	44,995
			<u>108,557</u>	<u>125,348</u>
Elimination			<u>(65,238)</u>	<u>(75,677)</u>
			<u>43,319</u>	<u>49,671</u>

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2020**

**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 2020 up to the date of this report.

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

Save as disclosed below, there were no other changes and/or intended changes in the composition of the Group during the current financial quarter and year under review:

- (i) On 1 April 2020, the Company entered into a Share Sale Agreement for the disposal of 758,000 ordinary shares, representing 100% equity interest held in JAG Systems Sdn Bhd [Registration No. 199401011708 (297387-W)] (“JAG System”) to Ms Fan Mee Mee and Mr Fan Soon Hee, for a total cash consideration of RM280,000 (Ringgit Malaysia Two Hundred and Eighty Thousand only) (“Disposal”). The said disposal was completed on 29 July 2020 and JAG System ceased to be a subsidiary of the Company.
- (ii) On 9 July 2020, the Company has incorporated a wholly-owned subsidiary, JAG Renewable Energy Sdn Bhd (“JAG RE”). JAG RE is a private limited company with an issued share capital of RM1,000,000 comprising 1,000,000 ordinary shares. JAG RE has not commenced business since its operation. The intended activity of JAG RE is to involve in production and manufacturing of renewable energy business.
- (iii) On 28 November 2020, the Company has incorporated a subsidiary, JAG Scoops Sdn Bhd (“JAGS”). JAGS is a private limited company with an issued share capital of RM500,000 comprising 500,000 ordinary shares, in which, 75% shares held by the Company, 15% shares held by Ms Yap May Yin and remaining 10% shares held by Mr Lai Kok Wai.

The intended activity of JAGS is to involve in manufacturing, distribution, sales and other related services of confectionary, ice cream and gelato products.

- (iv) Jaring Metal Industries Sdn Bhd (“JMI”) a wholly-owned subsidiary of the Company, had on 28 December 2020, entered into a Sale of Shares Agreement with LCM Realty Sdn. Bhd. [Registration No. 200501028857 (710992-K)] (“LCM”) of Suite 1706, 17th Floor, Plaza Permata, No. 6, Jalan Kampar, 50400 Kuala Lumpur, Wilayah Persekutuan, for the purpose of acquiring the entire equity interest in Cahaya Mutlak Sdn. Bhd. [Registration No. 20090102439 (867497-X)] from LCM, for a total purchase consideration of RM3,100,000 only. The said acquisition is pending completion as at date of this report.

**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 review.



**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2020**

**A14. CAPITAL COMMITMENTS**

As at 31 December 2020, 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**

Jaring Metal Industries Sdn Bhd (“JMI”) a wholly-owned subsidiary of the Company, had on 28 December 2020, entered into a Sale of Shares Agreement with LCM Realty Sdn. Bhd. [Registration No. 200501028857 (710992-K)] (“LCM”) for the purpose of acquiring the entire equity interest in Cahaya Mutlak Sdn. Bhd. [Registration No. 20090102439 (867497-X)] from LCM for a total purchase consideration of RM3,100,000 only. The said acquisition is a related party transaction where Dato’ Ng Aik Kee and Dato’ Ng Meow Giak held 50% shareholding each in LCM.

The said acquisition is pending completion as at date of this report.

Save as above, 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 2020**

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

**B1. REVIEW OF PERFORMANCE**

4<sup>th</sup> Quarter 2020 vs 4<sup>th</sup> Quarter 2019

The Group recorded an increase in revenue of 23.3% in current financial quarter as compared to previous corresponding financial quarter ended 31 December 2019. This is mainly contributed by Total Waste Management (“TWM”) division as well as disposal of investments held in investment holding division.

The TWM division had reported the revenue of RM41.7 million in current financial quarter as compared to RM34.1 million in previous year corresponding financial quarter (refer to Note A9), marked an improvement of 22.3%. This is mainly due to higher sales of precious metals. In addition, the continuing strong positive movement of commodities such as copper, tin, nickel and silver had directly improved the average selling price of the division, thus resulted in better margin.

The other operating expenses included manufacturing overhead expenses, realised loss on foreign exchange, professional fees, travelling expense, audit fees and others.

With the improved performance of TWM division, it will attract higher tax payable for the Year of Assessment 2020, and as a result, additional provision of tax payable had been projected in the account leading to higher taxation in the current quarter.

Financial Year 31 December 2020 vs Financial Year 31 December 2019

The Group recorded an increase in revenue of 14.0% in current financial year as compared to previous corresponding financial year ended 31 December 2019. The improvement of revenue was contributed by increased in revenue in TWM division as well as the investment holding division.

Although TWM division operations was temporary halted during the first phase of Movement Control Order (“MCO”) from 18 March 2020 to 21 April 2020, the cumulative financial performance of the TWM division has improved compared to previous corresponding financial year ended 31 December 2019. Recovery of global economy in second half of year 2020 had led to strong demand of commodities thus leading to higher sales of precious metals to the customers. On top of this, the continuing appreciation of commodity prices had also directly contributed to the profitability of the division.

The increase in direct cost was mainly due to the recognition of correspondence cost of investment in relation to the disposal of quoted investment in investment holding division. The increased of other income mainly due to recognition of fair value adjustment on quoted investment held by the Group resulted from higher closing price at 31 December 2020 compared to historical price of investment held.

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**Notes on the quarterly report for the financial year ended 31 December 2020**

**B1. REVIEW OF PERFORMANCE (CONTINUED)**

The Group recorded lower other operating expenses mainly due to absence of recognition of impairment losses of investment properties and plant in current financial year. In addition, with the improved performance the Group had anticipated a higher tax payable for the Year of Assessment 2020, and as a result, higher provision of tax payable had been projected in the account leading to higher taxation recorded in current financial year.

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

	<b>Current Quarter 31 Dec 2020</b>	<b>Immediate Preceding Quarter 30 Sep 2020</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	44,341	47,913	-7.5
Direct cost	1,823	8,469	-78.5
Staff cost	2,265	3,232	-29.9
Other income	964	2,380	->100
Profit before taxation	4,195	3,982	5.4
Taxation	1,218	1,550	-21.4
Profit after taxation	2,977	2,432	22.4

The Group recorded lower revenue of RM44.3 million for the current financial quarter ended 31 December 2020 as compared to immediate preceding financial quarter ended 30 September 2020 of RM47.9 million. The higher revenue generated in immediate preceding quarter was mainly derived from investment holding division in which significant disposal of investment held was made in immediate preceding quarter. However, the revenue of TWM division was improved as compared to immediate preceding quarter ended 30 September 2020. Higher revenue from sales of copper and silver were recorded in current financial quarter compared to immediate preceding quarter.

The decreased in staff cost mainly due to higher accrued amount for director and staff bonus in immediate preceding quarter.

In respect of the decreased in other income in current financial quarter, it was mainly due to the quoted share price for investment held were not subject to significant fluctuation as in immediate preceding financial quarter, thus lesser fair value adjustment had been recorded in the account.

The improved in profit before taxation mainly due to higher revenue in current quarter in TWM division as compared to immediate preceding financial quarter. The Group reviewed the provision of tax payable in relation to the improvement in profitability and additional provision was required for the current financial quarter.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2020**

**B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

Moving forward in financial year 2021, the global economies are undergoing recovery stage after the Covid-19 pandemic outbreak in 2020. The management is optimistic on the Group’s outlook on the back of strong demand for E&E products globally, where, higher production of E&E manufacturer will led to higher waste generated. In addition, commodity prices have been on a steady upward trend since the beginning of the financial year 2020 which benefited the Group financially.

The TWM division of the Group continues to be the major revenue and profit contributor in financial year 2021. In order to remain competitive in the waste management industry, sourcing for materials or waste is the biggest challenge for full recovery plant licensed holders. The Management believes that the approach, know-how and advanced waste management facility maintained by the Group will sustain the market position of the Company. Furthermore, the continuing efforts of the R&D team to acquire more know-how will certainly strengthen the competitive advantage of the Company.

For the property development division, the real estate outlook in 2021 would likely remain subdued. However, Bank Negara Malaysia reduced interest rate three times in 2020, which will create a cheaper mortgage loan, and in turn benefit home purchasers. The Group will continue to position itself as a boutique developer. The Management will review, monitor and analyse the on-going projects as well as market conditions to ensure the projects meet the demand of the market.

**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		Year to date	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM’000	RM’000	RM’000	RM’000
Income tax	(918)	(242)	(2,178)	(837)
Deferred tax	(300)	599	(650)	(121)
	<u>(1,218)</u>	<u>357</u>	<u>(2,828)</u>	<u>(958)</u>

The effective tax rate of the Group for current financial quarter and year ended 31 December 2020 are lower than the statutory tax rate of 24% due to availability of reinvestment allowance which arose from the capital expenditure of a subsidiary in the current financial quarter and year under review.

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**Notes on the quarterly report for the financial year ended 31 December 2020**

**B6. STATUS OF CORPORATE PROPOSALS**

Save as disclosed below, there were no corporate proposals announced but not completed as at 20 November 2020, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

- (i) On 16 June 2020, the Company proposed to undertake a proposed share consolidation involving the consolidation of every 4 existing ordinary shares in JAG into 1 ordinary share in JAG. The said proposal had been approved by the shareholder in the Extraordinary General Meeting held on 5 August 2020. The effective date of share consolidation will be on 25 August 2020.
- (ii) On 16 October 2020, Hong Leong Investment Bank Berhad (“HLIB”) had on behalf 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 20 October 2020.

The Company had on 2 November 2020 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 HLIB must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- ii. JAG and HLIB to inform Bursa Securities upon the completion of the Proposed 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 Proposed Private Placement is completed.

On 20 November 2020, the Company completed the issuances and listing of 89,460,000 Placement Shares at RM0.1402 each and raised a gross proceeds of RM12,542,292.00 (“hereinafter referred to as “**Private Placement 2020**”). The listing of Placement Shares marked the completion of the Private Placement 2020.

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

**(a) Private Placements 2019**

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 were as below:

	<b>Proposed utilisation RM’000</b>	<b>Actual utilisation RM’000</b>	<b>Balance proceeds RM’000</b>	<b>Intended timeframe for utilisation</b>
Project development cost	2,000	516	1,484	18 months
Purchase of machinery	3,870	3,870	-	12 months
Working Capital	3,366	3,366	-	6 months
Estimated expenses in relation to the Private Placements	260	260	-	within 1 month
<b>Total</b>	<b>9,496</b>	<b>8,012</b>	<b>1,484</b>	

**QUARTERLY REPORT**

Notes on the quarterly report for the financial year ended 31 December 2020

**B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT (CONTINUED)**

**(b) Private Placements 2020**

The actual utilisation of the total gross proceeds of RM12,542,292 raised from the 20% private placement on 20 November 2020 were as below:

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance proceeds RM'000</b>	<b>Intended timeframe for utilisation</b>
Purchase of machinery for total waste management division	2,500	860	1,640	12 months
Working capital	9,933	9,608	325	24 months
Estimated expenses in relation to the Private Placements	109	109	-	1 month
<b>Total</b>	<b>12,542</b>	<b>10,577</b>	<b>1,965</b>	

**B8. GROUP BORROWINGS**

The Group's borrowings as at 31 December 2020 (all denominated in Ringgit Malaysia) are as follows:-

	<b>As at 31 Dec 2020 RM'000</b>	<b>As at 31 Dec 2019 RM'000</b>
<b>Short term borrowing (secured)</b>		
Term loan	2,764	2,824
Overdraft	4,774	4,109
Lease liabilities	1,267	1,840
	<b>8,805</b>	<b>8,773</b>
<b>Long term borrowing (secured)</b>		
Term loan	14,491	16,170
Lease liabilities	4,034	4,632
	<b>18,525</b>	<b>20,802</b>
<b>Total</b>	<b>27,330</b>	<b>29,575</b>

	<b>As at 31 Dec 2020 %</b>	<b>As at 31 Dec 2019 %</b>
The effective interest rate are as follows:		
Term loan	6.93	6.93
Overdraft	8.95	10.20
Hire purchase liabilities	4.62	4.62
Other lease liabilities	5.00	5.00

Proportion of borrowings between fixed and floating interest rates	19 : 81	22 : 78
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**Notes on the quarterly report for the financial year ended 31 December 2020**

**B9. DERIVATIVE FINANCIAL INSTRUMENTS**

(I) Disclosure of derivatives

As at 31 December 2020, 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	3,650	3,670	20

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.

(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 vice versa.

**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.

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**Notes on the quarterly report for the financial year ended 31 December 2020**

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

	Current Quarter Ended		Year to date	
	31 Dec 2020 RM'000	31 Dec 2019 RM'000	31 Dec 2020 RM'000	31 Dec 2019 RM'000
Allowance for impairment of receivables	-	-	39	821
Allowance for impairment of receivables no longer required	-	(326)	(400)	(371)
Changes in fair value of derivative financial instruments	(20)	(12)	(20)	(12)
Changes in fair value on other investments	(538)	(470)	(2,253)	(240)
Depreciation of property, plant and equipment and right of use assets	1,824	2,091	6,600	6,607
Dividend income	(2)	(65)	(68)	(247)
Gain on disposal of fixed assets	(1)	-	(66)	(225)
(Gain)/Loss on foreign exchange – unrealised	(97)	(6)	73	387
Gain on foreign exchange – realised	372	135	472	(173)
Government grant income	(35)	(35)	(140)	(140)
Impairment loss on investment properties	-	-	-	4,005
Impairment loss on property, plant and equipment	-	-	-	1,881
Inventory written down	-	1,581	-	3,666
Interest income	(85)	(53)	(239)	(214)
Interest expenses				
- Hire purchase	19	22	76	89
- Overdraft	52	99	226	492
- Term loan	191	159	1,459	557
- Banker acceptance	-	-	-	-
- Unwinding interest	-	1	-	-
- Implicit interest of lease liabilities	28	70	206	241



**QUARTERLY REPORT**

**Notes on the quarterly report for the financial year ended 31 December 2020**

**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 2020 RM	31 Dec 2019 RM	31 Dec 2020 RM	31 Dec 2019 RM
Net profit/(loss) attributable to owners of the Company (RM'000)	3,003	2,531	9,169	(11,906)
Weighted average number of ordinary shares in issue ('000)	447,369	1,731,742	448,637	1,524,723
Basic earnings/(loss) per share (sen)	0.67	0.15	2.04	(0.78)

- (ii) Diluted earnings per share

Diluted earnings per share are not presented in the quarterly report as at 31 December 2020 as the fair value of the ordinary shares of the Company during the reporting year 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 23 February 2021 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING  
(MAICSA 1032514 PRACTITIONER)  
COMPANY SECRETARY

23 February 2021