

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30-Sep-22 RM'000	Preceding year Corresponding Quarter 30-Sep-21 RM'000	Changes %	Current Year To date 30-Sep-22 RM'000	Preceding year Corresponding year 30-Sep-21 RM'000	Changes %
Revenue	61,412	46,504	32.06%	194,040	157,650	23.08%
Direct costs	(369)	(208)	77.40%	(1,027)	(7,406)	-86.13%
Changes in inventories of finished goods and work in progress	(3,855)	5,935	-164.95%	3,026	14,655	-79.35%
Raw materials and consumable used	(46,201)	(40,347)	14.51%	(154,859)	(119,470)	29.62%
Changes in inventories of trading merchandise	(156)	(212)	-26.42%	(499)	(519)	-3.85%
Staff costs	(3,585)	(3,047)	17.66%	(12,875)	(10,539)	22.17%
Other income	1,094	1,965	-44.33%	1,579	3,070	-48.57%
Depreciation and amortisation	(2,055)	(2,128)	-3.43%	(6,005)	(6,069)	-1.05%
Other operating expenses	(3,171)	(2,842)	11.58%	(10,757)	(10,355)	3.88%
Finance cost	(325)	(266)	22.18%	(1,163)	(1,007)	15.49%
Profit before taxation	2,789	5,354	-47.91%	11,460	20,010	-42.73%
Taxation	(405)	(900)	-55.00%	(2,293)	(6,000)	-61.78%
Profit after taxation/ Total comprehensive income	2,384	4,454	-46.48%	9,167	14,010	-34.57%
Profit attributable to:						
Owners of the Company	2,384	4,589		9,167	14,573	
Non-controlling interest	-	(135)		-	(563)	
	2,384	4,454		9,167	14,010	
Total comprehensive income attributable to:						
Owners of the Company	2,384	4,589		9,167	14,573	
Non-controlling interest	-	(135)		-	(563)	
	2,384	4,454		9,167	14,010	
Earning per share attributable to owners of the Company (sen per share):						
Basic earning per share	0.40	0.73		1.50	2.63	

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 2021 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Financial year 30-Sep-22 RM'000	Audited As at preceding Financial Year Ended 31-Dec-21 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	92,592	90,518
Right of use assets	7,514	7,835
Investment properties	35,693	35,693
Intangible assets	100	101
Other investments	2,400	2,350
Land held for development	10,582	10,570
Deferred tax assets	184	-
	149,065	147,067
Current Assets		
Inventories	72,938	71,703
Trade and other receivables	18,413	11,694
Tax recoverable	52	49
Other investment	8,064	6,600
Derivative assets	-	7
Fixed deposits with licensed banks	1,264	3,427
Cash and bank balances	6,727	29,866
	107,458	123,346
TOTAL ASSETS	256,523	270,413
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	203,171	204,468
Treasury shares	(11,849)	(1,297)
Revaluation reserve	28,139	28,139
Reverse acquisition reserve	(72,051)	(72,051)
Retained profits	67,138	61,105
	214,548	220,364
Equity attributable to the owners of the Company	214,548	220,364
Total equity	214,548	220,364
Non Current Liabilities		
Lease liabilities	4,719	5,468
Deferred income	343	448
Borrowings	11,642	17,681
Provision	39	38
Deferred tax liabilities	6,504	6,171
	23,247	29,806
Current Liabilities		
Trade and other payables	9,837	10,332
Tax payable	2,186	4,048
Borrowings	3,905	3,608
Lease Liabilities	2,800	2,255
	18,728	20,243
TOTAL LIABILITIES	41,975	50,049
TOTAL EQUITY AND LIABILITIES	256,523	270,413
Net assets per share (sen) attributable to owners of the Company	36.53	36.06

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 2021 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital 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 2021	179,072	(1,297)	28,139	(72,051)	-	43,003	176,866	85	176,951
Net adjustment related to changes in non controlling interest	-	-	-	-	-	(59)	(59)	38	(21)
Issuance of share pursuant to private placement	25,650	-	-	-	-	-	25,650	-	25,650
Share issuance expenses	(253)	-	-	-	-	-	(253)	-	(253)
Net profit/Total comprehensive income for the period	-	-	-	-	-	14,573	14,573	(563)	14,010
At 30 September 2021	<u>204,469</u>	<u>(1,297)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>57,517</u>	<u>216,777</u>	<u>(440)</u>	<u>216,337</u>
At 1 January 2022	204,468	(1,297)	28,139	(72,051)	-	61,105	220,364	-	220,364
Dividend paid	-	-	-	-	-	(3,134)	(3,134)	-	(3,134)
Cancellation of shares	(1,297)	1,297	-	-	-	-	-	-	-
Acquisition of treasury shares	-	(11,849)	-	-	-	-	(11,849)	-	(11,849)
Net profit / Total comprehensive profit for the period	-	-	-	-	-	9,167	9,167	-	9,167
At 30 September 2022	<u>203,171</u>	<u>(11,849)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>67,138</u>	<u>214,548</u>	<u>-</u>	<u>214,548</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 2021 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 30-Sep-22 RM'000	Preceding Year Corresponding Period 30-Sep-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,460	20,010
Adjustments for:		
Allowance for impairment of receivables	465	1,074
Allowance for impairment of receivables no longer required	(500)	(900)
Adjustment for derecognition of ROU and lease liabilities	-	-
Changes in fair value of other investments	1,493	567
Changes in fair value of derivative financial instruments	-	(10)
Depreciation and amortisation	6,005	6,069
Dividend income	(17)	(167)
Fixed assets written off	28	30
Gain on disposal of fixed assets	(117)	-
Gain on disposal of other investment	-	(1,594)
Impairment loss on plant and equipment and right of use assets	-	1,000
Loss on foreign exchange - unrealised	(305)	301
Government grant income	(105)	(105)
Realised loss on foreign exchange - cash and cash equivalent	(102)	(99)
Interest income	(155)	(182)
Interest expense	1,177	1,191
Operating cash flows before working capital changes	19,327	27,185
Changes in working capital:		
Increase in inventories	(1,228)	(17,955)
(Increase)/Decrease in trade and other receivables	(2,706)	3,248
Decrease in trade and other payables	(721)	(817)
Increase in property development expenditure	(12)	(770)
(Increase)/Decrease in other investments	(3,010)	427
Cash used in operations	11,650	11,318
Income tax paid	(3,787)	(1,342)
Net cash generated from operating activities	7,863	9,976
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in fixed deposit pledged	(8)	(9)
Interest received	155	182
Dividend received	17	167
Deposit paid for purchase of property, plant and equipment	(3,670)	(2,819)
Proceeds from disposal of fixed assets	450	-
Proceeds from disposal of other investments	-	3,425
Purchase of property, plant and equipment	(6,342)	(3,691)
Net cash used in investing activities	(9,398)	(2,745)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(869)	(857)
Cash payment for leases	(2,283)	(2,016)
Acquisition of additional interest of non controlling interest	-	(20)
Acquisition of treasury shares	(11,849)	-
Net proceeds from issuance of share pursuant to private placement	-	25,397
Dividend paid	(3,134)	-
Repayment of term loan	(5,742)	(2,029)
Net cash (used in)/generating from financing activities	(23,877)	20,475
Net (decrease)/increase in cash and cash equivalents	(25,412)	27,706
Effect of exchange rate changes	102	99
Cash and cash equivalents at 1 January	32,431	5,119
Cash and cash equivalents at 30 September	7,121	32,924
Cash and cash equivalents at end of financial quarter comprised:		
Cash and bank balances	6,727	31,250
Fixed deposits with licensed banks	1,264	3,408
Bank overdraft	-	(880)
	7,991	33,778
Less: Fixed deposits pledged	(870)	(854)
	7,121	32,924

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 2021 and the accompanying explanatory notes attached to this interim financial statements.

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Notes on the quarterly report for the financial period ended 30 September 2022

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 2021.

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 2021.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s business operations were mainly attributable (i.e. contributing approximately 98% 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 period under review.

A6. MATERIAL CHANGES IN ESTIMATES

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

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2022

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 period ended 30 September 2022:

- i. On 27 May 2022, the Company had cancelled 7,325,000 of its treasury shares amounting to RM1,296,500.00.
- ii. During the quarter under review, the Company has repurchased 32,150,000 of its issued ordinary shares from open market at average price of RM0.361 per share. The purchases were financed by internally generated funds, and retained as treasury shares of the Company.

As at 30 September 2022, the number of treasury shares held were 32,150,000 ordinary share with the carrying amount of RM11,848,750.00.

A8. DIVIDEND

Save as disclosed below, there were no dividends paid or declared for the previous corresponding quarter and period:

- i. The interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and paid on 25 March 2022.

A9. SEGMENT INFORMATION

The Group’s segmental information is as follows:

	Current Quarter Ended		Year to date	
	30 Sept 2022 RM’000	30 Sept 2021 RM’000	30 Sept 2022 RM’000	30 Sept 2021 RM’000
Revenue by business segments				
Manufacturing and trading activities	59,908	45,944	189,495	145,236
Investment holding	-	-	-	9,897
Lifestyle and services	1,504	560	4,545	2,517
	<u>61,412</u>	<u>46,504</u>	<u>194,040</u>	<u>157,650</u>
Elimination of inter-segment sales	-	-	-	-
	<u>61,412</u>	<u>46,504</u>	<u>194,040</u>	<u>157,650</u>
Segment results				
Manufacturing and trading activities	3,362	6,270	16,462	23,637
Investment holding	(146)	349	(2,348)	2,111
Lifestyle and services	46	(869)	(863)	(4,381)
Property development	(147)	(130)	(628)	(390)
Profit from operations	<u>3,115</u>	<u>5,620</u>	<u>12,623</u>	<u>20,977</u>
Interest income	25	107	155	222
Finance cost	(350)	(373)	(1,318)	(1,189)
Profit before taxation	<u>2,790</u>	<u>5,354</u>	<u>11,460</u>	<u>20,010</u>
Taxation	(405)	(900)	(2,293)	(6,000)
Profit after taxation	<u>2,385</u>	<u>4,454</u>	<u>9,167</u>	<u>14,010</u>

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Notes on the quarterly report for the financial period ended 30 September 2022

A9. SEGMENT INFORMATION (CONTINUED)

	Current Quarter Ended		Year to date	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
Revenue By Geographical Segment				
Malaysia	5,738	4,253	18,531	26,591
Foreign countries	55,674	42,251	175,509	131,059
	<u>61,412</u>	<u>46,504</u>	<u>194,040</u>	<u>157,650</u>
			As at 30 Sept 2022	As at 31 Dec 2021
			RM'000	RM'000
Segment assets				
Manufacturing and trading activities			197,005	210,592
Investment holding			213,740	211,618
Lifestyle and services			13,467	13,622
Property development			47,410	47,616
			<u>471,622</u>	<u>483,448</u>
Elimination			<u>(275,101)</u>	<u>(213,035)</u>
			<u>256,521</u>	<u>270,413</u>
Segment liabilities				
Manufacturing and trading activities			65,075	72,669
Investment holding			5,331	4,768
Lifestyle and services			16,391	16,074
Property development			36,333	35,629
			<u>123,130</u>	<u>129,140</u>
Elimination			<u>(81,158)</u>	<u>(79,091)</u>
			<u>41,972</u>	<u>50,049</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 period under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual audited financial statements.

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

Save as disclosed below, there were no material events subsequent to the current financial quarter and period ended 30 September 2022 up to the date of this report.

- i. On 25 November 2022, the Company announced the interim dividend via share dividend distribution of approximately 8.4 million treasury shares on the basis of 1 treasury share for every 70 existing ordinary shares in respect of financial year ended 31 December 2022, amounting to approximately RM3.03 million.

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Notes on the quarterly report for the financial period ended 30 September 2022

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 period 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 period review.

A14. CAPITAL COMMITMENTS

Save as disclosed below, 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.

	Authorised and contracted for RM'000
Acquisition of investment property	<u>31,759</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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Notes on the quarterly report for the financial period ended 30 September 2022

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

B1. REVIEW OF PERFORMANCE

3rd Quarter 2022 vs 3rd Quarter 2021

	3rd Quarter 2022 RM'000	3rd Quarter 2021 RM'000	Changes %
Revenue by business segments			
Manufacturing and trading activities	59,908	45,944	30
Investment holding	-	-	-
Lifestyle and services	1,504	560	169
	<u>61,412</u>	<u>46,504</u>	32
Segment results			
Manufacturing and trading activities	3,362	6,270	-46
Investment holding	(146)	349	-142
Lifestyle and services	46	(869)	>100
Property development	(147)	(130)	-13
Profit from operations	<u>3,115</u>	<u>5,620</u>	
Interest income	25	107	
Finance cost	(350)	(373)	
Profit before taxation	<u>2,790</u>	<u>5,354</u>	
Taxation	(405)	(900)	
Profit after taxation	<u>2,385</u>	<u>4,454</u>	

The Group reported an increase in revenue of 32% from RM46.5 million in previous year correspondence quarter to RM61.4 million in current quarter. This is mainly contributed by the total waste management (“**TWM**”) business segment in which the revenue had been reported at RM59.9 million compared to RM45.9 million in previous year corresponding quarter.

The lifestyle and services segment had recorded improvement in revenue of 169% compared to previous year corresponding quarter. This was mainly due to the overall recovery of retail market activities as compared to the financial year 2021.

In respect of profitability, weakening of commodity prices such as tin, nickel, and copper had adversely impact the performance of TWM division.

Lifestyle and services segment had recorded improvement in current financial quarter as a result from higher revenue generated. Whereas for investment holding segment, the loss recorded was mainly from the loss on changes in fair value of investment held.

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Notes on the quarterly report for the financial period ended 30 September 2022

B1. REVIEW OF PERFORMANCE (CONTINUED)

Financial Period ended 30 September 2022 vs Financial Period ended 30 September 2021

	FP 2022	FP 2021	Changes
	RM'000	RM'000	%
Revenue by business segments			
Manufacturing and trading activities	189,495	145,236	30
Investment holding	-	9,897	-100
Lifestyle and services	4,545	2,517	81
	<u>194,040</u>	<u>157,650</u>	23
Segment results			
Manufacturing and trading activities	16,462	23,637	-30
Investment holding	(2,348)	2,111	->100
Lifestyle and services	(863)	(4,381)	80
Property development	(628)	(390)	-61
Profit from operations	<u>12,623</u>	<u>20,977</u>	-40
Interest income	155	222	
Finance cost	(1,318)	(1,189)	
Profit before taxation	<u>11,460</u>	<u>20,010</u>	
Taxation	(2,293)	(6,000)	
Profit after taxation	<u>9,167</u>	<u>14,010</u>	

The Group reported an increase in revenue of 23% from RM157.7 million in previous year correspondence period to RM194.0 million in current financial period. This is mainly contributed by the TWM segment in which the revenue had been reported at RM189.5 million compared to RM145.2 million in previous year corresponding period.

The Group had on 31 March 2022, entered into agreement with Bank Negara Malaysia with regards to the sale and meltdown of cupronickel and nickel as scrap to the TWM segment. The TWM division had satisfied the agreement during the period under reviewed and hence, revenue had improved as compared to the previous year corresponding period.

The lifestyle and services segment had recorded improvement in revenue of 81% compared to previous year corresponding period. This was mainly due to the overall recovery of retail market activities as compared to the financial year 2021.

In respect of profitability, the decreased in profit mainly due to the weakening of commodity prices in the year of 2022, especially copper, tin and nickel which were the common traded commodity of the TWM division.

Lifestyle and services segment had recorded improvement in current financial period as a result from higher revenue generated. Whereas for investment holding segment, the loss recorded was mainly from the loss on changes in fair value of investment held resulted from poor market performance during the financial period under review.

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Notes on the quarterly report for the financial period ended 30 September 2022

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

	Current Quarter 30 Sept 2022	Immediate Preceding Quarter 30 June 2022	Changes
	RM'000	RM'000	%
Revenue	61,412	78,244	-22
Staff cost	3,585	5,061	-29
Other income	761	615	24
Other operating expenses	2,838	4,210	-33
Profit before taxation	2,789	4,863	-43
Profit after taxation	2,384	3,563	-33

The Group recorded lower revenue of RM61.4 million for the current financial quarter ended 30 September 2022 as compared to immediate preceding financial quarter ended 30 June 2022 of RM78.2 million. The higher revenue in immediate preceding quarter was contributed by the TWM segment in respect of satisfaction of procurement agreement with Bank Negara Malaysia as mentioned in Section B1.

Reduced staff cost recorded in current financial quarter as compared to immediate preceding quarter mainly due to payment for bonus recorded and additional accruals in the second quarter 2022.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

Looking forward, the TWM division of the Group continues to be the major revenue and profit contributor in financial year 2022. The Group will continue to emphasise on developing its key strengths of sourcing capabilities, and to invest heavily to improve the production capacity, efficiency and technology in order to remain at the forefront of the e-waste recycling industry.

The Group remained optimistic of the outlook for food and beverage retail industry as well as the coin operated launderette industry. The Group foresees the economy is recovering, aided by the encouraging performance of the said division during the fourth quarter of FY2021 had strengthen the management's confidence of the business prospect.

The Group will continue to strategise, adapt and navigate through the challenging business environment and endeavor to take timely and appropriate actions to minimise operating risks and optimise its resources so as to ensure that the business operations remain resilient in these uncertain times and at the same time prepare a good foundation for strong and sustainable recovery post pandemic.

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.

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Notes on the quarterly report for the financial period ended 30 September 2022

B5. TAXATION

	Current Quarter		Year to date	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current year	(400)	(600)	(2,904)	(4,410)
- (under)/over provision in prior years	(5)	-	358	(490)
	<u>(405)</u>	<u>(600)</u>	<u>(2,546)</u>	<u>(4,900)</u>
Deferred tax				
- current year	-	(300)	-	-
- over/(under) provision in prior years	-	-	253	(1,100)
	<u>(405)</u>	<u>(900)</u>	<u>(2,293)</u>	<u>(6,000)</u>

The effective tax rate of the Group for current financial quarter and year ended 31 December 2022 are lower than the statutory tax rate of 24% due to availability of reinvestment allowance which arose from the capital expenditure of a subsidiary, utilisation of allowance for business losses as well as recognition of over provision of income tax and deferred tax during the financial period under review.

B6. STATUS OF CORPORATE PROPOSALS

On 4 June 2021, 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 30% 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 14 June 2021.

The Company had on 30 June 2021 obtained Bursa Securities’ approval for the listing and quotation of up to 161,035,400 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 28 July 2021, the Company had obtained the approval from shareholders through Extraordinary General Meeting (“EGM”) held on the same day.

On 11 August 2021, the Company completed the issuance of the first tranche of 90,000,000 new ordinary shares at RM0.285 each and raised gross proceeds of RM25,650,000.

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Notes on the quarterly report for the financial period ended 30 September 2022

B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)

On 9 December 2021, the Company had submitted an application for extension of time to complete the Company’s Private Placement to Bursa Securities.

On 23 February 2022, the Company had obtained the approval that the application for expansion of time of 6 months up to 30 June 2022 to complete the implementation of the Private Placement.

On 25 May 2022, the Company announced that the extended timeframe to implement the Private Placement will lapse on 30 June 2022 and the Company will not seek further extension to implement the said exercise.

As such, the Private Placement is deemed completed with the listing of 90,000,000 Placement Shares in 11 August 2021.

Save as above, there were no corporate proposals announced but not complete as at 21 November 2022, 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

Private Placements 2021

The actual utilisation of the total gross proceeds of RM25,650,000 raised from the 30% private placement on 11 August 2021 (referring to Note B6) were as below:

	Proposed utilisation RM’000	Actual utilisation RM’000	Balance proceeds RM’000	Intended timeframe for utilisation
Acquisition of equipment	4,410	2,871	1,539	15 months
Working capital	9,009	9,009	-	12 months
Repayment of bank borrowings	11,978	6,742	5,236	6 months
Estimated expenses in relation to the Private Placements	253	253	-	1 month
Total	25,650	18,622	6,775	

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B8. GROUP BORROWINGS

The Group’s borrowings as at 30 September 2022 (all denominated in Ringgit Malaysia) are as follows:-

	As at 30 Sept 2022 RM’000	As at 31 Dec 2021 RM’000
Short term borrowing (secured)		
Term loan	3,905	3,608
Lease liabilities	2,800	2,255
	6,705	5,863
Long term borrowing (secured)		
Term loan	11,642	17,681
Lease liabilities	4,719	5,468
	16,361	23,149
Total	23,066	29,012

	As at 30 Sept 2022 %	As at 31 Dec 2021 %
The weighted average effective interest rate are as follows:		
Term loan	6.66	6.55
Overdraft	7.05	7.05
Hire purchase liabilities	4.63	4.63
Other lease liabilities	5.83	5.83
Proportion of borrowings between fixed and floating interest rates	32 : 68	27 : 73

B9. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Disclosure of derivatives

The Group uses forward foreign exchange contracts to manage some of the transactions exposure of the Group’s sales denominated in USD and uses the commodity future contracts to manage the metal commodity price fluctuations.

There are no cash requirement risks as the Group only uses forward foreign currency contracts and commodity future 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 quarter and period. 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 liabilities

The Group determines the fair value of the derivative financial instruments relating to the forward foreign exchange contracts and commodity future contracts by using the difference between the contracted foreign exchange rates and commodity price and the market forward rates and commodity price. 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 recording a gain when the rates and commodity price move favourable against the Group or recorded a loss when the rates and commodity price move unfavourable against the Group.

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B10. MATERIAL LITIGATION

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

B11. DIVIDEND

Save as disclosed below, there were no dividends paid or declared for the previous corresponding quarter and period:

- i. The first interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and paid on 25 March 2022.
- ii. The interim dividend via share dividend distribution of approximately 8.4 million treasury shares on the basis of 1 treasury share for every 70 existing ordinary shares in respect of financial year ended 31 December 2022, amounting to approximately RM3.03 million declared on 25 November 2022.

B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended		Year to date	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment of receivables	-	74	465	1,074
Allowance for impairment of receivables no longer required	(500)	(146)	(500)	(900)
Changes in fair value of derivative financial instruments	-	(10)	-	(10)
Changes in fair value on other investments	(10)	(1,755)	1,493	567
Depreciation of property, plant and equipment and right of use assets	2,055	2,128	6,005	6,069
Dividend income	(9)	-	(17)	(167)
Fixed asset written off	-	29	28	30
Gain on disposal of other investments	-	-	-	(1,594)
(Gain)/Loss on foreign exchange				
- unrealised	(296)	320	(305)	301
- realised	470	12	1,059	(264)
Government grant income	(35)	(35)	(105)	(105)
Interest income	(25)	(106)	(155)	(182)
Interest expenses				
- Banker acceptance	109	-	109	-
- Hire purchase	14	13	37	54
- Overdraft	31	15	31	66
- Term loan	116	255	869	789
- Unwinding interest	1	1	4	3
- Implicit interest of lease liabilities	79	88	268	277

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Notes on the quarterly report for the financial period ended 30 September 2022

B13. EARNINGS PER SHARE

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

	Current Quarter Ended		Year to date	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM	RM	RM	RM
Net profit attributable to owners of the Company (RM'000)	2,384	4,589	9,167	14,573
Weighted average number of ordinary shares in issue ('000)	593,764	626,785	611,174	553,539
Basic earnings per share (sen)	0.40	0.73	1.50	2.63

B14. AUTHORISED FOR ISSUE

This interim financial statement was authorised for issue by the Board on 25 November 2022 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

25 November 2022