

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Individual Quarter | | | Cumulative Quarter | | |
|---|--|---|----------------|--|--|----------------|
| | Current Year Quarter 30-Sep-24 RM'000 | Preceding year Corresponding Quarter 30-Sep-23 RM'000 | Changes % | Current Year To date 30-Sep-24 RM'000 | Preceding year Corresponding year 30-Sep-23 RM'000 | Changes % |
| Revenue | 60,180 | 46,002 | 30.82% | 164,021 | 141,601 | 15.83% |
| Direct costs | (416) | (246) | 69.11% | (1,047) | (934) | 12.10% |
| Changes in inventories of finished goods and work in progress | 12,058 | (264) | -4667.42% | 14,733 | 1,073 | 1273.07% |
| Raw materials and consumable used | (57,628) | (34,008) | 69.45% | (131,302) | (106,012) | 23.86% |
| Changes in inventories of trading merchandise | (102) | (146) | -30.14% | (305) | (443) | -31.15% |
| Staff costs | (4,707) | (4,453) | 5.70% | (15,708) | (13,750) | 14.24% |
| Other income | 1,264 | 978 | 29.24% | 2,694 | 2,229 | 20.86% |
| Depreciation and amortisation | (2,803) | (2,169) | 29.23% | (8,271) | (6,238) | 32.59% |
| Other operating expenses | (5,401) | (4,665) | 15.78% | (14,607) | (12,186) | 19.87% |
| Finance cost | (877) | (784) | 11.86% | (2,560) | (1,620) | 58.02% |
| Profit before taxation | 1,568 | 245 | 540.00% | 7,648 | 3,720 | 105.59% |
| Taxation | (2) | 194 | -101.03% | (1,272) | (1,106) | 15.01% |
| Profit after taxation/ Total comprehensive income | 1,566 | 439 | 256.72% | 6,376 | 2,614 | 143.92% |
| Profit attributable to: | | | | | | |
| Owners of the Company | 1,566 | 1,146 | | 6,376 | 2,182 | |
| | 1,566 | 1,146 | | 6,376 | 2,182 | |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 1,566 | 1,146 | | 6,376 | 2,182 | |
| | 1,566 | 1,146 | | 6,376 | 2,182 | |
| Earning per share attributable to owners of the Company (sen per share): | | | | | | |
| Basic earning per share | 0.21 | 0.07 | | 0.97 | 0.42 | |
| Diluted earning per share | 0.14 | - | | 0.57 | - | |

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 2023 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | As at end of Financial year 30-Sep-24 RM'000 | Audited As at preceding Financial Year Ended 31-Dec-23 RM'000 |
|--|---|--|
| ASSETS | | |
| Non Current assets | | |
| Property, plant and equipment | 94,179 | 97,309 |
| Right of use assets | 7,685 | 9,842 |
| Investment properties | 79,526 | 74,245 |
| Intangible assets | 98 | 99 |
| Other investments | 2,400 | 2,400 |
| Land held for development | 10,005 | 10,005 |
| Deferred tax assets | - | - |
| | 193,893 | 193,900 |
| Current Assets | | |
| Inventories | 83,221 | 71,832 |
| Trade and other receivables | 5,656 | 20,172 |
| Tax recoverable | 2,189 | 1,468 |
| Other investment | 13,048 | 13,656 |
| Fixed deposits with licensed banks | 410 | 1,292 |
| Cash and bank balances | 5,357 | 4,261 |
| | 109,881 | 112,681 |
| TOTAL ASSETS | 303,774 | 306,581 |
| EQUITY AND LIABILITIES | | |
| Capital and reserves attributable to owners of the parent | | |
| Share capital | 203,171 | 203,171 |
| Revaluation reserve | 28,139 | 28,139 |
| Fair value adjustment reserve | 50 | 50 |
| Reverse acquisition reserve | (72,051) | (72,051) |
| Treasury shares | (5,913) | (3,901) |
| Retained profits | 60,623 | 54,247 |
| Equity attributable to the owners of the Company | 214,019 | 209,655 |
| Total equity | 214,019 | 209,655 |
| Non Current Liabilities | | |
| Lease liabilities | 1,610 | 5,911 |
| Deferred income | 63 | 168 |
| Borrowings | 29,541 | 33,114 |
| Provision | 52 | 40 |
| Deferred tax liabilities | 6,948 | 6,962 |
| | 38,214 | 46,195 |
| Current Liabilities | | |
| Trade and other payables | 18,117 | 21,366 |
| Tax payable | 924 | 662 |
| Borrowings | 27,041 | 25,607 |
| Lease Liabilities | 5,459 | 3,096 |
| | 51,541 | 50,731 |
| TOTAL LIABILITIES | 89,755 | 96,926 |
| TOTAL EQUITY AND LIABILITIES | 303,774 | 306,581 |
| Net assets per share (sen) attributable to owners of the Company | 29.22 | 34.10 |

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 2023 and the accompanying explanatory notes attached to this interim financial statements.

JAG BERHAD ("JAG" OR "COMPANY")
[Registration No. 199701023733 (439230 - A)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Share capital RM'000 | Revaluation reserve RM'000 | Fair value adjustment reserve RM'000 | Reverse acquisition reserve RM'000 | Tresury shares 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 2023 | 203,171 | 28,139 | - | (72,051) | (10,863) | 64,530 | 212,926 | - | 212,926 |
| Acquisition of treasury shares | - | - | - | - | (4,492) | - | (4,492) | - | (4,492) |
| Distribution of share dividend | - | - | - | - | 11,454 | (11,454) | - | - | - |
| Net profit / Total comprehensive profit for the period | - | - | - | - | - | 2,614 | 2,614 | - | 2,614 |
| At 30 Sept 2023 | <u>203,171</u> | <u>28,139</u> | <u>-</u> | <u>(72,051)</u> | <u>(3,901)</u> | <u>55,690</u> | <u>211,048</u> | <u>-</u> | <u>211,048</u> |
| At 1 January 2024 | 203,171 | 28,139 | 50 | (72,051) | (3,901) | 54,247 | 209,655 | - | 209,655 |
| Acquisition of treasury shares | - | - | - | - | (2,012) | - | (2,012) | - | (2,012) |
| Net profit / Total comprehensive profit for the period | - | - | - | - | - | 6,376 | 6,376 | - | 6,376 |
| At 30 Sept 2024 | <u>203,171</u> | <u>28,139</u> | <u>50</u> | <u>(72,051)</u> | <u>(5,913)</u> | <u>60,623</u> | <u>214,019</u> | <u>-</u> | <u>214,019</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 2023 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

| | Cumulative Current Year 30-Sep-24 RM'000 | Preceding Year Corresponding Period 30-Sep-23 RM'000 |
|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 7,648 | 3,720 |
| Adjustments for non-cash item: | | |
| Allowance for impairment of receivables no longer required | - | (357) |
| Adjustment for derecognition of ROU and lease liabilities | 245 | - |
| Changes in fair value of other investments | (1,543) | 904 |
| Depreciation and amortisation | 8,271 | 6,238 |
| Dividend income | - | (24) |
| Fixed assets written off | 45 | 80 |
| Gain on disposal of fixed assets | (289) | (199) |
| Gain on disposal of other investment | (366) | (161) |
| Loss on fair value adjustment on hedging instruments | - | 88 |
| Gain on foreign exchange - unrealised | (272) | (53) |
| Government grant income | (105) | (105) |
| Realised loss on foreign exchange - cash and cash equivalent | 200 | (178) |
| Interest income | (53) | (326) |
| Interest expense | 2,615 | 1,946 |
| | <hr/> | <hr/> |
| Operating cash flows before working capital changes | 16,396 | 11,573 |
| Changes in working capital: | | |
| Increase in inventories | (11,389) | (4,229) |
| Decrease/(Increase) in trade and other receivables | 14,788 | (90) |
| (Decrease)/Increase in trade and other payables | (3,254) | 941 |
| Decrease/(Increase) in other investments | 2,516 | (611) |
| | <hr/> | <hr/> |
| Cash generated from operations | 19,057 | 7,584 |
| Income tax paid | (1,732) | (3,797) |
| Income tax refunded | - | 22 |
| | <hr/> | <hr/> |
| Net cash generated from operating activities | 17,325 | 3,809 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Decreased)/Increased in fixed deposit pledged | 916 | (18) |
| Interest received | 25 | 344 |
| Dividend received | - | 24 |
| Proceeds from disposal of fixed assets | 290 | 160 |
| Purchase of investment property | - | (29,995) |
| Purchase of property, plant and equipment | (7,861) | (7,463) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (6,630) | (36,948) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (1,244) | (1,942) |
| Cash payment for leases | (2,631) | (2,831) |
| Acquisition of treasury shares | (2,013) | (4,491) |
| Proceeds from banking facility/term loan | 6,515 | 29,995 |
| Repayment of term loan | (4,905) | (5,975) |
| | <hr/> | <hr/> |
| Net cash (used in)/generated from financing activities | (4,278) | 14,756 |
| | <hr/> | <hr/> |
| Net increase/(decrease) in cash and cash equivalents | 6,417 | (18,383) |
| Effect of exchange rate changes | (200) | 178 |
| Cash and cash equivalents at 1 January | (12,478) | 11,926 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at 30 September | (6,261) | (6,279) |
| Cash and cash equivalents at end of financial quarter comprised: | | |
| Cash and bank balances | 5,357 | 6,906 |
| Fixed deposits with licensed banks | 410 | 1,290 |
| Bank overdraft | (12,028) | (13,605) |
| | <hr/> | <hr/> |
| | (6,261) | (5,409) |
| Less: Fixed deposits pledged | - | (870) |
| | <hr/> | <hr/> |
| | (6,261) | (6,279) |

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 2023 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2024

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 2023.

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.

The Group has not adopted the new standards, amendments to published standards and IC interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC interpretations do not result in significant changes in the accounting policies of the Group upon their initial applications.

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 2023.

A4. SEASONAL AND CYCLICAL FACTORS

The Group's primary sources of revenue (approximately 97% of its total revenue) are derived from its manufacturing and trading business segment, which involves recycling and recovery activities. These operations are affected by the cyclical nature of the semiconductor industry, which, in turn, is dependent on end-user industries such as electrical and 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 electronic waste (E-waste) for recycling and manufacturing services is reliant on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is also influenced by 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.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2024

A6. MATERIAL CHANGES IN ESTIMATES

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

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 2024:

During the financial period under review, the Company has repurchased 7,650,000 of its issued ordinary shares from the open market at average price of RM0.263 per share. The purchases were financed by internally generated funds and retained as treasury shares of the Company.

As at 30 September 2024, the number of treasury shares held was 21,979,292 ordinary shares with the carrying amount of RM5,913,018/-.

A8. DIVIDEND

There were no dividends paid or declared for the current quarter and period.

A9. SEGMENT INFORMATION

The Group’s segmental information is as follows:

| | Current Quarter | | Year to date | |
|--|------------------------|----------------|---------------------|----------------|
| | 30 Sept | 30 Sept | 30 Sept | 30 Sept |
| | 2024 | 2023 | 2024 | 2023 |
| | RM’000 | RM’000 | RM’000 | RM’000 |
| Revenue by business segments | | | | |
| Manufacturing and trading activities | 58,367 | 44,296 | 159,016 | 136,483 |
| Lifestyle and services | 1,542 | 1,534 | 4,501 | 4,682 |
| Property investment and development | 271 | 172 | 504 | 436 |
| | <u>60,180</u> | <u>46,002</u> | <u>164,021</u> | <u>141,601</u> |
| Elimination of inter-segment sales | - | - | - | - |
| | <u>60,180</u> | <u>46,002</u> | <u>164,021</u> | <u>141,601</u> |
| Segment results | | | | |
| Manufacturing and trading activities | 4,228 | 1,308 | 13,341 | 8,362 |
| Investment holding | (499) | 392 | 393 | (1,247) |
| Lifestyle and services | (455) | (322) | (1,392) | (822) |
| Property investment and development | (829) | (349) | (2,134) | (953) |
| Profit from operations | <u>2,445</u> | <u>1,029</u> | <u>10,208</u> | <u>5,340</u> |
| Interest income | 10 | 9 | 53 | 326 |
| Finance cost | (887) | (793) | (2,613) | (1,946) |
| Profit before taxation | <u>1,568</u> | <u>245</u> | <u>7,648</u> | <u>3,720</u> |
| Taxation | (2) | 194 | (1,272) | (1,106) |
| Profit after taxation | <u>1,566</u> | <u>439</u> | <u>6,376</u> | <u>2,614</u> |
| Revenue By Geographical Segment | | | | |
| Malaysia | 23,047 | 6,106 | 44,932 | 17,426 |
| Foreign countries | 37,134 | 39,896 | 119,092 | 124,175 |
| | <u>60,181</u> | <u>46,002</u> | <u>164,024</u> | <u>141,601</u> |

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2024

A9. SEGMENT INFORMATION (CONTINUED)

| | As at 30 Sept 2024 RM'000 | As at 31 Dec 2023 RM'000 |
|--------------------------------------|--|---|
| Segment assets | | |
| Manufacturing and trading activities | 209,343 | 216,425 |
| Investment holding | 208,420 | 205,330 |
| Lifestyle and services | 8,426 | 9,926 |
| Property investment and development | 94,556 | 90,065 |
| | <u>520,745</u> | <u>521,746</u> |
| Elimination | <u>(216,971)</u> | <u>(215,165)</u> |
| | <u>303,774</u> | <u>306,581</u> |
| Segment liabilities | | |
| Manufacturing and trading activities | 71,016 | 81,959 |
| Investment holding | 6,380 | 7,455 |
| Lifestyle and services | 15,557 | 16,608 |
| Property investment and development | 90,173 | 82,579 |
| | <u>183,126</u> | <u>188,601</u> |
| Elimination | <u>(93,371)</u> | <u>(91,675)</u> |
| | <u>89,755</u> | <u>96,926</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

There were no material events subsequent to the current financial quarter and period ended 30 September 2024 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 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.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2024

A14. CAPITAL COMMITMENTS

Save as 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:

| | |
|---|------------------------------------|
| | 30 Sept 2024 RM'000 |
| Authorised and contracted for: Elevator system | <u>748</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 2024

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

B1. REVIEW OF PERFORMANCE

3rd Quarter 2024 vs 3rd Quarter 2023

| | 30 Sept 2024 | 30 Sept 2023 | Changes |
|--------------------------------------|---------------------|---------------------|----------------|
| | RM'000 | RM'000 | % |
| Revenue by business segments | | | |
| Manufacturing and trading activities | 58,367 | 44,296 | 31.8 |
| Lifestyle and services | 1,542 | 1,534 | 0.5 |
| Property investment and development | 271 | 172 | 57.6 |
| | <u>60,180</u> | <u>46,002</u> | 30.8 |
| Segment results | | | |
| Manufacturing and trading activities | 4,228 | 1,308 | >100.0 |
| Investment holding | (499) | 392 | ->100.0 |
| Lifestyle and services | (455) | (322) | -41.3 |
| Property investment and development | (829) | (349) | ->100.0 |
| Profit from operations | 2,445 | 1,029 | |
| Interest income | 10 | 9 | |
| Finance cost | (887) | (793) | |
| Profit before taxation | 1,568 | 245 | |
| Taxation | (2) | 194 | |
| Profit after taxation | <u>1,566</u> | <u>439</u> | |

The Group's revenue reported a significant increase of 30.8%, from RM46.0 million in the corresponding quarter to RM60.2 million in the current financial quarter. As for profitability, the Group reported a profit after taxation of RM1.6 million compared to RM0.4 million in the previous year's corresponding quarter.

The revenue growth was mainly driven by the Total Waste Management (“TWM”) business segment, which reported a 31.8% increase in revenue. This improvement was primarily due to higher procurement and e-waste collection during the financial quarter as compared to previous year corresponding quarter. The improved profitability of the said business segment was mainly resulted from higher turnover during the financial quarter.

The lifestyle and services business segment reported a constant performance in revenue compared to the previous year's corresponding quarter. The segment's profitability was adversely affected by costs associated with closing non-performing outlets and increased raw material and consumable costs.

The investment holding business segment recorded a loss mainly due to the recognition of changes on fair value on quoted investments, as well as professional fees incurred in respect of the corporate exercise during the financial quarter.

The increased in revenue in property investment and development business segment as compared to previous corresponding quarter is mainly due to increase in number of tenants in Wisma JAG as compared to previous year corresponding quarter. However, the losses in the said business segment were attributed to operational costs such as cleaning fees, security fees, building depreciation and other building management fees.

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Notes on the quarterly report for the financial period ended 30 September 2024

B1. REVIEW OF PERFORMANCE (CONTINUED)

Financial Period ended 30 Sept 2024 vs Financial Period ended 30 Sept 2023

| | FP 2024 | FP 2023 | Changes |
|--------------------------------------|----------------|----------------|----------------|
| | RM'000 | RM'000 | % |
| Revenue by business segments | | | |
| Manufacturing and trading activities | 159,016 | 136,483 | 16.5 |
| Lifestyle and services | 4,501 | 4,682 | -3.9 |
| Property investment and development | 504 | 436 | 15.6 |
| | <u>164,021</u> | <u>141,601</u> | 15.8 |
| Segment results | | | |
| Manufacturing and trading activities | 13,341 | 8,362 | 59.5 |
| Investment holding | 393 | (1,247) | ->100 |
| Lifestyle and services | (1,392) | (822) | -69.3 |
| Property investment and development | (2,134) | (953) | ->100 |
| Profit from operations | <u>10,208</u> | <u>5,340</u> | |
| Interest income | 53 | 326 | |
| Finance cost | (2,613) | (1,946) | |
| Profit before taxation | <u>7,648</u> | <u>3,720</u> | |
| Taxation | (1,272) | (1,106) | |
| Profit after taxation | <u>6,376</u> | <u>2,614</u> | |

The Group reported increased in revenue of 15.8% from RM141.6 million in previous year correspondence period to RM164.0 million in current financial period. The improvement in revenue generated from the TWM business segment was mainly due to higher procurement from suppliers during the financial period, which in turn led to a higher inventory turnover, resulting in increased sales and better profit margins.

The lifestyle and services business segment had recorded slight decrease in revenue of 3.9% compared to previous year corresponding period mainly due to closing down of non performing outlet during the financial period.

In respect of group's profitability, the increased in profit mainly due to the higher revenue generated in the TWM business segment who being the main profit contributor to the Group.

Lifestyle and services business segment had recorded reduction in profitability in current financial period due to lower revenue generated resulting from closure of non performing outlet, and adjustment of lease rental leading higher operation cost. Whereas for investment holding business segment, the profit recorded was mainly from the gain on changes in fair value of investment held.

The increase in revenue in property investment and development business segment as compared to previous corresponding period is mainly due to increase in number of tenants. However, the losses in the said business segment were attributed to operational costs such as cleaning fees, security fees, building depreciation and other building management fees.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2024

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

| | Current Quarter 30 Sept 2024 | Immediate Preceding Quarter 30 June 2024 | Changes |
|--------------------------|---|---|----------------|
| | RM'000 | RM'000 | % |
| Revenue | 60,180 | 51,099 | 17.8 |
| Staff cost | 4,707 | 5,977 | -21.2 |
| Other operating expenses | 4,064 | 4,613 | -11.9 |
| Profit before taxation | 1,568 | 1,795 | -12.6 |
| Profit after taxation | 1,566 | 1,795 | -12.8 |

The Group recorded increased in revenue from RM51.1 million in the immediate preceding quarter ended 30 June 2024 to RM60.2 million in current financial quarter. The increase was mainly due to higher revenue generated from the TWM business segment, which reported revenue of RM58.4 million, an increase from RM49.6 million in the immediate preceding quarter.

The decrease in staff cost mainly due to payment of performance bonuses in second quarter of 2024. The other operating expense was mainly consisting of operational cost such as manufacturing overhead, travelling expenses, upkeep of machinery and premises, utilities, professional fees and consultant cost incurred in property investment business division to refurbish Wisma JAG.

In respect of profitability, the Group recorded profit after taxation of RM1.6 million in current financial quarter. This is mainly due to the lower commodity prices of the precious metals which commonly traded by the TWM business division compared to immediate preceding quarter. This had directly reduce the profitability of the Group as the TWM business division is the main profit contributor.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

In 2024, the TWM business segment will remain a major contributor to the Group's revenue and profit. To maintain its position as a leading player in the e-waste recycling industry, the Group will continue to focus on strengthening its sourcing capabilities and investing in production capacity, efficiency and technology.

As in financial year 2023, the TWM business segment has achieved a significant milestone by successfully securing two major procurement contracts during the financial year. The Group holds a positive outlook, anticipating that the favorable outcomes of these contracts will make a notable and positive contribution to the overall financial performance of the organisation.

The Group is also optimistic with the outlook for the food and beverage retail industry and the coin-operated launderette industry. In 2024, the Group plans to support these business segments through opening of new outlets, venturing in to new business model, marketing strategies, and continuing introduction of new products.

In the face of a challenging business environment, the Group is committed to strategic adaptation and effective risk management. The Group will take timely and appropriate actions to minimize operating risks and optimize its resources, ensuring resilient business operations during uncertain times. Moreover, the Group is preparing a strong foundation for a sustainable recovery after the pandemic.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 30 September 2024

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 | |
|----------------------------------|-----------------------|--------------|----------------|----------------|
| | 30 Sept 2024 | 30 Sept 2023 | 30 Sept 2024 | 30 Sept 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax | | | | |
| - current period | - | 200 | (1,270) | (1,100) |
| - under provision in prior years | (2) | (6) | (2) | (6) |
| | <u>(2)</u> | <u>194</u> | <u>(1,272)</u> | <u>(1,106)</u> |
| Deferred tax | | | | |
| - current period | - | - | - | - |
| - over provision in prior years | - | - | - | - |
| | <u>(2)</u> | <u>194</u> | <u>(1,272)</u> | <u>(1,106)</u> |

The effective tax rate for the current financial quarter and period is lower than the statutory income tax rate of 24%. This is primarily due to the availability of reinvestment allowance which arose from the capital expenditure of a subsidiary, utilisation of allowance for business losses as well as capital allowance during the financial period under review.

B6. STATUS OF CORPORATE PROPOSALS

On 13 March 2024, TA Securities Holdings Berhad (“TA”) had on behalf of the Company announced that the Company proposes to undertake the following:

- (i) proposed bonus issue of 125,356,978 new ordinary shares (“JAG Shares” or “Shares”) (“Bonus Share”) on the basis of 1 Bonus Share for every 5 existing Shares held on an entitlement date to be determined (“Entitlement Date”) (“Proposed Bonus Issue of Shares”), and;
- (ii) proposed bonus issue of up to 376,070,935 free warrants in the Company (“Warrants”) on the basis of 3 Warrants for every 5 existing Shares held on the Entitlement Date (“Proposed Bonus Issue of Warrants”).

The Company had on 15 April 2024 obtained Bursa Securities’ approval on the following:

1. listing and quotation of Proposed Bonus Issues of Shares;
2. admission to the Official List and listing and quotation of the Proposed Bonus Issue of Warrants; and
3. listing and quotation of up to 376,070,935 new JAG Shares to be issued arising from the exercise of the Warrants

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B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)

The approval granted by Bursa Securities for the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants are subject to the following conditions:

1. JAG and TA Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements (“ACE LR”) pertaining to the implementation of the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants;
2. JAG and TA Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants respectively;
3. JAG and TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants are completed;
4. In relation to the Proposed Bonus Issue of Shares, JAG and TA Securities are required to make the relevant announcements pursuant to Rules 6.36(2)(a) & (b) and 6.36(4) of the ACE LR; and
5. In relation to the Proposed Bonus Issue of Warrants, JAG to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.

The approval for the above proposal has been obtained in the EGM of JAG on 29 May 2024.

On 25 June 2024, 125,353,900 Bonus Shares have been issued and listed and quoted on ACE Market of Bursa Securities.

The enlarged share capital of JAG after the issuance of Bonus Shares is RM203,171,882 comprising 752,138,792 ordinary share (including treasury shares).

On 3 July 2024, 368,903,282 Warrants have been listed and quoted on the ACE Market of Bursa Securities. This has marked the completion of the Proposed Bonus Issue of Shares and Proposed Issue of Warrants.

Other than state above, there were no corporate proposals announced and not completed as at 18 November 2024, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

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B7. GROUP BORROWINGS

The Group’s borrowings as at 30 September 2024 (all denominated in Ringgit Malaysia) are as follows:-

| | As at 30 Sept 2024 RM'000 | As at 31 Dec 2023 RM'000 |
|---------------------------------------|--|---|
| Short term borrowing (secured) | | |
| Banker acceptance | 10,519 | 4,000 |
| Overdraft | 12,028 | 17,142 |
| Term loan | 4,494 | 4,465 |
| Lease liabilities | 5,459 | 3,095 |
| | 32,500 | 28,702 |
| Long term borrowing (secured) | | |
| Term loan | 29,541 | 33,114 |
| Lease liabilities | 1,610 | 5,910 |
| | 31,151 | 39,024 |
| Total | 63,651 | 67,726 |

| | As at 30 Sept 2024 % | As at 31 Dec 2023 % |
|--|-------------------------------------|------------------------------------|
| The weighted average effective interest rate are as follows: | | |
| Banker acceptance | 5.65 | 5.65 |
| Term loan | 6.44 | 6.44 |
| Overdraft | 7.66 | 7.66 |
| Hire purchase liabilities | 5.28 | 5.28 |
| Other lease liabilities | 5.83 | 5.83 |
| Proportion of borrowings between fixed and floating interest rates | 11 : 89 | 14 : 86 |

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 since 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.

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B9. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(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.

B10. MATERIAL LITIGATION

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

B11. DIVIDEND

There were no dividends paid or declared for the previous corresponding quarter and period:

B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

| | Current Quarter Ended | | Year to date | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30 Sept 2024 RM'000 | 30 Sept 2023 RM'000 | 30 Sept 2024 RM'000 | 30 Sept 2023 RM'000 |
| Allowance for impairment of receivables no longer required | | | | (357) |
| Adjustment for lease modification | 245 | - | 245 | - |
| Changes in fair value of derivative financial instruments | - | 88 | - | 88 |
| Changes in fair value on other investments | 507 | (115) | (1,543) | 904 |
| Depreciation and amortisation | 2,803 | 2,169 | 8,271 | 6,238 |
| Dividend income | - | (4) | - | (24) |
| Fixed asset written off | 35 | 54 | 45 | 80 |
| Gain on disposal of other investments | (230) | (535) | (366) | (161) |
| Gain on disposal of plant and equipment | (133) | (62) | (289) | (199) |
| Gain on foreign exchange | | | | |
| - unrealised | (499) | (122) | (272) | (53) |
| - realised | (601) | (87) | 35 | (412) |
| Government grant income | (35) | (35) | (105) | (105) |
| Interest income | (10) | (9) | (53) | (326) |
| Interest expenses | | | | |
| - Banker acceptance | 72 | 26 | 139 | 26 |
| - Overdraft | 252 | 186 | 712 | 365 |
| - Term loan | 430 | 447 | 1,365 | 1,192 |
| - Unwinding interest | 2 | 1 | 4 | 4 |
| - Implicit interest of lease liabilities | 131 | 133 | 393 | 359 |

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Notes on the quarterly report for the financial period ended 30 September 2024

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 2024 RM | 30 Sept 2023 RM | 30 Sept 2024 RM | 30 Sept 2023 RM |
| <u>Basic Earnings Per Share</u> | | | | |
| Net profit attributable to owners of the Company (RM'000) | 1,566 | 439 | 6,376 | 2,614 |
| Weighted average number of ordinary shares in issue ('000) | 735,307 | 626,865 | 657,735 | 624,927 |
| Basic earnings per share (sen) | 0.21 | 0.07 | 0.97 | 0.42 |
| <u>Diluted earnings per share</u> | | | | |
| Net profit attributable to owners of the Company (RM'000) | 1,566 | 439 | 6,376 | 2,614 |
| Weighted average number of ordinary shares in issue adjusted for dilutive effects of potential warrant conversion (RM'000) | 1,190,100 | N/A | 1,190,100 | N/A |
| Diluted earnings per share (sen) | 0.14 | - | 0.57 | - |

- i) Basic earnings per share are calculated by dividing the net profit/ loss (Profit/ Loss attributable to owners of the Company) for the financial quarter and period by the weighted average number of ordinary shares in issue.
- ii) Diluted earnings per share are calculated by dividing the net profit/ loss (Profit/ Loss attributable to owners of the Company) for the financial quarter and period by the weighted average number of ordinary shares in issue have been adjusted for the dilutive effects of all potential conversion of warrant.
- iii) The Group has no potential equity instruments in issue as at the preceding year corresponding quarter and therefore, diluted earnings per share have not been presented.

B14. AUTHORISED FOR ISSUE

This interim financial statement was authorised for issue by the Board on 25 November 2024 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

25 November 2024