

All defined terms and abbreviations contained in this Abridged Prospectus are defined in the “Definitions” section of this Abridged Prospectus, unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your JKG Shares, you should hand this Abridged Prospectus together with the Notice of Provisional Allotment and Rights Subscription Form (collectively, the “Documents”) at once to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue should be addressed to the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The Documents are only despatched to shareholders who have provided the Share Registrar of JKG with a registered address in Malaysia and whose names appear in the Record of Depositors as at 5.00 p.m. on 24 March 2017.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia and no action has been or will be taken to ensure that either the Rights Issue or the Documents comply with the laws related to public offerings of any country or jurisdiction where action for such purpose is required, other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of the Provisional Rights Shares, application for the Excess Rights Shares or the subscription, offer, sale, resale, pledge or other transfer of the Provisional Rights Shares would result in the contravention of any laws of such countries or jurisdictions. The Company and the Principal Adviser shall not accept any responsibility or liability in the event that any acceptance or renunciation (as the case may be) of the Provisional Rights Shares, application for the Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Provisional Rights Shares made by any Entitled Shareholder and/or their renouncee(s) and/or transferee(s), if applicable, is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholder and/or their renouncee(s) and/or transferee(s), if applicable, are residents.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue has been obtained from the shareholders of the Company at the EGM held on 2 March 2017. Approval has also been obtained from Bursa Securities vide its letter dated 26 January 2017 for the listing and quotation of the Rights Shares on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing and quotation of the Rights Shares will commence after, among others, receipt of confirmation from Bursa Depository that the Rights Shares have been duly credited into the CDS Accounts of the successful Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, and the notices of allotment have been despatched to them. The listing and quotation of the Rights Shares are in no way reflective of the merits of the Rights Issue.

The Board has seen and approved the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Maybank IB, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

JKG LAND

JKG LAND BERHAD

(Company No.: 154232-K)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 1,516,620,000 NEW ORDINARY SHARES IN JKG LAND BERHAD (“JKG” OR “COMPANY”) (“JKG SHARES”) (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 EXISTING JKG SHARE HELD AS AT 5.00 P.M. ON 24 MARCH 2017

Principal Adviser



Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Friday, 24 March 2017 at 5.00 p.m.
Last date and time for the sale of the Provisional Rights Shares	: Friday, 31 March 2017 at 5.00 p.m.
Last date and time for the transfer of the Provisional Rights Shares	: Wednesday, 5 April 2017 at 4.00 p.m.
Last date and time for the acceptance and payment for the Provisional Rights Shares	: Monday, 10 April 2017 at 5.00 p.m.
Last date and time for the application and payment for the Excess Rights Shares	: Monday, 10 April 2017 at 5.00 p.m.

This Abridged Prospectus is dated 24 March 2017

ALL DEFINED TERMS AND ABBREVIATIONS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS, UNLESS STATED OTHERWISE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN THE COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA (SUCH AS THE DIRECTORS OF THE COMPANY AND THE ADVISERS) ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. JKG AND THE PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. JKG AND THE PRINCIPAL ADVISER HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF THE RIGHTS SHARES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY THE RIGHTS SHARES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. JKG AND THE PRINCIPAL ADVISER REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. THE COMPANY AND THE PRINCIPAL ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

The following definitions apply throughout this Abridged Prospectus unless the context requires otherwise:

Abridged Prospectus	: This abridged prospectus dated 24 March 2017 issued by the Company for the Rights Issue
Act	: Companies Act, 2016
BNM	: Bank Negara Malaysia
Board	: Board of Directors of JKG
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
CDS	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	: A securities account established by Bursa Depository for a depositor for the recording of deposits and dealings in such securities by the depositor
Closing Date	: 10 April 2017 at 5.00 p.m., being the last date and time for the acceptance, application and payment for the Provisional Rights Shares and Excess Rights Shares
CMSA	: Capital Markets and Services Act, 2007
Corporate Exercises	: Collectively, the Rights Issue, Proposed IASC and Proposed Amendment
Director	: Members of the Board and the term "director" shall have the same meaning assigned to it in Section 2(1) of the CMSA
Documents	: Collectively, this Abridged Prospectus and the accompanying NPA and RSF
DST	: Dato' Sri Tan Han Chuan
EGM	: Extraordinary general meeting
Entitled Shareholders	: Shareholders of JKG whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	: 24 March 2017 at 5.00 p.m., being the date and time on which the names of the shareholders of JKG must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue
EPS	: Earnings per share
Excess Rights Shares	: Any Rights Shares which are not taken up or validly taken up by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, prior to excess application
Foreign Addressed Shareholders	: Entitled Shareholders whom have not provided a mailing address in Malaysia for the service of the Documents

DEFINITIONS (Cont'd)

FYE	: Financial year ended/ending, as the case may be
GDP	: Gross domestic product
GDV	: Gross development value
GNI	: Gross national income
Government	: Government of Malaysia
Issue Price	: RM0.10, being the issue price for each Rights Share
JKG or Company	: JKG Land Berhad
JKG Group or Group	: Collectively, JKG and its subsidiaries
JKG Shares	: Ordinary shares in JKG
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 24 February 2017, being the latest practicable date prior to the date of this Abridged Prospectus
Market Day	: A day on which Bursa Securities is open for trading in securities
Maybank IB or Principal Adviser	: Maybank Investment Bank Berhad
NA	: Net assets
NPA	: Notice of provisional allotment of the Rights Shares
OPR	: Overnight policy rate
PBT	: Profit before taxation
Price-Fixing Date	: 9 March 2017, being the date on which the Board had fixed the Issue Price
Proposed Amendment	: Proposed amendment to the Memorandum of Association of the Company
Proposed IASC	: Proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 1,000,000,000 JKG Shares to RM500,000,000 comprising 5,000,000,000 JKG Shares
Provisional Rights Shares	: Rights Shares provisionally allotted to the Entitled Shareholders
Record of Depositors	: A record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository
Rights Issue	: Renounceable rights issue of 1,516,620,000 Rights Shares at the Issue Price on the basis of 2 Rights Shares for every 1 existing JKG Share held on the Entitlement Date
Rights Shares	: New JKG Shares to be issued pursuant to the Rights Issue
RM and sen	: Ringgit Malaysia and sen respectively

DEFINITIONS (Cont'd)

RSF	: Rights subscription form for the Rights Issue
Rules	: Rules on Take-Overs, Mergers and Compulsory Acquisitions
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the SICDA
SC	: Securities Commission Malaysia
Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd
SICDA	: Securities Industry (Central Depositories) Act, 1991
TERP	: Theoretical ex-rights price
TSDT	: Tan Sri Dato' Tan Hua Choon
VWAMP	: Volume-weighted average market price

All references to “**you**” or “**your**” in this Abridged Prospectus are to the Entitled Shareholders and/or, where the context requires otherwise, the renouncee(s) and/or transferee(s).

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations and individuals, unless otherwise specified.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, code, rules and regulations is a reference to that legislation, statute, guidelines, code, rules and regulations as for the time being amended or re-enacted. Any reference to a time of day or date in this Abridged Prospectus is a reference to Malaysian time and date respectively.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts stated, actual figures and the totals thereof are due to rounding.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name/Designation	Address	Age	Nationality	Occupation
Tan Sri Dato' Tan Hua Choon (Chairman, Non-Independent Non-Executive Director)	13, Persiaran Bukit Tunku, Bukit Tunku, 50480 Kuala Lumpur	76	Malaysian	Company Director
Dato' Ir. Chuah Chin Ah JP (Executive Deputy Chairman)	19-B, Taman Makmur, 08000 Sungai Petani, Kedah	65	Malaysian	Company Director
Dato' Teh Kean Ming (Managing Director)	A-28-2, One Menerung, 1, Jalan Menerung, Bukit Bandaraya, 59100 Kuala Lumpur	62	Malaysian	Company Director
Dato' Thor Poh Seng (Executive Director)	16, Jalan Camar 4/15, Sierra Damansara, Kota Damansara, 47810, Petaling Jaya, Selangor Darul Ehsan	57	Malaysian	Company Director
Dato' Sri Tan Han Chuan (Non-Independent Non-Executive Director)	13, Persiaran Bukit Tunku, Bukit Tunku, 50480 Kuala Lumpur	50	Malaysian	Company Director
Datin Tan Ching Ching (Non-Independent Non-Executive Director)	13, Persiaran Bukit Tunku, Bukit Tunku, 50480 Kuala Lumpur	46	Malaysian	Company Director
Lee Yu-Jin (Non-Independent Non-Executive Director)	4465, Lorong Lee Hin Neo, No. 3, Ukay Heights, 68000 Ampang, Selangor Darul Ehsan	50	Malaysian	Company Director
Dato' Ismail bin Hamzah (Independent Non-Executive Director)	No. 8, Jalan Setiabakti 10, Bukit Damansara, 50490 Kuala Lumpur	71	Malaysian	Company Director
Mohtar bin Abdullah (Independent Non-Executive Director)	No. 28, Jalan SS5/1, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan	68	Malaysian	Company Director
Minhat bin Mion (Independent Non-Executive Director)	No. 14, Jalan SS 3/82, 47300 Petaling Jaya, Selangor Darul Ehsan	70	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Ismail bin Hamzah	Chairman	Independent Non-Executive Director
Lee Yu-Jin	Member	Non-Independent Non-Executive Director
Mohtar bin Abdullah	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES	:	<p>Lim Geok Heok (MACS No. 00951) Ho Sok Leng (MAICSA No. 7043167)</p> <p>No. 8, 3rd Floor Jalan Segambut 51200 Kuala Lumpur</p>
HEAD / MANAGEMENT / REGISTERED OFFICE	:	<p>No. 8, 3rd Floor Jalan Segambut 51200 Kuala Lumpur Tel. no.: 03 – 6195 1600 Fax no.: 03 – 4043 6750 Website: www.jkqland.com <i>(Information on this website does not constitute part of this Abridged Prospectus)</i></p>
SHARE REGISTRAR	:	<p>Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel. no.: 03 – 2783 9299 Fax no.: 03 – 2783 9222</p>
AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE	:	<p>KPMG PLT (LLP0010081-LCA & AF 0758) Chartered Accountants Level 18, Hunza Tower 163E, Jalan Kelawei 10250 Penang Tel. no.: 04 – 238 2288 Fax no.: 04 – 238 2222</p>
PRINCIPAL BANKERS	:	<p>Malayan Banking Berhad Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. no.: 03 – 2070 8833 Fax no.: 03 – 2715 9442</p> <p>RHB Bank Berhad Level 7, Tower Three, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel no.: 03 – 9280 5368 Fax no.: 03 – 9280 6167</p>
SOLICITORS FOR THE RIGHTS ISSUE	:	<p>Mah-Kamariyah & Philip Koh 3A07, Block B, Phileo Damansara II 15 Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel. no.: 03 – 7956 8686 Fax no.: 03 – 7956 2208</p>

CORPORATE DIRECTORY (Cont'd)

PRINCIPAL ADVISER	:	Maybank Investment Bank Berhad 32 nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. no.: 03 – 2059 1888 Fax no.: 03 – 2070 6521
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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JKG LAND

JKG LAND BERHAD

(Company No.: 154232-K)
(Incorporated in Malaysia under the Companies Act 1965)

Registered Office
No. 8, 3rd Floor
Jalan Segambut
51200 Kuala Lumpur

24 March 2017

Board of Directors

Tan Sri Dato' Tan Hua Choon (*Chairman, Non-Independent Non-Executive Director*)
Dato' Ir. Chuah Chin Ah JP (*Executive Deputy Chairman*)
Dato' Teh Kean Ming (*Managing Director*)
Dato' Thor Poh Seng (*Executive Director*)
Dato' Sri Tan Han Chuan (*Non-Independent Non-Executive Director*)
Datin Tan Ching Ching (*Non-Independent Non-Executive Director*)
Lee Yu-Jin (*Non-Independent Non-Executive Director*)
Dato' Ismail bin Hamzah (*Independent Non-Executive Director*)
Mohtar bin Abdullah (*Independent Non-Executive Director*)
Minhat bin Mion (*Independent Non-Executive Director*)

To : The shareholders of JKG

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 1,516,620,000 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 EXISTING JKG SHARE HELD ON THE ENTITLEMENT DATE

1. INTRODUCTION

On 16 December 2016, on behalf of the Board, Maybank IB announced that the Company proposes to undertake the Corporate Exercises.

On 27 January 2017, on behalf of the Board, Maybank IB announced that Bursa Securities had vide its letter dated 26 January 2017 approved the listing and quotation of 1,516,620,000 Rights Shares on the Main Market of Bursa Securities, subject to, among others, the following conditions:

No.	Condition	Status of compliance
(i)	JKG and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue.	To be complied
(ii)	JKG and Maybank IB to inform Bursa Securities upon the completion of the Rights Issue.	To be complied
(iii)	JKG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed.	To be complied

On 13 February 2017, on behalf of the Board, Maybank IB announced that the Company will not be undertaking the Proposed IASC and Proposed Amendment that are intended to facilitate the implementation of the Rights Issue in view of the abolition of the authorised capital concept pursuant to the Act which came into force on 31 January 2017.

On 2 March 2017, on behalf of the Board, Maybank IB announced that the shareholders of JKG had approved the Rights Issue at the EGM held on even date. A certified true copy of the extract of the resolution relating to the Rights Issue passed at the aforesaid EGM is set out in Appendix I of this Abridged Prospectus.

On 9 March 2017, on behalf of the Board, Maybank IB announced that the Issue Price has been fixed at RM0.10 per Rights Share.

On 10 March 2017, on behalf of the Board, Maybank IB announced the Entitlement Date for the Rights Issue.

No person is authorised to give any information or make any representation not contained in the Documents and if given or made, such information or representation must not be relied upon as having been authorised by JKG or Maybank IB in connection with the Rights Issue.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Rights Issue

The Rights Issue entails the issuance of 1,516,620,000 Rights Shares at the Issue Price on the basis of 2 Rights Shares for every 1 existing JKG Share held on the Entitlement Date by the Entitled Shareholders.

As at the LPD, the issued share capital of JKG is RM75,831,000 comprising 758,310,000 JKG Shares.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part.

The Rights Shares which are not taken up or not validly taken up will be made available for excess applications by the other Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable. The allocation of such Excess Rights Shares will be made in such manner as the Board deems fit and expedient, and in the best interest of the Company. It is the intention of the Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner, and in such manner as set out in Section 8.4 of this Abridged Prospectus.

In determining Shareholders' entitlements to the Rights Shares, fractional entitlements, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company.

2.2 Basis and justification for the Issue Price

The Issue Price of RM0.10 per Rights Share represents a discount of approximately 23.1% to the TERP of JKG Shares as set out in item (i) below. The Issue Price was determined by the Board on the Price-Fixing Date after taking into consideration, among others, the following:

- (i) TERP of JKG Shares of RM0.13 based on the 5-day VWAMP of the JKG Shares of RM0.18 per JKG Share up to and including 8 March 2017, being the last trading day before the Price-Fixing Date;
- (ii) discount to the TERP of JKG Shares based on the 5-day VWAMP of the JKG Shares of RM0.18; and
- (iii) the then prevailing market conditions which include, among others, the prevailing market sentiment and the performance of the Malaysian stock market which has been on a positive trend taking into consideration that the KLCI was at 1,717.42 on the Price-Fixing Date as compared to 1,637.79 on 16 December 2016, being the date of the announcement of the Rights Issue.

The Board is of the opinion that the discount is reasonably attractive to encourage the Entitled Shareholders to subscribe for their respective entitlements under the Rights Issue.

2.3 Ranking of the Rights Shares

The Rights Shares will, upon allotment and issuance, rank equally in all respects with the then existing JKG Shares, save and except that they will not be entitled to any dividend, right, allotment and/ or other forms of distribution which may be declared, made or paid to the shareholders of JKG, the entitlement date of which is prior to the date of allotment of the Rights Shares.

2.4 Undertakings

The Rights Issue is intended to be undertaken on a full subscription basis ("**Full Subscription Level**").

As at the LPD, TSDT and DST directly hold 65,537,000 JKG Shares and 61,855,550 JKG Shares respectively, representing 16.80% of the issued share capital of JKG based on their collective direct shareholdings in JKG. Based on the number of JKG Shares held by them as at the LPD and the basis of entitlement for the Rights Issue, they will be entitled to subscribe for 131,074,000 Rights Shares and 123,711,100 Rights Shares respectively, representing 16.80% of the total issue size of the Rights Issue.

To meet the Full Subscription Level:

- (i) TSDT and DST had on 16 December 2016 provided their respective written irrevocable and unconditional undertakings to subscribe in full their respective entitlements under the Rights Issue based on their respective shareholdings as at the Entitlement Date ("**Entitlement Undertaking(s)**") (collectively, the "**Undertaking Shareholders**"); and
- (ii) TSDT has also, via his Entitlement Undertaking, provided an irrevocable and unconditional undertaking to subscribe for all the remaining Rights Shares not taken up or not validly taken up by other Entitled Shareholders and/or their renouncee(s) by way of excess application ("**Excess Undertaking**").

(The Entitlement Undertakings and Excess Undertaking are collectively referred to as "**Shareholders' Undertakings**")

The Undertaking Shareholders have confirmed via their respective Shareholders' Undertakings that they have sufficient financial resources to perform their respective Shareholders' Undertakings. Maybank IB has verified that the Undertaking Shareholders have sufficient financial resources to fulfil their commitments pursuant to the Shareholders' Undertakings. In view of the Shareholders' Undertakings, underwriting arrangement is not required for the Rights Issue.

For illustrative purposes only, the total number of Rights Shares to be subscribed for by the Undertaking Shareholders based on the Undertaking Shareholders' shareholdings in JKG as at the LPD and pursuant to the Shareholders' Undertakings is as follows:

	Direct shareholding as at the LPD		Based on the Shareholders' Undertakings		Direct shareholding after the Rights Issue ⁽¹⁾	
	No. of JKG Shares	%	No. of Rights Shares	% of issue size	No. of JKG Shares	%
	('000)		('000)		('000)	
TSDT	65,537	8.64	1,392,909	91.84	1,458,446	64.11
DST	61,856	8.16	123,711	8.16	185,567	8.16
Total	127,393	16.80	1,516,620	100.00	1,644,013	72.27

Note:

⁽¹⁾ Assuming none of the Entitled Shareholders and/or their renounee(s) other than the Undertaking Shareholders, subscribe for their respective entitlements under the Rights Issue.

Pursuant to the Shareholders' Undertakings and the Rules, in the event that none of the other Entitled Shareholders and/or their renounee(s) subscribe for their entitlements under the Rights Issue, TSDT and DST, being a person acting in concert with him, will be obliged to undertake a mandatory take-over offer for all the remaining JKG Shares not already owned by them after the Rights Issue.

The Undertaking Shareholders have confirmed that they will at all times observe and ensure compliance with the applicable provisions of the Malaysian Code on Take-Overs and Mergers, 2016 and the Rules.

In the event that none of the Entitled Shareholders and/or their renounee(s), other than the Undertaking Shareholders, subscribe for their entitlements under the Rights Issue, JKG will remain in compliance with the public shareholding spread requirement of Bursa Securities.

2.5 Use of proceeds

The proceeds from the Rights Issue are to be utilised in the following manner:

Details of utilisation	Estimated timeframe for utilisation from the date of listing of the Rights Shares	RM million
Finance property development projects and expansion plan ⁽¹⁾	Within 48 months	115.0
Repayment of short-term bank borrowings ⁽²⁾	Within 12 months	25.0
Working capital ⁽³⁾	Within 18 months	10.7
Defray estimated expenses relating to the Rights Issue ⁽⁴⁾	Within 3 months	1.0
Total		151.7

Notes:

- (1) The Company will utilise part of the proceeds to part finance the upcoming property development project of the Group, details of which are as follows:

Description of the project	:	A mixed development known as "The ERA @ Duta North (Kuala Lumpur)" comprising 6 blocks of serviced apartments, 3-storey of terrace retail and offices, to be developed in 4 phases on a 14.8-acre freehold land ("The ERA")
Estimated GDV	:	RM2.2 billion
Expected commencement date	:	April 2017
Expected development period	:	Approximately 7 years
Use of proceeds	:	To part finance the 1 st phase of The ERA comprising 2 blocks of serviced apartments and the 1 st phase of the 3-storey terrace retail

The total estimated project cost for the 1st phase of The ERA is approximately RM480.0 million. The project cost for the remaining phases has not been determined at this juncture. For avoidance of doubt, the said estimated project cost excludes the land cost of The ERA.

The Group also intends to have funds readily available to take advantage of opportunities for future property development projects and acquisition of land bank to further develop and grow its property development business as and when such opportunities arise.

As at the LPD, the Company intends to use at least 70% of RM115.0 million to part finance the 1st phase of The ERA which includes, but not limited to, construction costs, professional fees, marketing expenses and project overhead costs while the remaining 30% will be used for future property development projects and acquisition of land bank which have yet to be identified within 48 months from the date of listing of the Rights Shares. Any proceeds not utilised for future property development projects and acquisition of land bank will be used to part finance the 1st phase of The ERA.

- (2) As at the LPD, the total borrowings of the Group is approximately RM190.4 million. Details of the bank borrowing of the Group to be repaid are as follows:

Facility	Purpose of facility	Average effective interest rate	RM million
Short-term revolving credit provided by Malayan Banking Berhad	General working capital	4.8% per annum	25.0

Such repayment is expected to result in interest savings of approximately RM1.2 million per annum.

- (3) The working capital of the Group includes, among others, day-to-day operating and administrative expenses, and other operating expenses such as sales and marketing, advertising and promotional expenditure, and professional fees in relation to the property development business of the Group.
- (4) The estimated expenses relating to the Rights Issue are as follows:

Description of expenses	RM million
Professional fees	0.6
Fees payable to relevant authorities	0.1
Printing and despatch costs and other incidental expenses relating to the Rights Issue	0.3
Total	1.0

Pending utilisation of the proceeds from the Rights Issue for the purposes as set out above, the proceeds will be placed in interest-bearing deposits with financial institutions and/or short-term money market instruments as the Board deems fit. The interest derived from deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used for working capital purposes.

3. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue is the first fund raising exercise by JKG since its listing on 28 May 1997 on the then Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities).

After due consideration of the various options of fund-raising available such as debt financing/bank borrowings as well as the capital structure of the Company, the Board is of the view that the Rights Issue is the most appropriate means of raising funds for the Company as the Rights Issue will:

- (i) enable JKG to raise funds for its property development projects and expansion plan of the Group, including the development of The ERA, future property development projects and acquisition of land bank which can be expected to contribute positively to the future earnings of the Group;
- (ii) raise equity capital for JKG without incurring any interest expense rather than bank borrowings and at the same time, enlarge JKG's capital base; and

- (iii) provide the Entitled Shareholders with an opportunity to further increase their equity participation in the Company via subscription of the Rights Shares at a discount to the prevailing market price for the JKG Shares without diluting their respective equity interest, provided that such Entitled Shareholders fully subscribe their respective entitlements for the Rights Shares.

4. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for the Rights Issue.

4.1 Risks relating to the property development industry

4.1.1 Performance of the property market

Any adverse developments affecting the property market such as the decrease in demand in properties and a drop in the property rental market may have an adverse impact on the business operations and financial performance of the Group.

The Government has, in recent years, introduced certain measures to restrict the overheating of the local property market and curb excessive property price increases such as, but not limited to, the reinstatement of the real property gains tax ("RPGT") that caused the effective maximum RPGT rates to be raised from 5% to 30% and the introduction of a maximum loan-to-value ratio of 70% for 3rd home purchases by consumers. In addition, banks are no longer able to provide financing for property development projects with developer interest bearing scheme, where interest payments on the loan obtained by the buyers are borne by the property developers until the property has been completely constructed.

Further cooling measures which may be introduced by the Government as well as the tightening of banks' lending criteria may adversely impact the property development business of the Group, and may lead to an imbalance between supply and demand of properties in Malaysia which can cause property overhang.

The Group will monitor the development and changes within the property market in planning its future developments to maintain its competitiveness. To manage the risk of property overhang, the Group has capitalised on its experience to offer low price ranges for its residential and commercial properties to suit market demands.

4.1.2 Fluctuation in costs of construction materials and labour

The Group relies on third parties to supply construction materials and labour to undertake construction, infrastructure and landscaping work for its property development projects. These contractors may be subject to supply risks pertaining to the availability and costs of construction materials and labour.

The Group's margins from its property development projects may reduce when there is an increase in the costs of construction materials and the contractors of the Group are unable to secure alternative supply at costs acceptable to them. Hence, its profitability and financial performance may be adversely affected.

The Group requires a large number of skilled and unskilled labour. Any increase in costs of labour or shortages of skilled and/or unskilled labour could cause increases in construction costs and subsequently, delay in the completion of its projects.

4.1.3 Political, economic, market and regulatory risks

Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of the Group despite the Group taking necessary measures, including but not limited to, keeping abreast with local policies and laws as well as seeking professional legal advice prior to committing to new projects.

Any change in the political situation and/or government policies in Malaysia may also affect the business of the Group. Political or regulatory changes such as introduction of new laws and regulations which impose and/or increase restrictions on imports, imposition of capital controls and changes in interest rates or taxes will impact the Group's business, financial condition, results of operations and prospects. Other adverse political situations include the risks of wars, terrorism, nationalisation and expropriation which may also affect the performance of the Group.

4.1.4 Compulsory land acquisition by the Government

The Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the Land Acquisition Act, 1960. If all or any portion of the Group's development or project lands are compulsorily acquired by the Government at any point in time, the amount of compensation to be awarded to the Group will be computed based on the First Schedule of the Land Acquisition Act, 1960.

In such an event, the amount of compensation paid to the Group may be less than the market value of the lands and/or the purchase consideration that the Group has paid in acquiring such lands. This may in turn adversely affect the Group's business, financial condition, results of operations and prospects.

4.2 Risks relating to the Group

4.2.1 Ability to secure commercially viable land bank

As at the LPD, the Group has approximately 1,200 acres of land bank for on-going and future property development projects. The Group relies to a large extent on its existing land banks, as well as on its ability to replenish its land bank by acquiring commercially viable lands with development potential to deliver sustainable growth and profitability. However, the Group faces intense competition from other property developers in identifying and acquiring strategically located land bank at commercially viable prices. Such competition has created scarcity in strategically located land, which may in turn result in higher land acquisition cost and potentially affect the profitability of the Group.

Despite the competition, the Board intends to continuously source for land bank/properties at strategic locations in Malaysia with high development potential. However, there can be no assurance that the Group will succeed in expanding its land bank with parcels of land at strategic locations and with high development potential to spur its future growth.

4.2.2 Dependence on third party contractors

The Group is dependent on the availability and quality of work of third party contractors to ensure the continuous supply of services and satisfactory completion of the respective building and infrastructure works as per their contractual obligations. Any unsatisfactory and/or non-performing contractors and/or their inability to supply sufficient labour will inevitably disrupt the property development projects which may have an adverse effect on the operations and profitability of the Group.

As such, the Group implements stringent selection criteria to ensure that only competent contractors with adequate financial resources and proven track record are engaged to undertake construction work for the Group's development projects. The Group also closely monitors the contractors' work progress to ensure timely completion of its property development projects.

4.2.3 Competition risks

The Group faces competition from property developers in terms of:

- (i) location and pricing of properties;
- (ii) design and quality of properties;
- (iii) facilities and supporting infrastructure; and
- (iv) sale and marketing of properties.

The success of the Group will depend on the ability of the Group to respond to ever changing economic conditions and market demands to sustain or spur growth in its revenue. The Group expects to remain competitive despite increased competition due to strategic location of its developments, attractive promotional campaigns and the generally high cost of entry into the property development business.

The Group will continue to take measures to mitigate competition risks such as conducting market surveys, monitoring and adjusting its property development products and implementing marketing strategies in response to changing economic conditions and market demands to remain competitive. However, there can be no assurance that its proactive measures can effectively mitigate the potential adverse effects of competition on its profitability.

4.2.4 Unforeseen delays in project completion

Timely completion of property development projects of the Group is dependent on various external factors such as obtaining relevant approvals on a timely basis and satisfactory performance of third party contractors appointed to complete its projects. Any delay in the completion of the property development projects of the Group may result in claims for liquidated and ascertained damages by its customers, thus affecting the cash flow, profitability and reputation of the Group.

The Group has not experienced any material instances relating to liquidated ascertained damages in the past. Nonetheless, the Group will closely monitor the progress of all its property development projects to ensure the timely completion of its existing as well as future projects.

4.2.5 Exposure to retention and succession risk of the Group's key personnel

The Company believes that the loss of any key personnel (including its existing Directors and senior management) without a suitable replacement, or the Group's inability to attract and retain qualified and skilled key management, may affect its continued ability to compete effectively in the industries in which the Group operates.

The Group is aware of the importance of proper succession planning and smooth transition in the management should the Group lose any of its key personnel to reduce the adverse impact to the Group. The future success of the Group depends on its ability to attract and retain key personnel. Appropriate measures are and will be taken, including providing training programmes and offering attractive remuneration packages to retain the Group's key personnel.

4.3 Risks relating to the Rights Issue

4.3.1 Capital market risk

The market price of JKG Shares is influenced by, among others, the volatility of the stock market, movements in interest rates, demand and supply of the JKG Shares, outlook of the industries in which the Group operates, prevailing market sentiments, financial performance of the Group and changes in regulatory requirements or market conditions.

Accordingly, there can be no assurance that the market price of the JKG Shares will trade at or above the TERP upon or subsequent to the completion of the Rights Issue. In addition, the market price of the Rights Shares may not be at a level which meets the specific investment targets of any subscriber of the Rights Shares.

4.3.2 Delay in or termination of the Rights Issue

The Rights Issue may be delayed or terminated if force majeure events or circumstances which are beyond the control of the Company, including without limitation, acts of government, acts of God (including without limitation, the occurrence of a tsunami, flooding, landslide and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of war, diseases or accidents, any change in law, regulation, policy or ruling, arising prior to the implementation of the Rights Issue.

In the event of a failure in the implementation of the Rights Issue, the Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest, in respect of any application for the subscription of the Rights Issue including the Excess Rights Shares within 14 days after the Company becomes liable to do so, in accordance with the provisions of the CMSA. If such monies are not repaid within 14 days after the Company becomes liable, the Company will repay such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renouncee(s) and/or their transferee(s), if applicable, and the Rights Issue is subsequently cancelled or terminated, a return of monies to the successful applicants can only be achieved by way of cancellation of the share capital as provided under the Act. Such cancellation requires the approval of JKG's shareholders by way of special resolution in a general meeting, consent of JKG's creditors (where applicable) and may require the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

4.3.3 Potential dilution

The Entitled Shareholders' proportionate ownership and voting interests in the Company and the percentage of the enlarged issued share capital represented by their shareholdings in the Company will be reduced accordingly if the Entitled Shareholders do not or are unable to accept their Provisional Rights Shares.

4.4 Other risk

4.4.1 Forward-looking statements

This Abridged Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Abridged Prospectus, including, without limitation, those regarding the financial position, business strategies, prospects, plans and objectives for future operations of the Group, are forward-looking statements. Such forward-looking statements are made based on estimates and assumptions made by the Board, and although believed to be reasonable as at the LPD, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company and Maybank IB in relation to the Rights Issue that the plans and objectives of the Group will be achieved.

5. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

5.1 Overview of the Malaysian economy

Malaysia progressed further towards its vision of a high-income and advanced nation despite heightened uncertainties in the external environment. Global growth remains moderate, weighed down by volatility in the financial market, prolonged low commodity prices and slower growth in advanced economies. Given the degree of openness, these uncertainties, to a certain extent, will impact the Malaysian economy through trade and financial channels. Against this backdrop, on 28 January 2016, the Government took pre-emptive measures to recalibrate the 2016 Budget to sustain economic growth and more importantly safeguard the wellbeing of the rakyat. With the addition of 11 new measures to the 2016 Budget, coupled with the nation's strong economic fundamentals, GDP will remain on its growth trajectory, recording 4% – 4.5% in 2016.

The programmes and measures introduced in the 2016 Budget to address cross-cutting issues have made significant progress, resulting in a GDP growth of 4.1% in the first six months of the year. On the demand side, private consumption and investment activities supported growth, while the supply side was driven by the services and manufacturing sectors. With better prospects for global growth and international trade, the Malaysian economy is projected to grow 4% – 5% in 2017. Growth will emanate mainly from domestic demand underpinned by strong economic fundamentals as well as supported by rakyat-centric and pro-growth measures in the 2017 Budget.

Economic management in 2017 will continue to focus on promoting growth and strengthening the country's economic fundamentals to enable the nation to benefit from improving global growth and trade. In this respect, through a process of extensive engagement, the Government has identified several issues that are of concern to the rakyat and business community. At the same time, there is also a need to unshackle the economy from various structural issues which may hamper Malaysia's long-term growth potential. From a broader perspective, these issues are also opportunities for the Government to strengthen domestic demand as the engine of economic growth and unleash the true potential of the domestic economy.

The global economy is expected to improve in 2017, mainly attributed to better growth in the United States (US) as well as stronger performance in the emerging market and developing economies. Meanwhile, world trade is expected to expand in line with the improvement in global demand. However, downside risks remain including the possibility of a sharper slowdown in China, volatility in the global financial markets, continued low commodity prices, prolonged low global inflation as well as escalating geopolitical tensions.

Under the inclusive and sustainable growth policy, a strong fiscal position is a prerequisite for the Government to elevate the quality of life of the rakyat. The Government is committed to staying on its fiscal consolidation mode and achieve a near-balanced budget by 2020. In this regard, aligning operating and development expenditure to revenue is key to the 2017 and consecutive budgets. Accordingly, the budget will intensify efforts to enhance revenue collection and optimise expenditure. Revenue enhancement initiatives will include increasing the tax buoyancy by promoting high value-add activities and generating high-income jobs, broadening the tax base, and reducing leakages and tax evasion. At the same time, outlays will be targeted to meet priority objectives and expenditures efficiently executed. Furthermore, to ensure higher returns on investment, development expenditure will be limited to rakyat-centric and high-impact projects. These measures will be carried out without compromising on the quantity and quality of services rendered by the Government. Concurrently, initiatives will be introduced to provide seamless delivery of services as well as achieve increased customer satisfaction.

Given the nation's strong economic fundamentals coupled with the 2017 Budget strategies and programmes, the economy is expected to expand between 4% and 5% in 2017. The expansion translates into GNI per capita growth of 5% from RM37,812 to RM39,699. On the demand side, growth will emanate from domestic demand, particularly private consumption and private investment expenditures which are expected to expand 6.3% and 5.8%, respectively. In tandem with higher investment activities, the savings-investment gap is expected to narrow to 0.5% – 1.5% of GNI (2016: 1% – 1.5%). Inflation will remain manageable, while the economy continues to operate under full employment. All sectors of the economy are expected to contribute to growth, with the services and manufacturing sectors spearheading the expansion. With the Government's commitment to enhancing revenue and rein in expenditure, the fiscal deficit is expected to improve further to 3% of GDP. These developments will strengthen the economic fundamentals and augurs well for a nation in transition from an upper-middle to a high-income and advanced nation.

(Source : Chapter 1, Economic Report 2016/2017, Ministry of Finance, Malaysia)

5.2 Overview of the property development industry in Malaysia

The residential subsector grew 10.4% supported by steady growth in incoming supply at 13.1% to 816, 174 units (January - June 2015: 13.5%; 10.3%; 721,730 units). Klang Valley, accounting for 26.2%, continued to contribute the most of the incoming supply mainly due to increasing affordable housing schemes (January - June 2015: 25.6%). However, during the period, new approvals declined significantly by 32% to 44,389 units as developers are clearing unsold properties, while buyers are more cautious amid increasing uncertainties in the global environment (January - June 2015: -2.1 %; 65,231 units). Likewise, housing starts declined 16.8% to 60,378 units (January - June 2015: 15%; 72,545 units). Of which, terrace houses and condominiums/apartments accounted for 43.6% (26,324 units) and 29.9% (18,070 units), respectively, while low-end houses 11% (6,617 units). The take-up rate for residential units was lower at 25.6% in the first half of 2016 largely reflecting softer demand for high-end units (January - June 2015: 29.8%).

During the first half of 2016, a total of 102,096 residential properties valued at RM32.7 billion were transacted, accounting for 62.4% of total property transactions (January - June 2015: 119,446 transactions; RM36.5 billion; 64.1%). Residential properties transacted in Kuala Lumpur recorded a marked contraction of 20.1%, followed by Selangor (-14.1%), Pulau Pinang (-13.5%), and Johor (-10.9%). The softening of the transaction was partly due to the buyers' cautious sentiment and measures to contain the accelerating house prices. The residential overhang increased 63.1% to 13,438 units with a total value of RM7.6 billion during the first half of 2016 (January - June 2015: -24.1 %; 8,238 units; RM2.7 billion) with Johor accounting for the highest overhang units at 21.1 % (2015: 23.3%).

Malaysia House Price Index (MHPI) continues to moderate reflecting implementation of various measures to contain spiraling prices. The MHPI stood at 235.4 points (at base year 2000) during the second quarter ("Q2") of 2016, increasing 5.3%, the lowest since the fourth quarter of 2009 (Q2 of 2015: 223.5 points; 7.5%). All states recorded a positive growth except Kelantan (-0.2%) and Sabah (-0.6%). Johor registered the highest increase of 7%, followed by Kuala Lumpur (6.9%), Selangor (6.6%), Kedah (6.5%) and Negeri Sembilan (6.2%). The average all-house price increased to RM326,241 in the Q2 of 2016 relative to RM309,705 for the corresponding period in 2015, with detached houses recording the highest increase at 6.5%, followed by high rise units (6%) and terrace houses (5.7%).

(Source : Chapter 3, Economic Report 2016/2017, Ministry of Finance, Malaysia)

The Malaysian economy recorded a 4.0% growth in the Q2 of 2016 (1st quarter of ("Q1") of 2016: 4.2%) whilst quarter-on-quarter growth toned down at 0.7% (Q1 of 2016: 1.0%). This was in line with the moderate pace in global economic growth as advanced economies recorded modest growth. In tandem, the property market moderated in the first half of 2016. There were 163,527 transactions recorded worth RM64.60 billion, indicating a decline of 12.3% in volume and 15.7% in value.

Market activity recorded 163,527 transactions worth RM64.60 billion in the first half of 2016, down by 12.3% and 15.7% in volume and value against similar half of 2015. Residential sub-sector continued to dominate the market, with 62.4% contribution in volume and 50.6% in value. All sub-sectors recorded softening market volume ranging from -34.5% to -5.3% with the exception of agriculture sub-sector up by 7.3%. Correspondingly, value of transactions also recorded similar downward pattern.

The market softening saw fewer number of launches in the first half of the year. There were 10,655 units launched, down by 73.6% against 40,380 units in similar half year of 2015. Sales performance was low at 25.6%. Hold-back sentiment among developers saw shrinking new launches in all states. Major states in particular WPKL, Selangor, Johor and Pulau Pinang saw cutbacks ranging as high as 93.9%. For WPKL and Selangor, sales performance was unprecedented low under 15.0% whilst Johor and Pulau Pinang managed to garner more than 30.0% sales take-up.

In tandem with the moderating market, the residential overhang grew to 13,438 units worth RM7.59 billion, up by 30.7% and 51.3% in volume and value respectively. Johor continued to record the highest overhang in the country, accounting for 21.1% of the total. Its overhang increased by 47.1% from 1,925 units to 2,831 units. By type, two to 3-storey terrace units (27.3%) and condominium/apartment units (23.7%) dominated the overhang.

The Malaysian House Price Index continued to improve at a moderating trend. As at Q2 of 2016, the Malaysian House Price Index stood at 235.4 points (at base year 2000), up by 5.3 % on annual basis. On quarterly movements, the index points increased marginally by 0.7% against Q1 of 2016.

The property market would continue to soften in the coming subsequent half-year, trailing from the challenging economic and financial environment both on the local and global front. With the flagging market sentiments, developers have responded accordingly by holding back new launches. Coupled with the slowdown in construction activity and the increasing numbers of unsold properties, the new launches deferment would allow market to make the necessary adjustments. The market adjustments and corrections by both demand and supply sides are crucial to ensure property market remains sustainable in the long run.

Residential market would remain the focus of the industry, particularly the affordable segment. The on-going incentives to assist the first home buyers namely the First House Deposit Financing Scheme (MyDeposit) launched in April 2016 shows the continuous commitment of the Government in ensuring that each household is given a fair opportunity to own a home. The response towards MyDeposit scheme was overwhelming with more than 13,000 applications till 30 April 2016. The Ministry of Urban Wellbeing, Housing and Local Government has targeted between 6,000 to 7,000 eligible applications for the RM200 million fund.

BNM announced in July 2016 that outstanding housing loans continued to expand at 10.6% as at end May 2016 with 75% of the borrowers (equated to around 1.5 million borrowers) comprised first time house buyers. This shows that credit-worthy home buyers would continue to have access to financing, which is a positive indicator to support the residential sub-sector.

On the commercial front, the ample future supply in the office sector in particular, should post a concern to the industry players. Given the current challenging economic environment with slower business expansion, the rental market is expected to experience downward pressure. The indicator for retail market is also less convincing. The Retail Group Malaysia reported a 4.4% fall in sales in Q1 of 2016, which was higher than the expected 4.0% fall. The cautious sentiment amongst households in their spending would have an eventual impact on the retail sub-sector's performance.

The property market would be able to endure this challenging period. Given the resiliency of the economy and the optimistic 2016 economic growth at 4.4%, though property market may see moderation in market activity, the slowdown would be manageable as the market fundamentals remain sound and stable.

(Source : Property Market Report First Half of 2016, Valuation and Property Services Department, Ministry of Finance, Malaysia)

5.3 Prospects of the Group

Despite the challenging property market conditions, the Group's newly launched project in Taman Puteri, Padang Serai, Kedah and an on-going project in Taman Desa Cinta Sayang, Padang Meha, Kedah have seen encouraging responses.

Taman Puteri comprises 124 units single-storey semi-detached houses and 4 units of 1½-storey detached houses with a total estimated GDV of RM35.0 million whilst the 1st phase of the development of Taman Desa Cinta Sayang comprises 191 units of single-storey terrace houses with a total estimated GDV of RM23.0 million. Both projects are expected to contribute positively to the earnings of the Group for the FYE 31 January 2018.

At the end of February 2017, the Group launched a new phase in Taman Legenda located in Padang Serai, Kedah comprising 252 units of single-storey terrace houses with a total estimated GDV of RM33.0 million. The Group also launched the 2nd phase of Taman Desa Cinta Sayang comprising 20 units of single storey terrace houses with a total estimated GDV of RM2.6 million in early March 2017.

While the Group has established its reputation of developing affordable properties mainly in Kedah, it has also expanded its presence to the central region with its upcoming 14.8-acre freehold mixed development project, The ERA. JKG targets to launch the 1st phase of the said mixed development project in April 2017 comprising 2 blocks of serviced apartments and the 1st phase of the 3-storey terrace retail. The ERA is the Group's maiden development project in Klang Valley and is set to transform the Jalan Segambut area with high-rise property development with integrated lifestyle in the near future, alongside surrounding developments by other reputable developers. Given its prime location and competitive pricing, the Board believes that this project will receive favourable response from customers. The Board expects the prospects of The ERA to be favourable, contributing positively to the Group over the long term.

6. EFFECTS OF THE RIGHTS ISSUE

6.1 Share capital

The proforma effect of the Rights Issue on the total number of issued shares and issued share capital of JKG are as follows:

	No. of JKG Shares	RM ⁽¹⁾
As at the LPD	758,310,000	75,831,000
To be issued pursuant to the Rights Issue	1,516,620,000	151,662,000
Enlarged share capital	2,274,930,000	227,493,000

Note:

(1) Excludes share premium.

6.2 NA per JKG Share and gearing

Based on the latest audited consolidated statement of financial position of JKG as at 31 January 2016, the proforma effect of the Rights Issue on the NA per JKG Share and gearing of the Group on the assumption that the Rights Issue had been effected on that date are as follows:

	Audited as at 31 January 2016	After adjustments for subsequent events ⁽¹⁾	After the Rights Issue ⁽²⁾
	RM'000	RM'000	RM'000
Share capital	75,831	75,831	227,493
Share premium	4,268	4,268	3,268
Retained earnings	213,450	211,175	211,175
Total equity attributable to owners of the Company / NA	293,549	291,274	441,936
Non-controlling interests	8,487	8,487	8,487
Total equity	302,036	299,761	450,423
No. of JKG Shares in issue ('000)	758,310	758,310	2,274,930
NA per JKG Share (RM) ⁽³⁾	0.39	0.38	0.19
Total borrowings	115,431	190,431	165,431 ⁽⁴⁾
Gearing (times) ⁽⁵⁾	0.38	0.64	0.37

Notes:

- (1) Subsequent events effected on or after 31 January 2016 up to and including the LPD represent the following:
 - (i) payment of the first and final dividend of 3% per JKG Share totalling RM2,274,930 on 25 August 2016 in respect of the FYE 31 January 2016; and
 - (ii) drawdown of short-term revolving credit and long-term loan amounting to RM25.0 million and RM50.0 million respectively for the Group.
- (2) Based on the Issue Price and after deducting estimated expenses relating to the Rights Issue of approximately RM1.0 million.
- (3) Computed based on total equity attributable to owners of the Company / NA divided by the number of JKG Shares in issue.
- (4) After the repayment of RM25.0 million of the short-term revolving credit of the Group in accordance with the use of proceeds from the Rights Issue.
- (5) Computed based on total borrowings divided by total equity.

6.3 Earnings and EPS

The Rights Issue is not expected to have any effect on the earnings of the Group for the FYE 31 January 2017 as the Rights Issue is only expected to be completed by the 1st quarter of 2017.

Upon completion of the Rights Issue, the EPS of the Group will be immediately diluted proportionately as a result of the increase in the weighted average number of JKG Shares in issue, assuming that the earnings of the Group remain unchanged.

Going forward, the Rights Issue is expected to contribute positively to the earnings of the Group as and when the benefits from the use of proceeds are realised.

7. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

7.1 Working capital

The Board is of the opinion that after taking into consideration the proceeds from the Rights Issue, banking facilities available to the Group and the cash flow generated from operations, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

7.2 Borrowings

As at the LPD, the total borrowings of the Group, all of which are interest-bearing, are as follows:

	<u>RM million</u>
Short-term borrowings	
Short-term revolving credit	25.0
Long-term borrowings	
Term loan	165.4
Total borrowings	<u>190.4</u>

There has been no default on payments of either interest and/or principal sums on any of the above borrowings throughout the FYE 31 January 2016, and the subsequent financial period up to the LPD.

7.3 Contingent liabilities

The Board confirms that as at the LPD, there is no contingent liabilities incurred or to be incurred by the Group which, upon becoming enforceable, may have a material impact on the net profits and/or NA of the Group.

7.4 Material commitments

The Board confirms that as at the LPD, there is no material commitment incurred or to be incurred by the Group which may have a material impact on the net profits and/or NA of the Group.

8. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES, EXCESS APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE, WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE, ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

8.1 General

The Provisional Rights Shares are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s), if applicable, are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares.

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for such Rights Shares provisionally allotted to you, as well as to apply for the Excess Rights Shares if you choose to do so.

8.2 Procedures for acceptance and payment

ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/OR PAYMENTS WHICH DO NOT CONFORM TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN OR WHICH ARE ILLEGIBLE MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

THE SHARE REGISTRAR WILL NOT CONTACT YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE, FOR ACCEPTANCES WHICH DO NOT STRICTLY CONFORM TO THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS OR THE RSF OR THE NOTES AND INSTRUCTIONS CONTAINED THEREIN, OR WHICH ARE ILLEGIBLE.

If you wish to accept the Provisional Rights Shares, either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided therein, and despatch by **ORDINARY POST, COURIER or DELIVERED BY HAND** (at your own risk) each completed RSF together with the relevant payment using the envelope provided to the Share Registrar at the following address and arrived **by the Closing Date**:

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. no.: 03 – 2783 9299
Fax no.: 03 – 2783 9222

or

Tricor Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. no.: 03 – 2783 9299
Fax no.: 03 – 2783 9222

1 RSF can only be used for acceptance of Provisional Rights Shares standing to the credit of 1 CDS Account. Separate RSFs must be used for separate CDS Accounts. The Rights Shares accepted by you in accordance with the notes and instructions contained in the RSF will be credited into the respective CDS Accounts where the Provisional Rights Shares are standing to the credit, in accordance with the procedures as set out in the RSF.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares will comprise of 100 Rights Shares. The minimum number of Rights Shares that can be accepted is 1 Rights Share.

Each completed RSF must be accompanied by remittance in RM for the **FULL** and **EXACT** amount payable for the Provisional Rights Shares accepted in the form of Banker's Draft/Cashier's Order/Money Order or Postal Order drawn on a bank or post office in Malaysia, crossed "**A/C PAYEE ONLY**" to "**JKG RIGHTS ACCOUNT**" and endorsed on the reverse side with the name, address, contact number and CDS Account number of the applicant in block letters to be received by the Share Registrar together with the RSF **by the Closing Date**.

The payment must be made for the **FULL** and **EXACT** amount payable for the Provisional Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques, cash or any other modes of payment not prescribed herein are not acceptable. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

If you lose, misplace or for any other reasons require another copy of this Abridged Prospectus and/or the RSF, you may obtain additional copies from the Share Registrar or Bursa Securities' website at www.bursamalaysia.com.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY THE COMPANY OR THE SHARE REGISTRAR IN RESPECT OF THE PROVISIONAL RIGHTS SHARES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND FORWARDED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH THE SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. THE BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR LATE APPLICATIONS OR PARTIALLY SUCCESSFUL APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST WITHIN 14 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE. NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

8.3 Procedures for sale/transfer of Provisional Rights Shares

As the Provisional Rights Shares are prescribed securities, should you wish to sell/transfer all or part of your entitlements to the Provisional Rights Shares to 1 or more persons, you may do so through your stockbroker for the period up to the last date and time for the sale/transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account. You may sell such entitlement on Bursa Securities for the period up to the last date and time for the sale of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository) or transfer such entitlements to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the transfer of the Provisional Rights Shares (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE STRICTLY TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING/TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RIGHTS SHARES, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT, INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU ARE ADVISED TO ENSURE THAT THERE ARE SUFFICIENT NUMBER OF PROVISIONAL RIGHTS SHARES STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING/TRANSFERRING.

If you have sold or transferred only part of your Provisional Rights Shares, you may still accept the balance of your Provisional Rights Shares by completing Parts I(A) and II of the RSF and forwarding the RSF together with the appropriate remittance in RM for the **FULL** and **EXACT** amount payable for the balance of the Provisional Rights Shares accepted to the Share Registrar in accordance with the instructions in Section 8.2 of this Abridged Prospectus.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

8.4 Procedures for application for Excess Rights Shares

If you are an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s), if applicable, may apply for the Excess Rights Shares in addition to your Provisional Rights Shares. If you wish to do so, please complete Part I(B) (in addition to Parts I(A) and II) of the RSF and forward it (together with a separate remittance in RM for the **FULL** and **EXACT** amount payable in respect of the Excess Rights Shares applied for) using the envelope provided. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER or DELIVERED BY HAND** (at your own risk) to the Share Registrar at the address set out in Section 8.2 above, so as to arrive **by the Closing Date**.

Payment for the Excess Rights Shares applied for should be made in the same manner described in Section 8.2 above, except that the Banker's Draft, Cashier's Order, Money Order or Postal Order drawn on a bank or post office in Malaysia should be made payable to "**JKG EXCESS ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name, address, contact number and CDS Account number of the applicant in block letters to be received by the Share Registrar together with the RSF **by the Closing Date**.

The payment must be made for the **FULL** and **EXACT** amount payable for the Excess Rights Shares applied for. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques, cash or any other modes of payment not prescribed herein are not acceptable. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

It is the intention of the Board to allot the Excess Rights Shares, if any, in a fair and equitable manner in the following order of priority:

- (i) firstly, to minimise incidence of odd lots;
- (ii) secondly, after step (i), to allocate to the Entitled Shareholders and/or their renounee(s) and/or their transferee(s) who have applied for Excess Rights Shares; allocation will be on a pro-rata basis and in board lot based on the quantum of the Rights Shares subscribed; and
- (iii) thirdly, after steps (i) and (ii), to allocate to the Entitled Shareholders and/or their renounee(s) and/or their transferee(s) who have applied for Excess Rights Shares; allocation will be on a pro-rata basis and in board lot based on the quantum of Excess Rights Shares applied for.

In the event of any balance of Excess Rights Shares after steps (i), (ii) and (iii) are completed, steps (ii) and (iii) will be repeated to allocate the balance Excess Rights Shares until such balance is exhausted.

Nevertheless, the Board reserves the right to allot any Excess Rights Shares applied for in such manner as the Board deems fit and expedient, and in the best interest of JKG, subject always to such allocation being made on a fair and equitable basis and that the intention of the Board as set out in items (i) to (iii) above are achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares, in full or in part, without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF FOR THE EXCESS APPLICATION OR APPLICATION MONIES WILL BE MADE BY THE COMPANY OR THE SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND FORWARDED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. THE BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR LATE APPLICATIONS OR PARTIALLY SUCCESSFUL EXCESS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST WITHIN 14 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK.

8.5 Procedures to be followed by renouncee(s) and/or transferee(s)

The procedures applicable to renouncee(s) and/or transferee(s) for the acceptance of and payment for or selling/transferring of the Provisional Rights Shares and the application and payment for the Excess Rights Shares are the same as those which are applicable to the Entitled Shareholders as described in Sections 8.2, 8.3 and 8.4 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

You may obtain additional copies of this Abridged Prospectus and/or the RSF from the Share Registrar or Bursa Securities' website at www.bursamalaysia.com.

8.6 Form of issuance

Bursa Securities has already prescribed the shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share shall be issued to you under the Rights Issue. Instead, the Rights Shares will be credited directly into your CDS Accounts.

Any person who intends to subscribe for the Rights Shares as a renouncee and/or transferee by purchasing the Provisional Rights Shares from an Entitled Shareholder will have his Rights Shares credited directly as prescribed securities into his CDS Account.

The Excess Rights Shares, if allotted to the successful applicant who applies for Excess Rights Shares, will be credited directly as prescribed securities into his CDS Account.

If you have multiple CDS Accounts into which the Provisional Rights Shares have been credited, you cannot use a single RSF to apply for all these Provisional Rights Shares. Separate RSFs must be used if you have more than 1 CDS Account having been credited with the Provisional Rights Shares. If successful, the Rights Shares that you applied for will be credited into the respective CDS Accounts into which the Provisional Rights Shares have been credited.

8.7 Procedures for acceptance and application by the Foreign Addressed Shareholders and Entitled Shareholders and their renouncee(s) and/or transferee(s), if applicable, who are subject to the laws of foreign countries or jurisdictions

The Documents have not been, and will not be made to comply with the laws of any country or jurisdiction other than Malaysia, and have not been, and will not be, lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any country or jurisdiction other than Malaysia.

The Documents are not intended to be, and will not be issued, circulated or distributed and the Rights Issue will not be made or offered or deemed to be made or offered in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to the Entitled Shareholders receiving the Documents within Malaysia.

Accordingly, the Documents have not been and will not be sent to the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable. However, the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, may collect the Documents from the Share Registrar, in which event the Share Registrar shall be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

The Company will not make or be bound to make any enquiry as to whether you have a registered address or address for service in Malaysia other than as stated in the Record of Depositors of the Company on the Entitlement Date or other than as stated in the RSF, and will not accept or be deemed to accept any liability whether or not an enquiry or investigation is made in connection therewith.

Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, may accept or renounce, as the case may be, all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so.

To the extent the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, accept their Provisional Rights Shares and/or apply for the Excess Rights Shares, the acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue and not in breach of the laws of any countries or jurisdictions. To the extent the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, accept their Provisional Rights Shares and/or apply for the Excess Rights Shares, the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, will be deemed to have accepted the Rights Issue in Malaysia and be subject to the laws of Malaysia with respect thereto. The Principal Adviser, the Share Registrar, the Company and the Directors and officers of the Company (collectively, the "**Parties**") would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are or may be subject to. All Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject to. The Parties shall not accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any Foreign Addressed Shareholder and/or his renouncee(s) and/or transferee(s), if applicable, is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, or person acting for the account or benefit of any such person will also have no claims whatsoever against the Parties in respect of their entitlements or to any proceeds thereof.

The Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and the Parties shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, should consult their professional advisers as to whether they require any governmental, exchange control or other consents/approvals or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

The Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, in accepting any Provisional Rights Shares by signing any of the forms accompanying this Abridged Prospectus, or subscribing or acquiring the Rights Shares, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any countries or jurisdictions to which the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are or may be subject to;
- (ii) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, have complied with the laws to which the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are or may be subject to in connection with the acceptance or renunciation;
- (iii) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are not nominees or agents of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any countries or jurisdictions to which that person is or may be subject to;
- (iv) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are aware that their Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, have obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and had relied on their own evaluation to assess the merits and risks of subscribing for or purchasing the Rights Shares; and
- (vi) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the Rights Issue, distribute or send it into any country or jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

The Company reserves the right to treat any acceptances and/or applications as invalid, if the Company believes or has reason to believe that such acceptances and/or applications may violate any applicable legal or regulatory requirements in any countries or jurisdictions outside Malaysia. The Provisional Rights Shares relating to any acceptance which is treated as invalid will be included in the pool of the Excess Rights Shares available for excess application by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable.

9. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in the Documents.

10. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
JKG LAND BERHAD

TAN SRI DATO' TAN HUA CHOON
Chairman



CERTIFIED TRUE COPY OF THE EXTRACT OF THE RESOLUTION RELATING TO THE RIGHTS ISSUE PASSED AT THE EGM HELD ON 2 MARCH 2017

Page 1 of 2

JKG LAND BERHAD

(Company No. : 154232-K) (Incorporated in Malaysia)

Extract of Minutes of the Extraordinary General Meeting of the shareholders of the Company held at Bukit Kiara Equestrian and Country Resort, Dewan Perdana, 1st Floor, Sports Complex, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 2 March 2017 at 11.00 a.m.

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 1,516,620,000 NEW ORDINARY SHARES IN JKG ("JKG SHARES") ("RIGHTS SHARES") ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 EXISTING JKG SHARE HELD ON AN ENTITLEMENT DATE AND AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")

On the proposal of the Chairman, the following motion was put to the meeting for voting by poll:-

"THAT approval be and is hereby given for the Company to undertake the Proposed Rights Issue as follows:

- (i) to provisionally issue and allot by way of renounceable rights issue of 1,516,620,000 Rights Shares to the shareholders of the Company ("**Entitled Shareholders**") whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board ("**Entitlement Date**") and/or their renouncee(s), on the basis of 2 Rights Shares for every 1 existing JKG Share held on the Entitlement Date at an issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine; and
- (ii) to issue and allot in registered form to the Entitled Shareholders (and/or their renouncee(s), as the case may be) who subscribe for and are allotted the Rights Shares at an issue price to be determined by the Board on such Entitlement Date;

THAT any Rights Shares which are not taken up or not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renouncee(s) shall be made available for excess applications in such manner and to such persons as the Board shall determine at its absolute discretion;

THAT the Rights Shares shall be listed on the Main Market of Bursa Malaysia Securities Berhad;

THAT the proceeds from the Proposed Rights Issue be utilised for the purposes as set out in **Section 2.6** of the Circular to the shareholders of the Company dated 15 February 2017 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement and complete the Proposed Rights Issue, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection therewith in order to give full effect to the Proposed Rights Issue;

CERTIFIED TRUE COPY OF THE EXTRACT OF THE RESOLUTION RELATING TO THE RIGHTS ISSUE PASSED AT THE EGM HELD ON 2 MARCH 2017 (cont'd)

JKG LAND BERHAD

Page 2 of 2

(Company No. : 154232-K) (Incorporated in Malaysia)

Extract of the Minutes of the Extraordinary General Meeting held on 2 March 2017

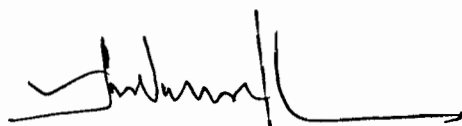
THAT the Rights Shares will, upon allotment and issuance, rank equally in all respects with the then existing JKG Shares, save and except that they will not be entitled to any dividend, rights, allotment and/or other forms of distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the Board be and is hereby authorised to deal with all or any of the fractional entitlements of the Rights Shares arising from the Proposed Rights Issue, which are not taken up or not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit, necessary or expedient in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

AND THAT this resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, to be issued pursuant to or in connection with the Proposed Rights Issue have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue."

Based on the poll results, the Chairman declared that the Ordinary Resolution tabled at the meeting carried.

CONFIRMED AND CERTIFIED BY



DATO' THOR POH SENG
Director



HO SOK LENG
Secretary

Kuala Lumpur

Date: 2 March 2017

INFORMATION ON JKG

1. HISTORY AND BUSINESS

The Company was incorporated in Malaysia under the Companies Act, 1965 on 2 July 1986 as a private limited company under the name of Keladi Maju Sdn Bhd. It was converted to a public company and adopted the name of Keladi Maju Berhad on 9 July 1996. It was subsequently listed on the then Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) on 28 May 1997. The Company adopted its current name on 26 June 2015.

The principal activity of JKG is property development and investment holding and the principal activities of its subsidiaries are set out in Section 5 of this Appendix.

2. SHARE CAPITAL

As at the LPD, the issued share capital of JKG is as follows:

	<u>No. of JKG Shares</u>	<u>Total</u>
		RM ⁽¹⁾
Issued share capital	758,310,000	75,831,000

There has been no changes in the issued share capital of JKG for the past 3 years up to the LPD.

Note:

⁽¹⁾ Excludes share premium.

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INFORMATION ON JKG (cont'd)

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Assuming all the Entitled Shareholders subscribe in full their respective entitlements under the Rights Issue, the proforma effect of the Rights Issue on the shareholdings of the substantial shareholders of the Company based on the register of substantial shareholders of the Company as at the LPD is as follows:

Name	As at the LPD			After the Rights Issue			
	Direct		Indirect	Direct		Indirect	
	JKG Shares	No. of Shares ('000)		JKG Shares	No. of Shares ('000)	JKG Shares	No. of Shares ('000)
TSDT	65,537	8.64	61,856 ⁽¹⁾	196,611	8.64	185,567 ⁽¹⁾	8.16
DST	61,856	8.16	-	185,567	8.16	-	-

Note:

⁽¹⁾ Deemed interest by virtue of the interest of DST (the son of TSDT) in JKG pursuant to the Act.

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INFORMATION ON JKG (*cont'd*)

4. DIRECTORS' SHAREHOLDINGS

Assuming all the Entitled Shareholders subscribe in full their respective entitlements under the Rights Issue, the proforma effect of the Rights Issue on the shareholdings of the Directors of the Company as at the LPD is as follows:

Name	As at the LPD			After the Rights Issue			
	Direct		Indirect	Direct		Indirect	
	JKG Shares	No. of Shares (^{'000})		JKG Shares	No. of Shares (^{'000})	JKG Shares	No. of Shares (^{'000})
TSDT		65,537	8.64		196,611	8.64	185,567 ⁽¹⁾
Dato Ir. Chuah Chin Ah JP		2,000	0.26		6,000	0.26	60,000 ⁽²⁾
Dato' Teh Kean Ming		-	-		-	-	-
Dato' Thor Poh Seng		-	-		-	-	-
DST		61,856	8.16		185,567	8.16	-
Datin Tan Ching Ching		-	-		-	-	-
Lee Yu-Jin		-	-		-	-	-
Dato' Ismail bin Hamzah		-	-		-	-	-
Mohtar bin Abdullah		-	-		-	-	-
Minhat bin Mion		100	0.01		300	0.01	-

Notes:

⁽¹⁾ Deemed interest by virtue of the interest of DST (the son of TSDT) in JKG pursuant to the Act.

⁽²⁾ Held through C.A. Chuah Holdings Sdn Bhd.

INFORMATION ON JKG (*cont'd*)

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

The subsidiaries and associated company of JKG as at the LPD are as follows:

Name of company	Date and place of incorporation	Issued share capital (RM) ⁽¹⁾	Effective equity interest (%)	Principal activities
Keladi Land Sdn Bhd	21.9.1978 Malaysia	600,000	100.00	Property development and investment holding
Keladi Kulim Sdn Bhd	18.2.1981 Malaysia	1,060,000	100.00	Property development and investment holding
Ikam Maju Sdn Bhd	16.6.1983 Malaysia	380,000	100.00	Property development
JKG Central Park Sdn Bhd	3.9.1993 Malaysia	400,000	100.00	Property development
Kekalasia (M) Sdn Bhd	4.1.1992 Malaysia	80,100	100.00	Property development
Bunga Raya Inn Sdn Bhd	1.10.1994 Malaysia	58,000	100.00	Dormant
Neraca Rancak Sdn Bhd	9.4.1996 Malaysia	370,000	100.00	Property development and investment holding
Keladi Harta Sdn Bhd	28.5.1990 Malaysia	250,000	96.00	Property development and cultivation of oil palm
Citra Canggih Sdn Bhd	7.12.1994 Malaysia	1,000,000	60.00	Investment holding
Muda Gagah Sdn Bhd	4.7.1997 Malaysia	300,000	51.67	Property development
<i>Subsidiaries of Keladi Kulim Sdn Bhd</i>				
S.P. Parade Sdn Bhd	10.5.1990 Malaysia	1,000,000	100.00	Property development
<i>Subsidiaries of Keladi Harta Sdn Bhd</i>				
Keladi Asset Sdn Bhd	15.1.2015 Malaysia	100	96.00	Dormant
<i>Associate company</i>				
Inno Alliance (M) Sdn Bhd	27.12.1991 Malaysia	4,000,000	50.00	Property development

Note:

⁽¹⁾ Excludes share premium.

INFORMATION ON JKG (cont'd)

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record based on the audited consolidated financial statements of JKG for the past 3 FYEs 31 January 2014 to 2016 and unaudited consolidated financial statements of JKG for the FYE 31 January 2017 are as follows:

	Audited			Unaudited
	FYE 31 January			
	2014	2015	2016	2017
	RM'000	RM'000	RM'000	RM'000
Revenue	58,850	52,553	43,444	57,432
Cost of sales	(27,406)	(27,704)	(22,742)	(31,817)
Gross profit	31,444	24,849	20,702	25,615
Administrative expenses	(5,116)	(5,097)	(10,666)	(15,901)
Other operating expense	-	-	-	-
Other operating income	4,374	4,983	13,857	3,406
Finance costs	-	-	-	-
Operating profit	30,702	24,735	23,893	13,120
Share of loss after tax of an equity accounted associate	(68)	(75)	(56)	(11)
PBT	30,634	24,660	23,837	13,109
Tax expense	(8,168)	(5,502)	(4,415)	(3,815)
Profit and total comprehensive income for the year/period	22,466	19,158	19,422	9,294
Profit and total comprehensive income for the year/period attributable to:				
Owners of the Company	21,456	18,525	18,988	8,841
Non-controlling interests	1,010	633	434	453
Profit and total comprehensive income for the year/period	22,466	19,158	19,422	9,294
Earnings before interest, taxation, depreciation and amortisation	31,056	25,082	24,458	14,292
Weighted average number of JKG Shares outstanding ('000)	758,310	758,310	758,310	758,310
Profit margin:				
Gross profit margin	53.43%	47.28%	47.65%	44.60%
Net profit margin (excluding share of results of an equity accounted associate)	38.29%	36.60%	44.83%	16.20%
Earnings per JKG Share (sen)				
- Basic	2.83	2.44	2.50	1.17
- Diluted ⁽¹⁾	-	-	-	-
Dividends paid	3,792	3,792	1,517	2,275

Note:

- (1) There was no dilution effect on EPS for the audited FYE 31 January 2014, 2015 and 2016 as well as the unaudited FYE 31 January 2017 as there were no convertible securities in the relevant financial years.

INFORMATION ON JKG (cont'd)**Commentaries on financial performance****FYE 31 January 2014**

For the FYE 31 January 2014, the Group recorded revenue of RM58.9 million and PBT of RM30.6 million which represent a decline of 37% and 51% respectively when compared to revenue of RM93.0 million and PBT of RM62.3 million recorded in the preceding financial year. The decline in revenue and PBT were mainly due to lower contribution from property development activities.

The performance of the various operating segments were as follows:

(i) Property development

Revenue from the property development segment for the FYE 31 January 2014 of RM54.8 million was 38% lower than the preceding financial year's revenue of RM88.1 million. The decrease in revenue was mainly due to a decrease in property sales in Taman Lagenda in FYE 31 January 2014 as compared to the preceding financial year. In addition, properties in Taman Kulim Square Indah were fully taken up in the preceding financial year and bulk of the revenue was recognised in the same year. Hence, there were no new properties from the same project to be sold in FYE 31 January 2014.

PBT was RM28.5 million, a decrease of 52% from RM59.2 million achieved in the preceding financial year. The decline in PBT was mainly due to the fair value gain of RM30.3 million on re-measurement of a land held by an associate of JKG, i.e. Keladi Teck Guan Sdn Bhd, which was under liquidation in the preceding year.

(ii) Plantation

Revenue and PBT from the sales of FFB for the FYE 31 January 2014 of RM2.5 million and RM1.0 million were 28% and 46% lower than the preceding financial year's revenue and PBT of RM3.5 million and RM1.8 million respectively. The decline in revenue and PBT was mainly due to the drop in the yield of fresh fruit bunch ("FFB") following clearance of old palm trees for replanting within a 503 acres of planted estate land, lower FFB prices as a result of lower average monthly crude palm oil ("CPO") price during the FYE 31 January 2014 and higher estate expenditures incurred for replanting activity.

FYE 31 January 2015

For the FYE 31 January 2015, the Group recorded revenue of RM52.6 million and PBT of RM24.7 million which represent a decline of 11% and 19% respectively when compared to revenue of RM58.9 million and PBT of RM30.6 million recorded in FYE 31 January 2014 due to lower contribution from property development activities.

The performance of the various operating segments were as follows:

(i) Property development

The property development segment recorded a lower revenue of RM49.1 million, a decline of 11% as compared with RM54.8 million in FYE 31 January 2014. Accordingly, PBT was also lower at RM23.0 million, representing a decline of 19% compared to RM28.5 million recorded in FYE 31 January 2014. The lower revenue and PBT were mainly due to lower revenue recognition arising from its build-then-sell scheme introduced during the year for its affordable houses in Taman Lagenda whereby revenue is only recognised upon completion of the construction and sale of properties. The value of the properties sold in FYE 31 January 2015 is also lower as compared to the properties sold in FYE 31 January 2014.

INFORMATION ON JKG (cont'd)**(ii) Plantation**

The plantation segment registered a decline in revenue of 18% to RM2.1 million for the current year compared to RM2.5 million in FYE 31 January 2014, while PBT declined by 27% to RM0.7 million compared to RM1.0 million in FYE 31 January 2014. The decline in the revenue and PBT was mainly due to the drop in the yield of FFB as a result of 503 acres of planted estate only being replanted in 2014 and still immature to produce FFB.

FYE 31 January 2016

For the FYE 31 January 2016, the Group recorded a revenue of RM43.4 million and PBT of RM23.8 million which represent a decrease of 17% and 3% respectively compared to revenue of RM52.6 million and PBT of RM24.7 million recorded in FYE 31 January 2015. The decrease in revenue and PBT was mainly due to lower contribution from property development activities.

The performance of the various operating segments were as follows:

(i) Property development

The property development segment recorded revenue of RM39.6 million and PBT of RM21.9 million, representing a decline of 19% and 5% respectively compared to RM49.1 million and RM23.0 million recorded in the preceding year.

The lower revenue and PBT were mainly due to fewer new launches by the Group as compared to the preceding year. During the financial year, the Group's new phase of affordable houses contributed lower revenue to the Group due to the lower value of houses sold and it was also under the build-then-sell scheme whereby revenue is only recognised upon completion of the construction and sale of properties. In addition, the number of properties sold has also decreased as compared to the preceding year.

The decrease in PBT was due mainly to the increase in administrative costs, overheads, payment of salaries and utility expenses in relation to the planning and preliminary expenses of The ERA.

(ii) Plantation

The plantation segment recorded revenue of RM2.5 million and PBT of RM1.0 million, representing an increase of 24% and 42% respectively compared to revenue of RM2.1 million and PBT of RM0.7 million in the preceding year. This was mainly due to increase in yield of FFB harvested from the 503-acre of replanted estate by approximately 44% despite the lower average monthly CPO price during the financial year.

FYE 31 January 2017

For the FYE 31 January 2017, the Group recorded revenue of RM57.4 million and PBT of RM13.1 million which represent an increase of 32.3% and decrease of 45.0% respectively compared to revenue of RM43.4 million and PBT of RM23.8 million recorded in the preceding year mainly due to property development activities.

The performance of the various operating segments were as follows:

(i) Property development

The property development segment recorded revenue of RM53.1 million and PBT of RM10.3 million, representing an increase of 34.1% and decrease of 53.0% respectively when compared to RM39.6 million and RM21.9 million recorded in the preceding year. The increase is mainly due to higher revenue recognised during the financial year arising from the completed build-then-sell residential project in Taman Lagenda and properties sold from new launches in Taman Puteri.

INFORMATION ON JKG (cont'd)

The decrease in PBT is mainly due to increased construction costs arising from Taman Puteri, higher administrative expenses which were mainly incurred by the The Era and lower interest income from the reduced fixed deposit placements and termination of lease income from the land in Segambut which had been cleared for the development of The Era.

(ii) Plantation

The plantation segment recorded revenue of RM3.2 million and PBT of RM1.6 million for the financial period, representing an increase of 26.3% and 60.8% respectively when compared to revenue of RM2.5 million and PBT of RM1.0 million in the preceding year mainly due to higher average monthly CPO price during the financial period.

7. HISTORICAL SHARE PRICES

The monthly high and low market prices of JKG Shares traded on the Main Market of Bursa Securities for the past 12 months from March 2016 up to February 2017 are as follows:

	High (RM)	Low (RM)
2016		
March	0.210	0.185
April	0.230	0.195
May	0.220	0.195
June	0.210	0.180
July	0.225	0.190
August	0.235	0.200
September	0.215	0.185
October	0.205	0.190
November	0.195	0.175
December	0.195	0.160
2017		
January	0.180	0.160
February	0.190	0.165
Last transacted market price of JKG Shares on 15 December 2016, being the last trading day prior to the date of announcement of the Corporate Exercises		0.185
Last transacted market price of JKG Shares as at the LPD		0.175
Last transacted market price of JKG Shares on 21 March 2017, being the last trading day prior to the ex-date for the Rights Issue on 22 March 2017		0.160

(Source : Bloomberg)

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON



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(LLP0010081-LCA & AF 0758)
Chartered Accountants
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PRIVATE AND CONFIDENTIAL

The Board of Directors
JKG Land Berhad
No 8, 3rd Floor
Jalan Segambut
51200 Kuala Lumpur
Malaysia

9 March 2017

Dear Sirs

**JKG LAND BERHAD ("JKG")
ABRIDGED PROSPECTUS IN RELATION TO THE RENOUNCEABLE RIGHTS ISSUE OF
1,516,620,000 NEW ORDINARY SHARES IN JKG ("RIGHTS ISSUE") ("ABRIDGED
PROSPECTUS")**

We, KPMG PLT, being named as the Auditors and Reporting Accountants for the Rights Issue in the Abridged Prospectus, do hereby confirm that, as at the date of this letter, we are not aware of any conflict of interest which exists or is likely to exist in our capacity as the Reporting Accountants in respect of the Rights Issue.

We also confirm that we have given and have not subsequently withdrawn our consent to the inclusion of our name, the pro forma consolidated statements of financial position of JKG as at 31 January 2016 together with the Reporting Accountants' letter thereon in connection with the Rights Issue, and all references thereto in the form and context in which they appear in the Abridged Prospectus to be issued to the shareholders of JKG.

This letter is solely being issued in connection with the above-mentioned purpose and not for any other purpose.

Yours faithfully,

KPMG PLT
Chartered Accountants

KPMG PLT, a limited liability partnership established under Malaysia law is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG PLT (LLP0010081-LCA) was registered on 27.12.2016 and from the date thereof, was converted from a conventional partnership, KPMG, to a limited liability partnership.

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)



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The Board of Directors
JKG Land Berhad
No 8, 3rd Floor
Jalan Segambut
51200 Kuala Lumpur
Malaysia

9 March 2017

Dear Sirs,

JKG Land Berhad ("JKG" or "the Company")

Report on the compilation of the pro forma consolidated statements of financial position of the Company and its subsidiaries (the "JKG Group") for inclusion in the Company's Abridged Prospectus to shareholders ("Abridged Prospectus") in connection with the renounceable rights issue of 1,516,620,000 new ordinary shares in JKG ("JKG Share(s) or Share(s)") ("Rights Shares") on the basis of two (2) Rights Shares for every one (1) existing JKG Share at an issue price of RM0.10 per Rights Share ("Rights Issue")

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of JKG Group prepared by the management of the Company (the "Management"). The pro forma consolidated statements of financial position as at 31 January 2016 and related notes as attached to this report in **Appendix I** have been stamped by us for identification purposes. The applicable criteria on the basis of which the Management has compiled the pro forma consolidated statements of financial position are as described in the notes to the pro forma consolidated statements of financial position.

The pro forma consolidated statements of financial position have been compiled by the Management for inclusion in the Abridged Prospectus solely to illustrate the impact of the Rights Issue on JKG Group's consolidated statements of financial position as at 31 January 2016, as if the Rights Issue and other significant events, which are relevant to the understanding of the objective of the Rights Issue, had taken place as at 31 January 2016. As part of this process, information about JKG Group's financial position has been extracted by the Management from the financial statements of JKG Group for the year ended 31 January 2016, on which an audit report has been issued.

KPMG PLT, a limited liability partnership established under Malaysian law is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG PLT (LLP0010081-LCA) was registered on 27.12.2016 and from the date thereof, was converted from a conventional partnership, KPMG, to a limited liability partnership.

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)



Report on the compilation of the pro forma consolidated statements of financial position for inclusion in the Company's Abridged Prospectus to shareholders in connection with the Rights Issue
9 March 2017

JKG Land Berhad

Management's Responsibility for the Pro forma Consolidated Statements of Financial Position

The Management is responsible for compiling the pro forma consolidated statements of financial position on the basis stated in Note 1 in **Appendix 1**.

Reporting Accountants' Independence and Quality Control

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audit and Reviews of Financial Statement, and Other Assurance and Related Services Engagements* issued by the Malaysian Institute of Accountants, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Management of the Company on the basis stated in Note 1 in **Appendix 1**.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis stated in Note 1 in **Appendix 1**.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Abridged Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entities as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)



Report on the compilation of the pro forma consolidated statements of financial position for inclusion in the Company's Abridged Prospectus to shareholders in connection with the Rights Issue
9 March 2017

JKG Land Berhad

Reporting Accountants' Responsibilities (continued)

A reasonable assurance engagement to report on whether the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of JKG Group, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis stated in Note 1 in **Appendix 1**.

Other Matters

Our report on the pro forma consolidated statements of financial position have been prepared for inclusion in the Abridged Prospectus in connection with the Rights Issue and should not be relied upon for any other purposes.

KPMG PLT
Firm Number: LLP0010081-LCA & AF 0758
Chartered Accountants

Lee Phaik Im
3177/05/17 (J)
Chartered Accountant

APPENDIX III

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*JKG Land Berhad
Pro forma consolidated statements
of financial position and the notes thereon*

JKG LAND BERHAD ("JKG")**Appendix 1**

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2016**

The pro forma consolidated statements of financial position of JKG Land Berhad ("JKG" or the "Company") and its subsidiaries ("JKG Group") as at 31 January 2016 as set out below have been prepared solely for illustrative purposes only to show the effects of the events or transactions referred to in the notes, and should be read in conjunction with the notes accompanying the pro forma consolidated statements of financial position.

		Pro forma I	Pro forma II
		After	
		adjustments for	After the
		subsequent	Rights
		events	Issue
Note	As at 31 January 2016* RM	RM	RM
Assets			
Property, plant and equipment	12,321,865	12,321,865	12,321,865
Investment property	3,681,760	3,681,760	3,681,760
Investment in an associate	3,356,802	3,356,802	3,356,802
Other investments	18,100	18,100	18,100
Land held for property development	197,465,023	197,465,023	197,465,023
Deferred tax assets	1,928,000	1,928,000	1,928,000
Total non-current assets	218,771,550	218,771,550	218,771,550
Other investments	18,900,000	18,900,000	18,900,000
Property development costs	93,501,585	93,501,585	93,501,585
Completed development properties	10,287,955	10,287,955	10,287,955
Trade and other receivables	13,154,491	13,154,491	13,154,491
Current tax assets	3,302,684	3,302,684	3,302,684
Short term investments	23,589,498	23,589,498	23,589,498
Cash and cash equivalents	3(a) 42,177,125	114,902,195	240,564,195
Total current assets	204,913,338	277,638,408	403,300,408
Total assets	423,684,888	496,409,958	622,071,958
Equity			
Share capital	3(b) 75,831,000	75,831,000	227,493,000
Share premium	3(c) 4,267,899	4,267,899	3,267,899
Retained earnings	3(d) 213,449,987	211,175,057	211,175,057
Total equity attributable to owners of the Company	293,548,886	291,273,956	441,935,956
Non-controlling interests	8,486,805	8,486,805	8,486,805
Total equity	302,035,691	299,760,761	450,422,761



APPENDIX III

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*JKG Land Berhad
Pro forma consolidated statements
of financial position and the notes thereon*

Appendix 1

**JKG LAND BERHAD ("JKG")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2016
(continued)**

		As at 31 January 2016*	Pro forma I After adjustments for subsequent events RM	Pro forma II After the Rights issue RM
	Note	RM		
Liabilities				
Deferred tax liabilities		15,000	15,000	15,000
Loans and borrowings	3(e)	115,420,000	165,420,000	165,420,000
Total non-current liabilities		<u>115,435,000</u>	<u>165,435,000</u>	<u>165,435,000</u>
Trade and other payables		6,177,235	6,177,235	6,177,235
Current tax payable		25,701	25,701	25,701
Loans and borrowings	3(e)	11,261	25,011,261	11,261
Total current liabilities		<u>6,214,197</u>	<u>31,214,197</u>	<u>6,214,197</u>
Total liabilities		<u>121,649,197</u>	<u>196,649,197</u>	<u>171,649,197</u>
Total equity and liabilities		<u>423,684,888</u>	<u>496,409,958</u>	<u>622,071,958</u>
No. of JKG Shares in issue ('000)		758,310	758,310	2,274,930
Net assets^(a) per JKG share (RM)		0.39	0.38	0.19

* Extracted from the audited financial statements of JKG Group for the financial year ended 31 January 2016

Notes:

(a) Net assets is defined as equity attributable to owners of the Company



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

*JKG Land Berhad
Pro forma consolidated statements
of financial position and the notes thereon*

Appendix 1

JKG LAND BERHAD ("JKG")

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2016
(continued)**

1. Basis of preparation

The pro forma consolidated statements of financial position of JKG Group as at 31 January 2016 have been prepared based on the audited financial statements of JKG Group for the financial year ended 31 January 2016, which was prepared in accordance with Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The accounting policies, basis and assumptions used in the preparation of the pro forma consolidated statements of financial position are consistent with those adopted by the JKG Group in the preparation of its audited financial statements for the financial year ended 31 January 2016.

The pro forma consolidated statements of financial position do not include the effects of the adoption of Financial Reporting Standards issued by the Malaysian Accounting Standards Board which are effective for annual periods beginning on or after 1 February 2016.

The pro forma consolidated statements of financial position have been prepared for illustrative purposes only which incorporate the following events or transactions as if they were effected on 31 January 2016, and because of its nature, may not give a true picture of the actual financial position of JKG Group.

2. Pro forma consolidated statements of financial position as at 31 January 2016

Pro forma I - Adjustments for subsequent events

The pro forma consolidated statement of financial position, which has been prepared for illustrative purposes only, incorporates the following events or transactions as if they were effected on 31 January 2016.

- The payment of the first and final dividend of 3% per JKG Share totalling RM2,274,930 on 25 August 2016 in respect of the financial year ended 31 January 2016.
- The drawdown of short term revolving credit and long term loan amounting to RM25,000,000 and RM50,000,000 respectively for JKG Group.

Pro forma II – Rights Issue

Pro forma II incorporates Pro forma I and the effects of the renounceable rights issue of 1,516,620,000 new ordinary shares on the basis of two (2) Rights Shares for every one (1) existing JKG Share, at an issue price of RM0.10 per Rights Share.



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

JKG Land Berhad
Pro forma consolidated statements
of financial position and the notes thereon

Appendix 1

JKG LAND BERHAD ("JKG")

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2016
(continued)**

2. Pro forma consolidated statement of financial position as at 31 January 2016 (continued)

Pro forma II – Rights Issue (continued)

The total gross proceeds that are expected to be raised from the Rights Issue of RM151.70 million are earmarked to be utilised as follows:

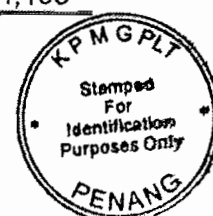
	RM'000
Finance property development projects and expansion plan	115,000
Repayment of short term revolving credit	25,000
Working capital	10,700
Estimated expenses in relation to the Rights Issue	1,000
	<u>151,700</u>

The estimated expenses in relation to the Rights Issue are debited to the Share Premium account of the Company.

3. Effects on the pro forma consolidated statements of financial position

(a) Movements in cash and cash equivalents

	RM
Balance as at 31 January 2016	42,177,125
Effects of Pro forma I – Adjustments for subsequent events:	
- Payment of first and final dividend	(2,274,930)
- Drawdown of short term revolving credit	25,000,000
- Drawdown of long term loan	50,000,000
Pro forma I	<u>114,902,195</u>
Effects of Pro forma II – Rights Issue:	
- Proceeds from issuance of new JKG Shares via the Rights Issue	151,662,000
- Repayment of short term revolving credit	(25,000,000)
- Payment of expenses relating to the Rights Issue	(1,000,000)
Pro forma II	<u>240,564,195</u>



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

JKG Land Berhad
Pro forma consolidated statements
of financial position and the notes thereon

Appendix 1

JKG LAND BERHAD ("JKG")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2016
(continued)

3. Effects on the pro forma consolidated statement of financial position (continued)

(b) Movement in share capital

RM

Balance as at 31 January 2016 and Pro Forma I 75,831,000

Effect of Pro forma II – Rights Issue:

- Issuance of new JKG shares via the Rights Issue 151,662,000

Pro forma II 227,493,000

(c) Movement in share premium

RM

Balance as at 31 January 2016 and Pro Forma I 4,267,899

Effect of Pro forma II – Rights Issue:

Set-off of the estimated expenses in relation to
the Rights Issue (1,000,000)

Pro forma II 3,267,899

(d) Movement in retained earnings

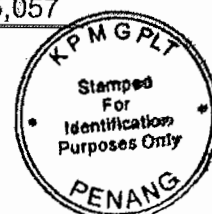
RM

Balance as at 31 January 2016: 213,449,987

Effect of Pro Forma I – Adjustments for subsequent event:

- Appropriation for first and final dividend in relation to
the financial year ended 31 January 2016 (2,274,930)

Pro forma I and Pro forma II 211,175,057



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF JKG AS AT 31 JANUARY 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

JKG Land Berhad
Pro forma consolidated statements
of financial position and the notes thereon

Appendix 1

JKG LAND BERHAD ("JKG")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2016
(continued)

3. Effects on the pro forma consolidated statement of financial position (continued)

(e) Movements in loans and borrowings

RM

Current

Balance as at 31 January 2016 11,261

Effect of Pro Forma I - Adjustments for subsequent event:

- Drawdown of short term revolving credit 25,000,000

Pro forma I 25,011,261

Effect of Pro forma II- Rights Issue

- Repayment of short term revolving credit (25,000,000)

Pro forma II 11,261

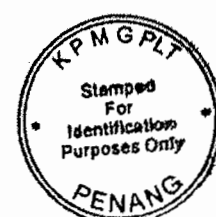
Non-current

Balance as at 31 January 2016 115,420,000

Effect of Pro Forma I - Adjustments for subsequent event:

- Drawdown of long term loan 50,000,000

Pro forma I and Pro forma II 165,420,000



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

and its subsidiaries

**Financial statements for the year
ended 31 January 2016**

Certified True Copy

Kpmg

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

Corporate information

Board of Directors	:	Tan Sri Dato' Tan Hua Choon Dato' Ir Chuah Chin Ah JP Dato' Teh Kean Ming Dato' Thor Poh Seng Dato' Sri Tan Han Chuan Datin Tan Ching Ching Dato' Ismail Bin Hamzah Mohtar Bin Abdullah Lee Yu-Jin
Company secretaries	:	Lim Lai Sam Lim Geok Heok Ho Sok Leng
Registered office	:	No 8, 3 rd Floor Jalan Segambut 51200 Kuala Lumpur Malaysia Tel : 603-61951600 Fax : 603-40436750
Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia Tel : 603-27839299 Fax : 603-27839222
Auditors	:	KPMG, Penang
Principal bankers	:	Malayan Banking Berhad RHB Bank Berhad



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

1

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 January 2016

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2016.

Principal activities

The Company is a property development and investment holding company, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Change of name

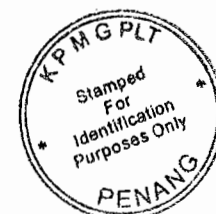
During the financial year, the Company changed its name from Keladi Maju Berhad to JKG Land Berhad.

Results

	Group RM	Company RM
Profit for the year attributable to :		
Owners of the Company	18,987,518	6,169,955
Non-controlling interests	434,029	-
	<u>19,421,547</u>	<u>6,169,955</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

2

Dividend

Since the end of previous financial year, the Company paid a first and final dividend of 2% per ordinary share of RM0.10 each, totalling RM1,516,620 in respect of the financial year ended 31 January 2015 on 30 July 2015.

The Directors recommend a first and final dividend of 3% per ordinary share of RM0.10 each totalling RM2,274,930 in respect of the financial year ended 31 January 2016, which is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

Directors of the Company

Directors who served since the date of the last report are :

Tan Sri Dato' Tan Hua Choon

Dato' Ir Chuah Chin Ah JP

Dato' Sri Tan Han Chuan

Dato' Thor Poh Seng

Datin Tan Ching Ching

Mohtar Bin Abdullah

Lee Yu-Jin

Dato' Teh Kean Ming

(Appointed on 1.7.2015)

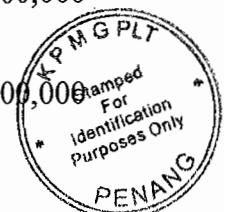
Dato' Ismail Bin Hamzah

(Appointed on 1.10.2015)

Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related companies (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares of RM0.10 each			
	Balance at 1.2.2015	Bought	(Sold)	Balance at 31.1.2016
Tan Sri Dato' Tan Hua Choon				
Interest in the Company :				
- own	65,537,000	-	-	65,537,000
- others #	61,855,550	-	-	61,855,550
Dato' Ir Chuah Chin Ah JP				
Interest in the Company :				
- own	2,000,000	-	-	2,000,000
Deemed interest in the Company :				
- own	20,000,000	-	-	20,000,000



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

3

Directors' interests in shares (continued)

	Number of ordinary shares of RM0.10 each			Balance at 31.1.2016
	Balance at 1.2.2015	Bought	(Sold)	
Dato' Sri Tan Han Chuan				
Interest in the Company :				
- own	61,855,550	-	-	61,855,550

Deemed to have interest through his son, Dato' Sri Tan Han Chuan pursuant to Section 134(12)(c) of the Companies Act, 1965.

By virtue of his interest in the shares of the Company, Tan Sri Dato' Tan Hua Choon is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 January 2016 had any interest in the ordinary shares of the Company and of its related companies during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

4

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances :

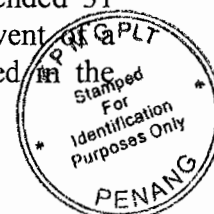
- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the Group's adjustment on expected share of distributions from the liquidators as disclosed in Note 22 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 January 2016 have not been substantially affected by any item, transaction or event of material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

5

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :



.....
Dato' Ir Chuah Chin Ah JP



.....
Dato' Teh Kean Ming

Kuala Lumpur,

Date : 12 May 2016



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

6

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

and its subsidiaries

Consolidated statement of financial position as at 31 January 2016

	Note	2016 RM	2015 RM
Assets			
Property, plant and equipment	3	12,321,865	22,933,925
Investment property	4	3,681,760	3,766,801
Investments in an associate	6	3,356,802	3,412,293
Other investments	7	18,100	11,085,676
Land held for property development	8	197,465,023	46,369,322
Other long term receivables	9	-	19,791,813
Deferred tax assets	10	1,928,000	1,162,320
Total non-current assets		218,771,550	108,522,150
Other investments	7	18,900,000	-
Property development costs	11	93,501,585	20,591,956
Completed development properties	12	10,287,955	10,522,039
Trade and other receivables	13	13,154,491	17,509,216
Current tax assets		3,302,684	1,372,850
Short term investments	14	23,589,498	71,591,277
Cash and cash equivalents	15	42,177,125	62,018,519
Total current assets		204,913,338	183,605,857
Total assets		423,684,888	292,128,007



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

7

Consolidated statement of financial position as at 31 January 2016 (continued)

	Note	2016 RM	2015 RM
Equity			
Share capital	16	75,831,000	75,831,000
Reserves	17	217,717,886	200,246,988
Total equity attributable to owners of the Company		<u>293,548,886</u>	<u>276,077,988</u>
Non-controlling interests		8,486,805	8,052,776
Total equity		<u>302,035,691</u>	<u>284,130,764</u>
Liabilities			
Deferred tax liability	10	15,000	15,000
Loans and borrowings	19	115,420,000	-
Total non-current liabilities		<u>115,435,000</u>	<u>15,000</u>
Trade and other payables	18	6,177,235	7,918,717
Current tax payables		25,701	63,526
Loans and borrowings	19	11,261	-
Total current liabilities		<u>6,214,197</u>	<u>7,982,243</u>
Total liabilities		<u>121,649,197</u>	<u>7,997,243</u>
Total equity and liabilities		<u>423,684,888</u>	<u>292,128,007</u>

The notes on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

8

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

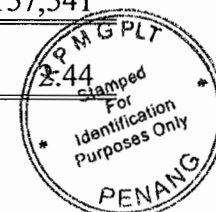
(Incorporated in Malaysia)

and its subsidiaries

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 January 2016

	Note	2016 RM	2015 RM
Continuing operations			
Revenue	20	43,444,504	52,552,809
Cost of sales	21	(22,742,372)	(27,704,281)
Gross profit		<u>20,702,132</u>	<u>24,848,528</u>
Administrative expenses		(10,666,479)	(5,097,173)
Other operating income		13,856,922	4,983,431
Operating profit		<u>23,892,575</u>	<u>24,734,786</u>
Share of loss after tax of an equity accounted associate		(55,491)	(74,338)
Profit before tax	22	<u>23,837,084</u>	<u>24,660,448</u>
Tax expense	25	(4,415,537)	(5,502,907)
Profit and total comprehensive income for the year		<u><u>19,421,547</u></u>	<u><u>19,157,541</u></u>
Profit and total comprehensive income for the year attributable to :			
Owners of the Company		18,987,518	18,524,813
Non-controlling interests		434,029	632,728
Profit and total comprehensive income for the year		<u><u>19,421,547</u></u>	<u><u>19,157,541</u></u>
Basic earnings per ordinary share (sen)	26	<u><u>2.50</u></u>	

The notes on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

JKG Land Berhad*(formerly known as Keladi Maju Berhad)*

(Company No. 154232 - K)

(Incorporated in Malaysia)

and its subsidiaries**Consolidated statement of changes in equity for the year ended 31 January 2016**

← ——— Attributable to owners of the Company ———→

Non-

distributable Distributable

Note	Share capital RM	Share premium RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 February 2014	75,831,000	4,267,899	181,245,826	261,344,725	7,420,048	268,764,773
Profit and total comprehensive income for the year	-	-	18,524,813	18,524,813	632,728	19,157,541
Total distribution to owners	-	-	(3,791,550)	(3,791,550)	-	(3,791,550)
- Dividend to owners of the Company	27					
At 31 January 2015/1 February 2015	75,831,000	4,267,899	195,979,089	276,077,988	8,052,776	284,130,764
Profit and total comprehensive income for the year	-	-	18,987,518	18,987,518	434,029	19,421,547
Total distribution to owners	-	-	(1,516,620)	(1,516,620)	-	(1,516,620)
- Dividend to owners of the Company	27					
*At 31 January 2016	75,831,000	4,267,899	213,449,987	293,548,886	8,486,805	302,035,691

on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

10

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

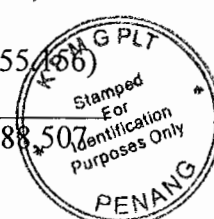
(Company No. 154232 - K)

(Incorporated in Malaysia)

and its subsidiaries

Consolidated statement of cash flows for the year ended 31 January 2016

	Note	2016 RM	2015 RM
Cash flows from operating activities			
Profit before tax from continuing operations		23,837,084	24,660,448
Adjustments for :			
Share of loss after tax of an equity accounted associate		55,491	74,338
Depreciation of property, plant and equipment	3	479,815	261,926
Depreciation of investment property	4	85,041	85,041
Gain on disposal of property, plant and equipment	22	(7,168)	-
Interest income	22	(1,927,807)	(4,184,995)
Fair value adjustments on short term investments	22	6,862	(63,740)
Adjustment on expected share of distributions from the liquidators	22	(7,832,424)	-
Operating profit before changes in working capital		14,696,894	20,833,018
Changes in working capital :			
Property development costs		(59,932,998)	1,622,768
Completed development properties		234,084	555,191
Trade and other receivables		4,354,725	(3,157,611)
Trade and other payables		(1,741,482)	(2,009,703)
Cash (used in)/generated from operations		(42,388,777)	17,843,663
Tax paid		(7,148,876)	(9,455,166)
Net cash (used in)/from operating activities		(49,537,653)	8,388,507



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

11

Consolidated statement of cash flows for the year ended 31 January 2016 (continued)

	Note	2016 RM	2015 RM
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	(2,844,388)	(3,075,620)
Proceeds from disposal of property, plant and equipment		7,170	-
Additions to land held for property development	8	(131,303,888)	(59,145)
Redemption/(Addition) of short term investments		6,711,437	(14,000,000)
Deposits paid for acquisition of land	9	-	(19,791,813)
Interest received		1,927,807	4,184,995
Withdrawal of fixed deposits aged more than 3 months		41,283,480	9,986,584
Net cash used in investing activities		(84,218,382)	(22,754,999)
Cash flows from financing activities			
Drawdown of term loan		115,420,000	-
Dividend paid	27	(1,516,620)	(3,791,550)
Placement of pledged fixed deposit		(1,400,000)	-
Net cash from/(used in) financing activities		112,503,380	(3,791,550)
Net decrease in cash and cash equivalents		(21,252,655)	(18,158,042)
Cash and cash equivalents at 1 February		62,018,519	80,176,561
Cash and cash equivalents at 31 January	A	40,765,864	62,018,519

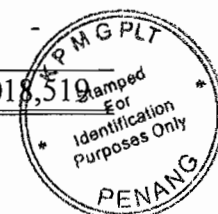
Note

A. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statements of financial position amounts:

	Note	2016 RM	2015 RM
Fixed deposits with licensed banks			
- aged within 3 months	15	30,873,094	41,291,206
Cash and bank balances	15	11,304,031	20,727,313
Less : Bank overdraft	19	(11,261)	-
Restricted deposit with a licensed bank	15	(1,400,000)	-
		40,765,864	62,018,519

The notes on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

12

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

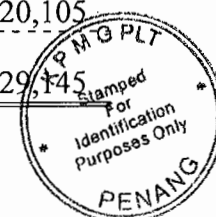
(Company No. 154232 - K)

(Incorporated in Malaysia)

Statement of financial position as at 31 January 2016

	Note	2016 RM	2015 RM
Assets			
Property, plant and equipment	3	157,306	327,955
Investment property	4	3,681,760	3,766,801
Investments in subsidiaries	5	54,218,077	54,218,077
Investments in an associate	6	250,000	250,000
Land held for property development	8	6,693,769	6,623,369
Other long term receivables	9	-	19,791,813
Deferred tax assets	10	1,928,000	1,162,320
Total non-current assets		<u>66,928,912</u>	<u>86,140,335</u>
Completed development properties	12	7,046,681	7,046,681
Trade and other receivables	13	31,073,352	1,588,775
Current tax assets		4,296	4,296
Short term investments	14	-	54,289
Cash and cash equivalents	15	304,518	5,794,769
Total current assets		<u>38,428,847</u>	<u>14,488,810</u>
Total assets		<u>105,357,759</u>	<u>100,629,145</u>
Equity			
Share capital	16	75,831,000	75,831,000
Reserves	17	29,031,375	24,378,040
Total equity attributable to owners of the Company		<u>104,862,375</u>	<u>100,209,040</u>
Liabilities			
Trade and other payables	18	484,123	420,105
Loans and borrowings	19	11,261	-
Total current liabilities		<u>495,384</u>	<u>420,105</u>
Total equity and liabilities		<u>105,357,759</u>	<u>100,629,145</u>

The notes on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

13

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the year ended 31 January 2016

	Note	2016 RM	2015 RM
Continuing operations			
Revenue	20	10,337,107	16,598,104
Cost of sales	21	-	(394,593)
Gross profit		<u>10,337,107</u>	<u>16,203,511</u>
Administrative expenses		(5,038,456)	(3,453,516)
Other operating income		108,449	312,700
Profit before tax	22	<u>5,407,100</u>	<u>13,062,695</u>
Tax credit	25	762,855	1,162,320
Profit and total comprehensive income for the year attributable to owners of the Company		<u><u>6,169,955</u></u>	<u><u>14,225,015</u></u>

The notes on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

14

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

Statement of changes in equity for the year ended 31 January 2016

	Note	Share capital RM	Non- distributable Share premium RM	Distributable Retained earnings RM	Total equity RM
At 1 February 2014		75,831,000	4,267,899	9,676,676	89,775,575
Profit and total comprehensive income for the year		-	-	14,225,015	14,225,015
Total distribution to owners					
- Dividend to owners of the Company	27	-	-	(3,791,550)	(3,791,550)
At 31 January 2015/ 1 February 2015		75,831,000	4,267,899	20,110,141	100,209,040
Profit and total comprehensive income for the year		-	-	6,169,955	6,169,955
Total distribution to owners					
- Dividend to owners of the Company	27	-	-	(1,516,620)	(1,516,620)
At 31 January 2016		75,831,000	4,267,899	24,763,476	104,862,375

The notes on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

15

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

Statement of cash flows for the year ended 31 January 2016

	Note	2016 RM	2015 RM
Cash flows from operating activities			
Profit before tax from continuing operations		5,407,100	13,062,695
Adjustments for :			
Depreciation of plant and equipment	3	181,304	182,051
Depreciation of investment property	4	85,041	85,041
Interest income	22	(107,884)	(256,398)
Dividend income	22	(9,010,000)	(13,510,000)
Gain on disposal of equipment	22	(565)	-
Operating loss before changes in working capital		(3,445,004)	(436,611)
Changes in working capital :			
Completed development properties		-	394,592
Trade and other receivables		(955,817)	36,323
Trade and other payables		64,018	(25,633)
Cash used in operations		(4,336,803)	(31,329)
Interest received		107,884	256,398
Dividend received		273,053	19,246,947
Tax (paid)/refund		(2,825)	3,256
Net cash (used in)/from operating activities		(3,958,691)	19,475,272
Cash flows from investing activities			
Additions to land held for property development	8	(70,400)	-
Acquisition of plant and equipment	3	(10,656)	(5,140)
Deposits paid for acquisition of land	9	-	(19,791,813)
Withdrawal/(Placement) of fixed deposits		54,289	(1,642)
Proceeds from disposal of equipment		566	-
Net cash used in investing activities		(26,201)	(19,798,595)



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

16

Statement of cash flows for the year ended 31 January 2016 (continued)

	Note	2016 RM	2015 RM
Cash flows from financing activity			
Dividend paid	27	(1,516,620)	(3,791,550)
Net cash used in financing activity		(1,516,620)	(3,791,550)
Net decrease in cash and cash equivalents		(5,501,512)	(4,114,873)
Cash and cash equivalents at 1 February		5,794,769	9,909,642
Cash and cash equivalents at 31 January	A	<u>293,257</u>	<u>5,794,769</u>

Note

A. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts :

	Note	2016 RM	2015 RM
Fixed deposits with a licensed bank			
- aged within 3 months	15	-	4,750,000
Cash and bank balances	15	304,518	1,044,769
Bank overdraft	19	(11,261)	-
		<u>293,257</u>	<u>5,794,769</u>

The notes on pages 17 to 77 are an integral part of these financial statements.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

17

JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

and its subsidiaries

Notes to the financial statements

JKG Land Berhad *(formerly known as Keladi Maju Berhad)* is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows :

Principal place of business

Wisma Keladi
No. 11-A, Level 7
Jalan Bank
08000 Sungai Petani
Kedah Darul Aman
Malaysia

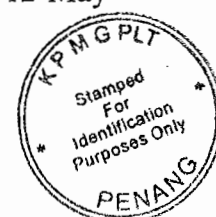
Registered office

No 8, 3rd Floor
Jalan Segambut
51200 Kuala Lumpur
Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 January 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the financial year ended 31 January 2016 do not include other entities.

The Company is a property development and investment holding company whilst the principal activities of the subsidiaries are as stated in Note 5.

These financial statements were authorised for issue by the Board of Directors on 12 May 2016.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

18

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and by the Company :

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- FRS 14, *Regulatory Deferral Account*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements*, FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to FRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to FRS 101, *Presentation of Financial Statements - Disclosure Initiative*
- Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

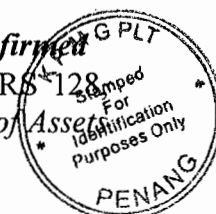
- Amendments to FRS 107, *Statement of Cash Flows - Disclosure Initiative*
- Amendments to FRS 112, *Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- FRS 9, *Financial Instruments (2014)*

FRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to FRS 10, *Consolidated Financial Statements* and FRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

19

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned standards, amendments or interpretations in the respective financial years when the abovementioned standards, amendments or interpretations become effective.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the financial statements of the Group and of the Company.

The Group and the Company fall within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate and MFRS 141, Agriculture. Therefore, the Group and the Company are currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRSs") and is referred to as a "Transitioning Entity".

The Group's and the Company's financial statements for annual period beginning on 1 February 2018 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in the notes to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

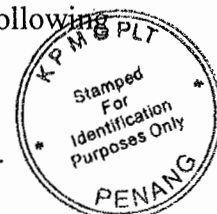
(d) Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 7 - Fair value of other investments;
- Note 11 - Recognition of property development revenue and expenses.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

20

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as :

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

21

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognised the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level or influence retained.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

22

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

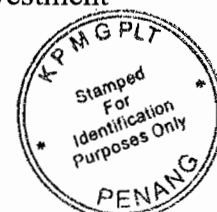
Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sales or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

23

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Non-controlling interests

Non-controlling interest at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

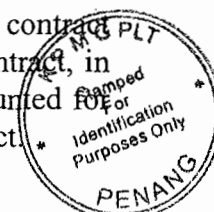
(b) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

24

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) *Financial assets at fair value through profit or loss*

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) contingent consideration in a business combination or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(c) *Available-for-sale financial assets*

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss.

On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

25

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(i)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) contingent consideration in a business combination or financial liabilities that are specifically designated into this category upon initial recognition.

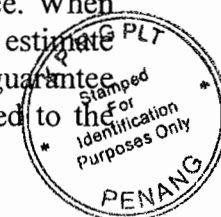
Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

26

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

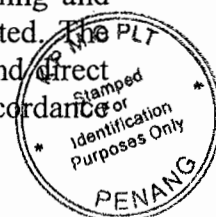
A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

27

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" or "administrative expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The depreciation rates for current and comparative periods based on their estimated useful lives are as follows:

Motor vehicles	20%
Furniture, fittings and equipment	10% - 20%

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.



2. Significant accounting policies (continued)

(d) Investment property

(i) *Investment property carried at cost*

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(c).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

(ii) *Reclassification to/from investment property*

Transfer between investment property, property, plant and equipment and inventories do not change the carrying amount and the cost of the property transferred.

(e) Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of 2 to 3 years. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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2. Significant accounting policies (continued)

(e) Land held for property development (continued)

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(f) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including interest expense incurred during the period of active development.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is shown as accrued billings under trade and other receivables and the excess of billings to purchasers over revenue recognised in profit or loss is shown as progress billings under trade and other payables.

(g) Completed development properties

Completed development properties are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, direct building costs and other related development cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments (including the accounts maintained pursuant to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002). For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.



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2. Significant accounting policies (continued)

(i) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

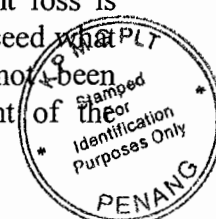
An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.



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2. Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

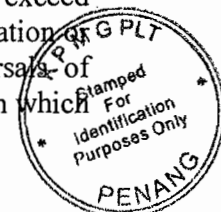
For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (group of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.



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2. Significant accounting policies (continued)

(j) Planting expenditure

New planting expenditure, which represents total cost incurred from land clearing to the point of harvesting, is capitalised under plantation development expenditure and is not amortised. Replanting expenditure, which represents cost incurred in replanting old planted areas, is charged to profit or loss in the financial year it is incurred.

(k) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

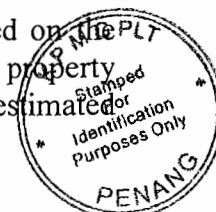
Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Revenue and other income

(i) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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2. Significant accounting policies (continued)

(m) Revenue and other income (continued)

(i) Property development (continued)

Where the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised immediately in profit or loss.

(ii) Completed development properties and development land

Revenue relating to sale of completed development properties and development land is recognised net of discounts when transfer of risks and rewards has been completed.

(iii) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(iv) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(v) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(vi) Interest income

Interest income is recognised as it accrues using the effective method in profit or loss.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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2. Significant accounting policies (continued)

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

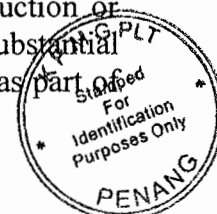
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entity, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.



2. Significant accounting policies (continued)

(o) Borrowing costs (continued)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(p) Earnings per ordinary share

The Group presents basic earnings per ordinary share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(q) Operating segment

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(r) Employee benefits

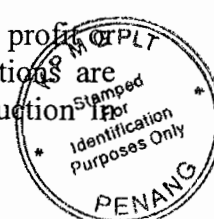
(i) Short-term employee benefit

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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2. Significant accounting policies (continued)**(s) Fair value measurement**

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



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3. Property, plant and equipment

	Freehold land RM	Motor vehicles RM	Furniture, fittings and equipment RM	Total RM
Group				
Cost				
At 1 February 2014	19,346,664	1,519,676	2,526,812	23,393,152
Additions	2,994,765	-	80,855	3,075,620
At 31 January 2015/ 1 February 2015	22,341,429	1,519,676	2,607,667	26,468,772
Additions	1,280,552	1,314,374	249,462	2,844,388
Disposals	-	(132,985)	-	(132,985)
Transfer to property development costs (Note 3.1 and 11)	(12,976,631)	-	-	(12,976,631)
At 31 January 2016	10,645,350	2,701,065	2,857,129	16,203,544
Accumulated depreciation				
At 1 February 2014	-	883,112	2,389,809	3,272,921
Charge for the year	-	212,649	49,277	261,926
At 31 January 2015/ 1 February 2015	-	1,095,761	2,439,086	3,534,847
Charge for the year	-	393,229	86,586	479,815
Disposals	-	(132,983)	-	(132,983)
At 31 January 2016	-	1,356,007	2,525,672	3,881,679
Carrying amounts				
At 1 February 2014	19,346,664	636,564	137,003	20,120,231
At 31 January 2015/ 1 February 2015	22,341,429	423,915	168,581	22,933,925
At 31 January 2016	10,645,350	1,345,058	331,457	12,321,865



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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3. Property, plant and equipment (continued)

Company	Motor vehicles RM	Furniture, fittings and equipment RM	Total RM
Cost			
At 1 February 2014	797,592	2,363,308	3,160,900
Additions	-	5,140	5,140
At 31 January 2015/1 February 2015	797,592	2,368,448	3,166,040
Additions	4,129	6,527	10,656
Disposals	(1,232)	-	(1,232)
At 31 January 2016	800,489	2,374,975	3,175,464
Accumulated depreciation			
At 1 February 2014	341,269	2,314,765	2,656,034
Charge for the year	158,319	23,732	182,051
At 31 January 2015/1 February 2015	499,588	2,338,497	2,838,085
Charge for the year	158,870	22,434	181,304
Disposals	(1,231)	-	(1,231)
At 31 January 2016	657,227	2,360,931	3,018,158
Carrying amounts			
At 1 February 2014	456,323	48,543	504,866
At 31 January 2015/1 February 2015	298,004	29,951	327,955
At 31 January 2016	143,262	14,044	157,306

3.1 Transfer to property development costs

Freehold land with carrying amount of RM12,976,631 (2015 : RM Nil) has been transferred to property development costs as the development activities have commenced during the year.



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3. Property, plant and equipment (continued)

3.2 Capital commitment

	Group	
	2016 RM	2015 RM
Equipment		
Approved but not contracted for	499,000	-

3.3 Other information

Included in freehold land of the Group is a land used for planting of oil palm trees with a carrying amount of RM9,875,370 (2015 : RM21,571,449) which the plantation cost is unable to be separately identified for disclosure.

4. Investment property - Group/Company

	Freehold land RM	Buildings RM	Total RM
Cost			
At 1 February 2014/31 January 2015/ 31 January 2016	960,400	4,252,048	5,212,448
Accumulated depreciation			
At 1 February 2014	-	1,360,606	1,360,606
Depreciation for the year	-	85,041	85,041
At 31 January 2015/1 February 2015	-	1,445,647	1,445,647
Depreciation for the year	-	85,041	85,041
At 31 January 2016	-	1,530,688	1,530,688
Carrying amounts			
At 1 February 2014	960,400	2,891,442	3,851,842
At 31 January 2015/1 February 2015	960,400	2,806,401	3,766,801
At 31 January 2016	960,400	2,721,360	3,681,760



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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4. Investment property - Group/Company (continued)

The entire investment property of the Group and the Company are charged to a bank as security for overdraft facilities granted to the Group and the Company (Note 19).

The following are recognised in profit or loss in respect of investment property :

	Group/Company	
	2016	2015
	RM	RM
Rental income	653,390	738,299
Direct operating expenses :		
- income generating investment property	398,487	417,653
- non-income generating investment property	124,356	117,161

4.1 Fair value information

Investment property comprises commercial property that is leased to third parties or held for capital appreciation. The fair value was based on Directors' estimation using the latest available market information and recent experience and knowledge in the location and category of property being valued. The fair value of the investment property of the Group and of the Company as at 31 January 2016 is classified as level 3 of fair value and is determined as follows :

	2016	2015
	RM	RM
Freehold land	2,400,000	2,400,000
Buildings	12,100,000	12,100,000
	<u>14,500,000</u>	<u>14,500,000</u>

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Estimation uncertainty and key assumptions

The Directors estimated the fair value of the Group's and the Company's investment property based on the following key assumptions :

- Comparison of the Group's and the Company's investment property with similar properties that were listed for sale within the same locality or other comparable localities; and
- Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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5. Investments in subsidiaries

	Company	
	2016 RM	2015 RM
Unquoted shares, at cost	<u>54,218,077</u>	<u>54,218,077</u>

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Keladi Kulim Sdn. Bhd. ("KK")	Malaysia	Property development and investment holding	100.0	100.0
Keladi Harta Sdn. Bhd. ("KH")	Malaysia	Property development and cultivation of oil palm	96.0	96.0
Keladi Land Sdn. Bhd.	Malaysia	Property development and investment holding	100.0	100.0
Citra Canggih Sdn. Bhd.	Malaysia	Property development	60.0	60.0
Ikam Maju Sdn. Bhd.	Malaysia	Property development	100.0	100.0
JKG Central Park Sdn. Bhd.	Malaysia	Property development	100.0	100.0
Bunga Raya Inn Sdn. Bhd.	Malaysia	Dormant	100.0	100.0
Neraca Rancak Sdn. Bhd.	Malaysia	Property development and investment holding	100.0	100.0
Muda Gagah Sdn. Bhd.*	Malaysia	Property development	51.7	51.7
Kekalasia (M) Sdn. Bhd.*	Malaysia	Property development and investment holding	100.0	100.0

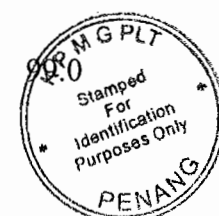
Subsidiary of KK

S.P. Parade Sdn. Bhd.	Malaysia	Property development	100.0	100.0
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Subsidiary of KH

Keladi Asset Sdn. Bhd.*	Malaysia	Property investment	100.0	
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* Subsidiaries not audited by KPMG.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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5. Investments in subsidiaries (continued)

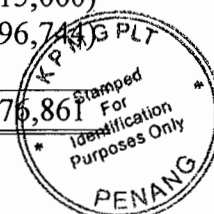
5.1 Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows :

	KH	Other individually immaterial subsidiaries	Total
2016			
<i>In RM</i>			
NCI percentage of ownership interest and voting interest	4%		
Carrying amount of NCI	<u>6,069,502</u>	<u>2,417,303</u>	<u>8,486,805</u>
Profit allocated to NCI	<u>356,427</u>	<u>77,602</u>	<u>434,029</u>
2015			
<i>In RM</i>			
NCI percentage of ownership interest and voting interest	4%		
Carrying amount of NCI	<u>5,713,075</u>	<u>2,339,701</u>	<u>8,052,776</u>
Profit allocated to NCI	<u>553,063</u>	<u>79,665</u>	<u>632,728</u>

Summarised financial information before intra-group elimination for KH are as follows:

	2016 RM	2015 RM
As at 31 January		
Non-current assets	10,377,550	21,808,924
Current assets	142,342,525	123,879,681
Non-current liability	(15,000)	(15,000)
Current liabilities	(717,530)	(2,596,744)
Net assets	<u>151,987,545</u>	<u>143,076,861</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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5. Investments in subsidiaries (continued)

5.1 Non-controlling interest in subsidiaries (continued)

	2016 RM	2015 RM
Year ended 31 January		
Revenue	23,517,086	28,969,415
Profit for the year and total comprehensive income	<u>8,910,684</u>	<u>13,826,568</u>
Cash flows from operating activities	(68,858,181)	9,465,110
Cash flows from investing activities	47,502,279	(14,196,176)
Net decrease in cash and cash equivalents	<u>(21,355,902)</u>	<u>(4,731,066)</u>
Dividend paid to NCI	<u>-</u>	<u>-</u>

6. Investments in an associate

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Unquoted shares in Malaysia				
Unquoted shares	2,000,000	2,000,000	250,000	250,000
Share of post-acquisition reserves	1,356,802	1,412,293	-	-
	<u>3,356,802</u>	<u>3,412,293</u>	<u>250,000</u>	<u>250,000</u>

6.1 Details of the associate

Details of the associate are as follows :

Name of company	Country of incorporation	Nature of the relationship	Financial year end	Effective ownership interest	
				2016 %	2015 %
Inno Alliance (M) Sdn. Bhd.	Malaysia	Involved in property development activities	31 January	50.0	50.0



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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6. Investments in an associate (continued)

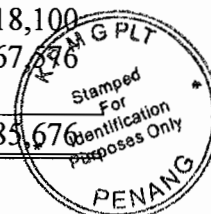
6.1 Details of the associate (continued)

Summary financial information on associate :

	2016 RM	2015 RM
Summarised financial information		
As at 31 January		
Non-current assets	6,386,364	-
Current assets	531,217	7,037,033
Current liabilities	(203,976)	(212,446)
Net assets	<u>6,713,605</u>	<u>6,824,587</u>
Year ended 31 January		
Loss from continuing operations and total comprehensive expense	<u>(110,982)</u>	<u>(148,686)</u>
Group's share of net amounts/carrying amount in the statement of financial position	<u>3,356,802</u>	<u>3,412,293</u>
Group share of results for the year end 31 January		
Group share of loss and total comprehensive expense	<u>(55,491)</u>	<u>(74,338)</u>
Other information		
Dividend received by the Group	<u>-</u>	<u>-</u>

7. Other investments - Group

	Note	2016 RM	2015 RM
Non current			
Unquoted shares in Malaysia			
Available-for-sale financial assets		18,100	18,100
Loan and receivable	7.1	-	11,067,876
		<u>18,100</u>	<u>11,085,976</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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7. Other investments - Group (continued)

	Note	2016 RM	2015 RM
Current			
<i>Unquoted shares in Malaysia</i>			
Loan and receivable	7.1	<u>18,900,000</u>	<u>-</u>

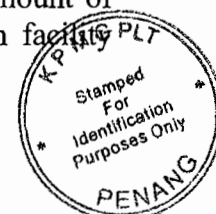
7.1 The investee is currently in liquidation. The amounts represent expected share of distribution from the liquidators to the shareholders in next financial year 2017.

8. Land held for property development

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cost				
At 1 February	46,369,322	46,310,177	6,623,369	6,623,369
Additions (Note 8.2)	131,303,888	59,145	70,400	-
Reclassified from other long term receivables (Note 9)	19,791,813	-	-	-
At 31 January*	<u>197,465,023</u>	<u>46,369,322</u>	<u>6,693,769</u>	<u>6,623,369</u>
* This amount comprises :				
Freehold land	169,677,078	31,598,785	3,524,781	3,524,781
Leasehold land	6,829,564	2,900,000	2,500,000	2,500,000
Other outgoings	20,958,381	11,870,537	668,988	598,588
	<u>197,465,023</u>	<u>46,369,322</u>	<u>6,693,769</u>	<u>6,623,369</u>

8.1 Security

The land held for property development of the Group with carrying amount of RM151,027,300 (2015 : RM Nil) is pledged as security for term loan facilities (Note 19).



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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8. Land held for property development (continued)

8.2 Additions

Included in the additional cost incurred by the Group during the year is the following cost :

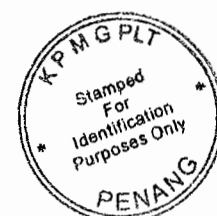
	2016 RM	2015 RM
Interest expense	<u>3,493,942</u>	<u>-</u>

8.3 Other information

Included in land held for property development of the Group is a piece of land with a carrying amount of RM21,503,172 (2015 : RM21,505,172) and is temporarily used for planting of oil palm trees prior to commencement of property development activities.

9. Other long term receivables - Group/Company

This represents 10% deposit paid for acquisition of nine (9) parcels of land located in Kuala Lumpur for a total cash consideration of approximately RM192 million in last financial year. On 30 March 2015, the acquisition of land was completed and out of RM192 million, RM142 million had been recognised as land held for property development while RM50 million classified as property development costs.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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10. Deferred tax assets/(liabilities)*Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following :

Group	Assets		Liabilities		Net	
	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM
Property, plant and equipment						
- capital allowances	29,000	43,000	(15,000)	(15,000)	14,000	28,000
Tax loss carry-forwards	1,899,000	1,191,000	-	-	1,899,000	1,191,000
Other items	-	-	-	(71,680)	-	(71,680)
Tax assets/(liabilities)	1,928,000	1,234,000	(15,000)	(86,680)	1,913,000	1,147,320
Set-off of tax	-	(71,680)	-	71,680	-	-
Net tax assets/(liabilities)	1,928,000	1,162,320	(15,000)	(15,000)	1,913,000	1,147,320
Company						
Property, plant and equipment						
- capital allowances	29,000	43,000	-	-	29,000	43,000
Tax loss carry-forwards	1,899,000	1,191,000	-	-	1,899,000	1,191,000
Other items	-	-	-	(71,680)	-	(71,680)
Tax assets/(liabilities)	1,928,000	1,234,000	-	(71,680)	1,928,000	1,162,320
Set-off of tax	-	(71,680)	-	71,680	-	-
Net tax assets	1,928,000	1,162,320	-	-	1,928,000	1,162,320



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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10. Deferred tax assets/(liabilities) (continued)*Recognised deferred tax assets and liabilities (continued)*

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Movements in temporary differences during the year are as follows :

	At 1 February 2014 RM	Charged to profit or loss (Note 25) RM	At 31 January 2015/ 1 February 2015 RM	Credited to profit or loss (Note 25) RM	At 31 January 2016 RM
Group					
Property, plant and equipment					
- capital allowances	(15,000)	43,000	28,000	(14,000)	14,000
Tax loss carry- forwards	-	1,191,000	1,191,000	708,000	1,899,000
Other items	-	(71,680)	(71,680)	71,680	-
	<u>(15,000)</u>	<u>1,162,320</u>	<u>1,147,320</u>	<u>765,680</u>	<u>1,913,000</u>

Company

Property, plant and equipment					
- capital allowances	-	43,000	43,000	(14,000)	29,000
Tax loss carry- forwards	-	1,191,000	1,191,000	708,000	1,899,000
Other items	-	(71,680)	(71,680)	71,680	-
	<u>-</u>	<u>1,162,320</u>	<u>1,162,320</u>	<u>765,680</u>	<u>1,928,000</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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10. Deferred tax assets/(liabilities) (continued)

Unrecognised deferred tax assets

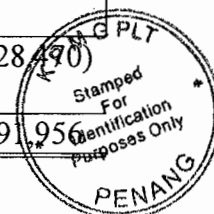
No deferred tax asset has been recognised for the following item (stated at gross) :

	Group	
	2016 RM	2015 RM
Tax loss carry-forwards	15,000	-

The tax losses carry-forwards does not expire under current tax legislation. Deferred tax asset has not been recognised in respect of the item because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

11. Property development costs - Group

	2016 RM	2015 RM
<i>At 1 February</i>		
Land	7,538,033	8,840,818
Development costs	26,774,266	29,314,715
Accumulated costs charged to profit or loss	(13,720,343)	(15,940,809)
	20,591,956	22,214,724
<i>Add :</i>		
Development costs incurred during the year (Note 11.2)	80,933,378	24,205,702
Transfer from property, plant and equipment (Note 3)	12,976,631	-
	93,910,009	24,205,702
<i>Less :</i>		
Costs charged to profit or loss (Note 21)	(20,863,413)	(25,828,470)
Disposal of land (Note 21)	(136,967)	-
	(21,000,380)	(25,828,470)
<i>At 31 January *</i>	93,501,585	20,591,956



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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11. Property development costs - Group (continued)

	2016 RM	2015 RM
* This amount comprises :		
Freehold land	63,785,667	7,538,033
Leasehold land	1,393,579	-
Development costs	51,850,150	26,774,266
Accumulated costs charged to profit or loss	(23,527,811)	(13,720,343)
	<u>93,501,585</u>	<u>20,591,956</u>

11.1 Estimates and judgements

The Group recognised property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date compared to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

11.2 Additions

Included in the development costs incurred by the Group during the year are the following costs :

	2016 RM	2015 RM
Staff costs	886,737	873,000
Interest expense	<u>1,239,090</u>	<u>-</u>

11.3 Security

The property development cost of the Group with carrying amount of RM55,319,902 (2015 : RM Nil) is pledged as security for term loan facility (Note 19).



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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12. Completed development properties

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Completed development properties				
- At cost	8,267,955	8,502,039	5,026,681	5,026,681
- At net realisable value	2,020,000	2,020,000	2,020,000	2,020,000
	<u>10,287,955</u>	<u>10,522,039</u>	<u>7,046,681</u>	<u>7,046,681</u>

13. Trade and other receivables

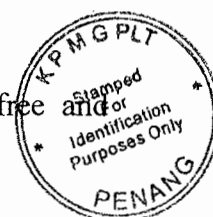
	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Trade					
Trade receivables	13.1	8,948,172	14,632,084	-	-
Accrued billings		1,292,365	465,512	-	-
		<u>10,240,537</u>	<u>15,097,596</u>	<u>-</u>	<u>-</u>
Non-trade					
Amount due from subsidiaries	13.2	-	-	20,995,102	1,467,019
Dividend receivable from a subsidiary		-	-	9,010,000	-
Other receivables		2,675,326	1,486,494	1,058,200	111,706
Deposits		238,628	925,126	10,050	10,050
		<u>2,913,954</u>	<u>2,411,620</u>	<u>31,073,352</u>	<u>1,588,775</u>
		<u>13,154,491</u>	<u>17,509,216</u>	<u>31,073,352</u>	<u>1,588,775</u>

13.1 Trade receivables

Included in trade receivables of the Group is a stakeholder fund of RM442,773 (2015 : RM3,421,212) withheld by the solicitors.

13.2 Amount due from subsidiaries

The non-trade amount due from subsidiaries are unsecured, interest-free and repayable on demand.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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14. Short term investments

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Fair value through profit or loss				
- fixed income trust funds	7,345,441	14,063,740	-	-
Fixed deposits with a licensed bank				
- aged more than 3 months	16,244,057	57,527,537	-	54,289
	<u>23,589,498</u>	<u>71,591,277</u>	<u>-</u>	<u>54,289</u>

15. Cash and cash equivalents

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Fixed deposits with licensed banks				
- aged within 3 months	30,873,094	41,291,206	-	4,750,000
Cash and bank balances	11,304,031	20,727,313	304,518	1,044,769
	<u>42,177,125</u>	<u>62,018,519</u>	<u>304,518</u>	<u>5,794,769</u>

The restricted deposit with a licensed bank amounted to RM1.40 million (2015 : RM Nil) is a deposit assigned to a bank to be held as security in connection with the term loan of the Group (Note 19).

Included in the cash and bank balances of the Group is an amount of RM7,280,835 (2015 : RM13,650,414), where the utilisation is subject to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002.



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16. Share capital

	2016		2015	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares of RM0.10 each :				
Authorised	<u>100,000,000</u>	<u>1,000,000,000</u>	<u>100,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid	<u>75,831,000</u>	<u>758,310,000</u>	<u>75,831,000</u>	<u>758,310,000</u>

17. Reserves

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Non-distributable				
Share premium	4,267,899	4,267,899	4,267,899	4,267,899
Distributable				
Retained earnings	213,449,987	195,979,089	24,763,476	20,110,141
	<u>217,717,886</u>	<u>200,246,988</u>	<u>29,031,375</u>	<u>24,378,040</u>

The movements in the reserves are disclosed in the statements of changes in equity.

Share premium

Share premium comprise the premium paid on subscription of shares in the Company over and above the par value of shares.

18. Trade and other payables

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Trade				
Trade payables	1,083,104	6,229,245	-	-
Progress billings	2,991,199	310,599	-	-
	<u>4,074,303</u>	<u>6,539,844</u>	<u>-</u>	<u>-</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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18. Trade and other payables (continued)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Non-trade				
Other payables	1,596,913	1,049,743	229,123	263,355
Accrued expenses	506,019	329,130	255,000	156,750
	2,102,932	1,378,873	484,123	420,105
	<u>6,177,235</u>	<u>7,918,717</u>	<u>484,123</u>	<u>420,105</u>

19. Loans and borrowings

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Non-current				
Secured :				
Term loan	115,420,000	-	-	-
Current				
Secured :				
Bank overdraft	11,261	-	11,261	-
	<u>115,431,261</u>	<u>-</u>	<u>11,261</u>	<u>-</u>

19.1 Security***Term loan by a subsidiary***

Term loan relates to a banking facility to part finance the acquisition of nine (9) parcels of freehold and leasehold land located at Kuala Lumpur and is secured by way of :

- first party legal charge over the land held for property development (Note 8) and property development costs (Note 11);
- fixed deposit with the licensed bank of RM1.40 million (Note 15); and
- corporate guarantee from the Company of RM115.42 million;

This is a 2 years term loan which will mature in March 2017 and repayable at the end of the maturity period, with an option to extend for another 4 years.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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19. Loans and borrowings (continued)

19.1 Security (continued)

Bank Overdraft

Bank overdraft relates to facility for working capital purposes. Bank overdraft is secured by first legal charge over the investment property as disclosed in Note 4.

20. Revenue

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Property development	36,992,080	47,126,845	-	-
Sales of oil palm fruits	2,541,515	2,050,510	-	-
Sales of completed development properties	355,000	1,952,000	-	1,666,000
Sale of land	2,227,902	-	-	-
Rental income	1,327,107	1,422,104	1,327,107	1,422,104
Dividend income	900	1,350	9,010,000	13,510,000
	<u>43,444,504</u>	<u>52,552,809</u>	<u>10,337,107</u>	<u>16,598,104</u>

21. Cost of sales

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Property development expenses	20,863,413	25,828,470	-	-
Costs of sales of oil palm fruits	1,507,908	1,320,619	-	-
Costs of completed development properties	234,084	555,192	-	394,593
Land costs	136,967	-	-	-
	<u>22,742,372</u>	<u>27,704,281</u>	<u>-</u>	<u>394,593</u>



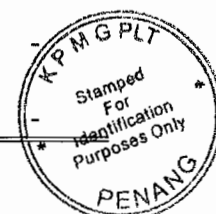
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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22. Profit before tax

Profit before tax is arrived at :

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
After charging :				
Auditors' remuneration				
- Statutory audit				
- KPMG				
- current year	140,300	120,000	43,000	43,000
- prior year	-	13,000	-	10,000
- Other auditors	4,400	3,600	-	-
- Other services				
- KPMG	6,000	6,000	6,000	6,000
- Affiliates of KPMG	43,470	42,900	8,100	9,350
Depreciation of property, plant and equipment (Note 3)	479,815	261,926	181,304	182,051
Depreciation of investment property (Note 4)	85,041	85,041	85,041	85,041
Directors' emoluments				
Directors of the Company				
- fees	248,000	84,000	212,000	48,000
- remuneration	2,133,520	976,080	2,133,520	976,080
Other Directors				
- fees	24,000	24,000	-	-
- remuneration	1,130,867	-	-	-
Rental of premises	19,200	17,600	19,200	17,600
Bad debt written off	-	68,915	-	65,565
and after crediting :				
Gross dividends from				
- subsidiaries	-	-	9,010,000	13,510,000
- others	289,464	1,350	-	-
Rental income	5,005,980	1,626,136	1,327,107	1,422,104
Gain on disposal of property, plant and equipment	7,168	-	565	-
Interest income	1,927,807	4,184,995	107,884	256,398
Adjustment on expected share of distributions from the liquidators	7,832,424	-	-	-
Fair value adjustment on short term investments	(6,862)	63,740	-	-



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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23. Employee information

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Staff costs	5,185,399	3,697,657	3,344,676	2,058,397
Less : Capitalised under property development costs (Note 11.2)	(886,737)	(873,500)	-	-
Charged to profit or loss	<u>4,298,662</u>	<u>2,824,157</u>	<u>3,344,676</u>	<u>2,058,397</u>

Staff costs of the Group and of the Company include contributions to the Employees' Provident Fund of RM531,397 (2015 : RM398,488) and RM330,915 (2015 : RM218,006) respectively.

24. Key management personnel compensation

The key management personnel compensation are as follows :

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors of the Company				
- Fees	248,000	84,000	212,000	48,000
- Remuneration	1,874,500	871,500	1,874,500	871,500
- Contributions to Employees' Provident Fund	259,020	104,580	259,020	104,580
	<u>2,381,520</u>	<u>1,060,080</u>	<u>2,345,520</u>	<u>1,024,080</u>

There were no other key management personnel apart from all the Directors of the Company having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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25. Tax expense/(credit)

Recognised in profit or loss

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current tax expense				
- current year	5,154,394	6,660,546	-	-
- prior years	26,823	4,681	2,825	-
	5,181,217	6,665,227	2,825	-
Deferred tax expense				
- current year	(736,000)	(1,162,320)	(736,000)	(1,162,320)
- prior year	(29,680)	-	(29,680)	-
	(765,680)	(1,162,320)	(765,680)	(1,162,320)
Total income tax expense/(credit)	<u>4,415,537</u>	<u>5,502,907</u>	<u>(762,855)</u>	<u>(1,162,320)</u>

Reconciliation of tax expense/(credit)

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Profit before tax	23,837,084	24,660,448	5,407,100	13,062,695
Tax at Malaysian tax rate of 24% (2015 : 25%)	5,720,900	6,165,112	1,297,704	3,265,674
Non-deductible expenses	599,498	602,307	128,773	82,055
Tax exempt income	(215)	-	(2,162,400)	(3,377,500)
Income not subject to tax	(1,866,464)	-	-	-
Effect of change in tax rate	-	51,329	-	51,329
Deferred tax assets not recognised	3,600	-	-	-
Recognition of previously unrecognised deferred tax assets	-	(1,337,750)	-	(1,230,500)
Other items	(38,925)	17,228	(77)	46,622
(Over)/Under provision in prior years	(2,857)	4,681	(26,855)	-
Income tax expense/(credit)	<u>4,415,537</u>	<u>5,502,907</u>	<u>(762,855)</u>	<u>(1,162,320)</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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26. Basic earnings per ordinary share - Group

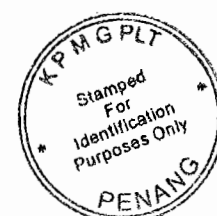
The basic earnings per ordinary share has been calculated based on the profit attributable to ordinary equity holders of RM18,987,518 (2015 : RM18,524,813) and on the 758,310,000 (2015 : 758,310,000) ordinary shares in issue during the year.

27. Dividend

	Dividend per share (sen)	2016 RM	2015 RM
<i>In respect of financial year ended 31 January 2015</i>			
First and final dividend of 2%	0.20	1,516,620	-
<i>In respect of financial year ended 31 January 2014</i>			
First and final dividend of 5%	0.50	-	3,791,550
		<u>1,516,620</u>	<u>3,791,550</u>

A first and final dividend of 2% per ordinary share of RM0.10 each, totalling RM1,516,620 in respect of the financial year ended 31 January 2015 was paid on 30 July 2015.

At the forthcoming Annual General Meeting, a first and final dividend of 3% per ordinary share of RM0.10 each totalling RM2,274,930 for the financial year ended 31 January 2016 has been proposed for shareholders' approval. These financial statements do not reflect the proposed first and final dividend which will be accounted for as an appropriation of retained earnings in the financial year ending 31 January 2017 when



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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28. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has related party relationship with its subsidiaries of the Company, Directors, key management personnel and companies in which a Director has substantial interest, Goh Ban Huat Berhad and its subsidiaries ("GBH").

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company.

Transactions with key management personnel

There are no other transactions with key management personnel other than key management personnel compensation as disclosed in Note 24.

Other related party transactions

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows :

	Transactions amount for the	
	year ended 31 January	
	2016	2015
	RM	RM
Group		
<i>Transactions with related parties - GBH</i>		
Acquisition of land	192,369,465	-
Rental income	3,474,493	-
Company		
<i>Transaction with a subsidiary</i>		
Gross dividends receivable	9,010,000	13,510,000

Non-trade balances with subsidiaries at the end of reporting period are disclosed in Note 13 to the financial statements. All the amounts outstanding are unsecured and expected to be settled with cash.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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29. Operating segments - Group

The Group Executive Deputy Chairman review internal management reports on at least a monthly basis. Operating segments are components in which separate financial information is available that is evaluated regularly by the Executive Deputy Chairman in deciding how to allocate resources and in assessing its performance. The following summary describes the operations in each of the Group's reportable segments :

Property development	Development of residential and commercial properties
Cultivation of oil palm	Cultivation and sales of oil palm fruits

Other non-reportable segments comprise operations related to the investment holding.

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Executive Deputy Chairman (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Executive Deputy Chairman. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Executive Deputy Chairman. Hence, no disclosure is made on segment liability.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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29. Operating segments - Group (continued)

	Property development RM	Cultivation of oil palm RM	Total reportable segment RM	Others non-reportable RM	Consolidated RM
2016					
Segment profit	21,929,448	1,033,607	22,963,055	929,520	23,892,575
<i>Included in the measure of segment profit are :</i>					
- Revenue from external customers	39,574,982	2,541,515	42,116,497	1,328,007	43,444,504
- Interest income	1,927,807	-	1,927,807	-	1,927,807
- Depreciation	479,815	-	479,815	85,041	564,856
Segment assets	410,056,834	9,931,352	419,988,186	3,696,702	423,684,888
<i>Included in the measure of segment assets is :</i>					
- Additions to non-current assets other than financial instruments and deferred tax assets	153,940,089	-	153,940,089	-	153,940,089



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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29. Operating segments - Group (continued)

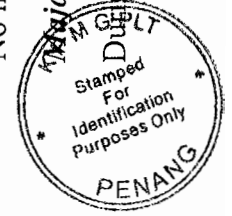
	Property development RM	Cultivation of oil palm RM	Total reportable segment RM	Others non-reportable RM	Consolidated RM
2015					
Segment profit	22,999,093	729,892	23,728,985	1,005,801	24,734,786
<i>Included in the measure of segment profit are :</i>					
- Revenue from external customers	49,078,845	2,050,510	51,129,355	1,423,454	52,552,809
- Interest income	4,184,995	-	4,184,995	-	4,184,995
- Depreciation	261,926	-	261,926	85,041	346,967
Segment assets	270,144,121	18,191,748	288,335,869	3,792,138	292,128,007
<i>Included in the measure of segment assets is :</i>					
- Additions to non-current assets other than financial instruments and deferred tax assets	3,134,765	-	3,134,765	-	3,134,765

Geographical segments

No information on geographical segment is presented as the Group's business is operated solely in Malaysia.

Major customer

During the year, there were no revenue from one single customer that contribute to more than 10% of the Group's revenue.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R");
- (b) Fair value through profit or loss ("FVTPL");
- (c) Available-for-sale financial assets ("AFS"); and
- (d) Financial liabilities measured at amortised cost ("FL").

Group	Carrying amount RM	L&R RM	AFS RM	FVTPL RM
2016				
Financial assets				
Other investments	18,918,100	18,900,000	18,100	-
Trade and other receivables, excluding accrued billings	11,862,126	11,862,126	-	-
Short term investments	23,589,498	16,244,057	-	7,345,441
Cash and cash equivalents	42,177,125	42,177,125	-	-
	<u>96,546,849</u>	<u>89,183,308</u>	<u>18,100</u>	<u>7,345,441</u>
2015				
Financial assets				
Other investments	11,085,676	11,067,576	18,100	-
Trade and other receivables, excluding accrued billings	17,043,704	17,043,704	-	-
Short term investments	71,591,277	57,527,537	-	14,063,740
Cash and cash equivalents	62,018,519	62,018,519	-	-
	<u>161,739,176</u>	<u>147,657,336</u>	<u>18,100</u>	<u>14,063,740</u>



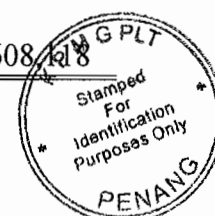
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.1 Categories of financial instruments (continued)

	Carrying amount RM	L&R RM
Company		
2016		
Financial assets		
Trade and other receivables	31,073,352	31,073,352
Cash and cash equivalents	304,518	304,518
	<u>31,377,870</u>	<u>31,377,870</u>
2015		
Financial assets		
Trade and other receivables	1,588,775	1,588,775
Short term investments	54,289	54,289
Cash and cash equivalents	5,794,769	5,794,769
	<u>7,437,833</u>	<u>7,437,833</u>
	Carrying amount RM	FL RM
Group		
2016		
Financial liabilities		
Loans and borrowings	115,431,261	115,431,261
Trade and other payables, excluding progress billings	3,186,036	3,186,036
	<u>118,617,297</u>	<u>118,617,297</u>
2015		
Financial liabilities		
Trade and other payables, excluding progress billings	<u>7,608,118</u>	<u>7,608,118</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.1 Categories of financial instruments (continued)

	Carrying amount RM	FL RM
Company		
2016		
Financial liabilities		
Bank overdraft	11,261	11,261
Trade and other payables	484,123	484,123
	<u>495,384</u>	<u>495,384</u>
2015		
Financial liability		
Trade and other payables	<u>420,105</u>	<u>420,105</u>

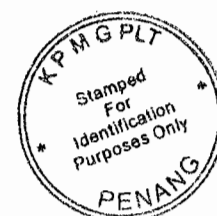
30.2 Net gains and losses arising from financial instruments

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Net (loss)/gains arising on :				
Fair value through profit or loss	(6,862)	63,740	-	-
Loans and receivables	9,760,231	4,184,995	107,884	256,398
	<u>9,753,369</u>	<u>4,248,735</u>	<u>107,884</u>	<u>256,398</u>

30.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Interest rate risk



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.4 Credit risk

The Group's primary exposure to credit risk arises through its trade and other receivables. The Group has a written credit policy and procedure in place.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables and the risk is also mitigated by the deposits collected from customers.

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables (excluding accrued billings) only. The ageing of receivables as at the end of the reporting period was :

	Gross RM	Individual/ Collective impairment RM	Net RM
2016			
Past due less than 30 days	2,878,095	-	2,878,095
Past due 31 - 60 days	1,696,873	-	1,696,873
Past due 61 - 90 days	1,487,894	-	1,487,894
Past due more than 91 days	2,885,310	-	2,885,310
	<u>8,948,172</u>	<u>-</u>	<u>8,948,172</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.4 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

	Gross RM	Individual/ Collective impairment RM	Net RM
2015			
Past due less than 30 days	6,543,853	-	6,543,853
Past due 31 - 60 days	3,400,867	-	3,400,867
Past due 61 - 90 days	1,714,419	-	1,714,419
Past due more than 91 days	2,972,945	-	2,972,945
	<u>14,632,084</u>	<u>-</u>	<u>14,632,084</u>

Investments and other financial assets

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations. The Group does not have overdue investments that have not been impaired.

The investments and other financial assets are unsecured.

Inter company balances

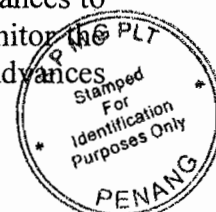
The Company provides unsecured advances to subsidiaries within the Group. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the current advances to the subsidiaries. Nevertheless, these advances are payable on demand.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM115.40 million (2015 : RM Nil) representing the outstanding banking facilities to a subsidiary as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

30.5 Liquidity risk

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)**30.5 Liquidity risk (continued)***Maturity analysis*

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM
<i>Non-derivative financial liability</i>					
Group					
2016					
Term loan	115,420,000	4.98	122,120,425	5,775,041	116,345,384
Bank overdraft	11,261	7.85	11,261	11,261	-
Trade and other payables (excluding progress billings)	3,186,036	-	3,186,036	3,186,036	-
	<u>118,617,297</u>		<u>125,317,722</u>	<u>8,972,338</u>	<u>116,345,384</u>
2015					
Trade and other payables (excluding progress billings)	<u>7,608,118</u>	-	<u>7,608,118</u>	<u>7,608,118</u>	-

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.5 Liquidity risk (continued)

*Maturity analysis (continued)**Non-derivative financial liability***Company****2016**

Bank overdraft	11,261	7.85	11,261	11,261	-
Trade and other payables (excluding progress billings)	484,123	-	484,123	484,123	-
Financial guarantee	-	-	115,420,000	115,420,000	-
	<u>495,384</u>		<u>115,915,384</u>	<u>115,915,384</u>	<u>-</u>

2015

Trade and other payables (excluding progress billings)

	<u>420,105</u>	-	420,105	420,105	-
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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.6 Interest rate risk

Interest rate risk refers to volatility in fair value of future cash flows of the Group as a result of changes in the market interest rates.

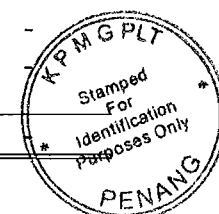
The Group's interest rate risk arises primarily from interest-earning financial assets and interest-bearing financial liabilities.

It is the policy of the Group to place cash balance in excess of working capital requirements in fixed interest rate financial instruments. The Group manages its interest rate risk by placing excess cash and cash equivalents with reputable banks and financial institutions in generating interest income and the interest rate movement is monitored. Loans and borrowings at floating rates expose the Group to cash flow interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Fixed rate instrument				
Fixed deposits with licensed banks				
- aged within 3 months	30,873,094	41,291,206	-	4,750,000
- aged more than 3 months	16,244,057	57,527,537	-	54,289
	<u>47,117,151</u>	<u>98,818,743</u>	<u>-</u>	<u>4,804,289</u>
Floating rate instrument				
Financial liabilities				
- Term loan	115,420,000	-	-	-
- Bank overdraft	11,261	-	11,261	-
	<u>115,431,261</u>	<u>-</u>	<u>11,261</u>	<u>-</u>



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.6 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's/Company's post-tax profit or loss would have been RM43 (2015 : RM Nil) higher/lower arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

30.7 Fair value information

The carrying amounts of short term investments, cash and cash equivalents, receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices in an active market and the fair value cannot be reliably measured.

The Company provides guarantee to bank for credit facilities extended to the subsidiary. The fair value of such financial guarantee is negligible as the probability of the subsidiary defaulting on the credit link is remote.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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30. Financial instruments (continued)

30.7 Fair value information (continued)

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2016										
Financial assets										
Other investments	-	-	18,100	18,100	-	-	-	-	18,100	18,100
Short term investments										
- Fixed income trust funds	-	7,345,441	-	7,345,441	-	-	-	-	7,345,441	7,345,441
	-	7,345,441	18,100	7,363,541	-	-	-	-	7,363,541	7,363,541
Financial liability										
Term loan	-	-	-	-	-	-	115,420,000	115,420,000	115,420,000	115,420,000
2015										
Financial assets										
Other investments	-	-	18,100	18,100	-	-	-	-	18,100	18,100
Short term investments										
- Fixed income trust funds	-	14,063,740	-	14,063,740	-	-	-	-	14,063,740	14,063,740
	-	14,063,740	18,100	14,081,840	-	-	-	-	14,081,840	14,081,840



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (*cont'd*)

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30. Financial instruments (continued)

30.7 Fair value information (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

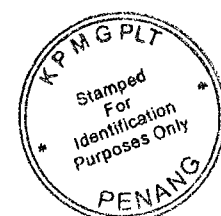
There has been no transfer between Level 1 and Level 2 fair values during the financial year (2015: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The carrying amount of floating rate term loan approximately fair value as their effective interest rate changes accordingly to movements in the market interest rate.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (*cont'd*)

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31. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the financial year.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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32. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 January, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows :

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries				
- realised	191,758	182,273	22,835	18,948
- unrealised	16,362	7,835	1,928	1,162
	<u>208,120</u>	<u>190,108</u>	<u>24,763</u>	<u>20,110</u>
Total share of retained earnings of an associate				
- realised	1,357	1,412	-	-
	<u>209,477</u>	<u>191,520</u>	<u>24,763</u>	<u>20,110</u>
Add : Consolidation adjustments	3,973	4,459	-	-
Total retained earnings	<u>213,450</u>	<u>195,979</u>	<u>24,763</u>	<u>20,110</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

and its subsidiaries

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

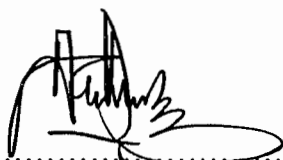
In the opinion of the Directors, the financial statements set out on pages 6 to 76 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2016 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 32 on page 77 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :



.....
Dato' Ir Chuah Chin Ah JP



.....
Dato' Teh Kean Ming

Kuala Lumpur,

Date : 12 May 2016



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)

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JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

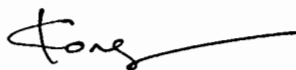
(Incorporated in Malaysia)

and its subsidiaries

Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Kong Chooi Fong**, the officer primarily responsible for the financial management of JKG Land Berhad *(formerly known as Keladi Maju Berhad)*, do solemnly and sincerely declare that the financial statements set out on pages 6 to 77 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 12 May 2016.



Kong Chooi Fong

Before me:

Goh Suan Bee
(No. P125)

Commissioner for Oaths
Penang



20 Lebuhraya
10200 Pulau Pinang



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)



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KPMG (Firm No. AF 0758)
Chartered Accountants
Level 18, Hunza Tower
163E, Jalan Kelawei,
10250 Penang.

Telephone +604-238 2288
Fax +604-238 2222
Internet www.kpmg.com.my

Independent auditors' report to the members of JKG Land Berhad

(formerly known as Keladi Maju Berhad)

(Company No. 154232 - K)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of JKG Land Berhad *(formerly known as Keladi Maju Berhad)*, which comprise the statements of financial position as at 31 January 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 76.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)


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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries, of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 32 on page 77 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards in Malaysia. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.



AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2016 TOGETHER WITH THE NOTES AND AUDITORS' REPORT THEREON (cont'd)



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Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
Firm Number: AF 0758
Chartered Accountants

Muhammad Azman Che Ani
2922/04/18 (J)
Chartered Accountant

Date : 12 May 2016

Penang



**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE
31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES**

Certified True Copy



JKG LAND BERHAD

(Company No: 154232-K)

(Incorporated in Malaysia under the Companies Act, 1965)

Secretary

HO SOK LENG

MAICSA 7043167

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2017

	(Unaudited) as at 31-Jan-17 RM'000	(Audited) as at 31-Jan-16 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	20,849	12,322
Investment property	3,597	3,682
Investment in an associate	3,346	3,357
Other investments	18	18
Land held for property development	228,412	197,465
Deferred tax assets	3,837	1,928
	260,059	218,772
Current Assets		
Other investments	-	18,900
Property development costs	112,444	93,502
Completed development properties	10,288	10,288
Trade and other receivables	17,039	13,154
Current tax assets	2,656	3,303
Short term investments	1,093	23,589
Cash and cash equivalents	79,759	42,177
	223,279	204,913
TOTAL ASSETS	483,338	423,685
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	75,831	75,831
Share premium	4,268	4,268
Retained earnings	220,016	213,450
	300,115	293,549
Non-Controlling Interests	8,940	8,487
Total Equity	309,055	302,036
Non-Current Liabilities		
Deferred tax liabilities	15	15
Loan and borrowings	127,670	115,420
	127,685	115,435
Current Liabilities		
Trade and other payables	7,641	6,177
Current tax payables	186	26
Loan and borrowings	38,771	11
	46,598	6,214
Total Liabilities	174,283	121,649
TOTAL EQUITY AND LIABILITIES	483,338	423,685
Net assets per share attributable to equity holders of the parent (RM)	0.40	0.39

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2016 and the accompanying notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE
31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)



JKG LAND BERHAD

(Company No: 154232-K)

(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Financial Year Ended 31 January 2017

	Attributable to owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 Months Ended 31 January 2017						
At 1 February 2016	75,831	4,268	213,450	293,549	8,487	302,036
Dividend	-	-	(2,275)	(2,275)	-	(2,275)
Total comprehensive income for the year	-	-	8,841	8,841	453	9,294
At 31 January 2017	75,831	4,268	220,016	300,115	8,940	309,055

For The Financial Year Ended 31 January 2016

	Attributable to owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 Months Ended 31 January 2016						
At 1 February 2015	75,831	4,268	195,979	276,078	8,053	284,131
Dividend	-	-	(1,517)	(1,517)	-	(1,517)
Total comprehensive income for the year	-	-	18,988	18,988	434	19,422
At 31 January 2016	75,831	4,268	213,450	293,549	8,487	302,036

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2016 and the accompanying notes attached to the interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE
31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)**



JKG LAND BERHAD

(Company No: 154232-K)

(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 January 2017

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Jan-17 RM'000	31-Jan-16 RM'000	31-Jan-17 RM'000	31-Jan-16 RM'000
Revenue	14,304	9,594	57,432	43,444
Cost of sales	(9,212)	(4,941)	(31,817)	(22,742)
Gross profit	5,092	4,653	25,615	20,702
Administrative expenses	(7,485)	(4,359)	(15,901)	(10,667)
Other operating income	625	9,606	3,406	13,857
Operating (loss)/profit	(1,768)	9,900	13,120	23,892
Share of loss after tax of an equity accounted associate	(5)	(6)	(11)	(55)
(Loss)/Profit before tax	(1,773)	9,894	13,109	23,837
Tax expense	622	(498)	(3,815)	(4,415)
(Loss)/Profit and total comprehensive (expense) /income for the period	(1,151)	9,396	9,294	19,422
(Loss)/Profit and total comprehensive (expense)/income for the period attributable to:				
Owners of the Company	(1,184)	9,377	8,841	18,988
Non-controlling interests	33	19	453	434
(Loss)/Profit and total comprehensive (expense)/income for the period	(1,151)	9,396	9,294	19,422
(Loss)/Earnings per share attributable to owners of the Company:				
- Basic (sen)	(0.16)	1.24	1.17	2.50
- Diluted (sen)	(0.16)	1.24	1.17	2.50

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2016 and the accompanying notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)



JKG LAND BERHAD

(Company No: 154232-K)

(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 January 2017

	Current year to 31-Jan-17 RM'000	Preceding year to 31-Jan-16 RM'000
CASH FLOW FROM OPERATING ACITIVITIES		
Profit before tax	13,109	23,837
Adjustments for :		
Share of loss after tax of an equity accounted associate	11	55
Depreciation of property, plant and equipment	1,087	480
Depreciation of investment property	85	85
Gain on disposal of property, plant and equipments	-	(7)
Interest income	(988)	(1,928)
Dividend received	(10)	-
Fair value adjustment on short term investments	(38)	7
Adjustment on excess distributions from the liquidator	(150)	(7,832)
Operating profit before changes in working capital	13,106	14,697
Changes in working capital		
Property development costs	(18,942)	(59,933)
Completed developed properties	-	234
Trade and other receivables	(3,885)	4,355
Trade and other payables	1,464	(1,741)
	(21,363)	(57,085)
Cash (used in) / generated from operating activities	(8,257)	(42,388)
Tax paid	(4,917)	(7,149)
Net cash used in operating activities	(13,174)	(49,537)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(9,614)	(2,844)
Proceeds from disposal of property, plant and equipment	-	7
Additions to land held for property development	(30,947)	(131,304)
Redemption of short term investments	7,000	6,711
Interest received	988	1,928
Withdrawal of fixed deposits-aged more than 3 months	15,544	41,283
Net cash used in investing activities	(17,029)	(84,219)
CASH FLOW FROM FINANCING ACTIVITY		
Drawdown of term loans and borrowings	51,010	115,431
Capital distribution from other investment	19,050	-
Dividend paid to shareholders of the company	(2,275)	(1,517)
Net cash generating from financing activity	67,785	113,914
Net increase / (decrease) in cash and cash equivalents	37,582	(19,842)
Cash and cash equivalents at beginning of year	42,177	62,019
Cash and cash equivalents at end of the year	79,759	42,177
Cash and cash equivalents at end of the year comprise of :		
Fixed Deposit Placed with Licensed Banks -aged within 3 months	25,675	30,873
Cash and Bank Balances	54,084	11,304
	79,759	42,177

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2016 and the accompanying notes attached to the interim financial statements)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

PART A : Explanatory notes pursuant to FRS 134

1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016. The explanatory notes attached to the interim financial statements provided an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2016.

2. Accounting Policies

The accounting policies, method of computation and basis of consolidation applied in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 January 2016 except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Amendments to FRSs and Issue Committee Interpretations ("IC Interpretations") as follows:

2.1 Adoption of FRSs, Amendments to FRSs and IC Interpretations

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- FRS 14, *Regulatory Deferral Account*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements*, FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to FRS 11, *Joint Arrangements-Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to FRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets-Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

The adoptions of the above FRSs, Amendment to FRSs and IC Interpretations are not expected to have any significant impact on the financial statements of the Group.

Malaysian Financial Reporting Standards ("MFRS Framework")

The Group fall within the scope of MFRS 141 "Agriculture" and IC Interpretation 15 "Agreements for Construction of Real Estate" are defined as Transitioning Entities and permitted to defer the adoption of the new MFRS Framework to annual periods beginning on 1 February 2018.

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

- 3. Audit Report Qualification and Status**
The financial statements of the Group for the year ended 31 January 2016 were not subject to any audit qualification.
- 4. Seasonal or Cyclical Factors**
The Group's business operations are not materially affected by seasonal or cyclical factors.
- 5. Unusual Items**
There were no unusual items for the current financial year under review.
- 6. Changes in Estimates**
There were no material changes in estimates in respect of amounts reported in prior financial year.
- 7. Debt & Equity Securities, Share Buy-Backs and Treasury Shares**
There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current financial year.
- 8. Dividend Paid**
The first and final dividend in respect of the financial year ended 31 January 2016 of 3% per ordinary share of RM0.10 each amounting to RM2,274,930 was paid on 25 August 2016.
- 9. Segmental Information**
 - (i) Business Segments**
The Group's activities comprise the following main business segments which are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance :-

Property development:	Development of residential, commercial and other properties
Cultivation of oil palm:	Cultivation of oil palm and Sale of fresh fruit bunches (FFB)
Investment holding:	Operations related to investment holdings

12 months ended 31 January 2017	Property Development	Cultivation of Oil Palm	Investment Holding	Group
	RM'000	RM'000	RM'000	RM'000
Segment Revenue	53,085	3,210	1,137	57,432
Segment Result	10,322	1,661	1,137	13,120
Share of loss of an associate				(11)
Profit before tax				13,109
Tax expense				(3,815)
Net profit after tax				9,294
Segment assets	466,388	9,998	3,606	479,992
Investment in associates				3,346
Total assets				483,338

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

9. Segmental Information (cont'd)

12 months ended 31 January 2016	Property Development RM'000	Cultivation of Oil Palm RM'000	Investment Holding RM'000	Group RM'000
Segment Revenue	30,695	2,161	994	43,444
Segment Result	21,928	1,034	930	23,892
Share of loss of an associate				(55)
Profit before tax				23,837
Tax expense				(4,415)
Net profit after tax				19,422
Segment assets	406,700	9,931	3,697	420,328
Investment in associates				3,357
Total assets				423,685

(ii) Geographical Segment

Not applicable as the Group and the Company activities are conducted in Malaysia only.

10. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment carried out during the current financial year.

11. Material Subsequent Event

There were no material events subsequent to the financial year ended 31 January 2017 other than the corporate exercise disclosed in Note 6 of Part B.

12. Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet date.

13. Capital Commitments

There were no capital commitments as at 31 January 2017.

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

Part B : Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

1. Performance Review

For the current quarter ended 31 January 2017, the Group posted a revenue of RM14.304 million and loss before tax of RM1.773 million compared to the revenue of RM9.594 million and profit before tax ("PBT") of RM9.894 million in the corresponding quarter of the preceding year.

For the financial year ended 31 January 2017, the Group recorded a revenue of RM57.432 million and PBT of RM13.109 million. This represents an increase of 32.2% and a decline of 45.0% respectively when compared to the revenue of RM43.444 million and PBT of RM23.837 million recorded in the preceding financial year.

The increase in revenue as well as the decline in PBT were mainly attributed to operating results from the property development segment.

The performance of the various operating segments were as follows :-

	Quarter Ended		12-months Cumulative	
	31-01-2017 RM'000	31-01-2016 RM'000	31-01-2017 RM'000	31-01-2016 RM'000
Segment Revenue				
Property Development	13,518	8,880	53,085	39,575
Cultivation of Oil Palm	515	380	3,210	2,541
Investment Holding	271	334	1,137	1,328
Total	14,304	9,594	57,432	43,444
Segment Results				
Property Development	(2,129)	9,611	10,322	21,531
Cultivation of Oil Palm	90	(45)	1,661	1,033
Investment Holding	271	334	1,137	1,328
Total operating (loss) / profit	(1,768)	9,900	13,120	23,892
Share of loss of an associate	(5)	(6)	(11)	(55)
(Loss)/Profit before tax	(1,773)	9,894	13,109	23,837

a) Property Development

	Quarter Ended		12-months Cumulative	
	31-01-2017 RM'000	31-01-2016 RM'000	31-01-2017 RM'000	31-01-2016 RM'000
Revenue	13,518	8,880	53,085	39,575
Cost of sales	(8,787)	(4,516)	(30,268)	(21,234)
Gross profit	4,731	4,364	22,817	18,341
Administrative expenses	(7,485)	(4,359)	(15,901)	(10,667)
Other operating income	625	9,606	3,406	13,857
Operating (loss) / profit	(2,129)	9,611	10,322	21,531

For the current quarter ended 31 January 2017, the property development segment recorded a revenue of RM13.518 million and an operating loss of RM2.129 million compared to the revenue of RM8.880 million and operating profit of RM9.611 million posted in the corresponding quarter of the preceding year.

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

**1. Performance Review (cont'd)
a) Property Development (cont'd.)**

The increase in the revenue by 52.2% to RM13.518 million in the current quarter was mainly attributed to the revenue recognition for properties sold from the newly launched Phase 1A and 1B of Taman Puteri, Padang Serai and the near completion of Phase 1B from Taman Desa Cinta Sayang, Padang Meha.

The operating loss for the current quarter was mainly due to higher cost of sales, higher administrative expenses and a drop in other operating income. The higher cost of sales was mainly due to the increased construction costs arising from the stringent infrastructure requirements imposed by authorities for the newly launched Phase 1A and 1B of Taman Puteri, Padang Serai. The higher administrative expenses were mainly incurred by the upcoming flagship project in Kuala Lumpur which is known as The Era @ Duta North in Kuala Lumpur. Other operating income of the Group has also decreased by 93.5% for the current quarter mainly due to lower interest income from the reduced fixed deposit placements and termination of lease income from the Segambut land which had been cleared for the development of The Era @ Duta North during the first half of the current financial year. The higher other operating income in the preceding year corresponding quarter was mainly due to the one-off adjustment on expected share of distributions of RM7.83 million from the liquidator in relation to an associate company, i.e. Keladi Teck Guan Sdn Bhd, which was still under liquidation.

For the financial year ended 31 January 2017, the property development segment recorded a revenue of RM53.085 million and an operating profit of RM10.322 million compared to the revenue of RM39.575 million and operating profit of RM21.531 million posted in the preceding financial year.

The increase in the revenue by 34.1% to RM53.085 million in the current financial year was mainly due to the revenue recognition arising from its build then sell scheme namely Phase 4E introduced during the financial year for its affordable houses in Taman Lagenda, Padang Serai, the recognition of the balance 16% from the completed Phase 1S and Phase 1A and 60% from a near completion phase, i.e. Phase 1B of Taman Desa Cinta Sayang, Padang Meha, and the revenue recognition for properties sold from the newly launched Phase 1A and 1B of Taman Puteri, Padang Serai.

The operating profit for the financial year declined by 52.06% when compared to preceding financial year, mainly due to higher administrative expenses and a drop in other operating income. The increase of administrative expenses by 49.1% to RM15.901 million were mainly incurred by the upcoming flagship project in Kuala Lumpur which is known as The Era @ Duta North in Kuala Lumpur. The drop in other operating income of the Group by 75.4% to RM3.41 million for the financial year were mainly due to termination of lease income from the Segambut land which had been cleared for the development of The Era @ Duta North during the first half of the current financial year and lower interest income from the reduced fixed deposit placements. The higher other operating income in the preceding financial year was mainly due to the one-off adjustment on expected share of distributions of RM7.83 million from the liquidator in relation to an associate company, i.e. Keladi Teck Guan Sdn Bhd, which was still under liquidation.

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

1. Performance Review (cont'd)

b) Cultivation of oil palm

The plantation segment recorded a revenue of RM515,000 and an operating profit of RM90,000 for the current quarter were 35.5% and 300% higher than the preceding year corresponding quarter's revenue of RM380,000 and operating loss of RM45,000 respectively. This was mainly due to the improved commodity prices by about 57.5% despite the drop in the sales volume of Fresh Fruit Bunches (FFB) by 114 metric tons, or 14.0% for the current quarter.

For the current financial year, this segment recorded a revenue of RM3.210 million and an operating profit of RM1.661 million, representing an increase of 26.3% and 60.8% respectively compared with the revenue of RM2.541 million and operating profit of RM1.033 million in the preceding financial year. This was mainly due to the improved commodity prices by about 35.5% despite the marginal drop in the sales volume of Fresh Fruit Bunches (FFB) by 145 metric tons, or 2.5% when compared to preceding financial year.

c) Investment Holding

The revenue and operating profit from the investment holding segment for the current quarter and financial year, both registered a decline of 18.9% and 14.4% respectively over the previous year corresponding period. This was mainly due to lower rental income, as two main tenants namely Jabatan Pendaftaran Negara and Jabatan Imigresen Malaysia had vacated from Wisma Keladi since April 2016 and June 2016.

2. Material Changes in Profit Before Tax for Quarter Reported On as Compared to the Immediate Preceding Quarter

The Group's pre-tax profit posted an operating loss of RM1.773 million in the current quarter as compared to the operating loss of RM514,000 recorded in the immediate preceding quarter. The higher operating loss in the current quarter was mainly due to higher operating and administrative costs from the property development segment.

	Quarter Ended	
	31-01-2017	31-10-2016
	RM'000	RM'000
<u>Segment Revenue</u>		
Property Development	13,518	3,003
Cultivation of Oil Palm	515	425
Investment Holding	271	269
Total	14,304	3,697
<u>Segment Results</u>		
Property Development	(2,129)	(1,007)
Cultivation of Oil Palm	90	174
Investment Holding	271	269
Total operating profit	(1,521)	(564)
Share of profit/ (loss) of an associate	(5)	50
(Loss) / Profit before tax	(1,516)	(514)

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

Property Development Segment

	Quarter Ended	
	31-01-2017	31-10-2016
	RM'000	RM'000
Revenue	13,518	3,003
Cost of sales	(8,787)	(1,686)
Gross profit	4,731	1,317
Administrative expenses	(7,485)	(2,692)
Other operating income	625	368
Operating (loss) / profit	(2,129)	(1,007)

The property development segment posted a higher operating loss for the current quarter was mainly due to the higher cost of sales and administrative expenses. The higher cost of sales was mainly due to the increased construction costs arising from the stringent infrastructure requirements imposed by authorities for the newly launched Phase 1A and 1B of Taman Puteri, Padang Serai. The higher administrative expenses were mainly incurred by the upcoming flagship project in Kuala Lumpur which is known as The Era @ Duta North in Kuala Lumpur.

3. Commentary on Prospects

The property market will continue to soften in the subsequent period of year 2017, trailing from the challenging economic and financial environment both on the local and global front. Though property market may see slowdown in market activity, the impact of the slowdown would be manageable as the market fundamentals remain sound and stable. Residential market would remain the focus of our Group, particularly the affordable segment. The stamp duty incentives gazetted under Malaysian Tax Budget 2017 will encourage home ownership in the affordable segment.

Despite the challenging property market condition, the Group's newly launched project known as Phase 1A and Phase 1B comprising 124 units single storey semi-detached house and 4 units 1 ½ storey detached house with a total estimated GDV of RM35.0 million in Taman Puteri, Padang Serai Kedah have seen encouraging responses. In addition, the Group has just launched 2 new housing development projects in late February 2017 and early March 2017, which are Phase 4F of Taman Lagenda located at Padang Serai, Kedah comprising 252 units of affordable single storey terrace houses with a total estimated GDV of RM33.0 million and Phase 1C of Taman Desa Cinta Sayang located at Padang Meha, Kedah comprising 20 units of single storey terrace houses with a total estimated GDV of RM2.6 million. Both on-going and newly launched projects are expected to contribute positively to the earnings of the Group for the next financial year.

4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial year ended 31 January 2017.

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

5. Taxation

Tax charged for the current quarter and financial year ended 31 January 2017 comprised the followings:-

	Quarter Ended 31-01-2017 RM'000	12-months Cumulative 31-01-2017 RM'000
In respect of the current quarter/ year to date		
Malaysian income tax	1,287	5,724
Deferred tax assets	(1,909)	(1,909)
Total	<u>(622)</u>	<u>3,815</u>

For the 12 months cumulative period and current quarter ended 31 January 2017, the effective tax rate of the group is higher than the statutory tax rate mainly due to losses in certain subsidiaries are not available to set off against taxable profits in other subsidiaries within the Group.

The above tax figures are based on best estimates and internal assessment.

6. Status of Corporate Proposals

The Company had on 16 December 2016 announced to Bursa that the Company will undertake a proposed renounceable rights issue of 1,516,620,000 new ordinary shares on the basis of 2 Rights Shares for every 1 existing JKG Share held on an entitlement date and at an issue price to be determined later ("Proposed Rights Issue"). The shareholders of JKG have approved the resolution in relation to the Proposed Rights Issue at the Extraordinary General Meeting ("EGM") held on 2 March 2017. The Proposed Rights Issue exercise is expected to be completed by end of April 2017.

7. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the current financial year under review are as follows :

	As At 31-01-2017 RM'000
Loan and Borrowings	
Non-current	
Secured term loan	<u>127,670</u>
Current	
Secured term loan	38,750
Bank overdraft	21
Total	<u>38,771</u>

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

8. Realised and Unrealised Profits/Losses

Total retained profits of the Group comprised the following:-

	As At	
	31-01-2017	31-01-2016
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	211,302	191,758
- unrealised	3,860	16,362
	<u>215,162</u>	<u>208,120</u>
Total share of retained earnings of an associate		
- realised	1,346	1,357
	<u>216,508</u>	<u>209,477</u>
Add : Consolidation adjustments	3,508	3,973
Total retained earnings as per consolidated accounts	<u>220,016</u>	<u>213,450</u>

9. Material Litigation

There were no material litigations, which would have a material adverse effect on the financial results for the current financial year under review.

10. Proposed Dividend

The Company declared a first interim single-tier dividend of 0.3 sen per ordinary share in respect of the financial year ended 31 January 2017.

11. (Loss)/Earnings per share attributable to owners of the Company

The basic (loss)/earnings per share has been calculated by dividing the Group's net (loss)/profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the period.

	Quarter Ended		12-months Cumulative	
	31-01-2017	31-01-2016	31-01-2017	31-01-2016
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit attributable to owners of the Company	<u>(1,184)</u>	<u>9,377</u>	<u>8,841</u>	<u>18,988</u>
Weighted average number of ordinary shares in issued	<u>758,310</u>	<u>758,310</u>	<u>758,310</u>	<u>758,310</u>
Basic (loss)/earnings per share (sen)	<u>(0.16)</u>	<u>1.24</u>	<u>1.17</u>	<u>2.50</u>

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF JKG FOR THE FYE 31 JANUARY 2017 TOGETHER WITH THE EXPLANATORY NOTES (cont'd)

**JKG LAND BERHAD
SELECTED EXPLANATORY NOTES**

12. Notes to the Comprehensive Income Statement

	Quarter Ended 31-01-2017 RM'000	12-months Cumulative 31-01-2017 RM'000
a) Interest income	292	988
b) Other income	367	2,418
c) Interest expense	-	-
d) Depreciation and amortization	610	1,172
e) Provision for and write off of receivables	-	-
f) Provision for and write off of inventories	-	-
g) Gain / (Loss) on disposal of quoted and unquoted investments or properties	-	-
h) Adjustment on excess contribution from the liquidator	150	150
i) Fair value gain/ (loss) on short term investment	3	38
j) Impairment of assets	-	-
k) Foreign exchange gain / (loss)	NA	NA
l) Gain / (Loss) on derivatives	NA	NA
m) Exceptional items	NA	NA

DIRECTORS' REPORT

JKGLAND

Registered Office:
No. 8, 3rd Floor
Jalan Segambut
51200 Kuala Lumpur
Malaysia

Date: 10 MAR 2017

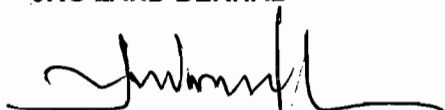
To: The Shareholders of JKG Land Berhad ("JKG")

Dear Sir/Madam,

On behalf of the Board of Directors of JKG ("**Board**"), I wish to report that after making due enquiries in relation to the period between 31 January 2016, being the date on which the last audited financial statements of JKG and its subsidiaries ("**Group**") have been made up, and up to the date hereof, being a date not earlier than fourteen (14) days before the date of issue of this Abridged Prospectus:

- (a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of the Group, which have adversely affected the trading or the value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantees or indemnities given by any company within the Group;
- (e) there has been, since the last audited financial statements of the Group, no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowings of the Group; and
- (f) save as disclosed in this Abridged Prospectus, since the last audited financial statements of the Group, there has been no material change in the published reserves or any unusual factors affecting the profits of the Group.

Yours faithfully,
For and on behalf of the Board of
JKG LAND BERHAD



Dato' Thor Poh Seng
Executive Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (i) Save for the Rights Shares, no securities of the Company will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.
- (ii) No person has been or would be entitled to be granted an option to subscribe for any securities in the Company.

2. DIRECTORS' REMUNERATION

The extract of the provisions in the Articles of Association of the Company in relation to the remuneration of the Directors are as follows:

Article 94 – Remuneration of Directors

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:

- (a) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.
- (d) any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 95 – Reimbursement of expenses

- (1) The Directors shall be paid all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors of the Company.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

ADDITIONAL INFORMATION (cont'd)

3. MATERIAL CONTRACTS

As at the LPD, neither the Company nor its subsidiaries have entered into any material contracts, not being contracts in the ordinary course of business, within the 2 years immediately preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings, pending or threatened against the Group, or of any fact likely to give rise to any such proceedings which may materially and adversely affect the financial position or business of the Group.

5. GENERAL

- (i) As at the LPD, there are no existing or proposed service contracts between the Directors of JKG and the Group.
- (ii) Save as disclosed in this Abridged Prospectus and to the best knowledge of the Board, the financial condition and operations of the Group are not affected by any of the following:
 - (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of the Group;
 - (b) material commitments for capital expenditure of the Group;
 - (c) unusual, infrequent events or transactions or significant economic changes that materially affect the amount of reported income from the operations of the Group;
 - (d) known trends or uncertainties that have had, or will have a material favourable or unfavourable impact on the revenues or operating income of the Group; and
 - (e) material information, including any special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.

6. CONSENTS

Maybank IB, Company Secretaries, Share Registrar, Principal Bankers and Solicitors for the Rights Issue have given and have not subsequently withdrawn their written consents for the inclusion of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

KPMG PLT, being the reporting accountants and auditor of JKG, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Abridged Prospectus, including the Reporting Accountants' letter relating to the proforma consolidated statement of financial position of JKG as at 31 January 2016 and the auditors' report for the audited consolidated financial statements of JKG for the FYE 31 January 2016.

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consent for the inclusion of its name as the source of the historical share prices of JKG, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

ADDITIONAL INFORMATION (cont'd)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of JKG at No. 8, 3rd Floor, Jalan Segambut, 51200 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:

- (i) Memorandum and Articles of Association of JKG;
- (ii) audited consolidated financial statements of JKG for the past 2 FYEs 31 January 2015 and 2016 and unaudited condensed consolidated financial statements of JKG for FYE 31 January 2017;
- (iii) proforma consolidated statement of financial position of JKG as at 31 January 2016 together with the notes and Reporting Accountants' letter thereon as set out in Appendix III of this Abridged Prospectus;
- (iv) Shareholders' Undertakings referred to in Section 2.4 of this Abridged Prospectus;
- (v) Directors' Report as set out in Appendix VI of this Abridged Prospectus; and
- (vi) consent letters as referred to in Section 6 of this Appendix.

8. RESPONSIBILITY STATEMENT

The Board has seen and approved the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, if omitted, would make any statement in the Documents false or misleading.

Maybank IB, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

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