

**JKG LAND BERHAD**

(Company No 154232-K)

(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2016

	(Unaudited) as at 31-Oct-16 RM'000	(Audited) as at 31-Jan-16 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	12,774	12,322
Investment property	3,618	3,682
Investment in an associate	3,350	3,357
Other investments	18	18
Land held for property development	227,137	197,465
Deferred tax asset	1,928	1,928
	248,825	218,772
Current Assets		
Other investments	18,900	18,900
Property development costs	107,709	93,502
Completed development properties	10,288	10,288
Trade and other receivables	19,751	13,154
Current tax assets	2,706	3,303
Short term investments	2,991	23,589
Cash and cash equivalents	43,726	42,177
	206,071	204,913
TOTAL ASSETS	454,896	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	221,201	213,450
	301,300	293,549
Non-Controlling Interests	8,907	8,487
Total Equity	310,207	302,036
Non-Current Liabilities		
Deferred tax liabilities	15	15
Loan and borrowings	140,420	115,420
	140,435	115,435
Current Liabilities		
Trade and other payables	4,252	6,177
Current tax payables	2	26
Loan and borrowings	-	11
	4,254	6,214
Total Liabilities	144,689	121,649
TOTAL EQUITY AND LIABILITIES	454,896	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)

**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 Period Ended 31 October 2016**

	Attributable to owners of the Company				Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable	Distributable				
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000		
9 Months Ended 31 October 2016						
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 period	-	-	10,026	10,026	420	10,446
At 31 October 2016	75,831	4,268	221,201	301,300	8,907	310,207

For The Financial Period Ended 31 October 2015

	Attributable to owners of the Company				Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable	Distributable				
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000		
9 Months Ended 31 October 2015						
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 period	-	-	9,611	9,611	414	10,025
At 31 October 2015	75,831	4,268	204,073	284,172	8,467	292,639

(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)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Period Ended 31 October 2016

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u> <u>31-Oct-16</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31-Oct-15</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>31-Oct-16</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31-Oct-15</u> <u>RM'000</u>
Revenue	3,697	4,628	43,128	33,850
Cost of sales	(1,937)	(3,088)	(22,605)	(17,801)
Gross profit	1,760	1,540	20,523	16,049
Administrative expenses	(2,692)	(2,515)	(8,416)	(6,301)
Other operating expenses	-	-	-	(12)
Other operating income	368	1,725	2,782	4,256
Operating profit	(564)	750	14,889	13,992
Share of profit / (loss) after tax of an equity accounted as:	50	-	(7)	(49)
Profit before tax	(514)	750	14,882	13,943
Tax expense	(320)	(361)	(4,436)	(3,918)
Profit and total comprehensive income for the period	(834)	389	10,446	10,025
Profit and total comprehensive income for the period attributable to:				
Owners of the Company	(835)	377	10,026	9,611
Non-controlling interests	1	12	420	414
Profit and total comprehensive income for the period	(834)	389	10,446	10,025
Earnings per share attributable to owners of the Company:				
- Basic (sen)	(0.11)	0.05	1.32	1.27
- Diluted (sen)	(0.11)	0.05	1.32	1.27

(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)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Financial Period Ended 31 October 2016

	Current period to 31-Oct-16 RM'000	Preceding period to 31-Oct-15 RM'000
CASH FLOW FROM OPERATING ACITIVITIES		
Profit before tax	14,882	13,943
Adjustments for :		
Share of loss after tax of an equity accounted associate	7	49
Depreciation of property, plant and equipment	498	334
Depreciation of investment property	64	64
Gain on disposal of property, plant and equipments	-	(7)
Interest income	(696)	(1,282)
Dividend received	(10)	(228)
Fair value adjustment on short term investments	(35)	11
Adjustment on expected share of distributions from the liquidators	-	-
Operating profit before changes in working capital	<u>14,710</u>	<u>12,884</u>
Changes in working capital		
Property development costs	(14,207)	(5,204)
Completed developed properties	-	52
Trade and other receivables	(6,597)	3,390
Trade and other payables	(1,925)	532
	<u>(22,729)</u>	<u>(1,230)</u>
Cash (used in) / generated from operating activities	<u>(8,019)</u>	<u>11,654</u>
Tax paid	(3,863)	(4,721)
Net cash (used in) / generated from operating activities	<u>(11,882)</u>	<u>6,933</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(950)	(2,470)
Proceeds from disposal of property, plant and equipment	-	8
Additions to land held for property development	(29,672)	(180,059)
Redemption / (Addition) of short term investments	7,000	7,000
Interest received	696	1,282
Drawdown of loan and borrowings	25,000	115,420
Withdrawal of fixed deposits-aged more than 3 months	13,632	41,344
Net cash generated from / (used in) investing activities	<u>15,706</u>	<u>(17,475)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Dividend paid to shareholders of the company	(2,275)	(1,517)
Net cash used in financing activity	<u>(2,275)</u>	<u>(1,517)</u>
Net decrease in cash and cash equivalents	1,549	(12,059)
Cash and cash equivalents at beginning of year	42,177	62,019
Cash and cash equivalents at end of the period	<u>43,726</u>	<u>49,960</u>
Cash and cash equivalents at end of the period comprise of :		
Fixed Deposit Placed with Licensed Banks -aged within 3 months	18,938	36,758
Cash and Bank Balances	24,788	13,202
	<u>43,726</u>	<u>49,960</u>

(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)

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.

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 period under review.

6. Changes in Estimates

There were no material changes in estimates in respect of amounts reported in prior interim periods of the 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 period.

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

9 months ended 31 October 2016	Property Development	Cultivation of Oil Palm	Investment Holding	Group
	RM'000	RM'000	RM'000	RM'000
Segment Revenue	39,567	2,695	866	43,128
Segment Result	12,452	1,571	866	14,889
Share of loss of an associate				(7)
Profit before tax				14,882
Tax expense				(4,436)
Net profit after tax				10,446
Segment assets	438,028	9,900	3,618	451,546
Investment in associates				3,350
Total assets				454,896

JKG LAND BERHAD
SELECTED EXPLANATORY NOTES

9. Segmental Information (cont'd)

9 months ended 31 October 2015	Property Development RM'000	Cultivation of Oil Palm RM'000	Investment Holding RM'000	Group RM'000
Segment Revenue	30,695	2,161	994	33,850
Segment Result	11,920	1,078	994	13,992
Share of loss of an associate				(49)
Profit before tax				13,943
Tax expense				(3,918)
Net profit after tax				10,025
Segment assets	391,350	18,208	3,769	413,327
Investment in associates				3,363
Total assets				416,690

(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 period.

11. Material Subsequent Event

There were no material events subsequent to the financial period ended 31 October 2016.

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 October 2016.

Part B : Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB

1. Performance Review

For the current quarter ended 31 October 2016, the Group recorded a revenue of RM3.697 million, a decrease of 20.1% over the corresponding quarter of the preceding year, mainly due to lower progress billings from the property development segment. The Group posted a loss of RM0.514 million as compared to a PBT of RM0.750 million in the preceding year corresponding quarter. The operating loss was mainly due to the decline in revenue from the property development segment.

For the financial period ended 31 October 2016, the Group posted a revenue of RM43.128 million and profit before tax ("PBT") of RM14.882 million. This represents an increase of 27.4% and 6.7% respectively as compared to the revenue of RM33.850 million and PBT of RM13.943 million recorded in the preceding year's corresponding period. Increase in revenue and PBT were mainly due to higher contribution from property development.

JKG LAND BERHAD
SELECTED EXPLANATORY NOTES

1. Performance Review (cont'd)

The performance of the various operating segments were as follows :-

	Quarter Ended		9-months Cumulative	
	31-10-2016	31-10-2015	31-10-2016	31-10-2015
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Property Development	3,003	3,777	39,567	30,695
Cultivation of Oil Palm	425	521	2,695	2,161
Investment Holding	269	330	866	994
Total	3,697	4,628	43,128	33,850
Segment Results				
Property Development	(1,007)	234	12,452	11,920
Cultivation of Oil Palm	174	186	1,571	1,078
Investment Holding	269	330	866	994
Total operating (loss) / profit	(564)	750	14,889	13,992
Share of profit / (loss) of an associate	50	-	(7)	(49)
(Loss) / Profit before tax	(514)	750	14,882	13,943

a) Property Development

	Quarter Ended		9-months Cumulative	
	31-10-2016	31-10-2015	31-10-2016	31-10-2015
	RM'000	RM'000	RM'000	RM'000
Revenue	3,003	3,777	39,567	30,695
Cost of sales	(1,686)	(2,753)	(21,481)	(16,718)
Gross profit	1,317	1,024	18,086	13,977
Administrative expenses	(2,692)	(2,515)	(8,416)	(6,301)
Other operating expenses	-	-	-	(12)
Other operating income	368	1,725	2,782	4,256
Operating (loss) / profit	(1,007)	234	12,452	11,920

For the current quarter ended 31 October 2016, the group recorded an operating loss of RM1.007 million on revenue of RM3.003 million as compared to the operating profit of RM0.234 million on revenue of RM3.777 million posted in the corresponding quarter of the preceding year. The operating loss was mainly due to decrease in revenue as a result of lower progress billings, higher administrative expenses and a drop in other operating income. The lower progress billings was mainly due to the near completion of the existing on-going residential project, namely Phase 1B of Taman Desa Cinta Sayang. The higher administrative expenses was mainly incurred by the upcoming flagship project in Kuala Lumpur which will be known as The Era @ Duta North in Kuala Lumpur. Other operating income of the Group has also decreased by 78.7%, or RM1.357 million, mainly due to lower interest income and termination of lease income from the Segambut land as the said land has been cleared for development.

The revenue and the operating profit for the period to-date increase by 28.9% and 4.5% respectively compared to preceding year's corresponding period were mainly due to higher contribution from the completed build-then-sell residential project, namely Phase 4E from Taman Lagenda reported in the first quarter of current financial period under review.

JKG LAND BERHAD
SELECTED EXPLANATORY NOTES

1. Performance Review (cont'd)

b) Cultivation of oil palm

The revenue and operating profit for the current quarter declined by 18.4% and 6.5% respectively compared to the previous year's corresponding quarter as current quarter sales volume of crude palm oil (CPO) fell by 44.4% despite an increase in the average CPO price by about 22.5%. However, the revenue and operating profit for the period to-date improved by 24.7% and 45.7% respectively as a result of improved commodity prices and sales volume of CPO over the previous year's corresponding period.

c) Investment Holding

The revenue and operating profit for the current quarter and period to-date, both registered a decline of 18.5% and 12.9% respectively over the previous year's corresponding periods, 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 a loss of RM0.514 million in the current quarter as compared to the loss of RM0.007 million recorded in the immediate preceding quarter. The higher loss in the current quarter was mainly due to higher administrative expenses and lower progress billings and other operating income from the property development segment. This was partly mitigated by the higher operating profit contribution from an associated company.

	Quarter Ended	
	31-10-2016	31-07-2016
	RM'000	RM'000
<u>Segment Revenue</u>		
Property Development	3,003	2,896
Cultivation of Oil Palm	425	1,068
Investment Holding	269	277
Total	3,697	4,241
<u>Segment Results</u>		
Property Development	(1,007)	(860)
Cultivation of Oil Palm	174	633
Investment Holding	269	277
Total operating profit	(564)	50
Share of profit/ (loss) of an associate	50	(57)
(Loss) / Profit before tax	(514)	(7)

3. Commentary on Prospects

For the financial year ending 31 January 2017, the outlook of property market remains challenging. This is mainly due to inflation and stringent credit approval standard imposed by Bank Negara Malaysia.

Notwithstanding, the Group's newly launched project known as Phase 1 in Taman Puteri and existing on-going Phase 1B in Taman Desa Cinta Sayang are expected to contribute positively to the earnings of the Group for the remaining period of the financial year.

JKG LAND BERHAD
SELECTED EXPLANATORY NOTES

4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial period ended 31 October 2016.

5. Taxation

Tax charged for the current financial period ended 31 October 2016 comprised the followings:-

	Quarter Ended 31-10-2016 RM'000	9-months Cumulative 31-10-2016 RM'000
In respect of the current quarter/ year to date		
-Malaysian income tax	320	4,436

For the 9 months cumulative period and current quarter ended 31 October 2016, 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

There was no corporate proposal that has been announced as at the date of this announcement.

7. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the current financial period under review are as follows :

	As At 31-10-2016 RM'000
Long Term Loan and Borrowings	
- Secured term loan	140,420

8. Realised and Unrealised Profits/Losses

Total retained profits of the Group comprised the following:-

	As At	
	31-10-2016 RM'000	31-10-2015 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	199,900	190,944
- unrealised	16,404	7,771
	<u>216,304</u>	<u>198,715</u>
Total share of retained earnings of an associate		
- realised	1,350	1,363
	<u>217,654</u>	<u>200,078</u>
Add : Consolidation adjustments	3,547	3,995
Total retained earnings as per consolidated accounts	<u>221,201</u>	<u>204,073</u>

JKG LAND BERHAD
SELECTED EXPLANATORY NOTES

9. Material Litigation

There were no material litigations, which would have a material adverse effect on the financial results for the current financial periods under review.

10. Proposed Dividend

No interim dividend was proposed during the current financial quarter under review.

11. Earnings per share attributable to owners of the Company

The basic earnings per share has been calculated by dividing the Group's net 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		9-months Cumulative	
	31-10-2016	31-10-2015	31-10-2016	31-10-2015
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to owners of the Company	(835)	377	10,026	9,611
Weighted average number of ordinary shares in issued	758,310	758,310	758,310	758,310
Basic earnings per share (sen)	(0.11)	0.05	1.32	1.27

12. Notes to the Comprehensive Income Statement

	Quarter Ended	9-months Cumulative
	31-10-2016	31-10-2016
	RM'000	
a) Interest income	214	696
b) Other income	154	2,051
c) Interest expense	-	-
d) Depreciation and amortization	189	562
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) Fair value gain on other investment	-	-
i) Fair value gain/ (loss) on short term investment	-	35
j) Impairment of assets	-	-
k) Foreign exchange gain / (loss)	NA	NA
l) Gain / (Loss) on derivatives	NA	NA
m) Exceptional items	NA	NA