



# JKG LAND BERHAD

(Company No: 154232-K)  
(Incorporated in Malaysia under the Companies Act, 2016)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2018

	(Unaudited) As at 31-Oct-18 RM'000	(Restated) As at 31-Jan-18 RM'000	(Restated) As at 1-Feb-17 RM'000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	23,097	21,524	20,849
Investment property	3,448	3,512	3,597
Investment in an associate	-	-	3,346
Other investments	18	18	18
Inventories	288,283	287,256	234,122
Deferred tax assets	5,029	5,029	3,837
Deposits	8,500	8,500	0
	328,375	325,839	265,769
<b>Current Assets</b>			
Property development costs	187,457	130,703	114,434
Inventories	10,001	10,629	10,288
Trade and other receivables	44,092	23,613	17,039
Current tax assets	3,837	1,879	2,656
Short term investments	2,797	21,681	1,093
Cash and cash equivalents	89,651	110,447	79,759
	337,835	298,952	225,269
<b>TOTAL ASSETS</b>	<u>666,210</u>	<u>624,791</u>	<u>491,038</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Company</b>			
Share capital	231,159	231,159	80,099
Retained earnings	230,196	231,981	220,002
	461,355	463,140	300,101
<b>Non-Controlling Interests</b>	(21)	(5)	8,954
<b>Total Equity</b>	461,334	463,135	309,055
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	15	15	15
Loan and borrowings	114,503	114,503	127,670
	114,518	114,518	127,685
<b>Current Liabilities</b>			
Trade and other payables	19,599	13,605	15,341
Current tax payables	28	3	186
Loan and borrowings	70,731	33,530	38,771
	90,358	47,138	54,298
<b>Total Liabilities</b>	204,876	161,656	181,983
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>666,210</u>	<u>624,791</u>	<u>491,038</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.20	0.20	0.40

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2018 and the accompanying notes attached to the interim financial statements)*



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Period Ended 31 October 2018

	Attributable to owners of the Company			Non-Controlling Interests RM'000	Total Equity RM'000
	Distributable		Total		
	Share Capital RM'000	Retained Earnings RM'000	RM'000		
<b>9 Months Ended 31 October 2018</b>					
At 1 February 2018 ( as previously reported)	231,159	236,198	467,357	(5)	467,352
Effect of first-time MFRS adoption		(4,217)	(4,217)	-	(4,217)
At 1 February 2018 (Restated)	231,159	231,981	463,140	(5)	463,135
Total Comprehensive income for the period	-	490	490	(16)	474
Dividend	-	(2,275)	(2,275)	-	(2,275)
At 31 October 2018	231,159	230,196	461,355	(21)	461,334

For The Financial Period Ended 31 October 2017

	Attributable to owners of the Company			Non-Controlling Interests RM'000	Total Equity RM'000
	Distributable		Total		
	Share Capital RM'000	Retained Earnings RM'000	RM'000		
<b>9 Months Ended 31 October 2017</b>					
At 1 February 2017 ( as previously reported)	80,099	220,002	300,101	8,954	309,055
Effect of first-time MFRS adoption	-	-	-	-	-
At 1 February 2017 (Restated)	80,099	220,002	300,101	8,954	309,055
Total Comprehensive income for the period	-	11,004	11,004	747	11,751
Right Issues	151,662	-	151,662	-	151,662
Dividend	-	(2,275)	(2,275)	-	(2,275)
Acquisition of additional interest in a subsidiary		3,119	3,119	(9,701)	(6,582)
At 31 October 2017 ( Restated)	231,761	231,850	463,611	-	463,611

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# JKG LAND BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Financial Period Ended 31 October 2018

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Oct-18 RM'000	(Restated) Preceding Year Corresponding Quarter 31-Oct-17 RM'000	% + / (-)	Current Year To Date 31-Oct-18 RM'000	(Restated) Preceding Year Corresponding Period 31-Oct-17 RM'000	% + / (-)
Revenue	25,314	14,153	78.9	61,074	53,941	13.2
Cost of sales	(20,771)	(6,962)		(46,499)	(23,717)	
<b>Gross profit</b>	<b>4,543</b>	<b>7,191</b>	<b>(36.8)</b>	<b>14,575</b>	<b>30,224</b>	<b>(51.8)</b>
Selling and marketing expenses	(420)	(411)		(1,108)	(2,468)	
Administrative expenses	(3,201)	(4,413)		(11,572)	(12,903)	
Other operating income	875	1,187		2,230	2,261	
<b>Operating profit</b>	<b>1,797</b>	<b>3,554</b>	<b>(49.4)</b>	<b>4,125</b>	<b>17,114</b>	<b>(75.9)</b>
Share of results of an associate	-	-		-	25	
<b>Profit before interest and tax</b>	<b>1,797</b>	<b>3,554</b>	<b>(49.4)</b>	<b>4,125</b>	<b>17,139</b>	<b>(75.9)</b>
Finance income	527	917		1,839	1,799	
Finance cost	(1,144)	-		(3,524)	-	
<b>Profit before tax</b>	<b>1,180</b>	<b>4,471</b>	<b>(73.6)</b>	<b>2,440</b>	<b>18,938</b>	<b>(87.1)</b>
Tax expenses	(484)	(1,746)		(1,966)	(7,187)	
<b>Profit and total comprehensive income for the period</b>	<b>696</b>	<b>2,725</b>	<b>(74.5)</b>	<b>474</b>	<b>11,751</b>	<b>(96.0)</b>
<b>Profit and total comprehensive income for the period attributable to :</b>						
Owners of the Company	705	2,721	(74.1)	490	11,004	(95.5)
Non-controlling interests	(9)	4		(16)	747	
<b>Profit and total comprehensive income for the period</b>	<b>696</b>	<b>2,725</b>	<b>(74.5)</b>	<b>474</b>	<b>11,751</b>	<b>(96.0)</b>
	<b>Sen</b>	<b>Sen</b>		<b>Sen</b>	<b>Sen</b>	
<b>Basic earnings per share</b>	<b>0.03</b>	<b>0.12</b>	<b>(75.0)</b>	<b>0.02</b>	<b>0.59</b>	<b>(96.6)</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2018 and the accompanying notes attached to the interim financial statements)



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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For The Financial Period Ended 31 October 2018

	Current period to 31-Oct-2018 RM'000	(Restated) Preceding period to 31-Oct-2017 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,440	18,938
Adjustment for :		
Share of results of an associate	-	(25)
Depreciation of property, plant and equipment	1,270	1,924
Depreciation of investment property	64	64
Interest income	(1,839)	(1,799)
Gain on redemption of short term fund	(13)	-
Dividend received	(1)	(1)
Fair value adjustment on short term investment	(196)	(18)
Operating profit before changes in working capital	1,725	19,083
Changes in working capital		
Property development costs	(12,182)	(22,795)
Inventories	628	440
Trade and other receivables	(20,471)	(9,024)
Trade and other payables	5,994	1,297
	(26,031)	(30,082)
Cash used in operating activities	(24,306)	(10,999)
Tax paid	(3,899)	(3,073)
Net cash used in operating activities	(28,205)	(14,072)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment	(2,843)	(1,397)
Additions to non-current inventories	(4,519)	(29,939)
Redemption of short term investments	4,080	(60,000)
Accretion of interest in an existing subsidiary	-	(6,582)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(41,088)	(10,923)
Interest received	1,839	1,799
Gain on redemption of short term fund	13	-
Dividend received	1	1
Withdrawal of fixed deposits-aged more than 3 months	15,000	(15,000)
Net cash used in investing activities	(27,517)	(122,041)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of term loans and borrowings	37,201	(9,271)
Dividend paid to shareholders of the company	(2,275)	(2,275)
Proceeds from right issues	-	151,662
Net cash (used in)/ from investing activities	34,926	140,116
Net (decrease)/increase in cash and cash equivalents	(20,796)	4,003
Cash and cash equivalents at beginning of the period	110,447	79,759
Cash and cash equivalents at end of the period	<b>89,651</b>	<b>83,762</b>
<b>Cash and cash equivalents at end of the period comprised of :</b>		
Fixed Deposit Placed With Licensed Banks-aged within 3 months	65,342	44,343
Cash and Bank Balances	24,309	39,419
	<b>89,651</b>	<b>83,762</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2018 and the accompanying notes attached to the interim financial statements)*

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**SELECTED EXPLANATORY NOTES****PART A : Explanatory notes pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134****1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and other MFRSs issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 January 2018 which have been prepared in accordance with the Financial Reporting Standards (“FRSs”) and the Companies Act 2016. These explanatory notes attached to the condensed consolidated interim financial statements provide 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 2018.

**2. Accounting Policies**

The significant accounting policies, method of computation and basis of consolidation applied in the consolidated condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2018, except for the adoption of MFRS framework effective for the financial period beginning on 1 February 2018.

The Group falls within the scope of Transitioning Entities and has opted to defer adoption of the new MFRS framework. Accordingly, the Group is required to prepare financial statements using the MFRS framework in its first MFRS financial statements for the financial year ending 31 January 2019. These consolidated condensed interim financial statements are part of the period covered by the Group’s first MFRS annual financial statements for the financial year ending 31 January 2019 and hence MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS 1”) has been applied. Comparative figures, where applicable, have been restated as result of transition to MFRS framework.

The effects on the adoption of MFRS framework are as follows:

**MFRS 9, Financial Instruments**

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in FRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognized.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

**MFRS 141, Agriculture and Amendments to MFRS 116 and MFRS 141, Agriculture : Bearer Plants**

MFRS 141 requires biological assets, except for bearer plants to be measured at fair value less costs to sell from initial recognition up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. This standard requires subsequent change in fair value less costs to sell of biological asset be included in profit or loss for the period which it arises.

Based on the assessment, the Group does not expect the application of MFRS 141 to have significant financial impact on the interim financial statements.

**MFRS 15, Revenue from Contracts with Customers**

MFRS 15 established a five-step model to account for revenue arising from using contracts with customers. The core principle in MFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.



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## SELECTED EXPLANATORY NOTES

### 2. Accounting Policies (cont'd.) MFRS 15, Revenue from Contracts with Customers (cont'd)

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables:

(i) There is no impact on the condensed consolidated statement of financial position as at 1 February 2017 :

	Audited as at 1-Feb-17 RM'000	Effect of MFRS 15 RM'000	Restated as at 1-Feb-17 RM'000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	20,849		20,849
Investment property	3,597		3,597
Investment in an associate	3,346		3,346
Other investments	18		18
Inventories	234,122		234,122
Deferred tax assets	3,837		3,837
	265,769		265,769
<b>Current Assets</b>			
Property development costs	114,434		114,434
Inventories	10,288		10,288
Trade and other receivables	17,039		17,039
Current tax assets	2,656		2,656
Short term investments	1,093		1,093
Cash and cash equivalents	79,759		79,759
	225,269		225,269
<b>TOTAL ASSETS</b>	<b>491,038</b>		<b>491,038</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Company</b>			
Share capital	80,099		80,099
Retained earnings	220,002		220,002
	300,101		300,101
<b>Non-Controlling Interests</b>	<b>8,954</b>		<b>8,954</b>
<b>Total Equity</b>	<b>309,055</b>		<b>309,055</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	15		15
Loan and borrowings	127,670		127,670
	127,685		127,685
<b>Current Liabilities</b>			
Trade and other payables	15,341		15,341
Current tax payables	186		186
Loan and borrowings	38,771		38,771
	54,298		54,298
<b>Total Liabilities</b>	<b>181,983</b>		<b>181,983</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>491,038</b>		<b>491,038</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>0.40</b>		<b>0.40</b>



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## SELECTED EXPLANATORY NOTES

### 2. Accounting Policies (cont'd.) MFRS 15, Revenue from Contracts with Customers (cont'd)

(ii) Impact on the condensed consolidated statement of financial position as at 31 January 2018 :

	Audited as at 31-Jan-18 RM'000	Effect of MFRS 15 RM'000	Restated as at 31-Jan-18 RM'000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	21,524		21,524
Investment property	3,512		3,512
Investment in an associate	0		0
Other investments	18		18
Inventories	287,256		287,256
Deferred tax assets	5,029		5,029
Deposits	8,500		8,500
	325,839		325,839
<b>Current Assets</b>			
Property development costs	134,920	(4,217)	130,703
Inventories	10,629		10,629
Trade and other receivables	23,613		23,613
Current tax assets	1,879		1,879
Short term investments	21,681		21,681
Cash and cash equivalents	110,447		110,447
	303,169		298,952
<b>TOTAL ASSETS</b>	<b>629,008</b>		<b>624,791</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Company</b>			
Share capital	231,159		231,159
Retained earnings	236,198	(4,217)	231,981
	467,357		463,140
<b>Non-Controlling Interests</b>	<b>(5)</b>		<b>(5)</b>
<b>Total Equity</b>	<b>467,352</b>		<b>463,135</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	15		15
Loan and borrowings	114,503		114,503
	114,518		114,518
<b>Current Liabilities</b>			
Trade and other payables	13,605		13,605
Current tax payables	3		3
Loan and borrowings	33,530		33,530
	47,138		47,138
<b>Total Liabilities</b>	<b>161,656</b>		<b>161,656</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>629,008</b>		<b>624,791</b>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<b>0.21</b>		<b>0.20</b>

**SELECTED EXPLANATORY NOTES**
**2. Accounting Policies (cont'd.)**
**MFRS 15, Revenue from Contracts with Customers (cont'd)**

(iii) There is no impact on the condensed consolidated income statement for the 9 months period ended 31 October 2017 :

	9 months ended 31-Oct-17 RM'000	Effect of MFRS 15 RM'000	Restated 9 months ended 31 Oct-17 RM'000
<b>Revenue</b>	53,941		53,941
Cost of sales	(23,717)		(23,717)
<b>Gross profit</b>	30,224		30,224
Selling and marketing expenses	(2,468)		(2,468)
Administrative expenses	(12,903)		(12,903)
Other operating income	2,261		2,261
<b>Operating profit</b>	17,114		17,114
Share of results of an associate	25		25
<b>Profit before interest and tax</b>	17,139		17,139
Finance income	1,799		1,799
Finance cost	-		-
<b>Profit before tax</b>	18,938		18,938
Tax expenses	(7,187)		(7,187)
<b>Profit and total comprehensive income for the period</b>	<u>11,751</u>		<u>11,751</u>
<b>Profit and total comprehensive income for the period attributable to :</b>			
Owners of the Company	11,004		11,004
Non-controlling interests	747		747
	<u>11,751</u>		<u>11,751</u>
<b>Basic earnings per share</b>	<b>Sen</b> 0.59		<b>Sen</b> 0.59

**3. Audit Report Qualification and Status**

The financial statements of the Group for the financial year ended 31 January 2018 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.





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### SELECTED EXPLANATORY NOTES

#### 6. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year that have a material effect for the current financial period under review except the followings :-

During the financial period under review, the Group conducted an operational efficiency review at its Building, which resulted in changes in expected useful life estimate of its sales gallery. The sales gallery which management previously estimated to use for five years, is now expected to remain in use for ten years from the current financial year ending 31 January 2019. The effect of this change on depreciation expense, recognized in administrative expenses in the current financial quarter and period is as follows :

	<b>Quarter Ended 31-10-2018 RM'000</b>	<b>9-months Cumulative 31-10-2018 RM'000</b>
Decrease in depreciation expense	(998)	(998)

#### 7. Debt & Equity Securities, Share Buy-Backs and Treasury Shares

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the financial period under review.

#### 8. Dividend Paid

The first and final single tier dividend of 0.1 sen per share on 2,274,930,000 ordinary shares amounting to RM2,274,930 in respect of the financial year ended 31 January 2018 was approved by the shareholders during the Annual General Meeting on 11 July 2018 and was paid on 16 August 2018.

#### 9. Segmental Information

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)
Others:	Operations related to investment holdings and provision of management services

<b>9 months ended 31 October 2018</b>	<b>Property Development RM'000</b>	<b>Cultivation of Oil Palm RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
<b>Segment Revenue</b>	58,750	1,354	970	61,074
<b>Segment Result</b>				
<b>Operating profit before tax</b>	2,540	615	970	4,125
Share of results of an associate				-
<b>Profit before interest and tax</b>				4,125
Finance income				1,839
Finance costs				(3,524)
<b>Profit before tax</b>				2,440
Tax expense				(1,966)
<b>Profit after tax</b>				<b>474</b>
<b>Segment assets</b>	652,798	9,951	3,461	666,210
Investment in associates				-
<b>Total assets</b>				<b>666,210</b>



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### SELECTED EXPLANATORY NOTES

#### 9. Segmental Information (cont'd.)

9 months ended 31 October 2017 (restated)	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	51,510	1,585	846	53,941
<b>Segment Result</b>				
Operating profit before tax	15,324	944	846	17,114
Share of results of an associate				25
Profit before interest and tax				17,139
Finance income				1,799
Finance costs				-
Profit before tax				18,938
Tax expense				(7,187)
Profit after tax				11,751
Segment assets	626,649	10,056	3,541	640,246
Investment in associates				-
Total assets				640,246

#### 10. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment carried out during the current financial period ended 31 October 2018.

#### 11. Material Subsequent Event

There were no material events subsequent to the financial year ended 31 October 2018.

#### 12. Changes in the Composition of the Group

On 10 August 2018, the Company acquired 2 ordinary shares, representing 100% of the issued and paid-up share capital in Modern Plus Sdn Bhd ["MPSB"] for a total cash consideration of RM2.00 only. Following the acquisition, MPSB has become a wholly-owned subsidiary of the Company.

#### 13. Contingent Liabilities

There were no material contingent liabilities for the Group since the preceding financial year ended 31 January 2018.

#### 14. Capital Commitments

There were no capital commitments for the Group as at 31 October 2018.

#### 15. Related Party Transaction

The Company had on 27 August 2018 entered into a Sale and Purchase Agreement ("SPA") amounted to RM3,799,792.00 with a person connected to a director and shareholder ("Related Party") for the sale of two units of one and a half storey semi-detached factories from its property development project known as "Taman Industri Makmur ("Taman IM") (Kulim, Kedah). The sales consideration for the property is based on standard terms and pricing applicable to the general public which is on normal commercial terms and subject to the Company's employee discount policy for employees and directors of the Company, if any.

**SELECTED EXPLANATORY NOTES**
**Part B : Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**
**1. Performance Review**

For the current financial quarter and financial period, the Group posted a revenue of RM25.314 million and RM61.074 million, an increase of 78.9% and 13.2% respectively over the corresponding quarter and period of the preceding year mainly contributed by the property development segment. The Group's pre-tax profit for the current financial quarter and financial period stood at a profit before tax ("PBT") of RM1.180 million and RM2.440 million, a drop of 73.6% and 87.1% respectively compared to the preceding year's corresponding quarter and period. The lower PBT was mainly due to lower revenue from the Northern region and higher finance costs incurred on term loans taken to fund the project development activities in the Central region

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

	Quarter ended 31 October			9-months ended 31 October		
	2018	2017 (restated)	%	2018	2017 (restated)	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
<b>Segment Revenue</b>						
Property Development	24,592	13,390	83.7	58,750	51,510	14.1
Cultivation of Oil Palm	381	473	(19.5)	1,354	1,585	(14.6)
Others	341	290	17.6	970	846	14.7
<b>Total</b>	<b>25,314</b>	<b>14,153</b>	<b>78.9</b>	<b>61,074</b>	<b>53,941</b>	<b>13.2</b>
<b>Segment Results</b>						
Property Development	1,331	2,968	(55.2)	2,540	15,324	(83.4)
Cultivation of Oil Palm	125	296	(57.8)	615	944	(34.9)
Others	341	290	17.6	970	846	14.7
<b>Total operating profit</b>	<b>1,797</b>	<b>3,554</b>	<b>(49.4)</b>	<b>4,125</b>	<b>17,114</b>	<b>(75.9)</b>
Share of results of an associate	-	-		-	25	
<b>Profit before interest and tax</b>	<b>1,797</b>	<b>3,554</b>	<b>(49.4)</b>	<b>4,125</b>	<b>17,139</b>	<b>(75.9)</b>
Finance income	527	917		1,839	1,799	
Finance costs	(1,144)	-		(3,524)	-	
<b>Profit before tax</b>	<b>1,180</b>	<b>4,471</b>	<b>(73.6)</b>	<b>2,440</b>	<b>18,938</b>	<b>(87.1)</b>
Tax expense	(484)	(1,746)		(1,966)	(7,187)	
<b>Profit after tax</b>	<b>696</b>	<b>2,725</b>	<b>(74.5)</b>	<b>474</b>	<b>11,751</b>	<b>(96.0)</b>
Non-controlling interests	9	(4)		16	(747)	
<b>Profit attributable to owners of the Company</b>	<b>705</b>	<b>2,721</b>	<b>(74.1)</b>	<b>490</b>	<b>11,004</b>	<b>(95.5)</b>

**a) Property Development**

	Quarter ended 31 October			9-months ended 31 October		
	2018	2017 (restated)	%	2018	2017 (restated)	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
<b>Revenue</b>	<b>24,592</b>	<b>13,390</b>	<b>83.7</b>	<b>58,750</b>	<b>51,510</b>	<b>14.1</b>
Cost of sales	(20,515)	(6,785)		(45,760)	(23,076)	
Gross profit	4,077	6,605		12,990	28,434	
Selling and marketing expenses	(420)	(411)		(1,108)	(2,468)	
Administrative expenses	(3,201)	(4,413)		(11,572)	(12,903)	
Other operating income	875	1,187		2,230	2,261	
<b>Operating profit/(loss)</b>	<b>1,331</b>	<b>2,968</b>	<b>(55.2)</b>	<b>2,540</b>	<b>15,324</b>	<b>(83.4)</b>



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**SELECTED EXPLANATORY NOTES****1. Performance Review (cont'd)****a) Property Development (cont'd.)**

For the current financial quarter, the segment posted an improved revenue of RM24.592 million compared to RM13.390 million in the preceding year's corresponding quarter was largely attributable to higher work progress and sales from The ERA, Kuala Lumpur. Other projects that contributed to the Group's results included residential development in Phase 1 of Taman Puteri, Padang Serai Kedah, single storey shop development in Phase 5 of Taman Lagenda, Padang Serai Kedah and small medium industry ("SMI") factory development in Taman Industry Makmur and Taman Industry Sepakat of Lunas Kedah.

The operating results for the current financial quarter and financial period were however lower by 55.2% and 83.4% respectively compared to the preceding year's corresponding quarter and period mainly due to lower sales and revenue from the Northern region and higher costs recorded during the earlier stage of development for The ERA, Kuala Lumpur.

**b) Cultivation of oil palm**

For the current financial quarter, both revenue and operating results decreased by 19.5% and 57.8% respectively as compared to the preceding year's corresponding quarter. For the current financial period, this segment recorded a drop of 14.6% in revenue and 34.9% in operating results compared to preceding year's corresponding period. This was mainly due to lower commodity prices as a result of adverse market supply and demand conditions despite increased sales volume of Fresh Fruit Bunch (FFB) by 9% over the preceding year's corresponding quarter and period.

**c) Others**

The revenue and operating profit from others segment comprised mainly rental income and management services income for the Group. The revenue and operating profit, both registered an increase of 17.6% for the current financial quarter and an increase of 14.7% for the current financial period as compared to the preceding year's corresponding quarter and period. This was mainly due to new lettings during the current financial period, and provision of management services to third party during the current financial quarter.

**2. Material Changes in Profit Before Tax for Quarter Reported On as Compared to the Immediate Preceding Quarter**

The Group registered revenue of RM25.314 million, an improvement by 74.8% compared with RM14.480 million reported in the immediate preceding quarter. This has improved the PBT of the Group to RM0.142 million for the quarter under review from a pre-tax loss of RM0.844 million reported in the preceding quarter. Higher revenue and PBT were mainly due to contribution from the property development segment.



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### SELECTED EXPLANATORY NOTES

#### 3. Material Changes in Profit Before Tax for Quarter Reported On as Compared to the Immediate Preceding Quarter (cont'd.)

	Quarter Ended		%
	31-10-2018	31-07-2018	
	RM'000	RM'000	+ / (-)
<b>Segment Revenue</b>			
Property Development	24,592	13,722	79.2
Cultivation of Oil Palm	381	419	(9.1)
Investment Holding	341	339	0.6
<b>Total</b>	<b>25,314</b>	<b>14,480</b>	<b>74.8</b>
<b>Segment Results</b>			
Property Development	1,331	(497)	367.8
Cultivation of Oil Palm	125	164	(23.8)
Investment Holding	341	339	0.6
<b>Total operating profit</b>	<b>1,797</b>	<b>6</b>	<b>29,850.0</b>
Share of results of an associate	-	-	
<b>Profit before interest and tax</b>	<b>1,797</b>	<b>6</b>	<b>28,850.0</b>
Finance income	527	395	33.4
Finance costs	(1,144)	(1,245)	8.1
<b>Profit before tax</b>	<b>1,180</b>	<b>(844)</b>	<b>239.8</b>
Tax expense	(484)	(390)	
<b>Profit after tax</b>	<b>696</b>	<b>(1,234)</b>	<b>156.4</b>
Non-controlling interests	9	6	
<b>Profit attributable to owners of the Company</b>	<b>705</b>	<b>(1,228)</b>	<b>157.4</b>

#### Property Development Segment

	Quarter Ended		%
	31-10-2018	31-07-2018	
	RM'000	RM'000	+ / (-)
<b>Revenue</b>	24,592	13,722	79.2
Cost of sales	(20,515)	(10,658)	
Gross profit	4,077	3,064	33.1
Selling and marketing expenses	(420)	(247)	70.0
Administrative expenses	(3,201)	(4,019)	20.4
Other operating income	875	705	24.1
<b>Operating profit</b>	<b>1,331</b>	<b>(497)</b>	<b>367.8</b>

The property development segment posted a higher revenue and operating profit for the current quarter mainly due higher work progress and sales from existing on-going projects, The ERA, Taman Puteri, Taman Lagenda and the newly launched small medium industry (“SMI”) factory development in Taman Industry Makmur and Taman Industry Sepakat.



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### SELECTED EXPLANATORY NOTES

#### 3. Commentary on Prospects

The local property market is expected to remain challenging in the remaining period of FY2019 with the key issues of price affordability, the overhang of high priced properties, rising cost of living and tight financing continue to have a dampening effect. Nevertheless, the Group stands to benefit from the favourable measures for first-time home-buyers under Budget 2019 such as stamp duty waiver for the first RM300,000 on the instrument of transfer and loan agreement for houses priced up to RM500,000 for a period of two years until December 2020 as well as the National Home Ownership Campaign which exempt stamp duty on the instrument of transfer for residential properties priced between RM300,000 and RM1 million for a duration of six months starting from January 2019.

The Group views that products with unique value propositions, strategic location and attractive price offering schemes will continue to attract potential sales. Moving forward, the Group will continue to focus on market-driven products and unlock the value of its landbank, at strategic locations across the Klang Valley and Northern Region.

Under the current subdued circumstances, the Board is of the view that the Group will continue to deliver satisfactory performance for the last quarter of FY2019.

#### 4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial year ended 31 October 2018.

#### 5. Taxation

Tax charged for the current quarter and financial period ended 31 October 2018 comprised the followings:-

	<b>Quarter Ended 31-10-2018 RM'000</b>	<b>9-months Cumulative 31-10-2018 RM'000</b>
In respect of the current quarter/ year to-date Malaysian income tax	484	1,966

For the current quarter and financial period ended 31 October 2018, the effective tax rate of the group is higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purposes and losses in certain subsidiaries which 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

As at 31 October 2018, there were no outstanding corporate proposals.



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### SELECTED EXPLANATORY NOTES

#### 7. Status of Utilisation of Right Issue Proceeds

The Company had raised RM151.662 million cash (“Proceeds”) via its Rights Issue exercise which was completed on 21 April 2017. The following is the status of Utilisation of Proceeds :

Purpose	Amount approved for utilisation RM'mil	Actual utilisation RM'mil	Balance unutilized RM'mil	Intended timeframe for utilisation	Deviation		Explanation
					RM'mil	%	
Finance property development projects and expansion plan	115.0	(98.4)	16.6	April 2021	N/A	N/A	-
Repayment of short term bank borrowings	25.0	(25.0)		April 2018	N/A	N/A	-
Working capital	10.7	(10.7)		October 2018	N/A	N/A	-
Defray estimated expenses relating to the Rights Issue	1.0	(0.8)	0.2	July 2017	0.2	20	Balance unutilized due to over estimated expenses relating to Rights Issue, will be used for financing property development projects and expansion plan.
<b>Total</b>	<b>151.7</b>	<b>(134.9)</b>	<b>16.8</b>				

#### 8. 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 31-10-2018		
	Long term RM'000	Short term RM'000	Total RM'000
Secured Term loans	114,503	70,731	185,234

#### 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

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



## JKG LAND BERHAD

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### SELECTED EXPLANATORY NOTES

#### 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	
	31-10-2018	31-10-2017 (restated)	31-10-2018	31-10-2017 (restated)
Net profit/(loss) attributable to owners of the Company (RM'000)	705	2,721	490	11,004
Weighted average number of ordinary shares in issued ('000)	2,274,930	2,274,930	2,274,930	1,850,211
Basic earnings/(loss) per share (sen)	0.03	0.12	0.02	0.59

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 31 October 2018.

#### 12. Notes to the Comprehensive Income Statement

	Quarter Ended	9-months Cumulative
	31-10-2018 RM'000	31-10-2018 RM'000
a) Interest income	527	1,839
b) Other income	875	2,230
c) Interest expense	1,144	3,524
d) Depreciation and amortization	3	1,334
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/ (loss) on short term investment	36	196
i) Impairment of assets	-	-
j) Foreign exchange gain / (loss)	-	-
k) Gain / (Loss) on derivatives	NA	NA
l) Exceptional items	NA	NA