



JKG LAND BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2019

	(Unaudited) As at 31-Jan-19 RM'000	(Restated) As at 31-Jan-18 RM'000	(Restated) As at 1-Feb-17 RM'000
Assets			
Non-Current Assets			
Property, plant and equipment	23,786	21,524	20,849
Investment property	44,506	3,512	3,597
Investment in an associate	-	-	3,345
Other investments	18	18	18
Inventories	287,480	287,256	234,122
Deferred tax assets	8,746	6,252	4,193
Deposits	8,500	8,500	-
	373,036	327,062	266,124
Current Assets			
Inventories	150,337	132,301	123,089
Contract asset	26,285	3,937	5,836
Contract cost	30,010	12,654	151
Trade and other receivables	16,773	16,674	11,203
Current tax assets	2,187	1,879	2,657
Short term investments	1,829	21,681	1,093
Cash and cash equivalents	75,910	110,447	79,759
	303,331	299,573	223,788
TOTAL ASSETS	676,367	626,635	489,912
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Company			
Share capital	231,159	231,159	80,099
Retained earnings	231,487	231,679	218,876
	462,646	462,838	298,975
Non-Controlling Interests	(42)	(5)	8,954
Total Equity	462,604	462,833	307,929
Non-Current Liabilities			
Deferred tax liabilities	15	15	15
Loan and borrowings	69,003	114,503	127,670
	69,018	114,518	127,685
Current Liabilities			
Trade and other payables	22,315	13,605	15,341
Contract liabilities	4,473	2,146	-
Current tax payables	45	3	186
Loan and borrowings	117,912	33,530	38,771
	144,745	49,284	54,298
Total Liabilities	213,763	163,802	181,983
TOTAL EQUITY AND LIABILITIES	676,367	626,635	489,912
Net assets per share attributable to equity holders of the parent (RM)	0.20	0.20	0.39

(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)



JKG LAND BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 January 2019

	Attributable to owners of the Company			Non-Controlling Interests RM'000	Total Equity RM'000
	Distributable				
	Share Capital RM'000	Retained Earnings RM'000	Total RM'000		
12 Months Ended 31 January 2019					
At 1 February 2018 (as previously reported)	231,159	236,198	467,357	(5)	467,352
Effect of first-time MFRS adoption		(4,519)	(4,519)	-	(4,519)
At 1 February 2018 (Restated)	231,159	231,679	462,838	(5)	462,833
Total Comprehensive income for the period	-	2,083	2,083	(37)	2,046
Dividend	-	(2,275)	(2,275)	-	(2,275)
At 31 January 2019	231,159	231,487	462,646	(42)	462,604

For The Financial Year Ended 31 January 2018

	Attributable to owners of the Company			Non-Controlling Interests RM'000	Total Equity RM'000
	Distributable				
	Share Capital RM'000	Retained Earnings RM'000	Total RM'000		
12 Months Ended 31 January 2018					
At 1 February 2017 (as previously reported)	80,099	220,002	300,101	8,954	309,055
Effect of first-time MFRS adoption	-	(1,126)	(1,126)	-	(1,126)
At 1 February 2017 (Restated)	80,099	218,876	298,975	8,954	307,929
Total Comprehensive income for the period	-	11,959	11,959	697	12,656
Right Issues	151,060	-	151,060	-	151,060
Dividend	-	(2,275)	(2,275)	-	(2,275)
Acquisition of a subsidiary	-	-	-	45	45
Acquisition of additional interest in a subsidiary	-	3,119	3,119	(9,701)	(6,582)
At 31 January 2018 (Restated)	231,159	231,679	462,838	(5)	462,833

(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 COMPREHENSIVE INCOME For The Financial Period Ended 31 January 2019

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Jan-19 RM'000	Preceding Year Corresponding Quarter 31-Jan-18 RM'000	% + / (-)	Current Year To Date 31-Jan-19 RM'000	Preceding Year Corresponding Period 31-Jan-18 RM'000	% + / (-)
Revenue	15,525	19,287	(19.5)	76,599	73,228	4.6
Cost of sales	(9,295)	(14,085)		(55,794)	(37,802)	
Gross profit	6,230	5,202	19.8	20,805	35,426	(41.3)
Selling and marketing expenses	(443)	(828)		(1,551)	(3,296)	
Administrative expenses	(5,031)	(2,686)		(16,603)	(15,589)	
Other operating income	504	1,251		2,734	3,512	
Operating profit	1,260	2,939	(57.1)	5,385	20,053	(73.1)
Share of results of an associate	-	-		-	25	
Profit before interest and tax	1,260	2,939	(57.1)	5,385	20,078	(73.2)
Finance income	736	775		2,575	2,574	
Finance cost	(1,682)	(4,461)		(5,206)	(4,461)	
Profit / (Loss) before tax	314	(747)	142.0	2,754	18,191	(84.9)
Tax expenses	1,258	1,652		(708)	(5,535)	
Profit and total comprehensive income for the period	1,572	905	73.7	2,046	12,656	(83.8)
Profit and total comprehensive income for the period attributable to :						
Owners of the Company	1,593	955	66.8	2,083	11,959	(82.6)
Non-controlling interests	(21)	(50)		(37)	697	
Profit and total comprehensive income for the period	1,572	905	73.7	2,046	12,656	(83.8)
	Sen	Sen		Sen	Sen	
Basic earnings per share	0.07	0.04	66.8	0.09	0.61	(85.0)

(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 January 2019

	Current year to 31-Jan-2019 RM'000	(Restated) Preceding year to 31-Jan-2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,754	18,191
Adjustment for :		
Share of results of an associate	-	(25)
Depreciation of property, plant and equipment	1,994	2,555
Depreciation of investment property	85	85
Interest income	(2,575)	(2,574)
Gain on redemption of short term fund	(13)	-
Dividend received	(1)	(1)
Fair value adjustment on short term investment	(228)	(543)
Operating profit before changes in working capital	2,016	17,688
Changes in working capital		
Inventories	(18,036)	(11,185)
Contract assets	(22,348)	1,899
Contract cost	(17,356)	(12,503)
Trade and other receivables	(90)	(5,471)
Trade and other payables	8,710	1,736
Contract liabilities	2,327	(2,146)
	(46,793)	(27,670)
Cash used in operating activities	(44,777)	(9,982)
Tax paid	(3,468)	(6,837)
Net cash used in operating activities	(48,245)	(16,819)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(4,256)	(3,230)
Additions to non-current inventories	(224)	(38,983)
Deposits paid for land acquisition	-	(5,500)
Redemption of short term investments	5,080	(5,045)
Accretion of interest in an existing subsidiary	-	(6,582)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(41,088)	(11,105)
Interest received	2,575	2,574
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	(22,899)	(82,870)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of term loans and borrowings	38,882	(18,408)
Dividend paid to shareholders of the company	(2,275)	(2,275)
Share issue expenses paid	-	(602)
Proceeds from right issues	-	151,662
Net cash (used in)/ from investing activities	36,607	130,377
Net (decrease)/increase in cash and cash equivalents	(34,537)	30,688
Cash and cash equivalents at beginning of the period	110,447	79,759
Cash and cash equivalents at end of the period	75,910	110,447

Cash and cash equivalents at end of the period comprised of :

Fixed Deposit Placed With Licensed Banks-aged within 3 months	64,550	43,286
Cash and Bank Balances	11,360	67,161
	75,910	110,447

(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)

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) 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
Assets			
Non-Current Assets			
Property, plant and equipment	20,849		20,849
Investment property	3,597		3,597
Investment in an associate	3,345		3,345
Other investments	18		18
Inventories	234,122		234,122
Deferred tax assets	3,837	356	4,193
	265,768		266,124
Current Assets			
Inventories	124,722	(1,633)	123,089
Contract assets	-	5,836	5,836
Contract cost	-	151	151
Trade and other receivables	17,039	(5,836)	11,203
Current tax assets	2,657		2,657
Short term investments	1,093		1,093
Cash and cash equivalents	79,759		79,759
	225,270		223,788
TOTAL ASSETS	491,038		489,912
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Company			
Share capital	80,099		80,099
Retained earnings	220,002	(1,126)	218,876
	300,101		298,975
Non-Controlling Interests	8,954		8,954
Total Equity	309,055		307,929
Non-Current Liabilities			
Deferred tax liabilities	15		15
Loan and borrowings	127,670		127,670
	127,685		127,685
Current Liabilities			
Trade and other payables	15,341		15,341
Contract liabilities	-		-
Current tax payables	186		186
Loan and borrowings	38,771		38,771
	54,298		54,298
Total Liabilities	181,983		181,983
TOTAL EQUITY AND LIABILITIES	491,038		491,912
Net assets per share attributable to equity holders of the parent (RM)	0.40		0.39



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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
Assets			
Non-Current Assets			
Property, plant and equipment	21,524		21,524
Investment property	3,512		3,512
Other investments	18		18
Inventories	287,256		287,256
Deferred tax assets	5,029	1,223	6,252
Deposits	8,500		8,500
	325,839		327,062
Current Assets			
Inventories	145,549	(13,248)	132,301
Contract asset	-	3,937	3,937
Contract cost	-	12,654	12,654
Trade and other receivables	23,613	(6,939)	16,674
Current tax assets	1,879		1,879
Short term investments	21,681		21,681
Cash and cash equivalents	110,447		110,447
	303,169		299,573
TOTAL ASSETS	629,008		626,635
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Company			
Share capital	231,159		231,159
Retained earnings	236,198	(4,519)	231,679
	467,357		462,838
Non-Controlling Interests	(5)		(5)
Total Equity	467,352		462,833
Non-Current Liabilities			
Deferred tax liabilities	15		15
Loan and borrowings	114,503		114,503
	114,518		114,518
Current Liabilities			
Trade and other payables	13,605		13,605
Contract liabilities	-	2,146	2,146
Current tax payables	3		3
Loan and borrowings	33,530		33,530
	47,138		49,284
Total Liabilities	161,656		163,802
TOTAL EQUITY AND LIABILITIES	629,008		626,635
Net assets per share attributable to equity holders of the parent (RM)	0.21		0.20

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

(iii) Impact on the condensed consolidated income statement for the year ended 31 January 2018 :

	Year ended 31-Jan-18 RM'000	Effect of MFRS 15 RM'000	Restated Year ended 31 Jan18 RM'000
Revenue	78,376	(5,148)	73,228
Cost of sales	(42,666)	4,864	(37,802)
Gross profit	35,710	(284)	35,426
Selling and marketing expenses	(3,296)		(3,296)
Administrative expenses	(16,073)	484	(15,589)
Other operating income	3,512		3,512
Operating profit	19,853	200	20,053
Share of results of an associate	25		25
Profit before interest and tax	19,878	200	20,078
Finance income	2,574		2,574
Finance cost	-	(4,461)	(4,461)
Profit before tax	22,452	(4,261)	18,191
Tax expenses	(6,403)	868	(5,535)
Profit and total comprehensive income for the period	16,049	(3,393)	12,656
Profit and total comprehensive income for the period attributable to :			
Owners of the Company	15,352		11,959
Non-controlling interests	697		697
	16,049		12,656
Basic earnings per share	Sen 0.78		Sen 0.61

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.

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.

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.



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SELECTED EXPLANATORY NOTES

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

12 months ended 31 January 2019	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	73,601	1,717	1,281	76,599

Segment Result

Operating profit before tax	3,381	723	1,281	5,385
Share of results of an associate				-
Profit before interest and tax				5,385
Finance income				2,575
Finance costs				(5,206)
Profit before tax				2,754
Tax expense				(708)
Profit after tax				2,046
Segment assets	662,993	9,941	3,433	676,367
Investment in associates				-
Total assets				676,367

12 months ended 31 January 2018 (restated)	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	69,906	2,194	1,128	73,228

Segment Result

Operating profit before tax	17,695	1,230	1,128	20,053
Share of results of an associate				25
Profit before interest and tax				20,078
Finance income				2,574
Finance costs				(4,461)
Profit before tax				18,191
Tax expense				(5,535)
Profit after tax				12,656
Segment assets	613,097	10,026	3,512	626,635
Investment in associates				-
Total assets				626,635



SELECTED EXPLANATORY NOTES

10. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment carried out during the current financial year ended 31 January 2019.

11. Material Subsequent Event

There were no material events subsequent to the financial year ended 31 January 2019.

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, and undertook to assume the liability amount of RM41,143,635.00 owing by MPSB to the Vendor based on MPSB’s audited financial statements for the financial year ended 31 March 2018. 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 as at 31 January 2019.

14. Capital Commitments

There were no capital commitments for the Group as at 31 January 2019.

15. Related Party Transaction

The Company had on 27 August 2018 entered into a Sale and Purchase Agreement (“SPA”) amounting 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.



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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 year, the Group posted a revenue of RM15.525 million and RM76.599 million, a decline of 19.5% and an improvement of 4.6% respectively over the preceding corresponding quarter and financial year mainly contributed by the property development segment. The Group's pre-tax profit for the current financial quarter and financial year recorded a PBT of RM0.314 million and RM2.754 million, an improvement of 142.0% and a decline of 84.9% respectively compared to the preceding corresponding quarter and financial year. The higher revenue for the financial year was mainly due to improved sales from the ERA, Kuala Lumpur. However, lower PBT for the current financial year was mainly due to relatively lower margin, higher administrative expenses and 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 January			12-months ended 31 January		
	2019	2018 (restated)	%	2019	2018 (restated)	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Segment Revenue						
Property Development	14,851	18,396	(19.3)	73,601	69,906	5.3
Cultivation of Oil Palm	363	609	(40.4)	1,717	2,194	(21.7)
Others	311	282	10.3	1,281	1,128	13.6
Total	15,525	19,287	(19.5)	76,599	73,228	4.6
Segment Results						
Property Development	841	2,371	(64.5)	3,381	17,695	(80.9)
Cultivation of Oil Palm	108	286	(62.2)	723	1,230	(41.2)
Others	311	282	10.3	1,281	1,128	13.6
Total operating profit	1,260	2,939	(57.1)	5,385	20,053	(73.1)
Share of results of an associate	-	-		-	25	
Profit before interest and tax	1,260	2,939	(57.1)	5,385	20,078	(73.2)
Finance income	736	775	(5.0)	2,575	2,574	0.0
Finance costs	(1,682)	(4,461)	62.3	(5,206)	(4,461)	(16.7)
Profit / (Loss) before tax	314	(747)	142.0	2,754	18,191	(84.9)
Tax expense	1,258	(1,652)		(708)	(5,535)	
Profit after tax	1,572	905	73.7	2,046	12,656	(83.8)
Non-controlling interests	21	50		37	(697)	
Profit attributable to owners of the Company	1,593	955	66.8	2,083	11,959	(82.6)

a) Property Development

	Quarter ended 31 January			12-months ended 31 January		
	2019	2018 (restated)	%	2019	2018 (restated)	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	14,851	18,396	(19.3)	73,601	69,906	5.3
Cost of sales	(9,040)	(13,762)		(54,800)	(36,838)	
Gross profit	5,811	4,634		18,801	33,068	
Selling and marketing expenses	(443)	(828)		(1,551)	(3,296)	
Administrative expenses	(5,391)	(2,686)		(16,603)	(15,589)	
Other operating income	504	1,251		2,734	3,512	
Operating profit	841	2,371	(64.5)	3,381	17,695	(80.9)



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SELECTED EXPLANATORY NOTES

1. Performance Review (cont'd)

a) Property Development (cont'd.)

For the current financial year, the segment posted a revenue of RM73.601 million compared to RM69.906 million in the preceding financial year, a marginal increase of 5.3%. The revenue was largely contributed from fresh sales of The ERA, Kuala Lumpur. Other projects that contributed to the Group's results included residential development in Phase 2 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 year were lower by 64.5% and 80.9% respectively compared to the preceding corresponding quarter and financial year mainly due to relatively lower margin and higher administrative expenses incurred for The ERA, Kuala Lumpur.

b) Cultivation of oil palm

For the current financial year, both revenue and operating results decreased by 21.7% and 41.2% respectively as compared to the preceding financial year. For the current financial quarter, this segment recorded a drop of 40.4% in revenue and 62.2% in operating results compared to preceding year's corresponding quarter. This was mainly due to lower commodity prices as a result of adverse market supply and demand conditions despite marginal increase in sales volume of Fresh Fruit Bunch (FFB) by 2.5% over the preceding financial year.

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 10.3% for the current financial quarter and an increase of 13.6% for the current financial year as compared to the preceding corresponding quarter and financial year. This was mainly due to new lettings during the current financial period, and provision of management services to third party during the current financial year.

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

The Group registered a revenue of RM15.525 million, a decline by 38.7% compared with RM25.314 million reported in the immediate preceding quarter. Similarly, the Group posted a PBT of RM0.314 million, a drop of 73.4% as compared to the PBT of RM1.180 million in the immediate preceding quarter. Lower revenue and PBT were mainly due to lower contribution from the property development segment.



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

	Quarter Ended		% + / (-)
	31-01-2019 RM'000	31-10-2018 RM'000	
<u>Segment Revenue</u>			
Property Development	14,851	24,592	(39.6)
Cultivation of Oil Palm	363	381	(4.7)
Investment Holding	311	341	(8.8)
Total	15,525	25,314	(38.7)
<u>Segment Results</u>			
Property Development	841	1,331	(36.8)
Cultivation of Oil Palm	108	125	(13.6)
Investment Holding	311	341	(8.8)
Total operating profit	1,260	1,797	(29.9)
Share of results of an associate	-	-	
Profit before interest and tax	1,260	1,797	(29.9)
Finance income	736	527	39.7
Finance costs	(1,682)	(1,144)	(47.0)
Profit before tax	314	1,180	(73.4)
Tax expense	1,258	(484)	
Profit after tax	1,572	696	125.9
Non-controlling interests	21	9	
Profit attributable to owners of the Company	1,593	705	126.0

Property Development Segment

	Quarter Ended		% + / (-)
	31-01-2019 RM'000	31-10-2018 RM'000	
Revenue	14,851	24,592	(39.6)
Cost of sales	(9,040)	(20,515)	
Gross profit	5,811	4,077	
Selling and marketing expenses	(443)	(420)	
Administrative expenses	(5,031)	(3,201)	
Other operating income	504	875	
Operating profit	841	1,331	(36.8)

The property development segment posted a lower revenue and operating profit for the current quarter mainly due to higher administrative expenses and finance cost for The ERA, Kuala Lumpur



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3. Commentary on Prospects

The overall property market is expected to remain challenging for the financial year 2020 due to weak market sentiment with rising cost of living, price affordability compounded by tightened financing. Though the property market is seeing a slowdown in activities, the medium to long term prospects remain positive due to underlying demand for properties in strategic locations and right pricing points. Moving forward, the Group will continue to focus on market-driven products with attractive price offering schemes to attract potential sales and unlock the value of its strategic landbank across the Klang Valley and Northern Region.

Despite the challenging business environment, the Board is of the view that the Group will continue to deliver satisfactory performance for its next financial year ending 31 January 2020.

4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial year ended 31 January 2019.

5. Taxation

Tax charged for the current quarter and financial period ended 31 January 2019 comprised the followings:-

	Quarter Ended 31-01-2019 RM'000	12-months Cumulative 31-01-2019 RM'000
In respect of the current quarter/ year to-date		
Malaysian income tax	1,236	3,202
Deferred tax asset	(2,494)	(2,494)
Total	<u>(1,258)</u>	<u>708</u>

For the financial year ended 31 January 2019, the effective tax rate of the group is higher than the statutory tax rate mainly due to 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 January 2019, there were no outstanding corporate proposals.



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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	(111.5)	3.5	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.
Total	151.7	(148.0)	3.7				

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 31-01-2019		
	Long term RM'000	Short term RM'000	Total RM'000
Secured Term loans	117,912	69,003	186,915

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. The Board of Directors has recommended a first and final single-tier dividend of 0.1 sen per ordinary share amounting to RM2,274,930 in respect of the financial year ended 31 January 2019. The proposed dividend is subject to our shareholders’ approval at the forthcoming Annual General Meeting.



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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		12-months Cumulative	
	31-01-2019	31-01-2018 (restated)	31-01-2019	31-01-2018 (restated)
Net profit/(loss) attributable to owners of the Company (RM'000)	606	955	1,096	11,959
Weighted average number of ordinary shares in issued ('000)	2,274,930	2,274,930	2,274,930	1,957,264
Basic earnings/(loss) per share (sen)	0.03	0.04	0.05	0.61

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 January 2019.

12. Notes to the Comprehensive Income Statement

	Quarter Ended	12-months Cumulative
	31-01-2019 RM'000	31-01-2019 RM'000
a) Interest income	736	2,575
b) Other income	504	2,734
c) Interest expense	1,682	5,206
d) Depreciation and amortization	745	2,079
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	32	228
i) Impairment of assets	-	-
j) Foreign exchange gain / (loss)	-	-
k) Gain / (Loss) on derivatives	NA	NA
l) Exceptional items	NA	NA