



JKG LAND BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2020

	(Unaudited) As at 30-Apr-20 RM'000	(Audited) As at 31-Jan-20 RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	26,825	27,316
Right-of-use assets	3,035	3,237
Investment property	3,320	3,342
Other investments	18	18
Inventories	335,539	335,154
Deferred tax assets	5,386	5,386
Deposits	8,500	8,500
	382,623	382,953
Current Assets		
Inventories	126,217	126,117
Contract asset	60,696	80,341
Contract cost	33,813	36,273
Trade and other receivables	22,038	17,070
Current tax assets	173	219
Short term investments	700	700
Cash and cash equivalents	103,064	96,432
	346,701	357,152
TOTAL ASSETS	<u>729,324</u>	<u>740,105</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	231,159	231,159
Retained earnings	248,141	246,299
	479,300	477,458
Non-Controlling Interests	(58)	(58)
Total Equity	<u>479,242</u>	<u>477,400</u>
Non-Current Liabilities		
Deferred tax liabilities	15	15
Lease liabilities	2,347	2,539
	2,362	2,554
Current Liabilities		
Trade and other payables	24,704	32,541
Contract liabilities	712	982
Lease liabilities	754	754
Current tax payables	1,592	662
Loan and borrowings	219,958	225,212
	247,720	260,151
Total Liabilities	<u>250,082</u>	<u>262,705</u>
TOTAL EQUITY AND LIABILITIES	<u>729,324</u>	<u>740,105</u>
Net assets per share attributable to equity holders of the parent (RM)	0.21	0.21

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2020 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 30 April 2020

	<u>Attributable to owners of the Company</u>			Non-Controlling Interests <u>RM'000</u>	Total Equity <u>RM'000</u>
	<u>Distributable</u>				
	Share Capital <u>RM'000</u>	Retained Earnings <u>RM'000</u>	Total <u>RM'000</u>		
<u>3 Months Ended 30 April 2020</u>					
At 1 February 2020	231,159	246,299	477,458	(58)	477,400
Total Comprehensive income for the period	-	1,842	1,842	-	1,842
Dividend	-	-	-	-	-
At 30 April 2020	<u>231,159</u>	<u>248,141</u>	<u>479,300</u>	<u>(58)</u>	<u>479,242</u>

For The Financial Period Ended 30 April 2019

	<u>Attributable to owners of the Company</u>			Non-Controlling Interests <u>RM'000</u>	Total Equity <u>RM'000</u>
	<u>Distributable</u>				
	Share Capital <u>RM'000</u>	Retained Earnings <u>RM'000</u>	Total <u>RM'000</u>		
<u>3 Months Ended 30 April 2019</u>					
At 1 February 2019	231,159	231,488	462,647	(42)	462,605
Total Comprehensive income for the period	-	1,253	1,253	(10)	1,243
Dividend	-	-	-	-	-
At 30 April 2019	<u>231,159</u>	<u>232,741</u>	<u>463,900</u>	<u>(52)</u>	<u>463,848</u>

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Financial Period Ended 30 April 2020

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30-Apr-20 RM'000	Preceding Year Corresponding Quarter 30-Apr-19 RM'000	% + / (-)	Current Year To Date 30-Apr-20 RM'000	Preceding Year Corresponding Period 30-Apr-19 RM'000	% + / (-)
Revenue	25,254	39,552	(36.1)	25,254	39,552	(36.1)
Cost of sales	(18,491)	(31,789)		(18,491)	(31,789)	
Gross profit	6,763	7,763	(12.9)	6,763	7,763	(12.9)
Selling and marketing expenses	(163)	(406)		(163)	(406)	
Administrative expenses	(3,100)	(4,602)		(3,100)	(4,602)	
Other operating income	604	267		604	267	
Operating profit	4,104	3,022	35.8	4,104	3,022	35.8
Share of results of an associate	-	-		-	-	
Profit before interest and tax	4,104	3,022	35.8	4,104	3,022	35.8
Finance income	640	569		640	569	
Finance costs	(2,090)	(1,635)		(2,090)	(1,635)	
Profit /(Loss) before tax	2,654	1,956	35.7	2,654	1,956	35.7
Tax expenses	(812)	(713)		(812)	(713)	
Profit and total comprehensive income for the period	1,842	1,243	48.2	1,842	1,243	48.2
Profit and total comprehensive income for the period attributable to :						
Owners of the Company	1,842	1,253	47.0	1,842	1,253	47.0
Non-controlling interests	-	(10)		-	(10)	
Profit and total comprehensive income for the period	1,842	1,243	48.2	1,842	1,243	48.2
	Sen	Sen		Sen	Sen	
Basic earnings per share	0.08	0.06	33.3	0.08	0.06	33.3

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For The Financial Period Ended 30 April 2020

	Current year to 30-Apr-2020 RM'000	Preceding year to 30-Apr-2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,654	1,956
Adjustment for :		
Depreciation of property, plant and equipment	636	553
Depreciation of right-of-use assets	202	202
Depreciation of investment property	22	21
Interest income	(640)	(569)
Gain on redemption of short term fund	-	(10)
Fair value adjustment on short term investment	-	(10)
Interest expense	2,090	1,635
Operating profit before changes in working capital	4,964	3,778
Changes in working capital		
Inventories	(100)	(13,442)
Contract assets	19,645	(23,803)
Contract cost	2,460	(4,710)
Trade and other receivables	(4,968)	4,178)
Trade and other payables	(7,837)	(3,470)
Contract liabilities	(270)	(978)
	8,930	(15,341)
Cash used in operating activities	13,894	(11,563)
Interest received	154	57
Tax paid	164	145
Net cash used in operating activities	14,212	(11,361)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(145)	(1,477)
Additions to non-current inventories	(385)	(4,115)
Proceeds from disposal of motor vehicle	-	32
Redemption / (Additions) of short term investments	1,139	1,139
Interest received	486	512
Net cash used in investing activities	(44)	(3,852)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown /(Repayment) of term loans and borrowings	(5,254)	26,342
Dividend paid to shareholders of the company	-	-
Interest paid	(2,062)	(1,617)
Payment of lease liabilities	(220)	(220)
Net cash (used in)/ from investing activities	(7,536)	24,505
Net (decrease)/increase in cash and cash equivalents	6,632	9,235
Cash and cash equivalents at beginning of the period	96,432	75,910
Cash and cash equivalents at end of the period	103,064	85,145

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

Fixed Deposit Placed With Licensed Banks-aged within 3 months	67,079	53,566
Cash and Bank Balances	35,985	31,579
	103,064	85,145

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2020 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 2020 which have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRSs”) 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 2020.

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 2020 except for the adoption of the following new MFRS/amendments with effect from 1 February 2020 :

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139	Interest rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material

The adoption of the abovementioned amendments to MFRSs standards does not have material impact on the financial statements of the Group.

3. Audit Report Qualification and Status

The financial statements of the Group for the financial year ended 31 January 2019 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.



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SELECTED EXPLANATORY NOTES

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

There was no dividend paid during the financial period under review.

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

3 months ended 30 April 2020	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	24,682	297	275	25,254

Segment Result

Operating profit before tax	3,746	134	224	4,104
Share of results of an associate				-
Profit before interest and tax				4,104
Finance income				640
Finance costs				(2,090)
Profit before tax				2,654
Tax expense				(812)
Profit after tax				1,842
Segment assets	715,965	9,922	3,437	729,324
Total assets				729,324

3 months ended 30 April 2019	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	38,806	446	300	39,552

Segment Result

Operating profit before tax	2,528	194	300	3,022
Share of results of an associate				-
Profit before interest and tax				3,022
Finance income				569
Finance costs				(1,635)
Profit before tax				1,956
Tax expense				(713)
Profit after tax				1,243
Segment assets	647,064	9,959	44,594	701,617
Total assets				701,617



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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 period ended 30 April 2020.

11. Material Subsequent Event

There were no material events subsequent to the financial period ended 30 April 2020.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group up to the date of this announcement since the preceding financial period ended 30 April 2020.

13. Contingent Liabilities

There were no material contingent liabilities for the Group as at 30 April 2020.

14. Capital Commitments

There were no capital commitments for the Group as at 30 April 2020.



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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 period, the Group registered a revenue of RM25.254 million, a decline of 36.1% and the Group's PBT grew 35.7% to RM2.654 million as compared to the corresponding period of the preceding financial year respectively. The lower revenue and increased PBT were attributable to the property development segment.

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

	Quarter ended 30 April			3-months ended 30 April		
	2020 RM'000	2019 RM'000	% + / (-)	2020 RM'000	2019 RM'000	% + / (-)
<u>Segment Revenue</u>						
Property Development	24,682	38,806	(36.4)	24,682	38,806	(36.4)
Cultivation of Oil Palm	297	446	(33.4)	297	446	(33.4)
Others	275	300	(8.3)	275	300	(8.3)
Total	25,254	39,552	(36.1)	25,254	39,552	(36.1)
<u>Segment Results</u>						
Property Development	3,746	2,626	42.7	3,746	2,626	42.7
Cultivation of Oil Palm	134	194	(30.9)	134	194	(30.9)
Others	224	202	10.9	224	202	10.9
Total operating profit	4,104	3,022	35.8	4,104	3,022	35.8
Share of results of an associate	0	0		0	0	
Profit before interest and tax	4,104	3,022	35.8	4,104	3,022	35.8
Finance income	640	569	12.5	640	569	12.5
Finance costs	(2,090)	(1,635)	27.8	(2,090)	(1,635)	27.8
Profit / (Loss) before tax	2,654	1,956	35.7	2,654	1,956	35.7
Tax expense	(812)	(713)		(812)	(713)	
Profit after tax	1,842	1,243	48.2	1,842	1,243	48.2
Non-controlling interests	0	10		0	10	
Profit attributable to owners of the Company	1,842	1,253	47.0	1,842	1,253	47.0

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

For the current financial quarter under review, the Group's property development segment registered a revenue of RM24.682 million, a decline of 36.4% when compared to the corresponding period of the preceding financial year. This was mainly due to lower sales achieved and lower progress of construction works from its residential development in Taman Puteri, commercial development of shops in Taman Lagenda and the high rise mixed development namely The Era, Kuala Lumpur. However, the operating profit for the current quarter and financial period was 48.2% higher as compared to the preceding year's corresponding financial period mainly due to recognition of the costs saving from the completed residential development of Phase 2 in Taman Puteri during the current financial quarter which resulted in higher gross profit margin as well as the saving from administrative expenses.

	Quarter ended 30 April			3-months ended 30 April		
	2020	2019	%	2020	2019	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	24,682	38,806	(36.4)	24,682	38,806	(36.4)
Cost of sales	(18,277)	(31,439)		(18,277)	(31,439)	
Gross profit	6,405	7,367		6,405	7,367	
Selling and marketing expenses	(163)	(406)		(163)	(406)	
Administrative expenses	(3,100)	(4,700)		(3,100)	(4,700)	
Other operating income	604	267		604	267	
Operating profit	3,746	2,528	48.2	3,746	2,528	48.2

b) Cultivation of oil palm

For the current financial quarter and financial period under review, this segment registered a decrease of 33.4% in revenue and 30.9% in operating profit respectively when compared to the corresponding period of the preceding financial year. This was mainly due to lower Fresh Fruit Bunches (FFB) production by 44.3% when compared to the preceding financial year's corresponding period despite the better commodity prices during the current financial quarter.

c) Others

The revenue and operating profit from other segment comprised mainly of rental income for the Group. This segment reported a marginal decrease of 8.3% in revenue mainly due to rebate of half month rental for April and May 2020 upon request by tenants in consideration of the Movement Control Order imposed by the Government since 18 March 2020. The operating profit increased by 10.9% was due to lower maintenance expenses incurred during the current financial quarter and financial period as compared to the corresponding period of the preceding financial year.

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

The Group's PBT of RM2.654 million for the current quarter is lower than the PBT of RM 11.962 million in the immediate preceding quarter mainly due to lower sales achieved and lower progress of construction works from its on-going developments in Kedah and Kuala Lumpur.



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SELECTED EXPLANATORY NOTES

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

	Quarter Ended		%
	30-04-2020	31-01-2020	
	RM'000	RM'000	+ / (-)
<u>Segment Revenue</u>			
Property Development	24,682	63,067	(60.9)
Cultivation of Oil Palm	297	194	53.1
Investment Holding	275	309	(11.0)
Total	25,254	63,570	(60.3)
<u>Segment Results</u>			
Property Development	3,746	14,156	(73.5)
Cultivation of Oil Palm	134	(60)	323.3
Investment Holding	224	(58)	486.2
Total operating profit	4,104	14,038	(70.8)
Share of results of an associate	0	0	
Profit before interest and tax	4,104	14,038	(70.8)
Finance income	640	719	(11.0)
Finance costs	(2,090)	(2,795)	(25.2)
Profit before tax	2,654	11,962	(77.8)
Tax expense	(812)	(4,036)	
Profit after tax	1,842	7,926	(76.8)
Non-controlling interests	0	1	
Profit attributable to owners of the Company	1,842	7,927	(76.8)

3. Commentary on Prospects

The outbreak of Covid-19 pandemic has caused unprecedented disruptions to the whole world. The Movement Control Order since 18 March 2020 exacerbated our domestic economy and changed our normal way of life. As such, the business environment is expected to remain extremely challenging for the near future.

Liquidity and business resilience will be the key focus in the current crisis period. In this regard, the Group's consistent prudent capital management has placed the Group on relatively strong footing to ride out the challenging times ahead. In addition, the Group is taking austerity measures to reduce our costs and readjust our business plan to mitigate any potential negative impact arising from the Covid-19 pandemic.

The Group will continue to adopt a cautious approach in launching new projects and will continue to review and closely monitor the situation and take appropriate action as needed.

Nevertheless, the Board is hopeful that the pragmatic approach taken by the Federal Government coupled with various fiscal and monetary stimulus initiated will be able to help rejuvenate the domestic economy. and remains cautiously optimistic on its longer term prospects given that the Group's projects are strategically located with good infrastructure networks and amenities.

4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial period ended 30 April 2020.



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SELECTED EXPLANATORY NOTES

5. Taxation

Tax charged for the current quarter and financial period ended 30 April 2020 comprised the followings:-

	Quarter Ended 30-04-2020 RM'000	3-months Cumulative 30-04-2020 RM'000
In respect of the current quarter/ period to-date Malaysian income tax	812	812

For the financial period ended 30 April 2020, the effective tax rate of the group was higher than the statutory tax rate mainly due to losses in certain subsidiaries which are not available to set off against taxable profit of other subsidiaries within the Group. The above tax figures are based on best estimates and internal assessment.

6. Status of Corporate Proposals

As at 30 April 2020, there were no outstanding corporate proposals.

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 30-04-2020		
	Long term RM'000	Short term RM'000	Total RM'000
Secured Term loans	-	219,958	219,958

8. 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.

9. Proposed Dividend

In view of the current challenging and uncertain business environment, the Board of Directors has not proposed any dividend for the current financial period ended 30 April 2020.



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SELECTED EXPLANATORY NOTES

10. 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		3-months Cumulative	
	30-04-2020	30-04-2019	30-04-2020	30-04-2019
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to owners of the Company	1,842	1,253	1,842	1,253
Weighted average number of ordinary shares in issued	2,274,930	2,274,930	2,274,930	2,274,930
Basic earnings/(loss) per share	Sen 0.08	Sen 0.06	Sen 0.08	Sen 0.06

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 30 April 2020.

11. Notes to the Comprehensive Income Statement

	Quarter Ended	3-months Cumulative
	30-04-2020	30-04-2020
	RM'000	RM'000
a) Interest income	640	640
b) Other income	604	604
c) Interest expense	(2,090)	(2,090)
d) Depreciation and amortization	(860)	(860)
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	-	10
i) Impairment of assets	-	-
j) Foreign exchange gain / (loss)	-	-
k) Gain / (Loss) on derivatives	NA	NA
l) Exceptional items	NA	NA