



JKG LAND BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

	(Unaudited) As at 31 Jul-21 RM'000	(Audited) As at 31-Jan-21 RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	26,126	27,089
Right-of-use assets	2,023	2,428
Investment property	3,214	3,257
Other investments	18	18
Inventories	253,846	250,875
Deferred tax assets	2,287	2,287
Deposits	38,500	8,500
	326,014	294,454
Current Assets		
Inventories	221,301	211,579
Contract asset	127,741	110,531
Contract cost	12,779	19,972
Trade and other receivables	20,405	11,948
Current tax assets	2,869	1,545
Short term investments	11,700	700
Cash and cash equivalents	85,198	110,829
	481,993	467,104
TOTAL ASSETS	808,007	761,558
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	231,159	231,159
Retained earnings	277,080	268,366
	508,239	499,525
Non-Controlling Interests	(90)	(60)
Total Equity	508,149	499,465
Non-Current Liabilities		
Deferred tax liabilities	15	15
Lease liabilities	1,303	1,704
	1,318	1,719
Current Liabilities		
Trade and other payables	40,867	36,701
Contract liabilities	3,657	865
Lease liabilities	808	808
Current tax payables	208	0
Loan and borrowings	253,000	222,000
	298,540	260,374
Total Liabilities	299,858	262,093
TOTAL EQUITY AND LIABILITIES	808,007	761,558
Net assets per share attributable to equity holders of the parent (RM)	0.22	0.22

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2021 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 July 2021

	<u>Attributable to owners of the Company</u>			<u>Non-Controlling Interests</u> <u>RM'000</u>	<u>Total Equity</u> <u>RM'000</u>
	<u>Distributable</u>				
	<u>Share Capital</u> <u>RM'000</u>	<u>Retained Earnings</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>		
<u>6 Months Ended 31 July 2021</u>					
At 1 February 2021	231,159	268,366	499,525	(60)	499,465
Total Comprehensive income for the period	-	8,714	8,714	(30)	8,684
Dividend	-	-	-	-	-
At 31 July 2021	231,159	277,080	508,239	(90)	508,149

For The Financial Period Ended 31 July 2020

	<u>Attributable to owners of the Company</u>			<u>Non-Controlling Interests</u> <u>RM'000</u>	<u>Total Equity</u> <u>RM'000</u>
	<u>Distributable</u>				
	<u>Share Capital</u> <u>RM'000</u>	<u>Retained Earnings</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>		
<u>6 Months Ended 31 July 2020</u>					
At 1 February 2020	231,159	246,299	477,458	(58)	477,400
Total Comprehensive income for the period	-	7,589	7,589	-	7,589
Dividend	-	-	-	-	-
At 31 July 2020	231,159	253,888	485,047	(58)	484,989

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Financial Period Ended 31 July 2021

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Jul-21 RM'000	Preceding Year Corresponding Quarter 31-Jul-20 RM'000	% + / (-)	Current Year To Date 31-Jul-21 RM'000	Preceding Year Corresponding Period 31-Jul-20 RM'000	% + / (-)
Revenue	26,728	47,525	(43.8)	76,766	72,779	5.5
Cost of sales	(23,297)	(35,452)		(58,856)	(53,943)	
Gross profit	3,431	12,073	(71.6)	17,910	18,836	(4.9)
Selling and marketing expenses	(188)	(35)		(315)	(198)	
Administrative expenses	(3,613)	(3,820)		(7,287)	(6,920)	
Other operating income	1,027	678		2,137	1,282	
Operating profit	657	8,896	(92.6)	12,445	13,000	(4.3)
Share of results of an associate	-	-		-	-	
Profit before interest and tax	657	8,896	(92.6)	12,445	13,000	(4.3)
Finance income	373	606		804	1,246	
Finance costs	(354)	(1,874)		(1,701)	(3,964)	
Profit / (Loss) before tax	676	7,628	(91.1)	11,548	10,282	12.3
Tax expenses	(221)	(1,881)		(2,864)	(2,693)	
Profit and total comprehensive income for the period	455	5,747	(92.1)	8,684	7,589	14.4
Profit and total comprehensive income for the period attributable to :						
Owners of the Company	483	5,747	(91.6)	8,714	7,589	14.8
Non-controlling interests	(28)	-		(30)	-	
Profit and total comprehensive income for the period	455	5,747	(92.1)	8,684	7,589	14.4
	Sen	Sen		Sen	Sen	
Basic earnings per share	0.02	0.25	(92.0)	0.38	0.33	15.2

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For The Financial Period Ended 31 July 2021

	Current period to 31 Jul-2021 RM'000	Preceding period to 31 Jul 2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,548	10,282
Adjustment for :		
Depreciation of property, plant and equipment	1,113	1,246
Depreciation of right-of-use assets	405	405
Depreciation of investment property	43	43
Interest income	(804)	(1,246)
Finance costs	1,701	3,964
Operating profit before changes in working capital	14,006	14,694
Changes in working capital		
Inventories	(9,722)	5,599
Contract assets	(17,210)	21,063
Contract cost	7,193	5,818
Trade and other receivables	(8,457)	(13,199)
Trade and other payables	4,166	(7,883)
Contract liabilities	2,792	959
	(21,238)	12,357
Cash used in operating activities	(7,232)	27,051
Interest received	266	315
Tax paid	(3,980)	(666)
Net cash used in operating activities	(10,946)	26,700
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(150)	(260)
Additions to non-current inventories	(2,971)	(1,588)
Additions of deposit paid for land acquisition	(30,000)	-
Interest received	538	931
(Withdrawal) / Additions of fixed deposits aged more than 3 months	(11,000)	-
Net cash used in investing activities	(43,583)	(917)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown /(Repayment) of term loans and borrowings	31,000	(11,149)
Dividend paid to shareholders of the company	-	-
Interest paid	(1,701)	(3,908)
Payment of lease liabilities	(401)	(442)
Net cash (used in)/ from investing activities	28,898	(15,499)
Net (decrease)/increase in cash and cash equivalents	(25,631)	10,284
Cash and cash equivalents at beginning of the period	110,829	96,432
Cash and cash equivalents at end of the period	85,198	106,716

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

Fixed Deposit Placed With Licensed Banks-aged within 3 months	57,765	66,614
Cash and Bank Balances	27,433	40,102
	85,198	106,716

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2021 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 2021 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 2021.

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 2021 except for the adoption of the following new MFRS/amendments which are effective for accounting period beginning on or after 1 February 2021:

Amendments to MFRS 4, MFRS 7, MFRS 9, - Interest Rate Benchmark Reform - Phase 2
MFRS 16 and MFRS 139

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 2021 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

6 months ended 31 July 2021	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	75,089	1,123	554	76,766

Segment Result

Operating profit before tax	11,325	679	441	12,445
Share of results of an associate				-
Profit before interest and tax				12,445
Finance income				804
Finance costs				(1,701)
Profit before tax				11,548
Tax expense				(2,864)
Profit after tax				8,684

Segment assets	794,685	9,983	3,339	808,007
Total assets				808,007

6 months ended 31 July 2020	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	71,572	660	547	72,779

Segment Result

Operating profit before tax	12,371	284	345	13,000
Share of results of an associate				-
Profit before interest and tax				13,000
Finance income				1,246
Finance costs				(3,964)
Profit before tax				10,282
Tax expense				(2,693)
Profit after tax				7,589

Segment assets	717,886	9,945	3,413	731,244
Total assets				731,244



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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 31 July 2021.

11. Material Subsequent Event

There were no material events subsequent to the financial period ended 31 July 2021.

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 year ended 31 January 2021.

13. Contingent Liabilities

There were no material contingent liabilities for the Group as at 31 July 2021.

14. Capital Commitments

There were no capital commitments for the Group as at 31 July 2021.



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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 quarter, the Group recorded a revenue of RM26.728 million, a decrease of 43.8%, and the PBT decreased by 91.1% to RM0.676 million compared to the corresponding quarter mainly due to the under performance in the property development segment which was adversely affected by the imposition of nationwide lockdown arising from the resurgence of COVID-19 cases.

For the cumulative six-months financial period, the Group's revenue and PBT was RM76.766 million and RM11.548 million, an increase of 5.5% and 12.3% respectively compared to the corresponding preceding financial period. The increase in revenue and PBT was mainly attributed to the better performance in the cultivation of oil palm segment and the savings in finance costs.

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

	Quarter ended 31 July			6-months ended 31 July		
	2021 RM'000	2020 RM'000	% + / (-)	2021 RM'000	2020 RM'000	% + / (-)
Segment Revenue						
Property Development	25,877	46,890	(44.8)	75,089	71,572	4.9
Cultivation of Oil Palm	608	363	67.5	1,123	660	70.2
Others	243	272	(10.7)	554	547	1.3
Total	26,728	47,525	(43.8)	76,766	72,779	5.5
Segment Results						
Property Development	114	8,625	(98.7)	11,325	12,371	(8.5)
Cultivation of Oil Palm	355	150	136.7	679	284	139.1
Others	188	121	55.4	441	345	27.8
Total operating profit	657	8,896	(92.6)	12,445	13,000	(4.3)
Share of results of an associate	0	0		0	0	
Profit before interest and tax	657	8,896	(92.6)	12,445	13,000	(4.3)
Finance income	373	606	(38.4)	804	1,246	(35.5)
Finance costs	(354)	(1,874)	(81.1)	(1,701)	(3,964)	(57.1)
Profit / (Loss) before tax	676	7,628	(91.1)	11,548	10,282	12.3
Tax expense	(221)	(1,881)		(2,864)	(2,693)	
Profit after tax	455	5,747	(92.1)	8,684	7,589	14.4
Non-controlling interests	28	0		30	0	
Profit attributable to owners of the Company	483	5,747	(91.6)	8,714	7,589	14.8

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

The Group reported a decrease of 44.8% but a marginal increase of 4.9% in revenue, and a decrease of 98.7% and 8.5% in operating profit for the current quarter and cumulative financial period respectively as compared to the corresponding periods of the preceding financial year. This was mainly due to lower sales from its newly launched Phase 3 of Taman Puteri, Kulim and slower progress of construction works in its on-going projects during the current quarter. The increase in other income mainly from improved sales of FFB deriving from oil palm trees planted on land approved for future development.

	Quarter ended 31 July			6-months ended 31 July		
	2021	2020	%	2021	2020	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	25,877	46,890	<i>(44.8)</i>	75,089	71,572	4.9
Cost of sales	(22,989)	(35,088)		(58,299)	(53,365)	
Gross profit	2,888	11,802		16,790	18,207	
Selling and marketing expenses	(188)	(35)		(315)	(198)	
Administrative expenses	(3,613)	(3,820)		(7,287)	(6,920)	
Other operating income	1,027	678	51.5	2,137	1,282	66.7
Operating profit	114	8,625	<i>(98.7)</i>	11,325	12,371	<i>(8.5)</i>

b) Cultivation of oil palm

For the current quarter and financial period, the revenue of this segment registered an increase of 67.5% and 70.2%, and operating profit improved by 136.7% and 139.1% respectively when compared to the corresponding periods of the preceding financial year. The sharp rise in the operating profit is primarily due to higher average CPO prices despite lower Fresh Fruit Bunches (FFB) production during the current financial period.

c) Others

The revenue and operating profit from the other segment comprised mainly of rental income for the Group. The revenue for the current quarter decreased by 10.7% as compared to the preceding year's corresponding quarter mainly due to the rebate of half month rent upon request by tenants for June and July 2021. There was no major fluctuation in the Group's revenue for the current financial period as compared to preceding year's corresponding period as the rebate of half month rent was carried out in April and May 2020 which had restricted business activities for one thirds each of the first and second financial quarter of the preceding financial year. The Group posted an increased operating profit of 55.4% and 27.8% for the current quarter and financial period respectively as compared to the preceding year's corresponding period mainly due to lower maintenance expenditure incurred for the current financial period.

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

The Group's PBT decreased by 93.8% to 0.676 million compared to the immediate preceding quarter, mainly due to lower sales and lower progress of construction works from its on-going projects during the current quarter as a result of the prolonged nationwide lockdown from 1 June 2021 due to the resurgence of COVID-19 cases.

	Quarter Ended		% + / (-)
	31-7-2021 RM'000	30-4-2021 RM'000	
<u>Segment Revenue</u>			
Property Development	25,877	49,212	(47.4)
Cultivation of Oil Palm	608	515	18.1
Investment Holding	243	311	(21.9)
Total	26,728	50,038	(46.6)
<u>Segment Results</u>			
Property Development	114	11,212	(99.0)
Cultivation of Oil Palm	355	324	9.6
Investment Holding	188	253	(25.7)
Total operating profit	657	11,789	(94.4)
Share of results of an associate	0	-	
Profit before interest and tax	657	11,789	(94.4)
Finance income	373	431	(13.5)
Finance costs	(354)	(1,348)	(73.7)
Profit before tax	676	10,872	(93.8)
Tax expense	(221)	(2,643)	
Profit after tax	455	8,229	(94.5)
Non-controlling interests	28	2	
Profit attributable to owners of the Company	483	8,231	(94.1)

3. Commentary on Prospects

The current persistent Covid-19 pandemic and the subsequent Movement Control Orders, have severely impacted the country's economic activities, and to a large extent stalled construction activities on site. However, the recent staged reopening of the economic sectors has instilled some confidence in the domestic economy.

In view of the foregoing backdrop, the Group has prepared to launch new phases of residential developments in Taman Puteri, Kulim and Taman Desa Cinta Sayang, Kulim in the next financial quarter. Additionally, preparations for vacant possessions are underway for Phase 1 comprising Block A and Block B of The Era, Kuala Lumpur, and construction activities for Phase 2 have kick-started.

The Board is cautious about the current market sentiment and will continue to adopt a pragmatic approach towards new launches of properties and implement measures to improve the financial performance for the remaining period of FY 2022.



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SELECTED EXPLANATORY NOTES

4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial period ended 31 July 2021.

5. Taxation

Tax charged for the current quarter and financial period ended 31 July 2021 comprised the followings:-

	Quarter Ended 31-7-2021 RM'000	6-months Cumulative 31-7-2021 RM'000
In respect of the current quarter/ period-to-date Malaysian income tax	221	2,864

For the financial period ended 31 July 2021, the effective tax rate of the group was slightly 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. The above tax figures are based on best estimates and internal assessment.

6. Status of Corporate Proposals

As at 31 July 2021, there were no outstanding corporate proposals.

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 31-7-2021		
	Long term RM'000	Short term RM'000	Total RM'000
Secured Term loans	-	253,000	253,000

8. Material Litigation

There were no material litigations which would have a material adverse effect on the financial results for the current financial period 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 31 July 2021.



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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 financial period by the weighted average number of ordinary shares in issue during the period.

	Quarter Ended		6-months Cumulative	
	31-7-2021	31-7-2020	31-7-2021	31-7-2020
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to owners of the Company	483	5,747	8,714	7,589
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 0.02	Sen 0.25	Sen 0.38	Sen 0.33

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 July 2021.

11. Notes to the Comprehensive Income Statement

	Quarter Ended	6-months Cumulative
	31-7-2021	31-7-2021
	RM'000	RM'000
a) Interest income	373	804
b) Other income	1,027	2,137
c) Interest expense	(354)	(1,701)
d) Depreciation and amortization	(772)	(1,561)
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	-	-
i) Impairment of assets	-	-
j) Foreign exchange gain / (loss)	-	-
k) Gain / (Loss) on derivatives	NA	NA
l) Exceptional items	NA	NA