



JKG LAND BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	(Unaudited) As at 31-Oct-21 RM'000	(Audited) As at 31-Jan-21 RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	25,878	27,089
Right-of-use assets	1,821	2,428
Investment property	3,193	3,257
Other investments	18	18
Inventories	255,898	250,875
Deferred tax assets	2,287	2,287
Deposits	38,500	8,500
	327,595	294,454
Current Assets		
Inventories	229,655	211,579
Contract asset	97,774	110,531
Contract cost	11,120	19,972
Trade and other receivables	21,201	11,948
Current tax assets	4,178	1,545
Short term investments	9,700	700
Cash and cash equivalents	86,473	110,829
	460,101	467,104
TOTAL ASSETS	787,696	761,558
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	231,159	231,159
Retained earnings	278,412	268,366
	509,571	499,525
Non-Controlling Interests	(90)	(60)
Total Equity	509,481	499,465
Non-Current Liabilities		
Deferred tax liabilities	15	15
Lease liabilities	1,100	1,704
	1,115	1,719
Current Liabilities		
Trade and other payables	30,535	36,701
Contract liabilities	2,946	865
Lease liabilities	808	808
Current tax payables	111	0
Loan and borrowings	242,700	222,000
	277,100	260,374
Total Liabilities	278,215	262,093
TOTAL EQUITY AND LIABILITIES	787,696	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 October 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>9 Months Ended 31 October 2021</u>					
At 1 February 2021	231,159	268,366	499,525	(60)	499,465
Total Comprehensive income for the period	-	10,046	10,046	(30)	10,016
Dividend	-	-	-	-	-
At 31 October 2021	<u>231,159</u>	<u>278,412</u>	<u>509,571</u>	<u>(90)</u>	<u>509,481</u>

For The Financial Period Ended 31 October 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>9 Months Ended 31 October 2020</u>					
At 1 February 2020	231,159	246,299	477,458	(58)	477,400
Total Comprehensive income for the period	-	12,738	12,738	(1)	12,737
Dividend	-	-	-	-	-
At 31 October 2020	<u>231,159</u>	<u>259,037</u>	<u>490,196</u>	<u>(59)</u>	<u>490,137</u>

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Oct-21 RM'000	Preceding Year Corresponding Quarter 31-Oct-20 RM'000	% + / (-)	Current Year To Date 31-Oct-21 RM'000	Preceding Year Corresponding Period 31-Oct-20 RM'000	% + / (-)
Revenue	18,321	52,793	(65.3)	95,087	125,572	(24.3)
Cost of sales	(12,979)	(42,227)		(71,834)	(96,170)	
Gross profit	5,342	10,566	(49.4)	23,253	29,402	(20.9)
Selling and marketing expenses	(165)	(107)		(480)	(304)	
Administrative expenses	(3,166)	(3,075)		(10,452)	(9,996)	
Other operating income	1,205	492		3,341	1,774	
Operating profit	3,216	7,876	(59.2)	15,662	20,876	(25.0)
Share of results of an associate	0	0		0	0	
Profit before interest and tax	3,216	7,876	(59.2)	15,662	20,876	(25.0)
Finance income	345	463		1,148	1,710	
Finance costs	(1,749)	(1,532)		(3,450)	(5,496)	
Profit /(Loss) before tax	1,812	6,807	(73.4)	13,360	17,090	(21.8)
Tax expenses	(480)	(1,660)		(3,344)	(4,353)	
Profit and total comprehensive income for the period	1,332	5,147	(74.1)	10,016	12,737	(21.4)
Profit and total comprehensive income for the period attributable to :						
Owners of the Company	1,332	5,148	(74.1)	10,046	12,738	(21.1)
Non-controlling interests	0	(1)		(30)	(1)	
Profit and total comprehensive income for the period	1,332	5,147	(74.1)	10,016	12,737	(21.4)
	Sen	Sen		Sen	Sen	
Basic earnings per share	0.06	0.23	(74.1)	0.44	0.56	(21.1)

(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 CASH FLOWS For The Financial Period Ended 31 October 2021

	Current period to 31-Oct-2021 RM'000	Preceding period to 31-Oct-2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,360	17,090
Adjustment for :		
Depreciation of property, plant and equipment	1,680	1,829
Depreciation of right-of-use assets	607	607
Depreciation of investment property	64	64
Interest income	(1,148)	(1,710)
Finance costs	3,450	5,496
Operating profit before changes in working capital	18,013	23,376
Changes in working capital		
Inventories	(19,807)	12,063
Contract assets	12,757	13,169
Contract cost	8,852	10,769
Trade and other receivables	(9,253)	(5,815)
Trade and other payables	(6,166)	(8,865)
Contract liabilities	2,081	(645)
	(11,536)	20,676
Cash used in operating activities	6,477	44,052
Interest received	415	315
Tax paid	(5,866)	(2,557)
Net cash used in operating activities	1,026	41,810
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(469)	(307)
Additions to non-current inventories	(3,292)	(7,940)
Additions of deposit paid for land acquisition	(30,000)	0
Interest received	733	1,395
(Withdrawal) / Additions of fixed deposits aged more than 3 months	(9,000)	0
Net cash used in investing activities	(42,028)	(6,852)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown /(Repayment) of term loans and borrowings	20,700	(19,256)
Dividend paid to shareholders of the company	0	0
Interest paid	(3,450)	(5,496)
Payment of lease liabilities	(604)	(583)
Net cash (used in)/ from investing activities	16,646	(25,335)
Net (decrease)/increase in cash and cash equivalents	(24,356)	9,623
Cash and cash equivalents at beginning of the period	110,829	96,432
Cash and cash equivalents at end of the period	86,473	106,055

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

Fixed Deposit Placed With Licensed Banks-aged within 3 months	39,787	84,180
Cash and Bank Balances	46,686	21,875
	86,473	106,055

(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

9 months ended 31 October 2021	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	92,647	1,504	936	95,087

Segment Result

Operating profit before tax	14,002	903	757	15,662
Share of results of an associate				0
Profit before interest and tax				15,662
Finance income				1,148
Finance costs				(3,450)
Profit before tax				13,360
Tax expense				(3,344)
Profit after tax				10,016
Segment assets	774,387	9,966	3,343	787,696
Total assets				787,696

9 months ended 31 October 2020	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	123,813	902	857	125,572

Segment Result

Operating profit before tax	19,933	379	564	20,876
Share of results of an associate				-
Profit before interest and tax				20,876
Finance income				1,710
Finance costs				(5,496)
Profit before tax				17,090
Tax expense				(4,354)
Profit after tax				12,736
Segment assets	712,097	9,891	3,375	725,363
Total assets				725,363



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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 October 2021.

11. Material Subsequent Event

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

14. Capital Commitments

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

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

The Group recorded revenues of RM18.321 million and RM95.087 million for the current quarter and cumulative 9-months financial period respectively, a decrease of 65.3% and 24.3% as compared to the corresponding preceding financial periods. The pre-tax profit for the current quarter and cumulative 9-months financial period decreased by 73.4% and 21.8% to RM1.812 million and RM13.360 million respectively as compared to the corresponding periods of the preceding financial year. The lower revenue and lower PBT are mainly due to underperformance in the property development segment which was still affected by the subdued local property market conditions and lower construction progress brought on by the COVID-19 pandemic and nationwide lockdown.

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

	Quarter ended 31 Oct			9-months ended 31 Oct		
	2021 RM'000	2020 RM'000	% + / (-)	2021 RM'000	2020 RM'000	% + / (-)
<u>Segment Revenue</u>						
Property Development	17,558	52,241	(66.4)	92,647	123,813	(25.2)
Cultivation of Oil Palm	381	242	57.4	1,504	902	66.7
Others	382	310	23.2	936	857	9.2
Total	18,321	52,793	(65.3)	95,087	125,572	(24.3)
<u>Segment Results</u>						
Property Development	2,677	7,563	(64.6)	14,002	19,933	(29.8)
Cultivation of Oil Palm	223	94	137.2	903	379	138.3
Others	316	219	44.3	757	564	34.2
Total operating profit	3,216	7,876	(59.2)	15,662	20,876	(25.0)
Share of results of an associate	0	0		0	0	
Profit before interest and tax	3,216	7,876	(59.2)	15,662	20,876	(25.0)
Finance income	345	463	(25.5)	1,148	1,710	(32.9)
Finance costs	(1,749)	(1,532)	14.2	(3,450)	(5,496)	(37.2)
Profit / (Loss) before tax	1,812	6,807	(73.4)	13,360	17,090	(21.8)
Tax expense	(480)	(1,660)		(3,344)	(4,353)	
Profit after tax	1,332	5,147	(74.1)	10,016	12,737	(21.4)
Non-controlling interests	0	1		30	1	
Profit attributable to owners of the Company	1,332	5,148	(74.1)	10,046	12,738	(21.1)



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SELECTED EXPLANATORY NOTES

1. Performance Review (Cont'd)

a) Property Development

The Group reported a decrease of 66.4% and 25.2% in revenue, and a decrease of 64.6% and 29.8% in operating profit for the current quarter and cumulative 9-months financial period respectively as compared to the corresponding preceding financial periods. This was mainly due to lower sales from its newly launched Taman Desa Cinta Sayang Phase 2 which comprised 100 units of single storey terrace houses, and lower progress of construction works from its near completion project - The ERA @ Duta North during the current quarter. The increase in other income is mainly attributable to improved performance on the sales of FFB deriving from oil palm trees planted on land approved for future development due to higher CPO price.

	Quarter ended 31 October			9-months ended 31 October		
	2021	2020	%	2021	2020	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	17,558	52,241	<i>(66.4)</i>	92,647	123,813	<i>(25.2)</i>
Cost of sales	(12,755)	(41,988)		(71,054)	(95,354)	
Gross profit	4,803	10,253		21,593	28,459	
Selling and marketing expenses	(165)	(107)		(480)	(304)	
Administrative expenses	(3,166)	(3,075)		(10,452)	(9,996)	
Other operating income	1,205	492	<i>144.9</i>	3,341	1,774	<i>88.3</i>
Operating profit	2,677	7,563	<i>(64.6)</i>	14,002	19,933	<i>(29.8)</i>

b) Cultivation of oil palm

For the current quarter and cumulative 9-months financial period, the revenue of this segment registered an increase of 57.4% and 66.7%, and operating profit improved by 137.2% and 138.3% 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 price 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 and provision of management services. For the current quarter and cumulative 9-months financial period, the revenue of this segment registered an increase of 23.2% and 9.2%, and operating profit improved by 44.3% and 34.2% respectively when compared to the corresponding periods of the preceding financial year. The increase in revenue and operating profit is mainly due to addition of 3 new tenants and income derived from provision of management services during the quarter.

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 increased by 168.0% to 1.812 million compared to the immediate preceding quarter. This is mainly due to an adjustment for property development cost made in the current quarter which resulted in better property development segment result albeit lower property development revenue was recorded.

	Quarter Ended		% + / (-)
	31-10-2021 RM'000	31-7-2021 RM'000	
<u>Segment Revenue</u>			
Property Development	17,558	25,877	(32.1)
Cultivation of Oil Palm	381	608	(37.3)
Investment Holding	382	243	57.2
Total	18,321	26,728	(31.5)
<u>Segment Results</u>			
Property Development	2,677	114	2248.2
Cultivation of Oil Palm	223	355	(37.2)
Investment Holding	316	188	68.1
Total operating profit	3,216	657	389.5
Share of results of an associate	0	0	
Profit before interest and tax	3,216	657	389.5
Finance income	345	373	(7.5)
Finance costs	(1,749)	(354)	394.1
Profit before tax	1,812	676	168.0
Tax expense	(480)	(221)	
Profit after tax	1,332	455	193.0
Non-controlling interests	0	28	
Profit attributable to owners of the Company	1,332	483	176.0
<u>Property Development Segment</u>			
Revenue	17,558	25,877	(32.1)
Cost of sales	(12,755)	(22,989)	(44.5)
Gross profit	4,803	2,888	66.3
Selling and marketing expenses	(165)	(188)	(12.2)
Administrative expenses	(3,166)	(3,613)	(12.4)
Other operating income	1,205	1,027	17.3
Operating profit	2,677	114	2248.2

3. Commentary on Prospects

Following a challenging third quarter and with business restrictions on the economic sectors continue to be eased off, the property market is expected to regain its momentum gradually.

Towards the end of the quarter under review, the Group launched the new Taman Puteri Phase 4 project in Padang Serai, Kedah which carries a Gross Development Value of RM26.7 million comprising of 78 units single storey semi-detached houses and 3 units one and a half storey detached houses. The sales response has been encouraging. In addition, the handing over of vacant possession for Phase 1 comprising Block A and Block B of The Era, Kuala Lumpur is targeted by the end of FY 2022.

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 October 2021.

5. Taxation

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

	Quarter Ended 31-10-2021 RM'000	9-months Cumulative 31-10-2021 RM'000
In respect of the current quarter/ period-to-date Malaysian income tax	480	3,344

For the financial period ended 31 October 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 October 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 31-10-2021		Total
	Long term RM'000	Short term RM'000	RM'000
Secured Term loans	-	242,700	242,700

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 October 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		9-months Cumulative	
	31-10-2021	31-10-2020	31-10-2021	31-10-2020
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to owners of the Company	1,332	5,148	10,046	12,738
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 0.06	Sen 0.23	Sen 0.44	Sen 0.56

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 2021.

11. Notes to the Comprehensive Income Statement

	Quarter Ended 31-10-2021 RM'000	9-months Cumulative 31-10-2021 RM'000
a) Interest income	345	1,148
b) Other income	1,205	3,341
c) Interest expense	(1,749)	(3,450)
d) Depreciation and amortization	(790)	(2,351)
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