

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	(Unaudited) As at 31-Jul-23 RM'000	(Audited) As at 31-Jan-23 RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	32,846	31,231
Right-of-use assets	405	809
Investment property	38,387	39,072
Other investments	18	18
Inventories	266,007	261,338
Deferred tax assets	3,484	3,484
Deposits	43,723	43,500
	384,870	379,452
Current Assets		
Inventories	185,620	199,319
Contract asset	26,578	9,568
Contract cost	30,867	19,038
Trade and other receivables	47,665	38,148
Current tax assets	2,664	1,776
Short term investments	9,700	9,700
Cash and cash equivalents	128,627	144,088
	431,721	421,637
TOTAL ASSETS	816,591	801,089
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	231,159	231,159
Retained earnings	320,371	318,425
	551,530	549,584
Non-Controlling Interests	(103)	(102)
Total Equity	551,427	549,482
Non-Current Liabilities		
Loan and borrowings	220,000	-
Deferred tax liabilities	15	15
	220,015	15
Current Liabilities		
Loan and borrowings	3,697	206,300
Lease liabilities	437	867
Current tax liabilities	-	1,243
Contract liabilities	4,170	672
Trade and other payables	36,845	42,510
	45,149	251,592
Total Liabilities	265,164	251,607
TOTAL EQUITY AND LIABILITIES	816,591	801,089
Net assets per share attributable to equity holders of the parent (RM)	0.24	0.24

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2023 and the accompanying notes attached to the interim financial statements)



JKG LAND BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Period Ended 31 July 2023

	Attributable to owners of the Company			Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Retained Earnings RM'000	Total RM'000		
<u>6 Months Ended 31 July 2023</u>					
At 1 February 2023	231,159	318,425	549,584	(102)	549,482
Total Comprehensive income for the period	-	1,946	1,946	(1)	1,945
Dividend	-	-	-	-	-
At 31 July 2023	231,159	320,371	551,530	(103)	551,427

For The Financial Period Ended 31 July 2022

	Attributable to owners of the Company			Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Retained Earnings RM'000	Total RM'000		
<u>6 Months Ended 31 July 2022</u>					
At 1 February 2022	231,159	293,198	524,357	(91)	524,266
Total Comprehensive income for the period	-	8,849	8,849	(7)	8,842
Dividend	-	-	-	-	-
At 31 July 2022	231,159	302,047	533,206	(98)	533,108

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2023 and the accompanying notes attached to the interim financial statements)



JKG LAND BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Financial Period Ended 31 July 2023

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	%	Current Year To Date	Preceding Year Corresponding Period	%
	31-Jul-23 RM'000	31-Jul-22 RM'000		31-Jul-23 RM'000	31-Jul-22 RM'000	
			+ / (-)			+ / (-)
Revenue	39,805	38,586	3.2	60,397	58,660	3.0
Cost of sales	(28,361)	(24,883)		(40,082)	(37,245)	
Gross profit	11,444	13,703	(16.5)	20,315	21,415	(5.1)
Selling and marketing expenses	(372)	(331)		(831)	(637)	
Administrative expenses	(7,107)	(4,389)		(11,387)	(8,542)	
Other operating income	359	1,314		864	2,234	
Operating profit	4,324	10,297	(58.0)	8,961	14,470	(38.1)
Share of results of an associate	-	-		-	-	
Profit before interest and tax	4,324	10,297	(58.0)	8,961	14,470	(38.1)
Finance income	508	561		1,035	684	
Finance costs	(3,953)	(1,698)		(5,871)	(3,064)	
Profit before tax	879	9,160	(90.4)	4,125	12,090	(65.9)
Tax expenses	(1,180)	(2,126)		(2,180)	(3,248)	
Profit and total comprehensive income for the period	(301)	7,034	(104.3)	1,945	8,842	(78.0)
Profit and total comprehensive income for the period attributable to :						
Owners of the Company	(301)	7,039	(104.3)	1,946	8,849	(78.0)
Non-controlling interests	-	(5)		(1)	(7)	
Profit and total comprehensive income for the period	(301)	7,034	(104.3)	1,945	8,842	(78.0)
	Sen	Sen		Sen	Sen	
Basic earnings per share	(0.01)	0.31		0.09	0.39	

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2023 and the accompanying notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Financial Period Ended 31 July 2023

	Current period to 31-Jul-23 RM'000	Preceding period to 31-Jul-22 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,125	12,090
Adjustment for :		
Depreciation of property, plant and equipment	1,216	1,017
Depreciation of right-of-use assets	404	405
Depreciation of investment property	353	435
Gain on disposal of motor vehicles	(44)	-
Interest income	(1,035)	(684)
Finance costs	5,871	3,064
Operating profit before changes in working capital	10,890	16,327
Changes in working capital		
Inventories	13,699	12,527
Contract assets	(17,010)	102,919
Contract cost	(11,829)	(9,845)
Trade and other receivables	(9,517)	(26,454)
Contract liabilities	3,498	14,337
Trade and other payables	(5,333)	(10,256)
	(26,492)	83,228
Cash (used in) / generated from operations	15,602	99,555
Interest received	190	90
Tax paid	(4,311)	(3,594)
Net cash (used in) / generated from operating activities	(19,723)	96,051
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(2,966)	(5,900)
Additions of investment property	-	-
Additions of non-current inventories	(4,669)	(739)
Additions of deposit paid for land acquisition	(223)	(5,000)
Proceeds from disposal of motor vehicles	179	-
Interest received	845	594
Net cash used in investing activities	(6,834)	(11,045)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/ Drawdown of revolving credits	(206,300)	10,000
Drawdown of Islamic Medium Term Notes	220,000	-
Payment of lease liabilities	(430)	(415)
Interest paid	(2,174)	(3,064)
Net cash from financing activities	11,096	6,521
Net (decrease)/increase in cash and cash equivalents	(15,461)	91,527
Cash and cash equivalents at beginning of the period	144,088	88,652
Cash and cash equivalents at end of the period	128,627	180,179

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

Fixed Deposit Placed With Licensed Banks-aged within 3 months	41,492	27,650
Cash and Bank Balances	87,135	152,529
	128,627	180,179

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2023 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 2023 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 2023.

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 2023 except for the adoption of the following new MFRSs/amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group :

MFRS 17	Insurance contracts
Amendments to MFRS 17	Insurance contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

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 2023 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.

SELECTED EXPLANATORY NOTES
6. Changes in Estimates

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

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

The Group did not undertake any issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the financial period under review except for the issuance of RM220 million of unrated Islamic Medium Term Notes pursuant to a Sukuk Wakalah Programme based on the Shariah principle of Wakalah Bi Al-Istithmar established on 11 April 2023 (“Sukuk Wakalah Programme”), which matures between 2026 to 2028 with a yield rate of 5.75% to 6.25% per annum.

The proceeds from the issuance of the Sukuk Wakalah will be utilized by its subsidiaries, JKG Central Park Sdn. Bhd. for the following Shariah-compliant purposes:

- a) To repay its existing financing facilities; and
- b) To provide for working capital requirements.

During the period under review, the Group repaid short term loan and borrowings of RM220 million from the proceeds of Sukuk Wakalah.

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 2023	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	57,822	1,297	1,278	60,397
Segment Result				
Operating profit before tax	7,963	820	178	8,961
Share of results of an associate				0
Profit before interest and tax				8,961
Finance income				1,035
Finance costs				(5,871)
Profit before tax				4,125
Tax expense				(2,180)
Profit after tax				1,945
Segment assets	768,025	9,950	38,616	816,591
Total assets				816,591

SELECTED EXPLANATORY NOTES
9. Segmental Information (Cont'd)

6 months ended 31 July 2022	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	56,052	1,795	813	58,660
Segment Result				
Operating profit before tax	12,661	1,231	578	14,470
Share of results of an associate				0
Profit before interest and tax				14,470
Finance income				684
Finance costs				(3,064)
Profit before tax				12,090
Tax expense				(3,248)
Profit after tax				8,842
Segment assets	799,540	9,948	42,146	851,634
Total assets				851,634

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 2023.

11. Material Subsequent Event

There were no material events subsequent to the financial period ended 31 July 2023.

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 2023.

13. Contingent Liabilities

There were no material contingent liabilities for the Group as at 31 July 2023.

14. Capital Commitments

There were no capital commitments for the Group as at 31 July 2023.

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 reported 3.2% higher revenue and 90.4% lower Profit Before Tax ("PBT ") compared with the corresponding quarter of the preceding year. For the financial period, the Group's revenue increased by 3.0% as compared to the corresponding period of the preceding year. However, the Group's PBT registered a decrease of 65.9% in the current financial period against PBT reported for the prior year's corresponding period.

Despite the marginal increase in revenue for the current quarter and financial period, the decrease in PBT was mainly due to lower contribution from the property development segment and higher financing costs arising from the increased funding environment.

The analysis of the performance for each operating segment for the current financial period are as follows :-

	Quarter ended 31 July			6-months ended 31 July		
	2023	2022	%	2023	2022	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
<u>Segment Revenue</u>						
Property Development	38,500	37,374	3.2	57,822	56,052	3.2
Cultivation of Oil Palm	601	806	(25.4)	1,297	1,795	(27.7)
Others	644	406	58.6	1,278	813	57.2
Total	39,805	38,586	3.2	60,397	58,660	3.0
<u>Segment Results</u>						
Property Development	3,942	9,494	(58.5)	7,963	12,661	(37.1)
Cultivation of Oil Palm	345	517	(33.3)	820	1,231	(33.4)
Others	37	286	(87.1)	178	578	(69.2)
Total operating profit	4,324	10,297	(58.0)	8,961	14,470	(38.1)
Share of results of an associate	0	0		0	0	
Profit before interest and tax	4,324	10,297	(58.0)	8,961	14,470	(38.1)
Finance income	508	561	(9.4)	1,035	684	51.3
Finance costs	(3,953)	(1,698)	132.8	(5,871)	(3,064)	91.6
Profit /(Loss) before tax	879	9,160	(90.4)	4,125	12,090	(65.9)
Tax expense	(1,180)	(2,126)		(2,180)	(3,248)	
Profit after tax	(301)	7,034	(104.3)	1,945	8,842	(78.0)
Non-controlling interests	0	5		1	7	
Profit attributable to owners of the Company	(301)	7,039	(104.3)	1,946	8,849	(78.0)

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

For the current quarter and financial period, the Group's PBT decreased by 58.5% and 37.1% respectively as compared with the corresponding quarter and financial period of the preceding year. These were mainly due to higher operating and administrative expenses due to rising costs, while lower other operating income derived from the oil palm estate which is held for future property development in Keladi Land Sdn Bhd.

	Quarter ended 31 July			6-months ended 31 July		
	2023	2022	%	2023	2022	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	38,560	37,374	3.2	57,822	56,052	3.2
Cost of sales	(27,498)	(24,474)		(38,505)	(36,446)	
Gross profit	11,062	12,900		19,317	19,606	
Selling and marketing expenses	(372)	(331)		(831)	(637)	
Administrative expenses	(7,107)	(4,389)		(11,387)	(8,542)	
Other operating income	359	1,314		864	2,234	
Operating profit	3,942	9,494	(58.5)	7,963	12,661	(37.1)

b) Cultivation of oil palm

	Quarter ended 31 July			6-months ended 31 July		
	2023	2022	%	2023	2022	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	601	806	(25.4)	1,297	1,795	(27.7)
Operating profit	345	517	(33.3)	820	1,231	(33.4)

For the current quarter and financial period under review, revenue declined by 25.4% and 27.7% respectively, and operating profit dropped by 33.3% and 33.4% respectively as compared to the corresponding period of the preceding year. These were mainly due to lower CPO price despite increased Fresh Fruit Bunches (FFB) harvested for the financial period.

SELECTED EXPLANATORY NOTES
1. Performance Review (Cont'd)
c) Others

	Quarter ended 31 July			6-months ended 31 July		
	2023	2022	%	2023	2022	%
	RM'000	RM'000	+ / (-)	RM'000	RM'000	+ / (-)
Revenue	644	406	58.6	1,278	813	57.2
Operating profit	37	286	(87.1)	178	578	(69.2)

The revenue and operating profit from Others segment comprised mainly of rental income and provision of management services. For the current quarter and financial period, revenue increased by 58.6% and 57.2% respectively, but the operating profit declined by 87.1% and 69.2% respectively when compared with the corresponding period of the preceding financial year. The growth in revenue was mainly due to additional rental income generated from the leasing of retail component of The ERA "Rain Tree Rain". However, higher initial operating costs incurred on the overall retail component resulted in lower operating profit for the current financial period as occupancy has yet to reach optimal levels.

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

The Group's PBT decreased by 72.9% to RM0.879 million compared to RM3.246 million posted in the immediate preceding quarter despite the increase of 93.3% in revenue. This was mainly due to higher financing and operating costs arising from the increased funding and rising cost environment.

	Quarter Ended		% + / (-)
	31-07-2023 RM'000	30-04-2023 RM'000	
<u>Segment Revenue</u>			
Property Development	38,500	19,262	100.2
Cultivation of Oil Palm	601	696	(13.6)
Investment Holding	644	634	1.6
Total	39,805	20,592	93.3
<u>Segment Results</u>			
Property Development	3,942	4,020	(1.9)
Cultivation of Oil Palm	345	475	(27.4)
Investment Holding	37	141	(73.8)
Total operating profit	4,324	4,636	(6.7)
Share of results of an associate	0	0	
Profit before interest and tax	4,324	4,636	(6.7)
Finance income	508	528	(3.8)
Finance costs	(3,953)	(1,918)	106.1
Profit before tax	879	3,246	(72.9)
Tax expense	(1,180)	(1,000)	
Profit after tax	(301)	2,246	(113.4)
Non-controlling interests	0	1	
Profit attributable to owners of the Company	(301)	2,247	(113.4)

SELECTED EXPLANATORY NOTES
3. Commentary on Prospects

Despite global economic challenges, Malaysia's moderate growth momentum, underpinned by resilient domestic demand, both public and private expenditures instrumental in anchoring the economy, improving labour market conditions and upswing in inbound tourism activity have supported local industry.

In addition, Bank Negara Malaysia's decision to maintain the overnight policy rate in September 2023 is expected to bring certainty and stability to the market as well as reinforce domestic property market.

Barring unforeseen circumstances, all of the Group's projects in Klang Valley and Kulim, Kedah are progressing well and are expected to contribute positively to the earnings and deliver a positive financial performance for the financial year 2024.

4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial period ended 31 July 2023.

5. Taxation

Tax charged for the current quarter and financial period ended 31 July 2023 comprised the followings:-

	Quarter Ended 31-07-2023 RM'000	6-months Cumulative 31-07-2023 RM'000
Malaysian income tax	1,180	2,180

Income tax expense is recognised based on management's best estimation. The Group's consolidated effective tax rates for the current financial period ended 1 July 2023 was higher than the Malaysian's statutory tax rate mainly due to non-deductible expenses and unrecognized tax losses for certain loss-making entities.

6. Status of Corporate Proposals

As at 31 July 2023, 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 31-07-2023		
	Long term RM'000	Short term RM'000	Total RM'000
Unrated Islamic Medium Term Notes (unsecured)	220,000	3,697	223,697

SELECTED EXPLANATORY NOTES
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 Group's current operating requirements and its plan for business expansion, the Board of Directors has not proposed any dividend for the current financial period ended 31 July 2023.

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	
	31-7-2023	31-7-2022	31-7-2023	31-7-2022
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to owners of the Company	(301)	7,039	1,946	8,849
Weighted average number of ordinary shares in issued	2,274,930	2,274,930	2,274,930	2,274,930
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share	(0.01)	0.31	0.09	0.39

There are 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 2023.

11. Notes to the Comprehensive Income Statement

	Quarter Ended	6-months Cumulative
	31-07-2023	31-07-2023
	RM'000	RM'000
a) Interest income	508	1,035
b) Other income	359	864
c) Interest expense	(3,953)	(5,871)
d) Depreciation and amortization	(1,000)	(1,973)
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