

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|  | Individual Quarter                             |   | Cumulative Quarter                                |  |
|--|--|---|---|--|
|  | Current year<br>Quarter<br>30-Jun-16<br>RM'000 | Preceding year<br>Corresponding<br>Quarter<br>30-Jun-15<br>RM'000 | Current<br>Year<br>To date<br>30-Jun-16<br>RM'000 | Preceding year<br>Corresponding<br>Period<br>30-Jun-15<br>RM'000 |
| Revenue  | 20,352   | 20,106  | 38,063  | 40,646   |
| Direct costs   | (415)  | (135)   | (852)   | (296)  |
| Changes in inventories of finished goods<br>and work in progress                                     | 4,052  | (1,919)   | 2,003   | (200)  |
| Raw materials and consumable used  | (18,107)                                       | (14,914)  | (30,200)  | (29,993)   |
| Changes in inventories of trading merchandise  | (908)  | (916)   | (941)   | (1,990)  |
| Staff costs  | (1,860)  | (2,712)   | (3,834)   | (6,164)  |
| Other income   | (241)  | 4,744   | 167   | 5,417  |
| Depreciation and amortisation  | (1,023)  | (827)   | (1,887)   | (1,629)  |
| Other operating expenses   | (1,391)  | (1,825)   | (3,754)   | (3,776)  |
| Finance cost   | (176)  | (158)   | (363)   | (310)  |
| <b>Profit/(Loss) before taxation</b>   | <b>283</b>                                     | <b>1,444</b>  | <b>(1,598)</b>                                    | <b>1,705</b>   |
| Taxation   | -  | (36)  | (18)  | (87)   |
| <b>Profit/(Loss) after taxation</b>  | <b>283</b>                                     | <b>1,408</b>  | <b>(1,616)</b>                                    | <b>1,618</b>   |
| <b>Other comprehensive income, net of tax</b>  | <b>-</b>                                       | <b>-</b>  | <b>-</b>  | <b>-</b>   |
| <b>Total comprehensive income/(loss) for the period</b>  | <b>283</b>                                     | <b>1,408</b>  | <b>(1,616)</b>                                    | <b>1,618</b>   |
| <b>Profit/(Loss) attributable to:</b>  |  |   |   |  |
| Owners of the Company  | 272  | 1,408   | (1,642)   | 1,618  |
| Non-controlling interest   | 11   | -   | 26  | -  |
|  | <b>283</b>                                     | <b>1,408</b>  | <b>(1,616)</b>                                    | <b>1,618</b>   |
| <b>Total comprehensive income/(loss) attributable to:</b>  |  |   |   |  |
| Owners of the Company  | 272  | 1,408   | (1,642)   | 1,618  |
| Non-controlling interest   | 11   | -   | 26  | -  |
|  | <b>283</b>                                     | <b>1,408</b>  | <b>(1,616)</b>                                    | <b>1,618</b>   |
| <b>Earning/(Loss) per share EPS/(LPS) attributable to owners<br/>of the Company (sen per share):</b> |  |   |   |  |
| Basic EPS/(LPS)  | 0.02   | 0.13  | (0.14)  | 0.15   |
| Diluted EPS  | 0.02   | 0.10  | N/A(*)  | 0.12   |

\* The fully diluted (loss)/ earning per share is not disclosed as the effects on the assumed exercised of the warrants is anti-dilutive.

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.

JAG BERHAD ("JAG" OR "COMPANY")  
(Company No. 439230 - A)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|  | As at end of<br>Current Quarter<br>30-Jun-16<br>RM'000 | Audited<br>As at preceding<br>Financial Year<br>Ended<br>31-Dec-15<br>RM'000 |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non Current assets</b>  |  |  |
| Property, plant and equipment                                    | 79,859   | 80,114   |
| Other investment   | 105  | 106  |
| Deferred taxation  | -  | 1,486  |
|  | 79,964   | 81,706   |
| <b>Current Assets</b>  |  |  |
| Inventories  | 33,772   | 35,006   |
| Trade and other receivables                                      | 16,132   | 22,156   |
| Other investment   | 2,839  | 2,447  |
| Fixed deposits with licensed banks                               | 2,086  | 4,722  |
| Cash and bank balances   | 8,111  | 3,919  |
|  | 62,940   | 68,250   |
| <b>TOTAL ASSETS</b>  | 142,904  | 149,956  |
| <b>EQUITY AND LIABILITIES</b>                                    |  |  |
| <b>Capital and reserves attributable to owners of the parent</b> |  |  |
| Share capital  | 114,384  | 114,384  |
| Share premium  | 19,162   | 19,162   |
| Revaluation reserve  | 23,379   | 23,379   |
| Reverse acquisition reserve                                      | (72,051)   | (72,051)   |
| Reserve - SIS  | 2,576  | 5,218  |
| Retained profits   | 34,699   | 33,699   |
|  | 122,149  | 123,791  |
| Equity attributable to the owners of the Company                 | 122,149  | 123,791  |
| Non controlling interest   | 33   | 7  |
| <b>Total equity</b>  | 122,182  | 123,798  |
| <b>Long term liabilities</b>                                     |  |  |
| Deferred taxation  | 441  | 1,927  |
| Deferred income  | 1,218  | 1,015  |
| Hire purchase liabilities  | 163  | 309  |
| Term loan  | 10,645   | 11,076   |
|  | 12,467   | 14,327   |
| <b>Current Liabilities</b>                                       |  |  |
| Trade and other payables   | 6,859  | 10,272   |
| Hire purchase liabilities  | 388  | 587  |
| Term loan  | 960  | 924  |
| Derivative liabilities   | 48   | 48   |
|  | 8,255  | 11,831   |
| <b>TOTAL LIABILITIES</b>   | 20,722   | 26,158   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                              | 142,904  | 149,956  |
| Net assets per share (sen) attributable to owners of the Company | 10.68  | 11.00  |

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.

**JAG BERHAD ("JAG" OR "COMPANY")**  
**(Company No. 439230 - A)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

|  | <b>Cumulative<br/>Current Year<br/>30-Jun-16<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Period<br/>30-Jun-15<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |   |   |
| (Loss)/Profit before taxation  | (1,598)   | 1,705   |
| Adjustments for:   |   |   |
| Changes in fair value on derivative financial instrument               | -   | (63)  |
| Depreciation of property, plant and equipment                          | 1,887   | 1,629   |
| Gain on disposal of property, plant and equipment                      | -   | (41)  |
| Gain on disposal of quoted securities                                  | (10)  | -   |
| (Gain)/Loss on foreign exchange - unrealized                           | (1,668)   | 79  |
| (Gain)/Loss on other investment - unrealized                           | 419   | (510)   |
| Government grant income  | 203   | (46)  |
| Interest income  | (73)  | (86)  |
| Interest expense   | 363   | 310   |
| Operating cash flows before working capital changes                    | (477)   | 2,977   |
| Changes in working capital:  |   |   |
| (Increase)/Decrease in inventories                                     | 1,234   | 1,845   |
| Decrease/(Increase) in trade and other receivables                     | 6,501   | 2,175   |
| (Decrease)/Increase in trade and other payables                        | (3,330)   | (6,187)   |
| Cash (used in)/generated from operations                               | 3,928   | 810   |
| Income tax paid  | (307)   | (866)   |
| Income tax refunded  | 169   | -   |
| <b>Net cash generated from operating activities</b>                    | <b>3,790</b>  | <b>(56)</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |   |   |
| Increase in fixed deposit pledged                                      | (515)   | (19)  |
| Interest received  | 73  | 86  |
| Proceeds from disposal of property, plant and equipment                | -   | 61  |
| Proceeds from disposal of quoted shares                                | 4,776   | -   |
| Purchase of property, plant and equipment                              | (1,632)   | (2,710)   |
| Purchase of quoted shares  | (5,577)   | (2,044)   |
| <b>Net cash used in investing activities</b>                           | <b>(2,875)</b>  | <b>(4,626)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |   |   |
| Interest paid  | (363)   | (310)   |
| Proceeds from hire purchase  | -   | 145   |
| Proceeds from issuance of shares                                       | -   | 2,220   |
| Repayment of hire purchase   | (345)   | (483)   |
| Repayment of term loan   | (395)   | (261)   |
| Repayment from trade finance   | -   | (5,519)   |
| <b>Net cash used in financing activities</b>                           | <b>(1,103)</b>  | <b>(4,208)</b>  |
| <b>Net decrease in cash and cash equivalents</b>                       | <b>(188)</b>  | <b>(8,890)</b>  |
| Effect of exchange rate changes  | 1,230   | 285   |
| <b>Cash and cash equivalents at 1 January</b>                          | <b>7,397</b>  | <b>14,925</b>   |
| <b>Cash and cash equivalents at 30 June</b>                            | <b>8,439</b>  | <b>6,320</b>  |
| <b>Cash and cash equivalents at end of financial period comprised:</b> |   |   |
| Cash & bank balances   | 8,111   | 5,992   |
| Fixed deposits with licensed banks                                     | 2,086   | 1,552   |
|  | 10,197  | 7,544   |
| Less: Fixed deposits pledged   | (1,758)   | (1,224)   |
|  | <b>8,439</b>  | <b>6,320</b>  |

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.

JAG BERHAD ("JAG" OR "COMPANY")  
(Company No. 439230 - A)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

|   | Share capital<br>RM'000 | Share premium<br>RM'000 | Revaluation reserve<br>RM'000 | Reverse acquisition reserve<br>RM'000 | Reserve - SIS<br>RM'000 | Retained profits<br>RM'000 | Equity attributable to owners of the Company<br>RM'000 | Non-controlling interest<br>RM'000 | Total equity<br>RM'000 |
|---|-------------------------|-------------------------|-------------------------------|---------------------------------------|-------------------------|----------------------------|--|------------------------------------|------------------------|
| At 1 January 2015                                       | 104,444                 | 19,137                  | 14,686                        | (72,051)                              | -                       | 49,612                     | 115,828  | -                                  | 115,828                |
| Issuance of shares in respect of conversion of warrants | 2,220                   | -                       | -                             | -                                     | -                       | -                          | 2,220  | -                                  | 2,220                  |
| Net income/Total comprehensive income                   | -                       | -                       | -                             | -                                     | -                       | 1,618                      | 1,618  | -                                  | 1,618                  |
| At 30 June 2015   | 106,664                 | 19,137                  | 14,686                        | (72,051)                              | -                       | 51,230                     | 119,666  | -                                  | 119,666                |
| At 1 January 2016                                       | 114,384                 | 19,162                  | 23,379                        | (72,051)                              | 5,218                   | 33,699                     | 123,791  | 7                                  | 123,798                |
| Reversal of unexercised SIS options granted             | -                       | -                       | -                             | -                                     | (2,642)                 | 2,642                      | -  | -                                  | -                      |
| Net (loss)/income / Total comprehensive (loss)/income   | -                       | -                       | -                             | -                                     | -                       | (1,642)                    | (1,642)  | 26                                 | (1,616)                |
| At 30 June 2016   | 114,384                 | 19,162                  | 23,379                        | (72,051)                              | 2,576                   | 34,699                     | 122,149  | 33                                 | 122,182                |

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.

**QUARTERLY REPORT**

**Notes on the quarterly report for the second quarter ended 30 June 2016**

**Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting**

**A1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Group's annual audited financial statements for the financial year ended 31 December 2015.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

**A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There was no audit qualification on the annual financial statements of JAG for the financial year ended 31 December 2015.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group's business operations were mainly attributable (i.e., contributing approximately 99% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities and are affected by the cyclicity of the semiconductor companies. The semiconductor industry is cyclical and dependent on its end user industries, in particular the electrical & electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones and other electronic equipment.

As the availability of electrical and electronic waste ("E-waste") for recycling and manufacturing services is dependent on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is dependent on the trends in the semiconductor industry.

**A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial quarter and period under review.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have had effect on the financial quarter and period under review.

**QUARTERLY REPORT**

**Notes on the quarterly report for the second quarter ended 30 June 2016**

**A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES**

Save as disclosed in Note B6, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter and period under review.

**A8. DIVIDEND**

There was no dividend being declared, recommended or paid during the financial quarter and period under review.

**A9. SEGMENT INFORMATION**

The Group's segmental information is as follows:

|  | Current Quarter Ended |               | Year to date   |               |
|--|-----------------------|---------------|----------------|---------------|
|  | 30 Jun 2016           | 30 Jun 2015   | 30 Jun 2016    | 30 Jun 2015   |
|  | RM'000                | RM'000        | RM'000         | RM'000        |
| <b>Revenue By Business Segments</b>            |                       |               |                |               |
| Manufacturing activities                       | 18,882                | 18,828        | 34,694         | 37,240        |
| Trading activities                             | 1,075                 | 1,032         | 2,812          | 2,830         |
| Proprietary solutions and software maintenance | 395                   | 246           | 557            | 576           |
|  | <u>20,352</u>         | <u>20,106</u> | <u>38,063</u>  | <u>40,646</u> |
| Elimination of inter-segment sales             | -                     | -             | -              | -             |
|  | <u>20,352</u>         | <u>20,106</u> | <u>38,063</u>  | <u>40,646</u> |
| <b>Segment results</b>                         |                       |               |                |               |
| Manufacturing activities                       | 232                   | 1,487         | (1,995)        | 1,722         |
| Trading activities                             | 604                   | 102           | 1,922          | 480           |
| Investment holding                             | (331)                 | (533)         | (694)          | (742)         |
| Proprietary solutions and software maintenance | (77)                  | 507           | (541)          | 469           |
| Profit/(loss) from operations                  | <u>428</u>            | <u>1,563</u>  | <u>(1,308)</u> | <u>1,929</u>  |
| Interest income                                | 31                    | 39            | 73             | 86            |
| Finance cost                                   | <u>(176)</u>          | <u>(158)</u>  | <u>(363)</u>   | <u>(310)</u>  |
| Profit before taxation                         | <u>283</u>            | <u>1,444</u>  | <u>(1,598)</u> | <u>1,705</u>  |
| Taxation                                       | -                     | (36)          | (18)           | (87)          |
| Profit after taxation                          | <u>283</u>            | <u>1,408</u>  | <u>(1,616)</u> | <u>1,618</u>  |
| <b>Revenue By Geographical Segment</b>         |                       |               |                |               |
| Malaysia                                       | 4,380                 | 5,306         | 9,901          | 10,663        |
| Foreign countries                              | <u>15,972</u>         | <u>14,800</u> | <u>28,162</u>  | <u>29,983</u> |
|  | <u>20,352</u>         | <u>20,106</u> | <u>38,063</u>  | <u>40,646</u> |

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation or revaluation of property, plant and equipment during the financial quarter and period under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

**QUARTERLY REPORT**

**Notes on the quarterly report for the second quarter ended 30 June 2016**

**A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER**

Save as disclosed in Note B6, there were no material events subsequent to the current financial quarter ended 30 June 2016 up to the date of this report.

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no other changes and/or intended changes in the composition of the Group during the current financial quarter and period under review.

**A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no changes in the contingent liabilities and contingent assets during the financial quarter and period under review.

**A14. CAPITAL COMMITMENTS**

The outstanding capital commitments as at 30 June 2016 was approximately RM95,863.

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**QUARTERLY REPORT**

**Notes on the quarterly report for the second quarter ended 30 June 2016**

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market**

**B1. REVIEW OF PERFORMANCE**

The Group recorded revenue of approximately RM20.35 million for the current financial quarter and RM38.06 million for the financial period ended 30 June 2016, respectively. Export sales accounted for about RM15.97 million and RM28.16 million or 78.48% and 73.99% of total revenue for the current financial quarter and period ended 30 June 2016 respectively.

The Group recorded slight increase in revenue for the current financial quarter compared to the previous corresponding financial quarter, but lower revenue for the financial period ended 30 June 2016 compared to previous corresponding period. The said lower revenue for the current period was mainly due to relatively lower sales volume, particularly copper in the current period compared to period ended 30 June 2015.

Other income for the current financial period mainly consisted of fixed deposit and interest incomes as well as the Malaysian Technology Development Corporation (MTDC) grant. The higher other income for the previous year's corresponding period was mainly due to the gain on realised foreign exchange and gain on disposal of quoted securities.

The Group reported a profit after tax of RM0.28 million and a loss after tax of RM1.62 million for the current financial quarter and period ended 30 June 2016 respectively compared to the profit after tax of RM1.41 million and 1.62 million for the previous financial quarter and period ended 30 June 2015. This was mainly attributable to the higher other income in the previous corresponding period notwithstanding staff cost was lower in the current financial period.

Other operating expenses mainly consisted of manufacturing overhead expenses, unrealised loss on quoted securities, repair and maintenance, professional fees, utilities expenses, rental expense, commission and marketing fees, entertainment and travelling expenses. Other operating expenses for the current financial period did not fluctuate materially compared to the previous corresponding financial period.

**B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER**

The Group recorded revenue of approximately RM20.35 million and RM17.71 million for the current financial quarter ended 30 June 2016 and preceding financial quarter ended 31 March 2016 respectively. The increase in revenue was mainly due to higher sales volume of mainly copper and nickel and improvement in these commodity prices. The Group also recorded higher raw materials and consumables used due to higher production/ recovery of the said metals in the current financial quarter compared to the previous financial quarter.

The decrease in other income was mainly due loss on disposal of quoted securities during the current financial quarter compared to the gain on disposal of quoted securities in the preceding quarter.

The Group incurred lower other operating expenses in the current quarter mainly due to fluctuations in foreign exchange and market prices of quoted securities during the current financial quarter as well as absence of legal fees for the purchase of land (as mentioned in Note B6).

The Group recorded a marginal profit after tax for the current financial quarter mainly due to improved commodity prices mainly for copper and nickel for the current quarter.



**QUARTERLY REPORT**

**Notes on the quarterly report for the second quarter ended 30 June 2016**

**B3. PROSPECTS FOR CURRENT FINANCIAL YEAR**

The Group foresees the current financial year to be challenging amid the relatively lower commodity prices, particularly copper compared to prior years.

**B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE**

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

**B5. TAXATION**

|                    | Current Quarter Ended |                       | Year to date          |                       |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                    | 30 Jun 2016<br>RM'000 | 30 Jun 2015<br>RM'000 | 30 Jun 2016<br>RM'000 | 30 Jun 2015<br>RM'000 |
| Current income tax | -                     | (36)                  | (18)                  | (87)                  |
| Deferred tax       | -                     | -                     | -                     | -                     |
|                    | <u>-</u>              | <u>(36)</u>           | <u>(18)</u>           | <u>(87)</u>           |

The effective tax rate of the Group for current quarter and financial year ended 30 June 2016 are lower than the statutory tax rate of 25% due to business losses allowance carried forward and availability of reinvestment allowance which arose from the capital expenditure of a subsidiary in the current financial quarter under review and previous financial year.

**B6. STATUS OF CORPORATE PROPOSALS**

The Board announced that JAG Land Sdn Bhd ("JAG Land") had on 28 January 2016, entered into a Sale and Purchase Agreement with Chewway Heavy Machinery Sdn. Bhd., for the purpose of purchasing a parcel of freehold land held under H.S. (D) 137367, PT 133653 Mukim Klang, District of Klang, State of Selangor measuring approximately 13,489.5 square meters in an area bearing postal address Lot No. 10428, Jalan Sg Jati/KS7, Kg Jawa, 41000 Klang, Selangor Darul Ehsan for a total purchase consideration of RM9,873,668.00 ("Proposed Acquisition of Land"). On 3 August 2016, the Board announced that the Company has received confirmation in writing from the solicitors of JAG Land to confirm that the Proposed Acquisition of Land has been fully completed on the same date.

On 4 March 2016, TA Securities Holdings Berhad ("TA Securities") had on behalf of the Board of JAG Berhad ("JAG" or the "Company") announced that the Company proposes to undertake the proposed private placement of new ordinary shares of RM0.10 each in JAG, representing not more than ten percent (10%) of the issued and paid-up share capital of JAG (excluding treasury shares, if any) ("Proposed Private Placement"). The listing application for the Proposed Private Placement has been submitted to Bursa Securities on 16 March 2016.

**JAG BERHAD (“JAG” OR “COMPANY”)**  
(Company No: 439230 - A)

**QUARTERLY REPORT**

**Notes on the quarterly report for the second quarter ended 30 June 2016**

**B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)**

The Company had on 22 March 2016 obtained Bursa Securities’ approval for the listing and quotation of up to 153,844,000 Placement Shares to be issued pursuant to the Proposed Private Placement. The approval granted by Bursa Securities for the Proposed Private Placement, is subjected to the following conditions:

- i. JAG and TA Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements (“ACE LR”) pertaining to the implementation of the Proposed Private Placement;
- ii. JAG and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;
- iii. JAG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Private Placement is completed; and
- iv. TA Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the ACE LR for Bursa Securities’ review, prior to the issuance/allotment of the Placement Shares.

JAG is required to ensure full compliance of all the requirements pertaining to the Proposed Private Placement as provided under the Listing Requirements at all times. As at the date of this announcement, the Proposed Private Placement is still pending implementation and completion.

**B7. GROUP BORROWINGS**

The Group’s borrowings as at 30 June 2016 are as follows:-

|                           | <b>Short term<br/>(Secured)<br/>RM’000</b> | <b>Long Term<br/>(Secured)<br/>RM’000</b> | <b>Total<br/>RM’000</b> |
|---------------------------|--|---|-------------------------|
| Term loan                 | 960  | 10,645                                    | 11,605                  |
| Hire purchase liabilities | 388  | 163                                       | 551                     |
| Total                     | <u>1,348</u>                               | <u>10,808</u>                             | <u>12,156</u>           |

**B8. MATERIAL LITIGATION**

There was no pending material litigation as at the date of this announcement.

**B9. DIVIDEND**

There was no dividend declared, recommended or paid during the current financial quarter under review.

**JAG BERHAD ("JAG" OR "COMPANY")**  
 (Company No: 439230 - A)

**QUARTERLY REPORT**

Notes on the quarterly report for the second quarter ended 30 June 2016

**B10. REALISED AND UNREALISED PROFITS DISCLOSURE**

The accumulated profits of the Group may be analyzed as follows:

|   | <b>As at<br/>30 Jun<br/>2016<br/>RM'000</b> | <b>As at<br/>30 Jun<br/>2015<br/>RM'000</b> |
|---|---|---|
| Total accumulated profits of the Group                                  |   |   |
| - Realized  | 33,031                                      | 51,309                                      |
| - Unrealized  | 1,668                                       | (79)  |
| <b>Total before consolidation adjustments</b>                           | <b>34,699</b>                               | <b>51,230</b>                               |
| Less: Consolidation adjustments   | -   | -   |
| <b>Total accumulated profits as per statement of financial position</b> | <b>34,699</b>                               | <b>51,230</b>                               |

**B11. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

|  | <b>Current Quarter<br/>Ended</b>  |                                   | <b>Year to date</b>               |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | <b>30 Jun<br/>2016<br/>RM'000</b> | <b>30 Jun<br/>2015<br/>RM'000</b> | <b>30 Jun<br/>2016<br/>RM'000</b> | <b>30 Jun<br/>2015<br/>RM'000</b> |
| Changes in fair value on derivative financial instrument | 218                               | -                                 | -                                 | (63)                              |
| Depreciation of property, plant and equipment            | 1,024                             | 827                               | 1,887                             | 1,629                             |
| Gain on disposal of property, plant and equipment        | -                                 | (27)                              | -                                 | (41)                              |
| (Gain)/Loss on disposal of quoted securities             | 305                               | -                                 | (10)                              | -                                 |
| (Gain)/Loss on foreign exchange – Unrealized             | (381)                             | 220                               | (1,668)                           | 79                                |
| (Gain)/Loss on other investment – unrealized             | (112)                             | (510)                             | 419                               | (510)                             |
| Government grant income                                  | 232                               | (23)                              | 203                               | (46)                              |
| Interest income  | (31)                              | (39)                              | (73)                              | (86)                              |
| Interest expenses  | 176                               | 158                               | 363                               | 310                               |

Other than as disclosed above, the Group does not have other material items (such as provision for and write-off of inventories, impairment of assets and exception items) that are recognized as profit/(loss) in the Statement of Comprehensive Income.

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**QUARTERLY REPORT**

Notes on the quarterly report for the second quarter ended 30 June 2016

**B12. EARNINGS / (LOSS) PER SHARE**

(i) Basic (loss) / earnings per share

The basic earnings / (loss) per share was calculated by dividing the net profit / (loss) for the current financial quarter and the current financial period to date by the weighted average number of ordinary shares in issue:

|  | Current Quarter Ended |                   | Year to date      |                   |
|--|-----------------------|-------------------|-------------------|-------------------|
|  | 30 Jun 2016<br>RM     | 30 Jun 2015<br>RM | 30 Jun 2016<br>RM | 30 Jun 2015<br>RM |
| Net profit / (loss) attributable to owners of the Company (RM'000) | 272                   | 1,408             | (1,642)           | 1,618             |
| Weighted average number of ordinary shares in issue ('000)         | 1,143,845             | 1,066,645         | 1,143,845         | 1,061,911         |
| Basic earnings / (loss) per share (sen)                            | 0.02                  | 0.13              | (0.14)            | 0.15              |

(ii) Diluted earnings / (loss) per share

The diluted earnings / (loss) per share was calculated by dividing the net profit / (loss) for the current financial quarter and period to date by the weighted average number of ordinary shares based on the assumption that the warrants issued are fully exercised and converted into ordinary shares.

|  | Current Quarter Ended |                   | Year to date      |                   |
|--|-----------------------|-------------------|-------------------|-------------------|
|  | 30 Jun 2016<br>RM     | 30 Jun 2015<br>RM | 30 Jun 2016<br>RM | 30 Jun 2015<br>RM |
| Net profit / (loss) attributable to owners of the Company (RM'000) | 272                   | 1,408             | (1,642)           | 1,618             |
| Weighted average number of ordinary shares in issue ('000)         | 1,538,440             | 1,361,349         | 1,538,440         | 1,361,349         |
| Diluted earnings / (loss) per share (sen)                          | 0.02                  | 0.10              | N/A(*)            | 0.12              |

Note:

\* The fully diluted (loss)/earnings per share is not disclosed as the effects on the assumed exercised of the warrants is anti-dilutive.

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