



## ***NEWS RELEASE***

### **JAG Diversifies Into Property Development**

#### Waste management specialist to embark on maiden multi-phase development in Klang

**SELANGOR, 3 January 2017** – JAG Berhad (“JAG”), one of Malaysia’s leading total waste management services provider announced on Bursa Malaysia Securities Berhad today, the proposed diversification of the existing business of JAG and its group of companies (“Group”) to include property development and property investment.

Currently, the Group’s core business activity is in the processing of electronic waste and industrial waste, where it extracts and refine ferrous, non-ferrous and precious metals. The Group is also involved in computer software development, maintenance and support services, provision of marketing support, system integration and network solutions as well as operating 24-hour coin-operated (self-operated) laundry business in Malaysia.

JAG disclosed in the announcement that the proposed diversification is in line with the Group’s plan to diversify its sources of revenue while reducing its reliance on the waste management / recycling business. Notwithstanding the diversification of the Group’s existing business into property development and property investment, JAG Group intends to continue with its existing businesses in largely the same manner.

**Dato’ Ng Meow Giak, an Executive Director of JAG (“Dato’ Ng”)**, said, “The long-term prospects of our waste management / recycling business remains bright and will continue to contribute to our Group’s performance in the foreseeable future. Nevertheless, this business is subject to fluctuations in commodity prices.”

“Our proposed diversification into property development and property investment will enable our Group to expand our sources of revenue while at the same time, potentially provide an alternative source of income,” he explained.

JAG’s property development and property investment business will be spearheaded by its wholly-owned subsidiary company, JAG Land Sdn Bhd (“JAG Land”), which will oversee the Group’s proposed property development project involving a freehold land measuring 13,489.5 square meters (3.33 acres) in Kg. Jawa, Klang. JAG Land had acquired the land for RM9.87 million in August 2016.

The maiden property development project will be a three-phase mixed development offering that will include shop-offices, office suites and residential apartments. Total gross development value



of the development is expected to range from RM155 million to RM170 million. This will translate into a gross development profit of between RM20 million to RM35 million.

Construction work for this maiden property development project is expected to commence in the fourth quarter of 2017. The development cost will be funded by a combination of bank borrowings, collection from the sale of the properties and internally-generated funds and/or a fund raising exercise (if necessary).

“JAG Land is in the midst of exploring and negotiating with other parties to acquire more landbank. We are also considering to undertake property development projects through joint ventures,” he added.

“Talent is a key success factor in the property industry and as such, JAG Land will be driven by a team of highly experienced and seasoned professionals in this field,” he explained.

“All in all, we believe that our Group’s diversification into the property sector is both timely and necessary as it will enable our Group to enhance value for our shareholders,” he concluded.

JAG’s proposed diversification is subject to its shareholders’ approval at a forthcoming Extraordinary General Meeting to be convened. The proposed diversification is not expected to have any effect on the Group’s issued and paid-up share capital. It is also not expected to have any material impact on the Group’s net assets and gearing for its financial year ending 31 December 2017.

### **About JAG Berhad**

JAG Berhad (JAG), is a public limited company listed on ACE Market of Bursa Malaysia Securities Berhad. JAG is today one of Malaysia’s leading total waste management services provider. Currently, the Group’s facility in Shah Alam processes electronic waste and other industrial waste where it extracts and refine ferrous, non-ferrous and precious metals. In addition to its Total Waste Management Division, JAG also has an Information Technology (IT) Services Division, which develops computer software and provides support for system integration. For more information, kindly visit [www.jagb.com.my](http://www.jagb.com.my)

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For further enquiries, please contact Michael Poh at 012 395 5202 or  
Reshvinder Kaur at 017 275 7985