

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter Current year Quarter 31-Dec-16 RM'000	Preceding year Corresponding Quarter 31-Dec-15 RM'000	Cumulative Quarter Current Year To date 31-Dec-16 RM'000	Preceding year Corresponding Period 31-Dec-15 RM'000
Revenue	21,501	23,907	82,913	84,791
Direct costs	61	(442)	(1,532)	(420)
Changes in inventories of finished goods and work in progress	1,796	(3,448)	590	(1,752)
Raw materials and consumable used	(14,839)	(17,429)	(58,751)	(66,285)
Changes in inventories of trading merchandise	395	(749)	(694)	(3,908)
Staff costs	(663)	(2,599)	(6,381)	(20,509)
Other income	868	122	1,525	2,448
Depreciation and amortisation	(1,047)	(899)	(3,916)	(4,042)
Other operating expenses	(4,769)	(5,147)	(10,158)	(12,139)
Finance cost	(24)	(114)	(632)	(599)
Profit/(Loss) before taxation	3,279	(6,798)	2,964	(22,415)
Taxation	(881)	3,363	(902)	2,624
Profit/(Loss) after taxation	2,398	(3,435)	2,062	(19,791)
Other comprehensive income, net of tax	-	-	-	8,693
Total comprehensive income/(loss) for the period	2,398	(3,435)	2,062	(11,098)
Profit/(Loss) attributable to:				
Owners of the Company	2,378	(3,429)	1,995	(19,785)
Non-controlling interest	20	(6)	67	(6)
	2,398	(3,435)	2,062	(19,791)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	2,378	(3,429)	1,995	(11,092)
Non-controlling interest	20	(6)	67	(6)
	2,398	(3,435)	2,062	(11,098)
Earning/(Loss) per share EPS/(LPS) attributable to owners of the Company (sen per share):				
Basic EPS/(LPS)	0.21	(0.31)	0.17	(1.80)
Diluted EPS	0.16	N/A(*)	0.13	N/A(*)

* The fully diluted (loss)/ earning per share is not disclosed as the effects on the assumed exercised of the warrants and Share Issuances Scheme ("SIS") options 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31-Dec-16 RM'000	Audited As at preceding Financial Year Ended 31-Dec-15 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	78,457	80,114
Other investment	105	106
Deferred taxation	-	1,486
	78,562	81,706
Current Assets		
Inventories	33,695	35,006
Property development expenditure	14,059	-
Trade and other receivables	7,751	19,494
Tax recoverable	2,847	2,662
Other investment	3,815	2,447
Fixed deposits with licensed banks	2,135	4,722
Cash and bank balances	5,830	3,919
	70,132	68,250
TOTAL ASSETS	148,694	149,956
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
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	3,671	5,218
Retained profits	35,694	33,699
	124,239	123,791
Equity attributable to the owners of the Company	124,239	123,791
Non controlling interest	74	7
Total equity	124,313	123,798
Long term liabilities		
Deferred taxation	1,287	1,927
Deferred income	1,148	1,015
Hire purchase liabilities	43	309
Term loan	10,146	11,076
	12,624	14,327
Current Liabilities		
Trade and other payables	5,651	10,272
Hire purchase liabilities	262	587
Short term borrowings	5,292	924
Derivative liabilities	552	48
	11,757	11,831
TOTAL LIABILITIES	24,381	26,158
TOTAL EQUITY AND LIABILITIES	148,694	149,956
Net assets per share (sen) attributable to owners of the Company	10.86	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 FOURTH QUARTER ENDED 31 DECEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Reserve - SIS RM'000	Retained profits RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2015	104,444	19,137	14,686	(72,051)	-	49,612	115,828	-	115,828
Transactions with owners									
- Shares issued by a subsidiary to non controlling interest	-	-	-	-	-	-	-	20	20
- Dilution of interest in a subsidiary	-	-	-	-	-	7	7	(7)	-
- Exercise of warrants	2,220	-	-	-	-	-	2,220	-	2,220
- Grant of equity settled share options to employees pursuant to SIS	-	-	-	-	9,083	-	9,083	-	9,083
- Exercise of share options pursuant to SIS	7,720	133	-	-	(3,865)	3,865	7,853	-	7,853
Total issuance of shares in respect of share issuance scheme:	9,940	133	-	-	5,218	3,872	19,163	13	19,176
Share issue expenses	-	(108)	-	-	-	-	(108)	-	(108)
Net loss for the year	-	-	-	-	-	(19,785)	(19,785)	(6)	(19,791)
Other comprehensive income for the year	-	-	8,693	-	-	-	8,693	-	8,693
- Surplus on revaluation of freehold land and buildings (Net of tax)	-	-	8,693	-	-	-	(11,092)	(6)	(11,098)
At 31 December 2015	114,384	19,162	23,379	(72,051)	5,218	33,699	123,791	7	123,798
At 1 January 2016	114,384	19,162	23,379	(72,051)	5,218	33,699	123,791	7	123,798
Over recognition of SIS reserve	-	-	-	-	(1,547)	-	(1,547)	-	(1,547)
Net income / Total comprehensive income	-	-	-	-	-	1,995	1,995	67	2,062
At 31 December 2016	114,384	19,162	23,379	(72,051)	3,671	35,694	124,239	74	124,313

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 31-Dec-16 RM'000	Preceding Year Corresponding Period 31-Dec-15 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	2,964	(22,415)
Adjustments for:		
Amortisation of club membership	1	1
Allowance for doubtful debts	1,586	2,941
Allowance for doubtful debts no longer required	-	(1)
Bad debt written off	25	-
Changes in fair value on derivative financial instrument	552	48
Depreciation of property, plant and equipment	3,916	4,041
Deposit written off	-	272
Dividend income	(75)	(85)
Fair value loss/(gain) on held for trading investments	377	(302)
Loss/(Gain) on disposal of plant and equipment	1	(6)
Gain on disposal of quoted securities	(487)	(842)
Gain on foreign exchange - unrealized	(774)	(899)
Government grant income	(131)	(98)
Interest income	(154)	(170)
Interest expense	632	599
Inventory written down	-	32
Over recognition of share option expenses	(1,547)	-
Plant and equipment written off	-	2
Staff cost - SIS	-	9,083
Realised gain/loss on foreign exchange - Cash and Cash equivalent	(23)	(286)
Operating cash flows before working capital changes	6,863	(8,085)
Changes in working capital:		
Decrease in inventories	1,311	7,583
Decrease in trade and other receivables	10,953	3,169
Decrease in trade and other payables	(4,716)	(3,974)
Increase in property development cost	(14,059)	-
Cash generated from/(used in) operations	352	(1,307)
Income tax paid	(412)	(1,197)
Income tax refunded	169	-
Net cash generated from/(used in) operating activities	109	(2,504)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in fixed deposit pledged	(549)	(39)
Interest received	154	170
Deposit paid for purchase of plant and equipment	-	(349)
Dividend received	75	85
Government grant received	265	210
Proceeds from disposal of property, plant and equipment	-	121
Purchase of property, plant and equipment	(2,260)	(7,854)
Purchase of quoted shares	(1,258)	(1,303)
Net cash used in investing activities	(3,573)	(8,959)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(632)	(599)
Proceeds from issuance of shares	-	10,093
Proceeds from term loan	-	12,000
Proceeds from trade finance	-	3,593
Share issue expenses	-	(108)
Repayment of hire purchase	(590)	(878)
Repayment of term loan	(894)	(11,340)
Repayment of trade finance	-	(9,112)
Net cash (used in)/from financing activities	(2,116)	3,649
Net decrease in cash and cash equivalents	(5,580)	(7,814)
Effect of exchange rate changes	23	286
Cash and cash equivalents at 1 January	7,397	14,925
Cash and cash equivalents at 31 December	1,840	7,397
Cash and cash equivalents at end of financial period comprised:		
Cash & bank balances	5,830	3,919
Fixed deposits with licensed banks	2,135	4,722
	7,965	8,641
Less: Fixed deposits pledged	(1,793)	(1,244)
Less: Bank overdraft	(4,332)	-
	1,840	7,397

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.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 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") ("ACE LR").

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"), amendments to published standards and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs, amendments to published standards 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 98% 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 year under review.

A6. MATERIAL CHANGES IN ESTIMATES

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

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

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2016

A7. ISSUANCES, CANCELLATIONS, REPURCHASES, REALE 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 year under review.

A8. DIVIDEND

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

A9. SEGMENT INFORMATION

The Group's segmental information is as follows:

	Current Quarter Ended		Year to date	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Revenue By Business Segments				
Manufacturing activities	19,527	22,895	75,820	78,947
Trading activities	1,459	634	5,753	4,617
Proprietary solutions and software maintenance	410	378	1,235	1,227
Investment holding	470	-	470	-
Property development	105	-	105	-
	<u>21,971</u>	<u>23,907</u>	<u>83,383</u>	<u>84,791</u>
Elimination of inter-segment sales	(470)	-	(470)	-
	<u>21,501</u>	<u>23,907</u>	<u>82,913</u>	<u>84,791</u>
Segment results				
Manufacturing activities	1,897	(7,084)	2,593	(20,105)
Trading activities	865	379	2,123	(1,339)
Investment holding	71	(153)	(136)	(142)
Proprietary solutions and software maintenance	(43)	128	(671)	(400)
Property development	476	-	(467)	-
Profit/(loss) from operations	<u>3,266</u>	<u>(6,730)</u>	<u>3,442</u>	<u>(21,986)</u>
Interest income	37	46	154	170
Finance cost	(24)	(114)	(632)	(599)
Profit before taxation	<u>3,279</u>	<u>(6,798)</u>	<u>2,964</u>	<u>(22,415)</u>
Taxation	(881)	3,363	(902)	2,624
Profit after taxation	<u>2,398</u>	<u>(3,435)</u>	<u>2,062</u>	<u>(19,791)</u>
Revenue By Geographical Segment				
Malaysia	4,072	6,636	19,580	30,136
Foreign countries	17,429	17,271	63,333	54,655
	<u>21,501</u>	<u>23,907</u>	<u>82,913</u>	<u>84,791</u>

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2016

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

On 3 January 2017 TA Securities Holdings Berhad (“TA Securities”) had on behalf of the Board of Directors of JAG (“Board”) announced that the Company proposes to undertake a proposed diversification of the existing business of JAG and its subsidiaries to include property development and property investment (“Proposed Diversification”). The extraordinary general meeting for the shareholders of JAG to approve the Proposed Diversification will be held on 3 March 2017.

On 7 February 2017, the Company announced to seek its shareholders’ approval for the Company to purchase its own ordinary shares up to 10% of the total number of issued shares of the Company (“Proposed Share Buy-Back”)

Save as disclosed above and in Note B6, there were no other material events subsequent to the current financial quarter ended 31 December 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 year 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 year under review.

A14. CAPITAL COMMITMENTS

Save as disclosed below, as at 31 December 2016, the Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group:

	Group level (RM’000)
Professional fees to the external consultants (i.e., architect, engineers, quantity surveyors, land surveyors, sales and marketing agents, solicitors and contractors) in relation to the Proposed Development Project (as defined in Note B3)	5,610

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the quarter under review.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 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 RM21.50 million for the current financial quarter and RM82.91 million for the financial year ended 31 December 2016, respectively. Export sales accounted for about RM17.43 million and RM63.33 million or 81.06% and 76.38% of total revenue for the current financial quarter and current financial year ended 31 December 2016 respectively.

The Group's revenue comprised mainly the sales of recovered metals such a copper, tin, iron, silver, gold, aluminium and nickel. The lower revenue for the current financial quarter was mainly due to lower sales of copper and gold. The lower sales of copper was attributed to lower sales volume and lower average copper price while lower sales of gold was attributed to lower sales volume although the average gold price was higher. The lower revenue for the current financial year was mainly due to lower sales of copper arising from lower sales volume and lower average copper price.

Other income for the current financial year mainly consisted of fixed deposit interest income, gain on foreign exchange and gain on disposal of quoted securities. The higher other income for the previous financial year was mainly due to net fair value gains on held for trading investments, gain on unrealized foreign exchange and gain on disposal of quoted securities.

The Group reported a profit after tax of RM2.40 million and RM2.06 million for the current financial quarter and current financial year, respectively. The Group's improved performance was mainly attributable to higher average commodity prices for gold, iron and silver.

The Group's staff cost was lower for the current financial year mainly due to the absence of staff cost for SIS as there were no SIS options granted to staff, over recognition of SIS options expenses and lower headcount.

Other operating expenses mainly consisted of manufacturing overhead expenses, loss on foreign exchange, professional fees, utilities expenses, procurement fees, entertainment and travelling expenses and allowance for doubtful debts. The decrease in other operating expenses for the current financial year compared to the previous financial year was mainly due to lower manufacturing overhead expenses and lower allowance for doubtful debts being provided in the current financial year.

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

The Group recorded revenue of approximately RM21.50 million and RM23.35 million for the current financial quarter ended 31 December 2016 and preceding financial quarter ended 30 September 2016 respectively. The decrease in revenue was mainly due to lower sales of gold.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2016

B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER (CONTINUED)

The increase of other income was mainly due to unrealized gain on foreign exchange during the current financial quarter compared to preceding quarter resulting from the appreciation of USD against RM.

The Group incurred higher other operating expenses in the current quarter mainly due to allowance for doubtful debts had been provided, unrealized loss on the quoted securities and realized losses on foreign exchange as well as higher procurement fees, higher rental expenses, and higher Goods and Services Tax (“GST”) expenses incurred by non-GST registrant subsidiaries.

The Group recorded profit after tax for the current financial quarter mainly due to higher average commodity prices mainly for copper, iron and nickel for the current quarter.

B3. PROSPECTS FOR FOLLOWING FINANCIAL YEAR

Fluctuations in exchange rates and commodity prices will continue to be a challenge to the Group notwithstanding the Group’s financial performance improved in the financial year ended 31 December 2016. However, the Directors remain positive on the Group’s prospects.

In addition, the Board expects the Proposed Diversification to contribute positively to the Group’s performance in the coming financial years. JAG Land Sdn Bhd (“JAG Land”) is in the midst of exploring with other parties for JAG Land to acquire more lands and/or to undertake other property development projects via joint ventures, the details of which have yet to be determined at this juncture. Once the details have been finalised and upon signing any definite agreement, the Company will make the appropriate announcement(s) in due course pursuant to the ACE LR, if required.

The Proposed Diversification is consequential to the proposed mixed development on the Land (as defined in Note B6) which comprise the development of shop-offices, office suites and residential apartments (“Proposed Development Project”). The Proposed Diversification is in line with the Group’s plan to diversify its sources of revenue and earnings and to reduce the Group’s reliance on its recycling business. The proposed development project is expected to contribute gross development profit of between RM20 million to RM35 million to be achieved progressively over the development period of the Proposed Development Project and the sales of the shop-offices, office suites and residential apartments.

Barring any unforeseen circumstances, the Board is of the opinion that the prospects for the financial year ending 31 December 2017 will be favorable.

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.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2016

B5. TAXATION

	Current Quarter Ended		Year to date	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	RM'000	RM'000	RM'000	RM'000
Current income tax	(36)	63	(57)	(433)
Deferred tax	(845)	3,300	(845)	3,057
	<u>(881)</u>	<u>3,363</u>	<u>(902)</u>	<u>2,624</u>

The effective tax rate of the Group for current quarter and financial year ended 31 December 2016 are lower than the statutory tax rate of 24% 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 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 ("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 had on behalf of the Board announced that the Company proposes to undertake the proposed private placement of new ordinary shares in JAG, representing not more than ten percent (10%) of the total number of issued shares 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.

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 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.

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Notes on the quarterly report for the fourth quarter ended 31 December 2016

B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)

JAG is required to ensure full compliance of all the requirements pertaining to the Proposed Private Placement as provided under the ACE LR at all times. On 2 September 2016, TA Securities had on behalf of the Board announced the revision of utilization of proceeds from the Proposed Private Placement.

On 6 September 2016, the Company submitted an application to Bursa Securities for an extension of time of approximately six (6) months (i.e., from 22 September 2016 until 21 March 2017) to complete the implementation of the Proposed Private Placement (“Extension of Time”). On 13 September 2016, TA Securities on behalf of the Board announced that Bursa Securities has, vide its letter dated 9 September 2016 granted the Company the Extension of Time.

As at the date of this announcement, the Proposed Private Placement is still pending implementation and completion.

On 3 January 2017, TA Securities had on behalf of the Board announced that the Company proposes to undertake a Proposed Diversification. The extraordinary general meeting for the shareholders of JAG to approve the Proposed Diversification will be held on 3 March 2017

On 7 February 2017, the Company announced that it proposes to seek shareholders’ approval for the Company to undertake the Proposed Share Buy-Back.

B7. GROUP BORROWINGS

The Group’s borrowings as at 31 December 2016 are as follows:-

	Short term (Secured) RM’000	Long Term (Secured) RM’000	Total RM’000
Term loan	960	10,146	11,106
Overdraft	4,332	-	4,332
Hire purchase liabilities	262	43	305
Total	5,554	10,189	15,743

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.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2016

B10. REALISED AND UNREALISED PROFITS DISCLOSURE

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

	As at 31 Dec 2016 RM'000	As at 31 Dec 2015 RM'000
Total accumulated profits of the Group		
- Realized	37,135	32,939
- Unrealized	(1,441)	760
Total before consolidation adjustments	35,694	33,699
Less: Consolidation adjustments	-	-
Total accumulated profits as per statement of financial position	35,694	33,699

B11. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended		Year to date	
	31 Dec 2016 RM'000	31 Dec 2015 RM'000	31 Dec 2016 RM'000	31 Dec 2015 RM'000
Amortization of club membership	1	1	1	1
Allowance for doubtful debts	1,586	2,793	1,586	2,941
Bad debts written off	25	-	25	-
Changes in fair value on derivative financial instrument	552	-	552	48
Depreciation of property, plant and equipment	1,047	899	3,916	4,041
Loss/(Gain) on disposal of property, plant and equipment	-	35	1	(6)
Gain on disposal of quoted securities	(142)	(120)	(487)	(842)
Loss/(Gain) on foreign exchange – Unrealized	199	(1,510)	(774)	(899)
Loss/(Gain) on other investment – unrealized	190	194	377	(302)
Government grant income	(35)	(28)	(131)	(98)
Interest income	(37)	(46)	(154)	(170)
Interest expenses	24	115	632	599
Staff cost - SIS	-	-	-	9,083

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.

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2016

B12. EARNINGS / (LOSS) PER SHARE

(i) Basic earnings / (loss) 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 year to date by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to date	
	31 Dec 2016 RM	31 Dec 2015 RM	31 Dec 2016 RM	31 Dec 2015 RM
Net profit / (loss) attributable to owners of the Company (RM'000)	2,378	(3,429)	1,995	(19,785)
Weighted average number of ordinary shares in issue ('000)	1,143,845	1,100,065	1,143,845	1,100,065
Basic earnings / (loss) per share (sen)	0.21	(0.31)	0.17	(1.80)

(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 year to date by the weighted average number of ordinary shares based on the assumption that the warrants issued and SIS Options granted are fully exercised and converted into ordinary shares.

	Current Quarter Ended		Year to date	
	31 Dec 2016 RM	31 Dec 2015 RM	31 Dec 2016 RM	31 Dec 2015 RM
Net profit / (loss) attributable to owners of the Company (RM'000)	2,378	(3,429)	1,995	(19,785)
Weighted average number of ordinary shares in issue ('000)	1,513,685	1,361,349	1,513,685	1,361,349
Diluted earnings / (loss) per share (sen)	0.16	N/A*	0.13	N/A*

Note:

* The fully diluted loss per share is not disclosed as the effects on the assumed exercised of the warrants and SIS Options is anti-dilutive.

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

QUARTERLY REPORT

Notes on the quarterly report for the fourth quarter ended 31 December 2016

B13. AUTHORISED FOR ISSUE

The interim financial statements were authorized for issue by the Board in accordance with a resolution of the directors dated 23 February 2017.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

23 February 2017