

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30-Sept-17 RM'000	Preceding year Corresponding Quarter 30-Sept-16 RM'000	Changes %	Current Year To date 30-Sept-17 RM'000	Preceding year Corresponding Period 30-Sept-16 RM'000	Changes %
Revenue	38,291	26,845	42.64%	102,932	69,684	47.71%
Direct costs	(181)	(3,901)	-95.36%	(4,856)	(9,520)	-48.99%
Changes in inventories of finished goods and work in progress	6,130	(3,209)	291.03%	6,445	(1,206)	634.41%
Raw materials and consumable used	(34,442)	(14,056)	145.03%	(75,767)	(44,256)	71.20%
Changes in inventories of trading merchandise	(412)	196	-310.20%	(1,912)	(745)	156.64%
Staff costs	(2,814)	(1,884)	49.36%	(8,275)	(5,718)	44.72%
Other income	671	1,083	-38.04%	508	1,240	-59.03%
Depreciation and amortisation	(995)	(982)	1.32%	(2,950)	(2,869)	2.82%
Other operating expenses	(3,722)	(2,563)	45.22%	(8,245)	(6,316)	30.54%
Finance cost	(241)	(246)	-2.03%	(586)	(609)	-3.78%
<b>Profit/(Loss) before taxation</b>	<b>2,285</b>	<b>1,283</b>	<b>78.10%</b>	<b>7,294</b>	<b>(315)</b>	<b>-2415.56%</b>
Taxation	12	(3)	-500.00%	(30)	(21)	42.86%
<b>Profit/(Loss) after taxation</b>	<b>2,297</b>	<b>1,280</b>	<b>79.45%</b>	<b>7,264</b>	<b>(336)</b>	<b>-2261.90%</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>2,297</b>	<b>1,280</b>	<b>79.45%</b>	<b>7,264</b>	<b>(336)</b>	<b>-2261.90%</b>
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	2,277	1,259		7,217	(383)	
Non-controlling interest	20	21		47	47	
	<b>2,297</b>	<b>1,280</b>		<b>7,264</b>	<b>(336)</b>	
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	2,277	1,259		7,217	(383)	
Non-controlling interest	20	21		47	47	
	<b>2,297</b>	<b>1,280</b>		<b>7,264</b>	<b>(336)</b>	
<b>Earning/(Loss) per share EPS/(LPS) attributable to owners of the Company (sen per share):</b>						
Basic EPS/(LPS)	0.18	0.11		0.60	(0.03)	
Diluted EPS	0.14	0.08		0.47	N/A(*)	

\* The fully diluted earning/(loss) per share is not disclosed as the effects on the assumed exercised of the warrants and Share Issuance 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 2016 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30-Sept-17 RM'000	Audited As at preceding Financial Year Ended 31-Dec-16 RM'000
<b>ASSETS</b>		
<b>Non Current assets</b>		
Property, plant and equipment	78,761	78,457
Land held for property development	17,520	14,059
Other investment	104	105
Deferred taxation	1,036	1,036
	97,421	93,657
<b>Current Assets</b>		
Inventories	47,010	33,695
Trade and other receivables	13,260	13,175
Tax recoverable	1,394	2,849
Other investment	3,935	4,464
Fixed deposits with licensed banks	2,176	2,135
Cash and bank balances	9,470	5,217
	77,245	61,535
<b>TOTAL ASSETS</b>	174,666	155,192
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	128,463	114,384
Share premium	19,108	19,162
Revaluation reserve	23,379	23,379
Reverse acquisition reserve	(72,051)	(72,051)
Reserve - SIS	2,214	2,576
Retained profits	43,118	36,805
	144,231	124,255
Equity attributable to the owners of the Company		
Non-controlling interest	101	54
<b>Total equity</b>	144,332	124,309
<b>Long term liabilities</b>		
Deferred taxation	1,926	1,926
Deferred income	1,043	1,148
Hire purchase liabilities	66	40
Term loan	9,370	10,131
	12,405	13,245
<b>Current Liabilities</b>		
Trade and other payables	10,587	11,511
Hire purchase liabilities	119	265
Short term borrowings	7,206	5,308
Derivative liabilities	-	552
Tax payable	17	2
	17,929	17,638
<b>TOTAL LIABILITIES</b>	30,334	30,883
<b>TOTAL EQUITY AND LIABILITIES</b>	174,666	155,192
Net assets per share (sen) attributable to owners of the Company	11.39	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 2016 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

**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 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)/profit/Total comprehensive (loss)/income for the period	-	-	-	-	-	(383)	(383)	47	(336)
At 30 September 2016	<u>114,384</u>	<u>19,162</u>	<u>23,379</u>	<u>(72,051)</u>	<u>2,576</u>	<u>35,958</u>	<u>123,408</u>	<u>54</u>	<u>123,462</u>
At 1 January 2017	114,384	19,162	23,379	(72,051)	2,576	36,805	124,255	54	124,309
Issuance of share in respect of private placement	13,299	(54)	-	-	-	-	13,245	-	13,245
Issuance of share in respect of exercised of SIS options	780	-	-	-	(362)	362	780	-	780
Dividend paid	-	-	-	-	-	(1,266)	(1,266)	-	(1,266)
Net profit / Total comprehensive income for the period	-	-	-	-	-	7,217	7,217	47	7,264
At 30 September 2017	<u>128,463</u>	<u>19,108</u>	<u>23,379</u>	<u>(72,051)</u>	<u>2,214</u>	<u>43,118</u>	<u>144,231</u>	<u>101</u>	<u>144,332</u>

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 2016 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	<b>Cumulative Current Year 30-Sept-17 RM'000</b>	<b>Preceding Year Corresponding Period 30-Sept-16 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	7,294	(315)
Adjustments for:		
Loss on hedging commodity	573	-
Depreciation of property, plant and equipment	2,950	2,869
Dividend income	(65)	(52)
Fair value loss on securities held for trading investments	148	(186)
Gain on foreign exchange - unrealised	(162)	(973)
Government grant income	(105)	(96)
Realised loss on foreign exchange - cash and cash equivalent	112	-
Interest income	(156)	(129)
Interest expense	586	609
Operating cash flows before working capital changes	11,175	1,727
Changes in working capital:		
(Increase)/Decrease in inventories	(13,316)	5,250
Decrease in trade and other receivables	(443)	2,738
Decrease in trade and other payables	(1,583)	(5,454)
Decrease in investment held for trading	2,317	1,644
Increase in property development cost	(3,460)	-
Cash generated from/(used in) operations	(5,310)	5,905
Income tax paid	(167)	(307)
Income tax refunded	1,608	169
<b>Net cash generated (used in)/from operating activities</b>	<b>(3,869)</b>	<b>5,767</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in fixed deposit pledged	(29)	(536)
Interest received	156	129
Dividend received	65	39
Government grant received	-	168
Deposit paid for purchase of property, plant and equipment	(1,300)	-
Purchase of property, plant and equipment	(1,855)	(11,951)
Purchase of other investment	(1,936)	-
<b>Net cash used in investing activities</b>	<b>(4,899)</b>	<b>(12,151)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(586)	(609)
Dividend paid	(1,266)	-
Proceeds from issuance of shares	14,079	-
Proceeds from trade finance	-	6,145
Repayment of hire purchase	(220)	(488)
Repayment of term loan	(776)	(640)
<b>Net cash from/(used in) financing activities</b>	<b>11,231</b>	<b>4,408</b>
<b>Net decrease in cash and cash equivalents</b>	<b>2,463</b>	<b>(1,976)</b>
Effect of exchange rate changes	(112)	315
<b>Cash and cash equivalents at 1 January</b>	<b>1,737</b>	<b>7,397</b>
<b>Cash and cash equivalents at 30 September</b>	<b>4,088</b>	<b>5,736</b>
<b>Cash and cash equivalents at end of financial period comprised:</b>		
Cash & bank balances	9,470	2,873
Fixed deposits with licensed banks	2,176	4,642
Bank overdraft	(6,246)	-
	5,400	7,515
Less: Fixed deposits pledged	(1,312)	(1,779)
	4,088	5,736

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 2016 and the accompanying explanatory notes attached to this interim financial statements.

**QUARTERLY REPORT**

Notes on the quarterly report for the third quarter ended 30 September 2017

**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, IAS 34: 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 and as disclosed in the Group's annual report for the financial year ended 31 December 2016.

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 2016.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group's business operations were mainly attributable (i.e., contributing approximately 92.55% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities, which are affected by the cyclicity of the semiconductor industry. The semiconductor industry, in turn, 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 also 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 current financial quarter and period under review.

**A6. MATERIAL CHANGES IN ESTIMATES**

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

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

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

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period ended 30 September 2017:

- (i) 28,600,000 new ordinary shares in JAG (“Placement Shares”), being the 1<sup>st</sup> tranche of the Placement Shares issued pursuant to the Private Placement (as defined in Note B6), were listed on 29 March 2017 at RM0.105 each;
- (ii) 7,796,300 new ordinary shares in JAG were issued and listed on 28 April 2017 at RM0.100 each under the Share Issuance Scheme (“SIS”);
- (iii) 28,600,000 Placement Shares, being the 2<sup>nd</sup> tranche of the Placement Shares issued pursuant to the Private Placement (as defined in Note B6), were listed on 3 May 2017 at RM0.115 each;
- (iv) 28,600,000 Placement Shares, being the 3<sup>rd</sup> tranche of the Placement Shares issued pursuant to the Private Placement (as defined in Note B6), were listed on 12 May 2017 at RM0.125 each; and
- (v) 28,600,000 Placement Shares, being the 4<sup>th</sup> and final tranche of the Placement Shares issued pursuant to the Private Placement (as defined in Note B6), were listed on 19 July 2017 at RM0.120 each. The listing of the 4<sup>th</sup> and final tranche of Placement Shares marked the completion of the Private Placement (as defined in Note B6).

Subsequently, 7,500 new ordinary shares in JAG were issued and listed on 3 November 2017 at RM0.100 each pursuant to the exercise of warrants 2014/2019 by the warrant holder.

On 15 November 2017, 97,385,881 Bonus Shares (as defined in Note B6) and 22,667,858 adjustment warrants were issued and listed pursuant to the Bonus Issue of Shares (as defined in Note B6).

On 23 November 2017, 194,771,762 Warrants 2017/2020 (as defined in Note B6) were issued and listed pursuant to the Free Warrants Issue (as defined in Note B6).

**A8. DIVIDEND**

The first interim dividend of RM0.001 per ordinary share in JAG (single tier) amounting to RM1,266,040.89 for the financial year ending 31 December 2017 was declared and paid to the entitled shareholders on 16 August 2017 and 6 October 2017, respectively.

There were no dividends paid or declared for the previous corresponding period.

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

**A9. SEGMENT INFORMATION**

The Group’s segmental information is as follows:

	<b>Current Quarter</b>		<b>Year to date</b>	
	<b>Ended</b>		<b>30 Sept</b>	<b>30 Sept</b>
	<b>30 Sept</b>	<b>30 Sept</b>	<b>2017</b>	<b>2016</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
<b>Revenue by business segments</b>				
Manufacturing activities	36,141	19,576	91,154	54,270
Trading activities	1,354	2,889	4,113	4,641
Proprietary solutions and software maintenance	126	268	526	825
Investment holding	-	3,496	5,511	8,272
Services	670	616	1,981	1,676
	<u>38,291</u>	<u>26,845</u>	<u>103,285</u>	<u>69,684</u>
Elimination of inter-segment sales	-	-	(353)	-
	<u>38,291</u>	<u>26,845</u>	<u>102,932</u>	<u>69,684</u>

	<b>Current Quarter</b>		<b>Year to date</b>	
	<b>Ended</b>		<b>30 Sept</b>	<b>30 Sept</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
<b>Segment results</b>				
Manufacturing activities	2,319	831	6,739	193
Trading activities	785	514	1,500	905
Investment holding	(577)	162	(361)	(625)
Proprietary solutions and software maintenance	(88)	(68)	(210)	(385)
Services	95	122	302	294
Property development	(88)	(88)	(246)	(217)
	<u>2,446</u>	<u>1,473</u>	<u>7,724</u>	<u>165</u>
Profit/(loss) from operations	2,446	1,473	7,724	165
Interest income	80	56	156	129
Finance cost	(241)	(246)	(586)	(609)
	<u>2,285</u>	<u>1,283</u>	<u>7,294</u>	<u>(315)</u>
Profit before taxation	2,285	1,283	7,294	(315)
Taxation	12	(3)	(30)	(21)
	<u>2,297</u>	<u>1,280</u>	<u>7,264</u>	<u>(336)</u>
Profit after taxation	2,297	1,280	7,264	(336)

<b>Revenue By Geographical Segment</b>				
Malaysia	5,418	9,103	20,798	23,780
Foreign countries	32,873	17,742	82,134	45,904
	<u>38,291</u>	<u>26,845</u>	<u>102,932</u>	<u>69,684</u>

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

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

**A9. SEGMENT INFORMATION (CONTINUED)**

	<b>As at 30 Sept 2017 RM'000</b>	<b>As at 30 Sept 2016 RM'000</b>
<b>Segment assets</b>		
Manufacturing and trading activities	145,723	129,504
Investment holding	155,961	133,228
Proprietary solutions and software maintenance	2,957	3,116
Services	4,279	3,886
Property development	21,322	11,789
	<u>330,242</u>	<u>281,523</u>
Elimination	<u>(155,576)</u>	<u>(133,773)</u>
	<u>174,666</u>	<u>147,750</u>
<b>Segment liabilities</b>		
Manufacturing and trading activities	56,053	38,344
Investment holding	4,444	2,880
Proprietary solutions and software maintenance	4,824	4,668
Services	3,770	3,619
Property development	21,432	13,125
	<u>90,523</u>	<u>62,636</u>
Elimination	<u>(60,189)</u>	<u>(38,348)</u>
	<u>30,334</u>	<u>24,288</u>

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

There was no valuation or revaluation of property, plant and equipment during the current 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.

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

There were no material events subsequent to the current financial quarter ended 30 September 2017 up to the date of this report.



**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

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

The Board of Directors of JAG (“Board”) announced:

- (i) On 24 May 2017, the Company has subscribed for additional 999,998 new ordinary shares in its wholly-owned subsidiary, JAG Land Sdn Bhd for a consideration of RM999,998 by way of setting-off against part of the amount owing by JAG Land Sdn Bhd to the Company to the extent of RM999,998.
- (ii) On 4 October 2017, the Company has incorporated a wholly-owned subsidiary, JAG Development (Perak) Sdn Bhd (“JAG Development”). JAG Development is a private limited company with an issued share capital of RM250,000 comprising 250,000 ordinary shares.

JAG Development has not commenced business since its operation. The intended activity of JAG Development is to carry out the principal activity of property developer, real estate project development, building constructor and property investment.

Save as disclosed above, 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 current financial quarter and period under review.

**A14. CAPITAL COMMITMENTS**

Save as disclosed below, as at 30 September 2017, 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:

	<b>Group level (RM'000)</b>
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 Development Project (as defined in Note B3)	5,819
Purchase of machinery	1,034
	<u>6,853</u>

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the current financial quarter and period under review.

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

**Part B - Explanatory Notes Pursuant to Appendix 9B of the ACE LR**

**B1. REVIEW OF PERFORMANCE**

The Group recorded revenue of approximately RM38.29 million for the current financial quarter and RM102.93 million for the period ended 30 September 2017, respectively. Export sales accounted for about RM32.87 million and RM82.13 million or 85.85% and 79.79% of total revenue for the current financial quarter and period ended 30 September 2017, respectively.

The Group recorded higher revenue for the current financial quarter and period as compared to previous year corresponding financial quarter and period by 42.64% and 47.71%, respectively. The said higher revenue was mainly contributed from the Group's manufacturing and trading activities. The higher revenue for the current financial quarter as compared to the previous year corresponding financial quarter was mainly due to higher sales of copper, nickel and stainless steel. There was also increase in average selling price of commodities sold by the Group especially gold, copper, nickel and tin. The higher revenue for the current financial period compared to the previous year corresponding financial period was mainly due to higher sales of copper, aluminium, iron, nickel, tin and stainless steel.

Cost of sales increased simultaneously with the increase in sales in current financial quarter and period as compared to previous year corresponding financial quarter and period. The increase in staff cost in current financial quarter and period as compared to previous year financial quarter and period was mainly due to salary adjustment and increase in headcount.

Other income mainly consisted of interest income generated from current account and fixed deposit, grant income, and dividend income. Lower other income in current financial period as compared to previous year corresponding financial period is due to the lower unrealised gain on foreign exchange and absent of fair value gain on securities held for trading investments.

The Group reported a profit after tax of RM2.30 million for the current financial quarter and RM7.26 million for current financial period ended 30 September 2017. The Group's improved performance was mainly attributable to the higher revenue from manufacturing and trading activities as well as strengthening of commodities prices in the financial period ended 30 September 2017 compared to previous year corresponding period.

Other operating expenses mainly consisted of manufacturing overhead expenses, procurement fees, realised loss on foreign exchange, loss on hedging commodities, fair value loss on securities held for trading investments, professional fees, entertainment expenses, rental expenses and travelling expenses. The increase of other operating expenses for the current financial quarter and period ended 30 September 2017 as compared to the previous year corresponding financial quarter and period ended 30 September 2016 was mainly due to higher level of operations which led to higher manufacturing overhead in current financial quarter and period ended 30 September 2017. Besides, the higher procurement fees, loss on hedging commodities, rental expenses and fair value loss on securities held for trading investments incurred during the current financial quarter and period also contributed to the increase of other operating expenses.

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

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

	<b>Current Quarter 30 Sept 2017</b>	<b>Immediate Preceding Quarter 30 June 2017</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	38,291	36,691	4.36%
Other operating expenses	(3,722)	(2,578)	44.38%
Profit before interest and tax	2,526	2,754	-8.28%
Interest expenses	(241)	(197)	22.34%
Taxation	12	(42)	128.57%
Profit after taxation	2,297	2,515	-8.67%
Profit attributable to Owners of the Company	2,277	2,507	-9.17%

The Group recorded revenue of approximately RM38.29 million and RM36.69 million for the current financial quarter ended 30 September 2017 and preceding financial quarter ended 30 June 2017, respectively. The increase in revenue was mainly from manufacturing activities. The higher revenue was mainly due to higher sales of copper, gold and nickel as well as higher average selling price of gold and nickel in current financial quarter.

The Group recorded a higher other operating expenses in the current financial quarter mainly due to the higher losses of from the loss of hedging commodities and unrealised loss on foreign exchange

The Group recorded a lower profit after tax for the current financial quarter mainly due to higher operating expenses incurred.

**B3. PROSPECTS FOR CURRENT FINANCIAL YEAR**

Fluctuations in exchange rates and commodity prices will continue to have an impact on the Group's financial performance and position. Nevertheless, the Board believes that the Group's prospects will remain positive as more procurement contracts had been secured by the total waste management division during the financial year as well as the strengthening of commodity price in the current financial year.

As part of the Group's strategy to diversify its sources of revenue and earnings, the Group's business has diversified to include property development and property investment (“Diversification”). The Diversification was approved by the shareholders of JAG at an extraordinary general meeting (“EGM”) held on 3 March 2017. The Diversification is consequential to the proposed mixed development on 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) which comprise the development of shop-offices, office suites and residential apartments (“Development Project”). JAG Land Sdn Bhd, a wholly-owned subsidiary of JAG, is the owner of the said land. The proposed Development Project is expected to contribute a gross development profit of between RM20 million to RM35 million to be achieved progressively over the development period of the proposed Development Project from the sales of the shop-offices, office suites and residential apartments. The Group expects to launch the Development Project in the first quarter in financial year 2018.

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

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

**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**

	<b>Current Quarter Ended</b>		<b>Year to date</b>	
	<b>30 Sept 2017</b>	<b>30 Sept 2016</b>	<b>30 Sept 2017</b>	<b>30 Sept 2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current income tax	12	(3)	(30)	(21)
Deferred tax	-	-	-	-
	<u>12</u>	<u>(3)</u>	<u>(30)</u>	<u>(21)</u>

The effective tax rate of the Group for current financial quarter and period ended 30 September 2017 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**

**(a) Private Placement**

On 4 March 2016, TA Securities Holdings Berhad (“TA Securities”) had on behalf of the Board announced that the Company proposes to undertake a 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) (“Private Placement”). The listing application for the Private Placement was 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 Private Placement. The approval granted by Bursa Securities for the Private Placement, is subject 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 Private Placement;
- ii. JAG and TA Securities to inform Bursa Securities upon the completion of the 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 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 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 utilisation of proceeds from the Private Placement.

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

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

**(a) Private Placement (continued)**

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 Private Placement (“Extension of Time”). On 13 September 2016, TA Securities on behalf of the Board announced that Bursa Securities had, vide its letter dated 9 September 2016 granted the Company the Extension of Time.

On 7 March 2017, the Company submitted an application to Bursa Securities for a further extension of time of 6 months (i.e., from 22 March 2017 until 21 September 2017) (“Further Extension of Time”) for JAG to complete the implementation of the Private Placement. On 7 March 2017, TA Securities on behalf of the Board announced that Bursa Securities had, vide its letter dated 7 March 2017 granted the Company the Further Extension of Time.

On 29 March 2017, the Company completed the issuance of the 1<sup>st</sup> tranche of 28,600,000 Placement Shares at RM0.105 each and raised gross proceeds of RM3,003,000.

On 3 May 2017, the Company completed the issuance of the 2<sup>nd</sup> tranche of 28,600,000 Placement Shares at RM0.115 each and raised gross proceeds of RM3,289,000.

On 12 May 2017, the Company completed the issuance of the 3<sup>rd</sup> tranche of 28,600,000 Placement Shares at RM0.125 each and raised gross proceeds of RM3,575,000.

On 19 July 2017, the Company completed the issuance of the 4<sup>th</sup> and final tranche of 28,600,000 Placement Shares at RM0.120 each and raised gross proceeds of RM3,432,000. The listing of the 4<sup>th</sup> and final tranche of Placement Shares marked the completion of the Private Placement.

All proceeds raised from the Private Placement have been fully utilised, wherein the utilisation was disclosed in the quarterly report for the quarter ended 30 June 2017.

**(b) Share buy-back**

On 7 February 2017, the Company announced that it proposed to seek shareholders’ approval for the Company to undertake the proposed share buy-back. The approval from the shareholders has been obtained during the EGM held on 14 June 2017.

There were no share buy-back during the reporting period under review.

**(c) Bonus Issue of Shares and Free Warrants Issue**

On 23 August 2017, TA Securities had on behalf of the Board announced the following:

- (i) Bonus issue of up to 123,364,158 new ordinary shares in JAG (“Bonus Shares”) on the basis of 1 Bonus Share for every 13 existing JAG shares held at the entitlement date (“Bonus Issue of Shares”); and
- (ii) Free warrants issue of up to 246,728,316 warrants (“Warrants 2017/2020”) on the basis of 2 Warrants 2017/2020 for every 13 existing JAG shares held on the same entitlement date as the Bonus Issue of Shares (“Free Warrants Issue”).

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

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

**(c) Bonus Issue of Shares and Free Warrants Issue (continued)**

On 28 September 2017, TA Securities announced on behalf the Company that Bursa Securities had, vide its letter dated 28 September 2017, approved the following:

- (i) listing of and quotation of up to 123,364,158 JAG shares to be issued pursuant to the Bonus Issue of Shares;
- (ii) admission to the Official List and listing and quotation of up to 246,728,316 Warrants 2017/2020 to be issued pursuant to the Free Warrants Issue;
- (iii) listing of and quotation of up to 246,728,316 new JAG shares to be issued arising from the exercise of the Warrants 2017/2020;
- (iv) listing of and quotation of up to 22,669,559 adjustment warrants pursuant to the adjustment arising from the Bonus Issue of Shares; and
- (v) listing of and quotation of up to 22,669,559 new ordinary shares arising from the exercise of the adjustment warrants.

The said approval granted by Bursa Securities is subject 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 Bonus Issue of Shares and Free Warrants Issue;
- (ii) JAG and TA Securities to inform Bursa Securities upon the completion of the Bonus Issue of Shares and Free Warrants Issue;
- (iii) JAG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Bonus Issue of Shares and Free Warrants Issues is completed;
- (iv) JAG and TA Securities are required to make the relevant announcements for Bonus Issue of Shares pursuant to Rule 6.36(2)(a) & (b) and 6.36(4) of the ACE LR; and
- (v) JAG to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants 2017/2020 as at the end of each quarter together with a detailed computation of listing fees payable.

On 26 October 2017, the Company obtained its shareholders’ approval for the Bonus Issue of Shares and Free Warrants Issue.

The Bonus Issue of Shares and Free Warrants Issue were completed on 15 November 2017 and 23 November 2017, respectively.

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

**B7. GROUP BORROWINGS**

The Group’s borrowings as at 30 September 2017 (all denominated in Ringgit Malaysia) are as follows:-

	<b>As at 30 Sept 2017 RM</b>	<b>As at 30 Sept 2016 RM</b>
<b>Short term borrowing (secured)</b>		
Term loan	960	960
Overdraft	6,246	3,145
Revolving credit	-	3,000
Hire purchase	119	318
	<hr/> 7,325	<hr/> 7,423
<b>Long term borrowing (secured)</b>		
Term loan	9,370	10,400
Hire purchase	66	90
<b>Total</b>	<hr/> <b>16,761</b>	<hr/> <b>17,913</b>

**B8. MATERIAL LITIGATION**

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

**B9. DIVIDEND**

The first interim dividend of RM0.001 per ordinary share (single tier) amounting to RM1,266,040.89 for the financial year ending 31 December 2017 were declared and paid to the entitled shareholders on 16 August 2017 and 6 October 2017, respectively.

There were no dividends paid or declared for the previous corresponding period.

**B10. REALISED AND UNREALISED PROFITS DISCLOSURE**

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

	<b>As at 30 Sept 2017 RM'000</b>	<b>As at 30 Sept 2016 RM'000</b>
Total accumulated profits of the Group		
- Realised	43,994	34,985
- Unrealised	(876)	973
<b>Total before consolidation adjustments</b>	43,118	35,958
Less: Consolidation adjustments	-	-
<b>Total accumulated profits as per statement of financial position</b>	<hr/> <b>43,118</b>	<hr/> <b>35,958</b>

**QUARTERLY REPORT**

**Notes on the quarterly report for the third quarter ended 30 September 2017**

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

	<b>Current Quarter Ended</b>		<b>Year to date</b>	
	<b>30 Sept 2017</b>	<b>30 Sept 2016</b>	<b>30 Sept 2017</b>	<b>30 Sept 2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and equipment	995	982	2,950	2,869
Dividend income	(21)	(38)	(65)	(52)
Loss on hedging commodity	817	-	573	-
Loss/(Gain) on foreign exchange – unrealised	646	695	(162)	(973)
Fair value loss/(gain) on securities held for trading investments	148	(233)	148	186
Government grant income	(35)	(35)	(105)	(96)
Interest income	(80)	(56)	(156)	(129)
Interest expenses	241	246	586	609

Other than as disclosed above, the Group does not have other material items (such as provision for and write-off of inventories, provision for and write-off of receivables, gain or loss on disposal of quoted or unquoted investment or properties, impairment of assets and exception items) that are recognised as profit/(loss) in the Statements of Comprehensive Income.

**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 financial year to date by the weighted average number of ordinary shares in issue:

	<b>Current Quarter Ended</b>		<b>Year to date</b>	
	<b>30 Sept 2017</b>	<b>30 Sept 2016</b>	<b>30 Sept 2017</b>	<b>30 Sept 2016</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Net profit / (loss) attributable to owners of the Company (RM'000)	2,277	1,259	7,217	(383)
Weighted average number of ordinary shares in issue ('000)	1,260,384	1,143,845	1,206,013	1,143,845
Basic earnings / (loss) per share (sen)	0.18	0.11	0.60	(0.03)



**QUARTERLY REPORT**

Notes on the quarterly report for the third quarter ended 30 September 2017

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

(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	
	30 Sept 2017 RM	30 Sept 2016 RM	30 Sept 2017 RM	30 Sept 2016 RM
Net profit / (loss) attributable to owners of the Company (RM'000)	2,277	1,259	7,217	(383)
Weighted average number of ordinary shares in issue ('000)	1,598,077	1,538,440	1,547,060	1,538,440
Diluted earnings / (loss) per share (sen)	0.14	0.08	0.47	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.

**B13. AUTHORISED FOR ISSUE**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 27 November 2017.

BY ORDER OF THE BOARD,

CHENG CHIA PING  
(MAICSA 1032514 PRACTITIONER)  
COMPANY SECRETARY

27 November 2017