

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Mar-21 RM'000	Preceding year Corresponding Quarter 31-Mar-20 RM'000	Changes %	Current Year To date 31-Mar-21 RM'000	Preceding year Corresponding year 31-Mar-20 RM'000	Changes %
Revenue	63,556	37,396	69.95%	63,556	37,396	69.95%
Direct costs	(7,060)	(157)	4396.82%	(7,060)	(157)	4396.82%
Changes in inventories of finished goods and work in progress	(1,745)	(4,906)	-64.43%	(1,745)	(4,906)	-64.43%
Raw materials and consumable used	(35,454)	(22,382)	58.40%	(35,454)	(22,382)	58.40%
Changes in inventories of trading merchandise	(158)	(131)	20.61%	(158)	(131)	20.61%
Staff costs	(3,317)	(2,826)	17.37%	(3,317)	(2,826)	17.37%
Other income	467	474	-1.48%	467	474	-1.48%
Depreciation and amortisation	(1,942)	(1,542)	25.94%	(1,942)	(1,542)	25.94%
Other operating expenses	(6,139)	(4,092)	50.02%	(6,139)	(4,092)	50.02%
Finance cost	(406)	(246)	65.04%	(406)	(246)	65.04%
Profit before taxation	7,802	1,588	391.31%	7,802	1,588	391.31%
Taxation	(2,500)	(60)	4066.67%	(2,500)	(60)	4066.67%
Profit after taxation/ Total comprehensive income	5,302	1,528	246.99%	5,302	1,528	246.99%
Profit attributable to:						
Owners of the Company	5,419	1,538		5,419	1,538	
Non-controlling interest	(117)	(10)		(117)	(10)	
	5,302	1,528		5,302	1,528	
Total comprehensive income attributable to:						
Owners of the Company	5,419	1,538		5,419	1,538	
Non-controlling interest	(117)	(10)		(117)	(10)	
	5,302	1,528		5,302	1,528	
Earning per share attributable to owners of the Company (sen per share):						
Basic earning per share	1.01	0.08		1.01	0.08	

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 2020 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31-Mar-21 RM'000	Audited As at preceding Financial Year Ended 31-Dec-20 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	86,961	84,612
Right of use assets	10,511	7,022
Investment properties	18,611	18,611
Intangible assets	101	101
Land held for development	16,745	15,904
	132,929	126,250
Current Assets		
Inventories	55,629	57,561
Trade and other receivables	14,625	23,009
Tax recoverable	52	47
Other investment	4,286	11,605
Derivative assets	-	20
Fixed deposits with licensed banks	3,378	3,368
Cash and bank balances	16,895	7,371
	94,865	102,981
TOTAL ASSETS	227,794	229,231
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	179,072	179,072
Treasury shares	(1,297)	(1,297)
Revaluation reserve	28,139	28,139
Reverse acquisition reserve	(72,051)	(72,051)
Retained profits	48,363	43,003
	182,226	176,866
Equity attributable to the owners of the Company	182,226	176,866
Non-controlling interest	6	85
Total equity	182,232	176,951
Non Current Liabilities		
Lease liabilities	6,542	3,949
Deferred income	553	588
Borrowings	13,963	14,491
Provision	38	38
Deferred tax liabilities	5,879	5,691
	26,975	24,757
Current Liabilities		
Trade and other payables	9,179	16,635
Tax payable	3,022	1,405
Borrowings	3,318	7,538
Lease Liabilities	3,018	1,945
Derivative liabilities	50	-
	18,587	27,523
TOTAL LIABILITIES	45,562	52,280
TOTAL EQUITY AND LIABILITIES	227,794	229,231
Net assets per share (sen) attributable to owners of the Company	33.95	32.95

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 2020 and the accompanying explanatory notes attached to this interim financial statements.

JAG BERHAD ("JAG" OR "COMPANY")
 [Registration No. 199701023733 (439230 - A)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Tresury shares 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 2020	166,639	(100)	23,379	(72,051)	1,542	32,297	151,706	145	151,851
Treasury shares acquired	-	(1,197)	-	-	-	-	(1,197)	-	(1,197)
Net profit/Total comprehensive income for the period	-	-	-	-	-	1,538	1,538	(10)	1,528
At 31 March 2020	<u>166,639</u>	<u>(1,297)</u>	<u>23,379</u>	<u>(72,051)</u>	<u>1,542</u>	<u>33,835</u>	<u>152,047</u>	<u>135</u>	<u>152,182</u>
At 1 January 2021	179,072	(1,297)	28,139	(72,051)	-	43,003	176,866	85	176,951
Net adjustment related to changes in non controlling interest	-	-	-	-	-	(59)	(59)	38	(21)
Net profit / Total comprehensive profit for the period	-	-	-	-	-	5,419	5,419	(117)	5,302
At 31 March 2021	<u>179,072</u>	<u>(1,297)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>48,363</u>	<u>182,226</u>	<u>6</u>	<u>182,232</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 2020 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 31-Mar-21 RM'000	Preceding Year Corresponding Period 31-Mar-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,802	1,588
Adjustments for:		
Allowance for impairment of receivables	1,225	-
Allowance for impairment of receivables no longer required	-	(11)
Changes in fair value of other investments	1,686	1,622
Changes in fair value of derivative financial instruments	50	103
Depreciation of property, plant and equipment and right of use assets	1,942	1,542
Dividend income	(114)	(29)
Fixed assets written off	1	-
Gain on disposal of fixed assets	-	(11)
Loss on foreign exchange - unrealised	72	203
Loss on fair value adjustment on hedging instrument	536	-
Government grant income	(35)	(35)
Realised loss on foreign exchange - cash and cash equivalent	(23)	(25)
Interest income	(31)	(75)
Interest expense	437	322
Operating cash flows before working capital changes	13,548	5,194
Changes in working capital:		
Increase in inventories	1,932	4,638
Decrease/(Increase) in trade and other receivables	6,360	(1,329)
Decrease in trade and other payables	(7,506)	(4,664)
Increase in property development expenditure	(840)	(368)
Decrease in other investments	5,633	1,543
Cash used in operations	19,127	5,014
Income tax paid	(489)	(43)
Net cash generated from operating activities	18,638	4,971
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease/(Increase) in fixed deposit pledged	10	(11)
Interest received	31	75
Dividend received	114	29
Deposit paid for purchase of property, plant and equipment	-	(138)
Proceed from disposal of fixed assets	-	12
Purchase of property, plant and equipment	(3,449)	(1,204)
Net cash used in investing activities	(3,294)	(1,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(319)	(245)
Cash payment for leases	(746)	(483)
Acquisition of treasury shares	-	(1,197)
Acquisition of additional interest of non controlling interest	(20)	-
Repayment of term loan	(508)	(678)
Net cash used in financing activities	(1,593)	(2,603)
Net increase in cash and cash equivalents	13,751	1,131
Effect of exchange rate changes	23	25
Cash and cash equivalents at 1 January	5,119	7,794
Cash and cash equivalents at 31 March 2021	18,893	8,950
Cash and cash equivalents at end of financial quarter comprised:		
Cash and bank balances	16,895	6,890
Fixed deposits with licensed banks	3,378	5,278
Bank overdraft	(534)	(985)
	19,739	11,183
Less: Fixed deposits pledged	(846)	(2,233)
	18,893	8,950

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 2020 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2021

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 2020.

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 year. 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 2020.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s business operations were mainly attributable (i.e. contributing approximately 83% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities, which are affected by the cyclicity of the semiconductor. 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 financial period ended 31 March 2021

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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and period ended 31 March 2021.

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	
	31 Mar 2021 RM’000	31 Mar 2020 RM’000	31 Mar 2021 RM’000	31 Mar 2020 RM’000
Revenue by business segments				
Manufacturing and trading activities	52,620	36,400	52,620	36,400
Proprietary solutions and software maintenance	-	108	-	108
Investment holding	9,897	-	9,897	-
Lifestyle	1,039	888	1,039	888
	<u>63,556</u>	<u>37,396</u>	<u>63,556</u>	<u>37,396</u>
Elimination of inter-segment sales	-	-	-	-
	<u>63,556</u>	<u>37,396</u>	<u>63,556</u>	<u>37,396</u>

	Current Quarter Ended		Year to date	
	31 Mar 2021 RM’000	31 Mar 2020 RM’000	31 Mar 2021 RM’000	31 Mar 2020 RM’000
Segment results				
Manufacturing and trading activities	7,288	3,863	7,288	3,863
Investment holding	2,636	(1,837)	2,636	(1,837)
Proprietary solutions and software maintenance	-	(41)	-	(41)
Lifestyle	(1,565)	11	(1,565)	11
Property development	(151)	(162)	(151)	(162)
Profit from operations	<u>8,208</u>	<u>1,834</u>	<u>8,208</u>	<u>1,834</u>
Interest income	70	75	70	75
Finance cost	(476)	(321)	(476)	(321)
Profit before taxation	<u>7,802</u>	<u>1,588</u>	<u>7,802</u>	<u>1,588</u>
Taxation	(2,500)	(60)	(2,500)	(60)
Profit after taxation	<u>5,302</u>	<u>1,528</u>	<u>5,302</u>	<u>1,528</u>
Revenue By Geographical Segment				
Malaysia	16,366	4,895	16,366	4,895
Foreign countries	47,190	32,501	47,190	32,501
	<u>63,556</u>	<u>37,396</u>	<u>63,556</u>	<u>37,396</u>

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2021

A9. SEGMENT INFORMATION (CONTINUED)

	As at 31 Mar 2021 RM'000	As at 31 Dec 2020 RM'000
Segment assets		
Manufacturing and trading activities	169,440	176,100
Investment holding	184,536	182,175
Lifestyle	15,617	12,814
Property development	39,103	37,454
	<u>408,696</u>	<u>408,543</u>
Elimination	<u>(180,902)</u>	<u>(179,312)</u>
	<u>227,794</u>	<u>229,231</u>
Segment liabilities		
Manufacturing and trading activities	45,831	76,674
Investment holding	6,160	6,949
Lifestyle	16,074	11,534
Property development	24,093	23,053
	<u>92,158</u>	<u>118,210</u>
Elimination	<u>(46,596)</u>	<u>(65,930)</u>
	<u>45,562</u>	<u>52,280</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 and period ended 31 March 2021 up to the date of this report.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

On 1 January 2021, the subsidiary, Jaring Metal Industries Sdn Bhd has further acquired 20,000 shares in JAG Nasmec Sdn Bhd (“JAG Nasmec”), representing 20% equity interest in JAG Nasmec from Bubblelab Laundry Sdn Bhd and Mr Wong Chan Kong for a purchase consideration of RM20,000.00. The said acquisition was completed and JAG Nasmec is a wholly owned subsidiary to the Group and the Company.

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 review.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2021

A14. CAPITAL COMMITMENTS

As at 31 March 2021, 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.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

B1. REVIEW OF PERFORMANCE

1st Quarter 2021 vs 1st Quarter 2020

Financial Period ended 31 March 2021 vs Financial Period ended 31 March 2020

The Group recorded an increase in revenue of 69.9% in current financial quarter and period as compared to previous corresponding financial quarter and period ended 31 March 2020. This is mainly contributed by the increase in revenue in Total Waste Management (“TWM”) division as well as disposal of long term investments held in investment holding division.

Referring to Note A9, the TWM division had reported revenue of RM52.6 million in current financial quarter and period as compared to RM36.4 million in previous year corresponding financial quarter and period, marked an improvement of 44.56%. This is mainly due to higher sales of precious metals driven by strong demand of commodities product globally and locally.

In addition, the continuing strong and positive movement of commodities price such as copper and tin had directly strengthened the average selling price of the said commodities, this resulted in better margin for the Group.

In respect of the performance of investment holding division, the Company had disposed the long term investments held during the financial quarter and period ended 31 March 2021 and recorded revenue and profit before interest and tax of RM9.9 million and RM2.6 million respectively. In lieu of the disposal of investments held, cash and cash equivalent of the Group had improved significantly from RM8.9 million in 31 December 2020 to RM18.9 million in 31 March 2021.

During the current financial quarter and period, the lifestyle division which carries the retail businesses of coin operated laundrettes, and manufacturing and sales of gelato products had suffered losses of RM1.6 million (referring to Note A9). This is mainly due to lower revenue generated resulted from the enforcement of movement control order. However, cost of operations such as rental of outlet, staff cost and other relevant operational costs were remained, leading to the losses of the said division.

The other operating expenses included manufacturing overhead expenses, changes in fair value of other investments, allowance for impairment of receivables, professional fees, travelling expenses, audit fees and others.

With the improved performance of TWM division, it will attract higher tax payable for the Year of Assessment 2021, and as a result, additional provision of tax payable as well as deferred taxation had been projected in the account leading to higher taxation in the current quarter and period.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2021

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

	Current Quarter 31 Mar 2021	Immediate Preceding Quarter 31 Dec 2020	Changes
	RM'000	RM'000	%
Revenue	63,556	44,341	43.3
Direct cost	7,060	1,823	287.3
Staff cost	3,317	2,265	46.4
Profit before taxation	7,802	4,195	86.0
Taxation	2,500	1,218	105.3
Profit after taxation	5,302	2,977	78.1

The Group recorded higher revenue of RM63.6 million for the current financial quarter ended 31 March 2021 as compared to immediate preceding financial quarter ended 31 December 2020 of RM44.3 million. The higher revenue generated in current financial quarter was mainly derived from higher revenue in TWM division as well as significant disposal of investments held in investment holding division as compared to immediate preceding quarter.

The increased in direct cost mainly attributable to the disposal of investments held in the investment holding division of the Group.

The increased in staff cost mainly due to the increased in headcount as well as revision of staff salary in current financial quarter.

The improved in profit before taxation was mainly due to higher revenue in current quarter in TWM division and investment holding division as compared to immediate preceding financial quarter. The continuing upward trend of commodities price such as tin, copper and nickel had directly contributed to the Group's bottom line.

With the improved performance of TWM division, it will attract higher tax payable for the Year of Assessment 2021, and as a result, additional provision of tax payable as well as deferred taxation had been projected in the accounts leading to higher taxation in the current quarter and period.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

Looking forward in financial year 2021, the global economies are undergoing recovery stage after the Covid-19 pandemic outbreak in 2020. The management is optimistic on the Group's outlook on the back of strong demand for E&E products globally, where higher production of E&E manufacturer will lead to higher waste generated. In addition, commodity prices such as copper, tin and nickel had been on a steady upward trend since the financial year 2020 which benefited the Group financially.

The TWM division of the Group continues to be the major revenue and profit contributor in financial year 2021. The Group will continue to emphasise on developing its key strengths of sourcing capabilities, and to invest heavily to improve the production capacity, efficiency and technology in order to remain at the forefront of the e-waste recycling industry.

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.

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Notes on the quarterly report for the financial period ended 31 March 2021

B5. TAXATION

	Current Quarter Ended		Year to date	
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Income tax				
- current period	(1,610)	(60)	(1,610)	(60)
- under provision in prior years	(490)	-	(490)	-
	<u>(2,100)</u>	<u>(60)</u>	<u>(2,100)</u>	<u>(60)</u>
Deferred tax				
- current period	(400)	-	(400)	-
	<u>(2,500)</u>	<u>(60)</u>	<u>(2,500)</u>	<u>(60)</u>

The effective tax rate of the Group for current financial quarter and year ended 31 December 2021 are lower than the statutory tax rate of 24% due to availability of reinvestment allowance which arose from the capital expenditure of a subsidiary in the current financial quarter and period under review.

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at 21 May 2021, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT

(a) Private Placements 2019

The actual utilisation of the total gross proceeds of RM9,495,875 raised from the 20% private placement on 13 December 2019 and 30 December 2019 were as below:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance proceeds RM'000	Intended timeframe for utilisation
Project development cost	2,000	1,356	644	18 months
Purchase of machinery	3,870	3,870	-	12 months
Working Capital	3,366	3,366	-	6 months
Estimated expenses in relation to the Private Placements	260	260	-	within 1 month
Total	9,496	8,852	644	

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Notes on the quarterly report for the financial period ended 31 March 2021

B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT (CONTINUED)

(b) Private Placements 2020

The actual utilisation of the total gross proceeds of RM12,542,292 raised from the 20% private placement on 20 November 2020 were as below:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance proceeds RM'000	Intended timeframe for utilisation
Purchase of machinery for total waste management division	2,500	860	1,640	12 months
Working capital	9,933	9,933	-	24 months
Estimated expenses in relation to the Private Placements	109	109	-	1 month
Total	12,542	10,902	1,640	

B8. GROUP BORROWINGS

The Group's borrowings as at 31 March 2021 (all denominated in Ringgit Malaysia) are as follows:-

	As at 31 Mar 2021 RM'000	As at 31 Dec 2020 RM'000
Short term borrowing (secured)		
Term loan	2,784	2,764
Overdraft	534	4,774
Lease liabilities	3,018	1,945
	6,336	9,483
Long term borrowing (secured)		
Term loan	13,963	14,491
Lease liabilities	6,542	3,949
	20,505	18,440
Total	26,841	27,923
	As at 31 Mar 2021 %	As at 31 Dec 2020 %
The effective interest rate are as follows:		
Term loan	6.66	6.66
Overdraft	8.95	8.95
Hire purchase liabilities	5.08	5.08
Other lease liabilities	5.00	5.00
Proportion of borrowings between fixed and floating interest rates	36 : 64	22 : 78

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Notes on the quarterly report for the financial period ended 31 March 2021

B9. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Disclosure of derivatives

As at 31 March 2021, the Group has the following derivative financial instruments:

Type of derivative	Contract value RM'000	Fair Value RM'000	Fair Value Loss RM'000
Forward foreign exchange contracts			
- Less than 1 year	3,064	3,014	50
Commodity future purchase contracts			
- Less than 1 year	3,701	3,165	536

The Group uses forward foreign exchange contracts to manage some of the transactions exposure of the Group's sales denominated in USD and uses the commodity future contracts to manage the metal commodity price fluctuations.

There are no cash requirement risks as the Group only uses forward foreign currency contracts and commodity future contracts as its hedging instruments.

There have been no significant changes to the Group's exposure to credit risk, market risk, and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's management objectives, accounting policies and processes.

(ii) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group determines the fair value of the derivative financial instruments relating to the forward foreign exchange contracts and commodity future contracts by using the difference between the contracted foreign exchange rates and commodity price and the market forward rates and commodity price. The basis of fair value measurement is the difference between the contracted value and the market forward rates and market price. This resulted in the Group recording a gain when the rates and commodity price move favourable against the Group or recorded a loss when the rates and commodity price move unfavourable against the Group.

B10. MATERIAL LITIGATION

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

B11. DIVIDEND

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

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Notes on the quarterly report for the financial period ended 31 March 2021

B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended		Year to date	
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Allowance for impairment of receivables	1,225	-	1,225	-
Allowance for impairment of receivables no longer required	-	(11)	-	(11)
Changes in fair value of derivative financial instruments	50	103	50	103
Changes in fair value on other investments	1,686	1,622	1,686	1,622
Depreciation of property, plant and equipment and right of use assets	1,942	1,542	1,942	1,542
Dividend income	(114)	(29)	(114)	(29)
Fixed asset written off	1	-	1	-
Gain on disposal of fixed assets	-	(11)	-	(11)
Loss on foreign exchange – unrealised	72	203	72	203
Gain on foreign exchange – realised	(337)	(276)	(337)	(276)
Government grant income	(35)	(35)	(35)	(35)
Interest income	(31)	(75)	(31)	(75)
Interest expenses				
- Hire purchase	15	18	15	18
- Overdraft	46	92	46	92
- Term loan	258	153	258	153
- Unwinding interest	1	1	1	1
- Implicit interest of lease liabilities	117	58	117	58

B13. EARNINGS PER SHARE

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

	Current Quarter Ended		Year to date	
	31 Mar 2021 RM	31 Mar 2020 RM	31 Mar 2021 RM	31 Mar 2020 RM
Net profit attributable to owners of the Company (RM'000)	5,419	1,538	5,419	1,538
Weighted average number of ordinary shares in issue ('000)	536,784	1,809,861	536,784	1,809,861
Basic earnings per share (sen)	1.01	0.08	1.01	0.08

JAG BERHAD (“JAG” OR “COMPANY”)
[Registration No: 199701023733 (439230 - A)]

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2021

B14. AUTHORISED FOR ISSUE

This interim financial statement was authorised for issue by the Board on 28 May 2021 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

28 May 2021