

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Dec-21 RM'000	Preceding year Corresponding Quarter 31-Dec-20 RM'000	Changes %	Current Year To date 31-Dec-21 RM'000	Preceding year Corresponding year 31-Dec-20 RM'000	Changes %
Revenue	66,171	44,341	49.23%	223,821	159,000	40.77%
Direct costs	(2,784)	(1,823)	52.72%	(10,190)	(10,585)	-3.73%
Changes in inventories of finished goods and work in progress	(165)	5,714	-102.89%	14,490	4,455	225.25%
Raw materials and consumable used	(49,347)	(37,991)	29.89%	(168,817)	(113,478)	48.77%
Changes in inventories of trading merchandise	(388)	(71)	446.48%	(907)	(1,665)	-45.53%
Staff costs	(3,638)	(2,265)	60.62%	(14,178)	(11,477)	23.53%
Other income	886	964	-8.09%	3,258	3,510	-7.18%
Depreciation and amortisation	(2,114)	(1,824)	15.90%	(8,182)	(6,580)	24.35%
Other operating expenses	(3,475)	(2,645)	31.38%	(13,132)	(10,026)	30.98%
Finance cost	304	(205)	-248.29%	(703)	(1,728)	-59.32%
Profit before taxation	5,450	4,195	29.92%	25,460	11,426	122.83%
Taxation	(803)	(1,218)	-34.07%	(6,803)	(2,447)	178.01%
Profit after taxation/ Total comprehensive income	4,647	2,977	56.10%	18,657	8,979	107.78%
Profit attributable to:						
Owners of the Company	4,636	3,003		19,210	9,164	
Non-controlling interest	11	(26)		(553)	(185)	
	4,647	2,977		18,657	8,979	
Total comprehensive income attributable to:						
Owners of the Company	4,636	3,003		19,210	9,164	
Non-controlling interest	11	(26)		(553)	(185)	
	4,647	2,977		18,657	8,979	
Earning per share attributable to owners of the Company (sen per share):						
Basic earning per share	0.74	0.67		3.36	2.01	

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 FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Financial year 31-Dec-21 RM'000	Audited As at preceding Financial Year Ended 31-Dec-20 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	90,575	84,612
Right of use assets	7,691	7,022
Investment properties	35,693	18,611
Intangible assets	101	101
Land held for development	10,590	15,904
	144,650	126,250
Current Assets		
Inventories	71,703	57,561
Trade and other receivables	9,814	23,009
Tax recoverable	71	47
Other investment	9,173	11,605
Derivative assets	7	20
Fixed deposits with licensed banks	3,427	3,368
Cash and bank balances	29,300	7,371
	123,495	102,981
TOTAL ASSETS	268,145	229,231
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	204,468	179,072
Treasury shares	(1,297)	(1,297)
Revaluation reserve	28,139	28,139
Reverse acquisition reserve	(72,051)	(72,051)
Retained profits	61,599	43,003
	220,858	176,866
Equity attributable to the owners of the Company	220,858	176,866
Non-controlling interest	-	85
Total equity	220,858	176,951
Non Current Liabilities		
Lease liabilities	5,717	3,949
Deferred income	448	588
Borrowings	18,006	14,491
Provision	39	38
Deferred tax liabilities	5,979	5,691
	30,189	24,757
Current Liabilities		
Trade and other payables	8,820	16,635
Tax payable	2,917	1,405
Borrowings	2,865	7,538
Lease Liabilities	2,496	1,945
	17,098	27,523
TOTAL LIABILITIES	47,287	52,280
TOTAL EQUITY AND LIABILITIES	268,145	229,231
Net assets per share (sen) attributable to owners of the Company	35.24	30.93

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 FOURTH QUARTER ENDED 31 DECEMBER 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)
Expiry of SIS option	-	-	-	-	(1,542)	1,542	-	-	-
Issuance of share pursuant to private placement	12,542	-	-	-	-	-	12,542	-	12,542
Share issuance expenses	(109)	-	-	-	-	-	(109)	-	(109)
Subscription of shares in a subsidiary	-	-	-	-	-	-	-	125	125
Net profit/Total comprehensive income for the year	-	-	4,760	-	-	9,164	13,924	(185)	13,739
At 31 December 2020	<u>179,072</u>	<u>(1,297)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>43,003</u>	<u>176,866</u>	<u>85</u>	<u>176,951</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	-	-	-	-	-	(614)	(614)	323	(291)
Issuance of share pursuant to private placement	25,650	-	-	-	-	-	25,650	-	25,650
Share issuance expenses	(254)	-	-	-	-	-	(254)	-	(254)
Subscription of shares in a subsidiary	-	-	-	-	-	-	-	145	145
Net profit / Total comprehensive profit for the year	-	-	-	-	-	19,210	19,210	(553)	18,657
At 31 December 2021	<u>204,468</u>	<u>(1,297)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>61,599</u>	<u>220,858</u>	<u>-</u>	<u>220,858</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 FOURTH QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 31-Dec-21 RM'000	Preceding Year Corresponding Period 31-Dec-20 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	25,460	11,426
Adjustments for:		
Allowance for impairment of receivables	1,125	59
Allowance for impairment of receivables no longer required	(826)	(421)
Adjustment for derecognition of ROU and lease liabilities	631	
Changes in fair value of other investments	788	(2,253)
Changes in fair value of derivative financial instruments	-	(8)
Depreciation and amortisation	8,182	6,579
Dividend income	(371)	(34)
Fixed assets written off	682	46
Gain on disposal of a subsidiary	-	(178)
Gain on disposal of fixed assets	(231)	(65)
Gain on disposal of other investment	(1,456)	(469)
Impairment loss on plant and equipment and right of use assets	35	-
Impairment loss on investment property	631	-
Income distribution from quoted fund	(19)	-
Loss on foreign exchange - unrealised	71	545
Government grant income	(140)	(140)
Realised loss on foreign exchange - cash and cash equivalent	(92)	16
Interest income	(283)	(239)
Interest expense	986	1,968
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Operating cash flows before working capital changes	35,173	16,832
Changes in working capital:		
Increase in inventories	(14,142)	(7,466)
Decrease/(Increase) in trade and other receivables	12,799	(4,518)
(Increase)/Decrease in trade and other payables	(11,940)	1,228
Increase in property development expenditure	(1,809)	-
Decrease in other investments	3,100	521
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Cash used in operations	23,181	6,597
Income tax paid	(5,027)	(1,105)
Income tax refunded	-	24
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Net cash generated from operating activities	18,154	5,516
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase)/Decrease in fixed deposit pledged	(10)	1,376
Interest received	283	239
Dividend received	371	34
Distribution received from quoted fund	19	-
Deposit paid for purchase of property, plant and equipment	(1,935)	(1,383)
Net cash inflow on disposal of a subsidiary	-	171
Net cash outflow on acquisition of a subsidiary	(3,097)	-
Proceeds from disposal of fixed assets	250	67
Proceeds from disposal of other investments	-	-
Purchase of property, plant and equipment	(6,049)	(6,699)
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Net cash used in investing activities	(10,168)	(6,195)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(475)	(1,968)
Cash payment for leases	(2,761)	(1,849)
Acquisition of treasury shares	-	(1,197)
Acquisition of additional interest of non controlling interest	(606)	-
Net proceeds from issuance of share pursuant to private placement	25,396	12,434
Share issue proceed from non-controlling interest	-	125
Proceeds from term loan	-	250
Repayment of term loan	(2,886)	(1,989)
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Net cash generated from financing activities	18,668	5,806
Net increase in cash and cash equivalents	26,654	5,127
Effect of exchange rate changes	92	8
Cash and cash equivalents at 1 January	5,119	(16)
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	31,865	5,119
Cash and cash equivalents at end of financial quarter comprised:		
Cash and bank balances	29,300	7,370
Fixed deposits with licensed banks	3,427	3,368
Bank overdraft	-	(4,774)
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	32,727	5,964
Less: Fixed deposits pledged	(862)	(845)
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	31,865	5,119

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 year ended 31 December 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 93% 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 year under review.

A6. MATERIAL CHANGES IN ESTIMATES

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

QUARTERLY REPORT

Notes on the quarterly report for the financial year ended 31 December 2021

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 quarter and year ended 31 December 2021:

- (i) 90,000,000 new ordinary shares in JAG (“Placement Shares”), being first tranche of Placement Shares were issued pursuant to the Private Placement (as defined in Note B6), were listed on 11 August 2021 at RM0.285 each.

A8. DIVIDEND

The first interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and payable on 25 March 2022.

There were no dividends paid or declared for the previous corresponding quarter and year.

A9. SEGMENT INFORMATION

The Group’s segmental information is as follows:

	Current Quarter Ended		Year to date	
	31 Dec 2021 RM’000	31 Dec 2020 RM’000	31 Dec 2021 RM’000	31 Dec 2020 RM’000
Revenue by business segments				
Manufacturing and trading activities	61,884	41,670	207,120	144,789
Proprietary solutions and software maintenance	-	-	-	108
Investment holding	2,587	1,926	12,484	16,915
Lifestyle and services	1,700	745	4,217	2,688
	<u>66,171</u>	<u>44,341</u>	<u>223,821</u>	<u>164,500</u>
Elimination of inter-segment sales	-	-	-	(5,500)
	<u>66,171</u>	<u>44,341</u>	<u>223,821</u>	<u>159,000</u>
Segment results				
Manufacturing and trading activities	6,477	3,700	30,114	13,216
Investment holding	(1,144)	799	967	1,146
Proprietary solutions and software maintenance	-	-	-	(41)
Lifestyle and services	606	(109)	(3,775)	(745)
Property development	(793)	10	(1,183)	(421)
Profit from operations	<u>5,146</u>	<u>4,400</u>	<u>26,123</u>	<u>13,155</u>
Interest income	101	85	323	239
Finance cost	203	(290)	(986)	(1,968)
Profit before taxation	<u>5,450</u>	<u>4,195</u>	<u>25,460</u>	<u>11,426</u>
Taxation	(803)	(1,218)	(6,803)	(2,447)
Profit after taxation	<u>4,647</u>	<u>2,977</u>	<u>18,657</u>	<u>8,979</u>
Revenue By Geographical Segment				
Malaysia	9,047	16,109	35,638	37,097
Foreign countries	57,124	28,232	188,183	121,902
	<u>66,171</u>	<u>44,341</u>	<u>223,821</u>	<u>158,999</u>

QUARTERLY REPORT

Notes on the quarterly report for the financial year ended 31 December 2021

A9. SEGMENT INFORMATION (CONTINUED)

	As at 31 Dec 2021 RM'000	As at 31 Dec 2020 RM'000
Segment assets		
Manufacturing and trading activities	208,718	176,100
Investment holding	209,968	182,175
Lifestyle and services	13,484	12,814
Property development	47,873	37,454
	<u>480,043</u>	<u>408,543</u>
Elimination	<u>(211,898)</u>	<u>(179,312)</u>
	<u>268,145</u>	<u>229,231</u>
Segment liabilities		
Manufacturing and trading activities	70,287	76,674
Investment holding	3,764	6,949
Lifestyle and services	16,464	11,534
Property development	35,632	23,053
	<u>126,147</u>	<u>118,210</u>
Elimination	<u>(78,860)</u>	<u>(65,930)</u>
	<u>47,287</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 year under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual audited financial statements.

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

There were no material events subsequent to the current financial quarter and year ended 31 December 2021 up to the date of this report.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

On 28 December 2020, the subsidiary, Jaring Metal Industries Sdn Bhd (“JMI”) has entered into a Sale of Shares Agreement with LCM Realty Sdn. Bhd. [Registration No. 200501028857 (710992-K)] (“LCM”) of Suite 1706, 17th Floor, Plaza Permata, No. 6, Jalan Kampar, 50400 Kuala Lumpur, Wilayah Persekutuan, for the purpose of acquiring the entire equity interest in Cahaya Mutlak Sdn. Bhd. [Registration No. 20090102439 (867497-X)] from LCM, for a total purchase consideration of RM3,100,000 only. The said acquisition was complete as at 30 September 2021 and Cahaya Mutlak Sdn Bhd (“CMSB”) is a wholly owned subsidiary to the Group and the Company. Subsequent to the completion of acquisition, CMSB has changed the name to JAG Eco Sdn Bhd.

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.

QUARTERLY REPORT

Notes on the quarterly report for the financial year ended 31 December 2021

A12. CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

On 15 December 2021, the Company, JAG Berhad has further acquired 125,000 shares on JAG Scoops Sdn Bhd (“JAG Scoops”), representing 25% equity interest in JAG Scoops from Ms Yap May Yin and Mr Lai Kok Wai for a purchase consideration of RM586,000. The said acquisition was completed and JAG Scoops is a wholly owned subsidiary to the Group.

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 year 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 year review.

A14. CAPITAL COMMITMENTS

As at 31 December 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 year under review.

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Notes on the quarterly report for the financial year ended 31 December 2021

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

B1. REVIEW OF PERFORMANCE

4th Quarter 2021 vs 4th Quarter 2020

	4th Quarter 2021 RM'000	4th Quarter 2020 RM'000	Changes %
Revenue by business segments			
Manufacturing and trading activities	61,884	41,670	48.5
Investment holding	2,587	1,926	34.1
Lifestyle and services	1,700	745	128.2
	<u>66,171</u>	<u>44,341</u>	
Segment results			
Manufacturing and trading activities	6,477	3,700	75.1
Investment holding	(1,144)	799	->100.0
Lifestyle and services	606	(109)	651
Property development	(793)	10	->100.0
Profit from operations	<u>5,146</u>	<u>4,400</u>	
Interest income	101	85	
Finance cost	203	(290)	
Profit before taxation	<u>5,450</u>	<u>4,195</u>	
Taxation	(803)	(1,218)	
Profit after taxation	<u>4,647</u>	<u>2,977</u>	

The TWM division had reported an increase in revenue of 48.5%, from RM41.7 million in 4th quarter 2020 to RM61.9 million in current financial quarter. This was due to higher sales of precious metals which were driven by strong demand of commodities products globally and locally.

As for investment holding division, there was higher disposal value of investments in current financial quarter compared to previous year corresponding financial quarter.

The lifestyle and services division recorded significant improvement of 128% compared to previous year corresponding quarter. This was mainly due the resumption and recovery of retail market activities in fourth quarter as well as festive season in December had boosted the overall revenue in the said division.

In respect of profitability, higher revenue generated from TWM division has boosted the profit of the Group. Nevertheless, positive movement of commodities price such as copper and tin had directly strengthened the average selling price of the said commodities, thus resulted in better margin for the Group in the current financial quarter.

Lifestyle and services division had recorded profit in current financial quarter as a result from higher revenue generated. Whereas for investment holding division and property development division, the losses were mainly from the changes in fair value of investment held and recognition of impairment loss on investment properties respectively.

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Notes on the quarterly report for the financial year ended 31 December 2021

B1. REVIEW OF PERFORMANCE (CONTINUED)

Financial Year ended 31 December 2021 vs Financial Year ended 31 December 2020

	FY2021	FY 2020	Changes
	RM'000	RM'000	%
Revenue by business segments			
Manufacturing and trading activities	207,120	144,789	43.1
Proprietary solutions and software maintenance	-	108	-100.0
Investment holding	12,484	11,915	4.8
Lifestyle and services	4,217	2,688	56.9
	<u>223,821</u>	<u>159,000</u>	40.8
Segment results			
Manufacturing and trading activities	30,114	13,216	127.9
Investment holding	967	1,146	-15.6
Proprietary solutions and software maintenance	-	(41)	100.0
Lifestyle and services	(3,775)	(745)	->100.0
Property development	(1,183)	(421)	-73.2
Profit from operations	<u>26,123</u>	<u>13,155</u>	
Interest income	323	239	
Finance cost	(986)	(1,968)	
Profit before taxation	<u>25,460</u>	<u>11,426</u>	
Taxation	(6,803)	(2,447)	
Profit after taxation	<u>18,657</u>	<u>8,979</u>	

The Group recorded an increase in revenue of 40.8% in current financial year as compared to previous financial year ended 31 December 2020. This was mainly contributed by the increase in revenue in TWM division.

The TWM division had reported revenue of RM207.1 million in current financial year as compared to RM144.8 million in previous financial year, marked an improvement of 43.1%. This was mainly due to higher sales of precious metals driven by strong demand of commodities globally and locally.

The continuing strong and positive movement of commodities price such as copper, nickel and tin had bolstered the average selling price of the said commodities, resulting in better margins for the Group.

In respect of the performance of investment holding division, the Company had disposed off the long term investments held during the financial year and recorded revenue and profit before interest and tax of RM12.5 million and RM967,000 respectively.

During the financial year, the lifestyle and services division which carries the retail businesses of coin operated laundrettes, and manufacturing and sales of gelato products had suffered losses of RM3.8 million. This was mainly due to lower revenue generated as a direct result from the enforcement of MCO and EMCO followed by National Recovery Programme in Klang Valley. However, cost of operations such as rental of outlets, staff costs and other relevant operational costs remained, leading to the losses of the said division.

The other operating expenses included manufacturing overhead expenses, changes in fair value of other investments, professional fees, impairment loss on equipment and right of use assets, travelling expenses, audit fees and others.

QUARTERLY REPORT

Notes on the quarterly report for the financial year ended 31 December 2021

B1. REVIEW OF PERFORMANCE (CONTINUED)

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

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

	Current Quarter 31 Dec 2021	Immediate Preceding Quarter 30 Sept 2021	Changes
	RM'000	RM'000	%
Revenue	66,171	46,504	42.3
Staff cost	3,638	3,047	19.4
Other income	886	1,965	-54.9
Other operating expenses	3,476	2,842	22.3
Profit before taxation	5,450	5,354	1.8
Profit after taxation	4,647	4,454	4.3

The Group recorded higher revenue of RM66.2 million for the current financial quarter ended 31 December 2021 as compared to immediate preceding financial quarter ended 30 September 2021 of RM46.5 million. The higher revenue mainly due to higher sales from TWM division as well as Lifestyle and services division.

Higher staff cost recorded in current financial quarter as compared to immediate preceding quarter mainly due to higher overtime recorded and additional accrual in the current financial quarter.

The lower other income mainly due to the absence of gain on fair value adjustment on investment in current financial quarter as compared to immediate preceding financial quarter. The higher other operating expenses are direct result from recognition of loss on impairment on investment properties, loss on fair value adjustment on investment and higher realised loss on foreign exchange.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

Looking forward, the TWM division of the Group will continues to be the major revenue and profit contributor in financial year 2022. 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.

The Group remained optimistic for the outlook of food and beverage retail industries as well as the coin operated laundrettes industries. The Group foresees the economy is recovering, aided by the encouraging performance of the said division during the 4th quarter of FY2021 had strengthen the management’s confidence of the business prospect.

However, fast spreading mutations such as the Omicron variant and/or new variant may slow the pace of economic reopening and recovery in which the management is aware of.

The Group will continue to strategise, adapt and navigate through the challenging business environment and endeavor to take timely and appropriate actions to minimise operating risks and optimise its resources so as to ensure that the business operations remain resilient in these uncertain times and at the same time prepare a good foundation for strong and sustainable recovery post pandemic.

QUARTERLY REPORT

Notes on the quarterly report for the financial year ended 31 December 2021

B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE

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

B5. TAXATION

	Current Quarter Ended		Year to date	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Income tax				
- current year	(1,600)	(918)	(6,500)	(2,463)
- under provision in prior years	(3)	-	(3)	286
	<u>(1,603)</u>	<u>(918)</u>	<u>(6,503)</u>	<u>(2,177)</u>
Deferred tax				
- current year	800	(300)	(300)	(270)
	<u>(803)</u>	<u>(1,218)</u>	<u>(6,803)</u>	<u>(2,447)</u>

The effective tax rate for the current financial period under review is higher than the statutory income tax rate mainly due to expenses which are not tax deductible.

B6. STATUS OF CORPORATE PROPOSALS

On 4 June 2021, M&A Securities Sdn Bhd (“M&A”) had on behalf of the Board announced that the Company proposes to undertake a proposed private placement of up to 30% of the total number of issued shares in JAG (excluding treasury shares) (“Private Placement”) to independent third party investor(s). The listing application for the Private Placement was submitted to Bursa Securities on 14 June 2021.

The Company had on 30 June 2021 obtained Bursa Securities’ approval for the listing and quotation of up to 161,035,400 Placement Shares to be issued pursuant to the Private Placement. The approval granted by Bursa Securities for the Private Placement, is subjected to the following conditions:

- i. JAG and M&A must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Private Placement;
- ii. JAG and M&A to inform Bursa Securities upon the completion of the Private Placement; and
- 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 complete.

On 28 July 2021, the Company had obtained the approval from the shareholder through Extraordinary General Meeting (“EGM”) held on the same day.

On 11 August 2021, the Company completed the issuance of the first tranche of 90,000,000 new ordinary shares at RM0.285 each and raised gross proceeds of RM25,650,000.

On 9 December 2021, the Company had submitted an application for extension of time to complete the Company’s Private Placement to Bursa Securities.

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Notes on the quarterly report for the financial year ended 31 December 2021

B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)

Save as above, there were no corporate proposals announced but not complete as at 20 February 2022, 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 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	581	-	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	12,542	-	

(b) Private Placements 2021

The actual utilisation of the total gross proceeds of RM25,650,000 raised from the 30% private placement on 11 August 2021 (referring to Note B6) were as below:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance proceeds RM'000	Intended timeframe for utilisation
Acquisition of equipment	4,410	-	4,410	15 months
Working capital	9,009	5,789	3,220	12 months
Repayment of bank borrowings	11,978	823	11,115	6 months
Estimated expenses in relation to the Private Placements	253	253	-	1 month
Total	25,650	6,865	18,745	

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Notes on the quarterly report for the financial year ended 31 December 2021

B8. GROUP BORROWINGS

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

	As at 31 Dec 2021 RM’000	As at 31 Dec 2020 RM’000
Short term borrowing (secured)		
Term loan	2,865	2,764
Overdraft	-	4,774
Lease liabilities	2,496	1,945
	5,361	9,483
Long term borrowing (secured)		
Term loan	18,003	14,491
Lease liabilities	5,717	3,949
	23,720	18,440
Total	29,081	27,923

	As at 31 Dec 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	28 : 72	22 : 78

B9. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Disclosure of derivatives

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

Type of derivative	Contract value RM’000	Fair Value RM’000	Fair Value Gain RM’000
Forward foreign exchange contracts			
- Less than 1 year	2,611	2,618	7

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.

QUARTERLY REPORT

Notes on the quarterly report for the financial year ended 31 December 2021

B9. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(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

The first interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and payable on 25 March 2022.

B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended		Year to date	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment of receivables	125	-	1,125	59
Allowance for impairment of receivables no longer required	(965)	-	(826)	(421)
Changes in fair value of derivative financial instruments	10	(20)	-	(8)
Changes in fair value on other investments	285	(538)	788	(2,253)
Depreciation of property, plant and equipment and right of use assets	2,114	1,824	8,182	6,579
Dividend income	(204)	(2)	(371)	(34)
Fixed asset written off	-	-	682	46
Gain on disposal of fixed assets	(231)	(1)	(231)	(66)
Gain on disposal of other investment	-	-	(1,456)	(469)
Loss on foreign exchange – unrealised	(230)	(97)	71	545
Loss/(Gain) on foreign exchange – realised	458	372	276	(12)
Government grant income	(35)	(35)	(140)	(140)
Impairment loss on equipment and right of use assets	29	-	35	-
Interest income	(101)	(85)	(283)	(239)
Impairment loss on investment property	631	-	631	-
Interest expenses				
- Hire purchase	57	19	61	76
- Overdraft	12	52	77	226
- Term loan	(391)	191	397	1,459
- Unwinding interest	-	-	-	-
- Implicit interest of lease liabilities	119	28	451	206

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Notes on the quarterly report for the financial year ended 31 December 2021

B13. EARNINGS PER SHARE

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

	Current Quarter Ended		Year to date	
	31 Dec 2021 RM	31 Dec 2020 RM	31 Dec 2021 RM	31 Dec 2020 RM
Net profit attributable to owners of the Company (RM'000)	4,636	3,003	19,210	9,164
Weighted average number of ordinary shares in issue ('000)	626,785	447,369	571,895	456,967
Basic earnings per share (sen)	0.74	0.67	3.36	2.01

B14. AUTHORISED FOR ISSUE

This interim financial statement was authorised for issue by the Board on 23 February 2022 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

23 February 2022