

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 4th Quarter unaudited financial results for the financial year ended 31 December 2017.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 31-Dec-2017 RM'000	Preceding Year Quarter ended 31-Dec-2016 RM'000	Current Year To-date ended 31-Dec-2017 RM'000	Preceding Year To-date ended 31-Dec-2016 RM'000
Revenue	210,739	141,147	676,867	632,201
Cost of Sales	(179,211)	(121,494)	(578,839)	(541,384)
Gross Profit	31,528	19,653	98,028	90,817
Other Operating Income	88,842	(801)	97,336	4,312
Other Operating, Administrative, Selling and Distribution expenses	(11,735)	(41,577)	(49,284)	(78,298)
Share options expenses	-	-	(7,595)	-
Operating Profit / (Loss) before finance cost	108,635	(22,725)	138,485	16,831
Finance cost	(5,937)	(4,527)	(26,070)	(24,113)
Operating Profit /(Loss) after finance cost	102,698	(27,252)	112,415	(7,282)
Share of Profit / (Loss) in Joint Venture	(63)	274	(168)	361
Profit/(Loss) Before Taxation	102,635	(26,978)	112,247	(6,921)
Taxation	(260)	(5,022)	(2,144)	(9,491)
Net Profit / (Loss) For The Period	102,375	(32,000)	110,103	(16,412)
Other Comprehensive Income / (Loss)				
Foreign currency translation	(3,547)	2,977	(3,547)	2,977
Total Comprehensive Income /(Loss) for the Period	98,828	(29,023)	106,556	(13,435)
<u>Net Profit / (Loss) For The Period Attributable to :</u>				
Owners of the Company	107,499	(23,970)	126,676	796
Non-Controlling Interests	(5,124)	(8,030)	(16,573)	(17,208)
	102,375	(32,000)	110,103	(16,412)
Earnings / (Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	22.65	(5.47)	26.69	0.18
- Diluted	21.82	(5.47)	25.71	0.18
Weighted average number of Ordinary Shares in issue	474,645	438,361	474,645	438,361
Number of Ordinary Shares in issue	492,747	438,361	492,747	438,361

Notes :

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying notes attached to the interim financial statements.

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017.

	(Unaudited) As At End Of Financial Year End 31-Dec-2017 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2016 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	6,955	17,096
Investment properties	659,817	449,980
Investment in Joint Venture	127,122	127,290
Golf Club memberships	334	342
Goodwill on Consolidation	148,501	148,501
Deferred Tax Assets	2,324	2,406
Land held for Development	-	38,879
Other Receivables	-	1,326
	945,053	785,820
Current Assets		
Inventories	1,813	4,170
Property Development Costs	88,316	301,120
Amount due from customers for contract works	123,222	101,770
Trade and Other Receivables	366,510	160,952
Amount due by Joint Venture	118,679	70,351
Deposits placed with licensed banks	88,031	60,536
Cash and bank balances	129,979	41,202
	916,550	740,101
Total Assets	1,861,603	1,525,921
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	523,104	438,361
Share Premium	-	8,369
Share Options Reserve	4,325	-
Translation Reserve	(3,547)	2,977
Accumulated Profit / (Losses)	181,854	55,178
	705,736	504,885
Non-controlling interests	66,031	77,704
TOTAL EQUITY	771,767	582,589
Non-Current Liabilities		
Long Term Borrowings	310,611	247,464
Deferred Tax Liabilities	153	172
	310,764	247,636
Current Liabilities		
Trade and Other Payables	559,851	406,941
Tax Payable	862	5,304
Bank borrowings	153,183	197,071
Bank overdraft	65,176	86,380
	779,072	695,696
TOTAL EQUITY AND LIABILITIES	1,861,603	1,525,921
No of Ordinary Shares	492,747	438,361
Net Assets Per Share attributable to Owners of the parent (RM)	1.43	1.15

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017.

	Current Year 12 Months ended 31-Dec-2017	Preceding Year 12 Months ended 31-Dec-2016
	RM'000	RM'000
Cash flows from operating activities		
Profit / (Loss) before tax for the period	112,247	(6,921)
Adjustment for:		
Depreciation and amortisation	14,272	14,559
Interest expense	27,528	26,330
Interest income	(1,458)	(2,217)
Gain on disposal of land held for development	(76,799)	-
Gain on disposal of property / asset held for sale	(11,210)	(3,247)
Loss / (Gain) on disposal of plant & equipment	(580)	206
Allowance for doubtful debts no longer required	(6,945)	7,565
Share of (Profit) / Loss in Joint Venture	167	361
Unrealised (Gain) / Loss on foreign exchange	(5,734)	5,889
Share options expenses	7,595	-
Operating profit before working capital changes	59,083	42,525
(Increase)/Decrease in working capital		
Inventories	2,357	5,016
Amount due from customers for contract works	(14,507)	(29,902)
Trade and other receivables	(104,321)	(35,802)
Amount due from Joint Venture company	(48,328)	19,843
Property Development Expenditure	212,804	1,097
Trade and other payables	152,121	69,489
	200,126	29,741
	259,209	72,266
Interest paid	(14,967)	(14,249)
Interest received	1,458	2,217
Income tax paid	(7,516)	(2,623)
Net Operating Cash Flow	238,184	57,611
Cash flows from investing activities		
Purchase of property, plant & equipment	(53)	(295)
Proceeds from disposal of property, plant & equipment	19,301	6,586
Proceeds from disposal of land held for development (net)	16,759	-
Additional investment in subsidiary by minority shareholders	4,900	-
Addition to investment properties	(221,418)	(11,486)
Net Investing Cash Flow	(180,511)	(5,195)
Cash flows from financing activities		
Net Proceeds from shares issued	73,104	-
Interest paid	(12,561)	(12,081)
Drawdown / (Repayment) of short term borrowings	(8,683)	37,209
Drawdown (Repayment) of hire purchase liabilities	(1,810)	(2,628)
Drawdown / (Repayment) of bank term loans	29,752	(62,323)
Withdrawal / (Placement) of Fixed Deposits	(27,494)	(10,493)
Net Financing Cash Flow	52,308	(50,316)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017. (Cont.)**

	Current Year 12 Months ended 31-Dec-2017	Preceding Year 12 Months ended 31-Dec-2016
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	109,981	2,100
Cash & Cash Equivalents at beginning of the year	(46,370)	(48,470)
Cash & Cash Equivalents at end of the period.	63,611	(46,370)

Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

Deposits placed with licensed banks	88,031	60,536
Cash & bank balances	129,979	41,202
Bank overdrafts	(65,176)	(86,380)
	152,834	15,358
Less : Deposit held as security values	(88,031)	(60,536)
Debt service reserves account	(1,192)	(1,192)
	63,611	(46,370)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR 31 DECEMBER 2017.

	Attributable to Equity Holders of the Company						Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable			Distributable				
	Share Capital RM'000	Share Premium RM'000	Share Options Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
Current Year								
Quarter ended								
31 December 2017.								
Balance as at								
1 January 2017	438,361	8,369	-	2,977	55,178	504,885	77,704	582,589
Total Comprehensive Income for the Period	-	-	-	-	126,676	126,676	(16,573)	110,103
Foreign currency translation	-	-	-	(6,524)	-	(6,524)	-	(6,524)
Issuance of ordinary shares								
Private placement	59,617	-	-	-	-	59,617	-	59,617
Private placement expenses	(1,283)	-	-	-	-	(1,283)	-	(1,283)
LTIP shares	14,770	-	-	-	-	14,770	-	14,770
Fair Value of LTIP shares upon exercised	3,270	-	-	-	-	3,270	-	3,270
Share options issued	-	-	4,340	-	-	4,340	-	4,340
Reversal Fair Value of LTIP shares from Share option reserves	-	-	(15)	-	-	(15)	-	(15)
Transfer from share premium	8,369	(8,369)	-	-	-	-	-	-
Additional investment in subsidiary by Minority shareholders.	-	-	-	-	-	-	4,900	4,900
Balance as at								
31 December 2017.	523,104	-	4,325	(3,547)	181,854	705,736	66,031	771,767
Preceding Year								
Quarter ended								
31 December 2016.								
Balance as at								
1 January 2016	438,361	8,369	-	-	54,382	501,112	94,913	596,025
Total Comprehensive Income for the Period	-	-	-	-	796	796	(17,209)	(16,413)
Addition for the Year	-	-	-	2,977	-	2,977	-	2,977
Balance as at								
31 December 2016.	438,361	8,369	-	2,977	55,178	504,885	77,704	582,589

(The Condensed Consolidated Statement 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 notes attached to the interim financial statements).

A. NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation.

The interim financial report is unaudited and has been prepared in compliance with FRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016.

The accounting policies and methods of computations followed by the Group in this interim financial report are consistent with those adopted in financial statements of the Group for the year ended 31 December 2016, except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective and not yet adopted. The adoption of the new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new approved accounting framework, the Malaysian Financial Reporting Standards (“MFRSs Framework”).

The MFRSs Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of *MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate*, including the entities parent, significant investor and venturer (referred to as “Transitioning Entities” collectively).

On 8 September 2015, MASB confirmed the effective date of MFRS 15 Revenue from Contracts with Customer will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted. MFRS 15 was issued in September 2014 with the original effective date of 1 January 2017.

The Company falls within the scope definition of Transitioning Entities and accordingly, will prepare its first set of MFRSs financial statements for the financial year ending 31 December 2018.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 December 2016 have been reported on without any audit qualification.

3. Seasonal or Cyclical Factors.

The business activities of the Group are not significantly affected by seasonal and cyclical factors.

A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)

4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows.

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period under review.

5. Material changes in estimates.

There are no material changes in estimates for the period under review.

6. Issuance and Repayment of Debt and Equity Securities.

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial year under review save as listed below:

a) Private Placement

On 24 March 2017, 43,836,100 ordinary shares were issued under the proposed private placement at an issue price of RM1.36 per ordinary share.

The status of utilisation of proceeds as at 31 December 2017 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31/12/2017 RM'000	Timeframe for utilisation
On-going projects undertaken by JRB and its subsidiaries ("JRB Group" or "Group")	34,000	34,000	Within 12 months
Working capital	24,326	24,326	Within 6 months
Estimated expenses relating to the Proposed Private Placement	1,291	1,291	Within 3 months
	59,617	59,617	

b) Long Term Incentive Plan ("LTIP")

On 24 May 2017, 24,500,000 share options under the LTIP were granted to eligible directors and employees of the Group at an exercise price of RM1.40.

As at 31 December 2017, 10,550,000 of the LTIP share options granted were exercised.

7. Dividend.

No dividend has been paid in respect of the financial period under review.

JAKS RESOURCES BERHAD (Company No. 585648-T)

A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)

8. Segmental Information for the Financial Year Ended 31 December 2017.

Segment information was presented in respect of the Group's business segment. Inter-segment pricing was determined based on a negotiated basis.

Business Segments.

	Construction RM'000	Property Development & Investment RM'000	Trading & Manufacturing RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
REVENUE						
External Revenue	535,458	134,982	6,427	-	-	676,867
Inter-Company	91,129	192,000	7,749	10,200	(301,078)	-
	626,587	326,982	14,176	10,200	(301,078)	676,867
Segment Results	65,918	(23,020)	887	(2,636)		41,149
Other Income						97,336
Finance Cost						(26,070)
Profit After Finance cost						112,415
Share of Loss in Joint Venture						(168)
Profit Before Taxation						112,247
Taxation						(2,144)
Profit After Taxation						110,103
Attributable to : Owners of the Company						126,676
Non-Controlling Interests						(16,573)
						110,103

The Group's revenue for the year ended 31 December 2017 based on geographical location is presented as follows:

	RM'000
Malaysia	425,704
Vietnam	251,163

Total	676,867
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A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)

9. Valuation of Property, Plant & Equipment.

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statement for the year ended 31 December 2016.

10. Subsequent Events.

Save for the status of the information as described in Note 13 in Part B, there were no significant subsequent events between the date of the last financial statements used in the preparation of this report and the date of this report, which will affect materially the content of this report.

11. Effect of Changes in the Composition of the Group.

There were no changes in the composition of the Group during the period under review save as listed below:

On 29 March 2017, a wholly owned subsidiary of the Company, JAKS Sdn Bhd (“JSB”) had acquired 51 ordinary shares, representing 51% equity interest of the enlarged share capital in a new company, Fortress Pavilion Sdn Bhd (“FPSB”) at a cash consideration of RM51.

On 9 August 2017, JSB increased an additional 5,099,949 shares in FPSB, representing 51% equity interest of the enlarged share capital of 10 million. As at 31 December 2017, JSB’s investment in FPSB is 5,100,000 shares.

12. Changes in Contingent Liabilities.

The changes in contingent liabilities of the Group since 31 December 2016 until 31 December 2017 were as follows: -

	As at 31 Dec 2017 RM’000	As at 31 Dec 2016 RM’000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	140,363	149,876
Guarantees given to suppliers of goods for credit terms granted to subsidiaries	2,000	2,000
Liquidated and ascertained damages	23,495	-
	----- 165,858 =====	----- 151,876 =====

A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)

13. Material Commitment

Save as disclosed below, there are no material commitments incurred or known to be incurred by the Group that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results/position of the Group:-

Capital contribution contracted but not provided for in respect of shares subscription in JAKS Pacific Power Limited, joint venture of the Group amounted to approximately USD110.14 million or RM447.39 million, using exchange rate of USD1 : RM4.062.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

1. Review of Financial Performance.

	Current Year Quarter ended 31/12/2017 RM'000	Preceding Year Quarter Ended 31/12/2016 RM'000	Changes %	Current Year To-date Ended 31/12/2017 RM'000	Preceding Year To-date Ended 31/12/2016 RM'000	Changes %
<u>Revenue</u>						
Construction	166,292	85,897	93	535,458	440,881	21
Property Development & Investment	42,581	46,603	(9)	134,982	160,276	(16)
Trading & Manufacturing	1,866	8,647	(78)	6,427	31,044	(79)
Investment Holding	-	-	-	-	-	-
Total	210,739	141,147	49	676,867	632,201	7
<u>Profit/(Loss) Before Taxation</u>						
Construction	18,999	10,821	76	58,340	49,830	17
Property Development & Investment	65,679	(19,842)	431	42,799	(36,738)	216
Trading & Manufacturing	(24)	3,226	(101)	(1,112)	3,809	(129)
Investment Holding	17,981	(21,183)	185	12,220	(23,822)	151
Total	102,635	(26,978)	480	112,247	(6,921)	1,721

The Group achieved revenue of RM210.7 million for the current quarter ended 31 December 2017, an increase of approximately 49% from the previous year's corresponding quarter of RM141.1 million. The increase was mainly attributable to the higher works recognition from the Vietnam EPC construction work in the current year quarter in the Construction division. The Property Development & Investment division's revenue in the current quarter review was still affected by the slowdown in the property market environment. There was minimal revenue contribution from the Trading & Manufacturing divisions in the quarter under

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

review as the Group ceased its manufacturing activities and realigned its focus on the Construction and Property Development activities.

The Group achieved a profit before tax of RM102.6 million in the current year's fourth quarter as compared to a loss before tax of RM27.0 million in the previous year's corresponding quarter. The Construction division recorded profit before tax of RM19.0 million as compared to RM10.8 million achieved in the preceding year corresponding quarter. The higher profit before tax was in line with the higher revenue recognised in the current year quarter.

The Investment Holding division recorded a profit before tax of RM18.0 million in the quarter under review as compared to a loss before tax of RM21.2 million incurred in previous year corresponding quarter. The higher profit in the current year quarter was mainly due to the recognition of the gain arising from the disposal of property in Subang Jaya, i.e. Lot 541 which amounted to RM11.2 million and the recognition of RM5.7 million unrealised gain on the foreign exchange in the current quarter.

The Property Development & Investment division achieved a profit before tax of RM65.7 million in the quarter under review as compared to a loss before tax of RM19.8 million in the fourth quarter of 2016. The higher profit in the current year quarter was mainly due to the recognition of the gain arising from the disposal of land held for development in Subang Jaya, i.e. the USJ Land properties which amounted to RM76.8 million. The balance of the sales proceeds will be recognised upon the satisfaction of the terms and conditions of the Supplemental Agreement as stated in Note 12 a) of this Part B.

The Trading & Manufacturing divisions incurred a loss before tax of RM24,000 as compared to RM3.2 million profit before tax achieved in previous year corresponding quarter. The gain of RM3.2 million in previous year was in respect of the disposal of asset held for sale which is absent in the current year.

For the financial year ended 31 December 2017, the Group achieved revenue of RM676.9 million and a profit before tax of RM112.2 million as compared to the previous year revenue of RM632.2 million and a loss before tax of RM6.9 million. The main reason for the improvement in the Group's result for the current year was mainly due to the recognition of the gain arising from the disposal of the land held for development and the property in Subang Jaya which amounted to RM88.0 million. The details of the land held for development and property disposed are stated in Note 12 a) and 12 b) of this Part B.

The Construction division continue to achieve better results, closing the current year with a revenue of RM535.5 million and profit before tax of RM58.3 million, of which RM251.2 million revenue and RM55.1 million profits were derived from the Vietnam EPC construction works.

However, the Group's overall current year financial results was still affected by the competitive pricing on properties sold, slowdown in the property market coupled with the high operating expenses, depreciation charge and financing expenses to operate the mall.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/10/17-31/12/17 <u>RM'000</u>	Immediate Preceding Quarter 1/7/17 – 30/9/17 <u>RM'000</u>	Changes <u>%</u>
Revenue	210,739	140,395	50
Profit/(Loss) before tax	102,635	11,213	815

The Group achieved RM210.7 million revenue for the current quarter, an increase of approximately 50% from the revenue of RM140.4 million in the preceding quarter ended 30 September 2017. The Group achieved a profit before tax of RM102.6 million in the current quarter as compared to RM11.2 million achieved in the third quarter of the year. The main reason for the improvement in the Group's result for the comparative quarters was mainly due to the recognition of the gain arising from the disposal of the land held for development and property in Subang Jaya which amounted to RM88.0 million.

3. Prospects.

With the existing order book in hand on jobs from the domestic market and Vietnam venture, the Group's Construction division is expected to perform satisfactorily in 2018 with significant contributions from our key operations in Vietnam, which will lead to better prospect for the Group.

The Group will manage the operations and performance of the Property Development and Investment division as well as Construction division efficiently and effectively to align with overall Group objective.

Barring any adverse developments, the Group will endeavor to improve its present performance in the coming financial year.

4. Profit Forecast / Guarantee.

The Company did not issue any profit forecast or guarantees.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

5. Taxation.

Included in the taxation are the following:

	Current Quarter Ended 31 Dec 2017 RM'000	Year-to-date Ended 31 Dec 2017 RM'000
Taxation	260	2,144
	=====	=====

The tax provision was based on the estimated taxable amount. The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilised to set off against losses of other companies within the Group.

The deferred tax asset of the Group is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

6. Group Borrowings.

Group borrowings as at 31 December 2017 including interest denominated in Ringgit Malaysia are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	153,183	-	153,183
Overdraft	65,176	-	65,176
Long term borrowings	310,611	-	310,611
Total	=====	=====	=====

7. Realised and Unrealised Profit or Loss.

The breakdown of the Group's retained profits as at 31 December 2017 into realised and unrealised profits / (loss) are as follows:

	As At 31 Dec 2017 RM'000	As At 31 Dec 2016 RM'000
Retained profits		
- Realised	173,948	58,834
- Unrealised Gain /(Loss)	7,906	(3,656)
	-----	-----
	181,854	55,178
	=====	=====

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

8. Notes to the statement of comprehensive income.

The profit before taxation is derived after taking into consideration the following:

	Current Year-to-date Ended 31 Dec 2017 RM'000
<u>Expenses</u>	
Interest Expense	27,633
Depreciation and Amortisation	14,272
Share of Loss in Joint Venture	167
LTIP expenses	7,595
Liquidated and ascertained damages	20,858
Reversal of Liquidated and ascertained damages	(18,071)
<u>Income</u>	
Interest Income	1,295
Unrealised gain on foreign exchange	5,734
Allowance for doubtful debts no longer required	6,945
Gain on disposal of land held for development	76,799
Gain on disposal of property	11,210
Gain on disposal of plant & equipment	580

9. Material Litigation.

The Group is not engaged in any material litigation other than those carried out in the ordinary course of business on recovery of debts and the injunction filed with the High Court in Kuala Lumpur in relation to the Bank Guarantee claimed by STAR as stated in Note 13 of this Part B.

10. Dividend

No dividend has been declared for the quarter under review.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

11. Earnings/ (Loss) Per Ordinary Share

a) Basic Earnings / (Loss) Per Share

The earnings/ (loss) per share has been calculated based on the Group's profit attributable to owners of the Company for the period and the weighted average number of ordinary shares outstanding as at end of the period.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter Ended 31/12/17 RM'000	Preceding Year Quarter Ended 31/12/16 RM'000	Current Year To-date Ended 31/12/17 RM'000	Preceding Year To-date Ended 31/12/16 RM'000
Profit / (Loss) for the period attributable to owners of the Company	107,499	(23,970)	126,676	796
Weighted average Number of Share in issue (RM1.00 each)	474,645	438,361	474,645	438,361
Basic Earnings/ (Loss) Per Share (sen)	22.65	(5.47)	26.69	0.18

Diluted Earnings / (Loss) Per Share

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter Ended 31/12/17 RM'000	Preceding Year Quarter Ended 31/12/16 RM'000	Current Year To-date Ended 31/12/17 RM'000	Preceding Year To-date Ended 31/12/16 RM'000
<u>Diluted</u> Profit / (Loss) for the period attributable to owners of the Company	107,499	(23,970)	126,676	796
Weighted average Number of Share in issue (RM1.00 each)	474,645	438,361	474,645	438,361
Effect of dilution due to issuance of private placement and LTIP	18,102	-	18,102	-
Adjusted weighted average Number of Share in issue applicable to diluted earnings / (loss) per share (RM1.00 each)	492,747	438,361	492,747	438,361
Diluted Earnings/ (Loss) Per Share (sen)	21.82	(5.47)	25.71	0.18

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

12. Status of the Corporate Exercise

There were no corporate proposals announced but not completed as at the date of this report save as listed below:

- a) On 1 August 2017, 17 August 2017 and 24 August 2017, the Group announced that Premier Place Property Sdn Bhd (“**PPP**”), a wholly-owned subsidiary of JAKS, has on 31 July 2017, entered into an agreement (“**Agreement**”) with Sunway Supply Chain Enterprise Sdn Bhd (“**SSCE**”), a wholly-owned subsidiary of Sunway Holdings Sdn Bhd which in turn is a wholly-owned subsidiary of Sunway Berhad (“**Sunway**”) whereby PPP and SSCE or its related corporation agree to execute a sale and purchase agreement (“**SPA**”) within 21 days from the date of the Agreement or such extended time period as the parties shall mutually agree in writing to dispose the following 4 parcels of freehold land totalling approximately 5.988 hectares or 644,576 square feet for a total cash consideration of RM167,589,760 (excluding Goods and Services tax):

(i) Geran Mukim 85 Lot 526, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,674 square feet (“**Land 1**”);

(ii) Geran Mukim 84 Lot 527, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,674 square feet (“**Land 2**”);

(iii) Geran Mukim 83 Lot 528, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,674 square feet (“**Land 3**”); and

(iv) Geran Mukim 319 Lot 62506, Tempat Sungai Penaga, Pekan Subang Jaya, Daerah Petaling, Negeri Selangor measuring approximately 2.346 hectares or 252,554 square feet (“**Land 4**”).

On 15 December 2017, the shareholders approved the proposed disposal at the EGM convened.

On 2 February 2018, the Group announced that PPP had, on 1 February 2018, entered into a supplementary agreement with **SSCE** (“**Supplementary Agreement**”).

Based on the valuation certificate dated 14 August 2017 in relation to the Disposal prepared by Savills (Malaysia) Sdn Bhd which was included as Appendix I of the circular to the shareholders dated 30 November 2017 in relation to the Disposal (“**Circular**”), part of the northern portions of Lots 526, 527 and 528 are presently occupied by Persiaran Subang Permai and out of the boundary retaining walls on these Lots (“**the Affected Portions**”). The aggregate area of the Affected Portions is approximately 49,857 square feet. Thus, the actual area of Lots 526, 527 and

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

528 may not be in accordance with the area specified in the issue documents of title of these Lots respectively.

PPP is using its best endeavours to obtain written confirmation from both the relevant Land Registry/Office and the relevant Local Council to confirm the actual areas of Lots 526, 527 and 528 in order to resolve the uncertainty of the Affected Portions ("**Written Confirmation from Authorities**").

Terms and Conditions of the Supplementary Agreement

Pending the issuance of the Written Confirmation from Authorities before the Completion Date, PPP and SSCE agree inter alia as follows:

1. a sum of RM13.00 million ("**Escrow Amount**") calculated based on the aggregate area of the Affected Portions on the basis of RM260 per square foot shall be deposited with SSCE's solicitors; and
2. a sum of RM0.78 million being the sum equivalent to the GST payable on the Escrow Amount and a sum of RM0.39 million being the estimated stamp duty on the Escrow Amount shall also be deposited with SSCE's solicitors ("**Estimated Expenses**").

In the event the Written Confirmation from Authorities is not issued before the Completion Date, PPP and SSCE agree that the payment of the Balance Purchase Price shall not be due and payable on the Completion Date and that payment of the Balance Purchase Price shall be due and payable on or before the expiry of the Extended Period free of interest.

SSCE shall not be obliged to pay the purchase price for the excluded portions based on the land area stated in the extracted issue documents of title for Lots 526, 527 and 528 which have taken into account the confirmations stated in the Written Confirmation from Authorities.

SSCE shall be entitled to the refund of such part of the Purchase Price equivalent to the shortfall in the land area as reflected in the issue documents of title for Lots 526, 527 and 528 as extracted from the relevant Land Registry/Office calculated on the basis of RM260 per square foot.

The Affected Portions is currently pending final confirmation from the Authorities.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

- b) On 2 October 2017, the Group announced that JAKS has entered into a sale and purchase agreement with Hectare Square Sdn Bhd (“HSSB”) to dispose a piece of freehold industrial land measuring approximately 1.214 hectares or 130,674 square feet held under individual title GM 110, Lot 541, Tempat Sungai Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor (“Land”) together with a one storey factory building erected thereon (“Building”) bearing the postal address of Lot 541, Jalan Subang 2, Taman Industri Sungai Penaga, 47620 Petaling Jaya, Selangor Darul Ehsan (the Land and Building shall collectively be referred to as “the Property”) for a total cash consideration of RM25,873,452 (excluding Goods and Services tax).

The disposal of the above property was completed in December 2017.

- c) On 9 August 2017, the Group announced that the Company’s subsidiaries, JAKS Island Circle Sdn. Bhd. (“JIC”) and Fortress Pavilion Sdn. Bhd. (“FPSB”) have undertaken an internal reorganisation whereby, JIC had entered into a Sale and Purchase Agreement with FPSB for the sale of Pacific Star Business Hub situated at Section 13, Petaling Jaya for a total consideration of RM240.0 million (excluding Goods and Services tax). The Business Hub is currently under constructions and the consideration paid as at 31 December 2017 is RM192 million.

13. Other Information

On 19 February 2018, the Group announced that in relation to the proposed acquisition of land at Seksyen 13, Petaling Jaya (“the Land”) from Star Media Group Berhad (“STAR”) where the Company’s subsidiary, JAKS Island Circle Sdn Bhd (“JIC”), which is 51% owned by JAKS Sdn Bhd, a wholly-owned subsidiary of JRB had on 19 August 2011 executed the Sale and Purchase Agreement (“SPA”) to acquire from STAR, the Land for a consideration of RM135.0 million.

As security for the performance of JIC’s obligation under the SPA, JIC has provided inter-alia, an irrevocable and on demand bank guarantee in favour of STAR for the sum of RM50.0 million (“the Bank Guarantee”) guaranteeing the completion and delivery of vacant possession to STAR of Tower A within 3 years from the vacant possession date or 3 years from the date of approval of the Agreed Plans for Tower A, whichever is later.

The Bank Guarantee of RM50.0 million that has been made available to STAR is from two financial institutions, each for RM25.0 million which are expiring on 15 February 2018 and 15 April 2018 unless an extension is granted by STAR. STAR has not granted the extension for the Bank Guarantee and has given notification to the two issuing financial institutions on 15 February 2018 to call on the Bank Guarantee. JIC received the notification on 19 February and in accordance with the terms of the facilities, JIC will have to pay the financial institutions, the sum of RM50.0 million.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

The Board of Directors of JIC has since instructed its solicitors to file with the High Court in Kuala Lumpur an injunction (either on an *ex-parte* basis or if the Court so directs, an *inter-parte* basis) to restrain the issuing financial institutions of the Bank Guarantee from releasing, and the beneficiary of the Bank Guarantee, i.e. STAR from receiving the proceeds of the Bank Guarantee. The Board of Directors of JIC are of the view that the call on the Bank Guarantee is baseless and JIC has valid grounds for the High Court to grant the injunction as STAR has in the course of JIC's execution of Tower A prevented the completion and thus JIC should have been given extension of time to complete Tower A.

On 21 February 2018, the solicitors of JIC have filed an injunction with the High Court in Kuala Lumpur to restrain the beneficiary of the Bank Guarantee, i.e. STAR from receiving the proceeds of the Bank Guarantee.

On 23 February 2018, the solicitors of JIC have further filed 2 new applications for injunction with the High Court in Kuala Lumpur to restrain the issuing financial institutions of the Bank Guarantee from releasing, and the beneficiary of the Bank Guarantee i.e. STAR from receiving, the proceeds of the Bank Guarantee.

On 26 February 2018, the Group announced that a case management was held at the High Court of Kuala Lumpur and the High Court Judge had granted an interim stay restraining the issuing financial institutions from paying out the proceeds of the Bank Guarantee. The interim stay granted would last until the High Court can hear the inter-parte injunction applications on 7 March 2018.

14. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 28 February 2018.