

**JAKS RESOURCES BERHAD**  
**REGISTRATION NO. 200201017985 (585648-T)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 3rd Quarter unaudited financial results for the financial period ended 30 September 2020.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Sep-2020	Preceding Year Quarter ended 30-Sep-2019	Current Year To-date ended 30-Sep-2020	Preceding Year To-date ended 30-Sep-2019
	RM'000	RM'000	RM'000	RM'000
Revenue	63,162	216,035	213,386	829,263
Cost of Sales	(57,196)	(182,701)	(197,418)	(692,898)
Gross Profit	5,966	33,334	15,968	136,365
Other Operating Income	160,841	487	161,264	1,842
Other Operating, Administrative Expenses	(57,840)	(11,969)	(80,438)	(58,704)
Operating Profit/(Loss) before finance cost	108,967	21,852	96,794	79,503
Finance cost	(6,291)	(4,626)	(19,337)	(14,981)
Operating Profit/(Loss) after finance cost	102,676	17,226	77,457	64,522
Share of Profit / (Loss) in Joint Venture	-	-	-	(116)
Profit/(Loss) Before Taxation	102,676	17,226	77,457	64,406
Taxation	(890)	(1,288)	(2,117)	(3,324)
Net Profit/(Loss) For The Period	101,786	15,938	75,340	61,082
Total Comprehensive Income/(Loss) for the Period	101,786	15,938	75,340	61,082
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	26,746	24,962	22,691	90,868
Non-Controlling Interests	75,040	(9,024)	52,649	(29,786)
	101,786	15,938	75,340	61,082
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	4.11	4.12	3.48	14.99
- Diluted	3.99	4.12	3.38	14.99
Weighted average number of Ordinary Shares in issue	651,513	606,099	651,513	606,099
Weighted average number of Ordinary Shares in issue (diluted)	670,501	606,099	670,501	606,099

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 2019 and the accompanying notes attached to the interim financial statements.

**JAKS RESOURCES BERHAD**  
**REGISTRATION NO. 200201017985 (585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	(Unaudited) As At End Of Financial Period End 30-Sep-2020 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2019 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	716	947
Investment properties	704,038	690,011
Investment in Joint Venture	420,987	357,408
Golf Club memberships	318	318
Goodwill on Consolidation	128,136	128,136
Right of use of Assets	1,842	2,163
	1,256,037	1,178,983
<b>Current Assets</b>		
Inventories	483	1,027
Property Development Costs	-	75,545
Amount due from customers for contract works	235,863	301,158
Trade and Other Receivables	462,228	531,405
Amount due by Joint Venture	10,373	9,203
Deposits placed with licensed banks	37,357	49,234
Cash and bank balances	15,670	102,253
	761,974	1,069,825
<b>Total Assets</b>	2,018,011	2,248,808
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
<b>Share Capital</b>	670,322	659,642
<b>Share Options Reserve</b>	2,576	2,576
<b>Warrant Reserve</b>	22,607	25,607
<b>Translation Reserve</b>	(10,310)	(11,550)
<b>Accumulated Profit</b>	324,365	301,674
	1,009,560	977,949
<b>Non-controlling interests</b>	(5,445)	(58,094)
<b>TOTAL EQUITY</b>	1,004,115	919,855
<b>Non-Current Liabilities</b>		
Long Term Borrowings	310,677	306,232
	310,677	306,232
<b>Current Liabilities</b>		
Trade and Other Payables	618,806	907,267
Bank borrowings	74,818	102,881
Bank overdraft	9,595	12,573
	703,219	1,022,721
<b>TOTAL EQUITY AND LIABILITIES</b>	2,018,011	2,248,808
No of Ordinary Shares	655,118	643,118
Net Assets Per Share attributable to Owners of the parent (RM)	1.54	1.52

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
**REGISTRATION NO. 200201017985 (585648-T)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Current Year 9 Months ended 30-Sep-2020 RM'000	Current Year 9 Months ended 30-Sep-2019 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax for the period	77,457	64,406
Adjustment for:		
Depreciation and amortisation	14,608	9,840
Interest expense	19,337	14,981
Interest income	(259)	(777)
Loss on disposal of plant & equipment	1	387
Gain on disposal of subsidiary	(88,950)	-
Allowance for doubtful debts	45,528	-
Share of (Profit) / Loss in Joint Venture	-	116
Restricted Share plan ("RSP") expenses	-	19,742
Provision for liquidated ascertained damages	29,513	27,573
Operating profit before working capital changes	97,235	136,268
(Increase)/Decrease in working capital		
Amount due from customers for contract works	28,819	73,683
Trade and other receivables	20,657	13,388
Property Development Expenditure	48,944	(2,095)
Trade and other payables	(189,811)	(131,914)
	(91,391)	(46,938)
<b>Net Cash from/(used) in Operating activities</b>	5,844	89,330
Interest paid	(9,054)	(4,534)
Income tax paid	(799)	(2,588)
<b>Net Operating Cash Flow</b>	(4,009)	82,208
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(197)	(81)
Interest received	259	777
Proceeds from disposal of property, plant & equipment	53	538
Additional investment in Joint Venture company	(64,749)	(152,584)
Addition to investment properties	(1,316)	(16,480)
Withdrawal / (Placement) of Fixed Deposits	11,876	11,411
Disposal of subsidiary net of cash disposed	(540)	-
<b>Net Investing Cash Flow</b>	(54,614)	(156,419)
<b>Cash flows from financing activities</b>		
Net Proceeds from shares issued	-	39,641
Proceeds from conversion of warrant to share	7,680	-
Interest paid	(10,283)	(10,447)
Drawdown / (Repayment) of short term borrowings	(28,065)	(13,052)
Drawdown (Repayment) of hire purchase liabilities	(55)	(181)
Drawdown / (Repayment) of bank term loans	4,500	(3,500)
<b>Net Financing Cash Flow</b>	(26,223)	12,461

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020. (Cont.)**

	Current Year 9 Months ended 30-Sep-2020	Current Year 9 Months ended 30-Sep-2019
	RM'000	RM'000
<b>Net Change in Cash &amp; Cash Equivalents</b>	(84,846)	(61,750)
<b>Cash &amp; Cash Equivalents at beginning of the year</b>	85,976	82,223
<b>Translation Reserve</b>	1,240	4,318
<b>Cash &amp; Cash Equivalents at end of the period.</b>	2,370	24,791

**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	37,357	64,665
Cash & bank balances	15,670	34,530
Bank overdrafts	(9,595)	(8,503)
	43,432	90,692
Less : Deposit held as security values	(37,357)	(64,665)
Debt service reserves account	(3,705)	(1,236)
	2,370	24,791

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
REGISTRATION NO. 200201017985 (585648-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020.**

	Attributable to Equity Holders of the Company						Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable			Distributable				
	Share Capital RM'000	Share Options Reserve RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
<b>Current Year Quarter ended 30 September 2020.</b>								
<b>Balance as at 1 January 2020</b>	659,642	2,576	25,607	(11,550)	301,674	977,949	(58,094)	919,855
Total Comprehensive Income for the Period	-	-	-	-	22,691	22,691	52,649	75,340
Foreign currency translation	-	-	-	1,240	-	1,240	-	1,240
Issuance of ordinary shares Warrants	10,680	-	(3,000)	-	-	7,680	-	7,680
<b>Balance as at 30 September 2020.</b>	670,322	2,576	22,607	(10,310)	324,365	1,009,560	(5,445)	1,004,115
<b>Preceding Year Quarter ended 30 September 2019</b>								
<b>Balance as at 1 January 2019</b>	598,974	3,219	25,607	(3,796)	194,199	818,203	4,074	822,277
Total Comprehensive Income for the Period	-	-	-	-	90,868	90,868	(29,786)	61,082
Foreign currency translation	-	-	-	4,318	-	4,318	-	4,318
Issuance of ordinary shares Private placement	40,926	-	-	-	(1,285)	39,641	-	39,641
LTIP shares ("RSP")	19,742	-	-	-	-	19,742	-	19,742
<b>Balance as at 30 September 2019</b>	659,642	3,219	25,607	522	283,782	972,772	(25,712)	947,060

(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 2019 and the accompanying notes attached to the interim financial statements).

**A. NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis of Preparation.**

The interim financial statements are unaudited and have 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 statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019.

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 2019.

**2. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial year ended 31 December 2019 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.

**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 was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period under review and up to date of this report, save as listed below:

Award of Shares under the Restricted Share Plan (Long-Term Incentive Plan)

On 6 October 2020, the Company announced the award of 19,945,000 ordinary shares (“LTIP shares”) under the Restricted Share Plan (“RSP”) to selected employees / executives of the Company.

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

**7. Dividend.**

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

**8. Segmental Information for the Financial Period Ended 30 September 2020.**

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	Investment Holding & Others RM'000	Elimination RM'000	Total RM'000
REVENUE					
External Revenue	224,911	(11,645)	120	-	213,386
Inter-Company	10,473	-	6,859	(17,332)	-
	235,384	(11,645)	6,979	(17,332)	213,386
Segment Results	32,285	(59,176)	(37,579)		(64,470)
Other Income					161,264
Profit Before Finance Cost					96,794
Finance Cost					(19,337)
Profit After Finance cost					77,457
Share of Loss in Joint Venture					-
Profit Before Taxation					77,457
Taxation					(2,117)
Profit After Taxation					75,340
<u>Attributable to:</u>					
Owners of the Company					22,691
Non-Controlling Interests					52,649
					75,340

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

The Group's revenue for the period ended 30 September 2020 based on geographical location is presented as follows:

	RM'000
Malaysia	58,262
Vietnam	155,124
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Total	213,386
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**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 2019.

**10. Significant Events.**

Save for the status of the information as described in Note 11 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 September 2020, JAKS Sdn Bhd, a wholly-owned subsidiary of the Company entered into a shares sale and purchase agreement with Island Circle Development (M) Sdn Bhd in relation to the disposal of its entire 510,000 Ordinary Shares, representing 51% of equity interest in JAKS Island Circle Sdn Bhd for a total cash consideration of RM1.00.

**12. Changes in Contingent Liabilities.**

The changes in contingent liabilities of the Group since 31 December 2019 until 30 September 2020 were as follows: -

	As at 30 Sep 2020 RM'000	As at 31 Dec 2019 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	45,609	61,891
Liquidated and ascertained damages	-	37,428
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	45,609	99,319
	=====	=====



**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 USD37.14 million or RM154.5 million, using exchange rate of USD1 : RM4.16

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

**1. Review of Financial Performance.**

a) Revenue

Segment	Current Year Quarter Ended 30/09/2020 RM'000	Preceding Year Quarter Ended 30/09/2019 RM'000	Changes %	Current Year To-date Ended 30/09/2020 RM'000	Preceding Year To-date Ended 30/09/2019 RM'000	Changes %
Construction	66,364	213,421	(69)	224,911	803,120	(72)
Property Development & Investment Less Provision for Liquidated ascertained damages ("LAD")	6,686	12,049	(45)	17,868	53,042	(66)
	(9,910)	(9,527)	4	(29,513)	(27,573)	7
	(3,224)	2,522	(228)	(11,645)	25,469	(146)
Investment Holding & Others	22	92	(76)	120	674	(82)
<b>Total</b>	<b>63,162</b>	<b>216,035</b>	<b>(71)</b>	<b>213,386</b>	<b>829,263</b>	<b>(74)</b>

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

b) Profit / (Loss) Before Taxation

Segment	Current Year Quarter Ended 30/09/2020 RM'000	Preceding Year Quarter Ended 30/09/2019 RM'000	Changes %	Current Year To-date Ended 30/09/2020 RM'000	Preceding Year To-date Ended 30/09/2019 RM'000	Changes %
Construction	8,748	39,264	(78)	29,119	150,948	(81)
Property Development & Investment	(45,157)	(17,874)	153	(83,284)	(59,151)	41
Gain on disposal of subsidiary	174,412	-	100	174,412	-	100
	<u>129,255</u>	<u>(17,874)</u>	<u>823</u>	<u>91,128</u>	<u>(59,151)</u>	<u>254</u>
Investment Holding & Others	(35,327)	(4,164)	748	(42,790)	(7,649)	459
Restricted Share Plan Expenses	-	-	-	-	(19,742)	(100)
	<u>(35,327)</u>	<u>(4,164)</u>	<u>748</u>	<u>(42,790)</u>	<u>(27,391)</u>	<u>(56)</u>
<b>Total</b>	<b>102,676</b>	<b>17,226</b>	<b>496</b>	<b>77,457</b>	<b>64,406</b>	<b>20</b>

The Group achieved revenue of RM63.2 million for the current quarter ended 30 September 2020, compared to the previous year's corresponding quarter of RM216.0 million. The decrease was mainly attributable to the lower revenue recognised from the construction division, especially the much lower revenue achieved from the Vietnam EPC construction works as it has reached the tail end of the project. The Group recorded a profit before tax RM102.7 million in the current quarter as compared to a profit before tax of RM17.2 million in the preceding year's corresponding quarter. The substantial increase in profit before

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

tax was due to the one-off gain before tax from the disposal of the 51% equity interest in one of the loss making subsidiary of RM174.4 million.

The Construction division contributed a revenue of RM66.4 million (Q3 2019: RM213.4 million) and profit before tax of RM8.7 million (Q3 2019: RM39.3 million) in the current quarter under review. The Vietnam EPC construction works contributed to 82% of this division's revenue compared to 79% in the preceding year corresponding quarter. The local construction works has been adversely affected by various factors including additional MCO related costs, supply chains disruption as well as shortage of subcontractors and materials.

The Property Development & Investment division contributed a lower revenue of RM6.7 million to the Group in the current quarter as compared to RM12.0 million in the preceding year's corresponding quarter. After provision for liquidated ascertained damages ("LAD") charges of RM9.9 million (Q3 2019: RM9.5 million) which was netted off against the gross revenue achieved on application of the accounting standards, MFRS 15 *Revenue*, the Property Development & Investment division achieved a revenue of negative RM3.2 million for the current quarter. However, a higher profit before tax of RM129.3 million in the current quarter was recorded as compared to a loss before tax of RM17.9 million in the third quarter of 2019. This was mainly due to the one-off gain arising from the disposal of the 51% equity interest in one of the subsidiary. The disposal resulted in a gain before tax of RM174.4 million and after taking into account the Non-controlling interest portion, the gain of RM89.0 is recognised by the Group.

With the need to make RM30.5 million allowance for doubtful debts in the current quarter, the Investment Holding & Others division recorded a higher loss before tax of RM35.3 million in the quarter under review as compared to a loss before tax of RM4.2 million incurred in the preceding year's corresponding quarter. This allowance for doubtful debts are mainly in relation to the amount due following the disposal of the subsidiary above.

**2. Variation of Results against Preceding Period.**

	Current Year Quarter 1/7/20-30/9/20 <u>RM'000</u>	Immediate Preceding Quarter 1/4/20 – 30/6/20 <u>RM'000</u>	Changes <u>%</u>
Revenue	63,162	75,004	(16)
Profit / (Loss) before tax	102,676	(8,417)	1,320

The Group achieved RM63.2 million revenue for the third quarter, compared to revenue of RM75.0 million in the preceding quarter ended 30 June 2020. The Group recorded a profit before tax of RM102.7 million in the current quarter compared to a loss before tax of RM8.4 million in the preceding quarter ended 30 June 2020. The higher profit was mainly due to the one-off gain from the disposal of the 51% equity interest in one of the subsidiary.

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

**3. Prospects**

Whilst the construction works are expected to complete for the Vietnam EPC project by the year end and its revenue will continue to taper down, the Group expects the Construction division to continue to contribute positively given that the Group has outstanding order book on its local construction projects, which is expected to be realised over the next 2 years. The Group is actively bidding and/or negotiating for new construction projects by selectively targeting higher margin projects to replenish its order book for the local construction division.

With the recent disposal of the 51% equity interest in one of the subsidiary in the Property Development & Investment division, the Group is able to curtail recognition of further losses from this subsidiary. The Evolve Concept Mall in Ara Damansara, Selangor and the Pacific Towers Business Hub in Section 13, Petaling Jaya, Selangor, has not been spared of the adverse impact of the Covid-19 pandemic. The rapid changes in shopping trends, the effect of social distancing caused by the Covid-19 pandemic as well as uncertain job conditions are expected to have an impact on retail malls' performance over the short to medium term. Nevertheless, the Group is consistently exploring various options and initiatives to revamp and rejuvenate the Mall and Business Hub to improve its occupancy rate and rental yield.

The commercial operation of the first unit of the Power Plant in Vietnam is expected to commence soon in this fourth quarter of 2020, with the second unit expected to commence in the second quarter of 2021. The Group will then be able to generate recurrent concession earnings from the power generation from next year onwards to cover the depletion in revenue from the completion of the EPC construction works there.

**4. Profit Forecast / Guarantee.**

The Company did not issue any profit forecast or guarantees.

**5. Taxation.**

Included in the taxation are the following:

	Current Quarter Ended 30 Sep 2020 RM'000	Year-to-date Ended 30 Sep 2020 RM'000
Taxation	890	2,117
	=====	=====

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 effective tax rate was lower as most of the Group's profit generated were derived from the Vietnam operations with low tax rate of 1 to 2%.

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

**6. Group Borrowings.**

Group borrowings as at 30 September 2020 including interest denominated in Ringgit Malaysia are as follows: -

	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Short term borrowings	74,818	-	74,818
Overdraft	9,595	-	9,595
Long term borrowings	310,677	-	310,677
	<hr/>	<hr/>	<hr/>
Total	395,090	-	395,090
	=====	=====	=====

**7. Notes to the statement of comprehensive income.**

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

	Year-to-date Ended 30 Sep 2020 RM'000
<u>Expenses</u>	
Interest Expense	19,337
Depreciation and Amortisation	14,608
Liquidated and ascertained damages provision	29,513
Allowance for doubtful debts	45,528
Loss on disposal of plant & equipment	1
<u>Income</u>	
Interest Income	259
Gain on disposal of subsidiary	88,950

**8. Material Litigation.**

**(a) Star Media Group Berhad (“STAR”) Claim**

The Star Media Group Berhad (“STAR”) had on 30 April 2019 served a Writ of Summons and Statement of Claims against the Company claiming that the Company as corporate guarantor to JAKS Island Circle Sdn Bhd (“JIC”) is liable for JIC’s purported default of obligations under the Sale and Purchase Agreement (“SPA”) dated 19 August 2011 executed by STAR with JIC. The claim is for specific relief and damages for the total amount of RM177.7 million. On 27 May 2019, the Company also filed its Defence and Counterclaim.

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

On 1 August 2019, STAR filed a Notice of Application for Disposal of case on point of law and/or Striking Out and/or Summary Judgment pursuant to Order 14A, Order 18 Rule 19 and Order 81 of the Rules of Court 2012 (“Application”).

Case managements were held at the Kuala Lumpur High Court on 6 May 2019, 17 June 2019, 23 July 2019, 7 August 2019 and 28 August 2019. On 28 August 2019, the Court granted leave to the Company to file a Reply to Star Media’s Defence in the Counterclaim.

During the hearing on 14 October 2019, the Court informed the solicitors for the respective parties that the hearing of Star Media’s is vacated and re-fixed a new hearing date on 14 November 2019. During the hearing on 14 November 2019, the Court informed the solicitors for the respective parties that the hearing of Star Media’s Application is vacated and re-fixed a new hearing date on 3 January 2020. During the hearing on 3 January 2020, the Court informed the solicitors for the respective parties that the hearing of Star Media’s is vacated and re-fixed a new hearing date on 21 April 2020.

The Company announced on 17 April 2020 that in light of the Movement Control Order, the Court informed the solicitors for the respective parties that the hearing of Star Media’s Application pursuant to Order 14A, Order 18 and Order 18 Rule 19 of the Rules of Court 2012 on 21 April 2020 and re-fixed to 10 June 2020 is vacated and thereafter re-fixed a new hearing date on 7 August 2020.

On 7 August 2020, the Company announced that the High Court has partly allowed STAR’s application and ruled that the Company is to pay damages to STAR, being late payment interest at the rate of 8% per annum on the Balance Purchase Price of RM134,500,000 from 25 October 2015 to 6 July 2020.

The Company was further advised by its solicitors that in delivering the High Court’s decision: -

1. the High Court did not allow STAR’s claim for payment of RM134,500,000 being the Balance Purchase Price;
2. the High Court was of the view that delivery of the STAR’s entitlement as defined in the Sale and Purchase Agreement dated 19 August 2011, had occurred on 6 July 2020;
3. the High Court did not allow any late payment interest on the Balance Purchase Price thereafter from 6 July 2020
4. STAR’s claim and the Company’s counterclaim had been disposed by the High Court.

The Company will be appealing against the decision of the High Court and has instructed its solicitors to apply for a stay of execution pending appeal (“Stay Application”). The High Court has on 7 August 2020 granted a stay of execution of the Court Order pending filing of the Stay Application within 14 days.

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

On 28 August 2020, the Company announced that at the Case Management on 27 August 2020, the Deputy Registrar has fixed the hearing on 14 October 2020 of the application for the stay of execution pending appeal against the decision of the High Court on 7 August 2020.

On 1 September 2020, STAR had lodged an appeal against part of the decision of the learned Judge in its application pursuant to Order 14A, Order 18 Rule 19 and Order 81 of the Rules of Court 2012. The Appeal is fixed for Case Management by way of E-Review on 17 November 2020.

On 14 October 2020, the Company announced that due to the Conditional Movement Control Order, the hearing of STAR's application for Stay of Execution pursuant to Section 73 and Section 43 of the Courts of Judicature Act 1964 which is fixed for hearing is vacated and is fixed on 25 November 2020.

On 16 November 2020, the Company announced that the High Court had at the Case Management on 10 November 2020 in respect of the appeal lodged by the Company against the decision of the High Court on 7 August 2020 in allowing STAR's application pursuant to Order 14A, Order 18 Rule 19 and Order 81 of the Rules of Court 2012 ("the Appeal"), has fixed 3 December 2020 for further Case Management.

On 18 November 2020, the Company further announced that the appeal lodged by STAR against part of the decision of the learned Judge in its application pursuant to Order 14A, Order 18 Rule 19 and Order 81 of the Rules of Court 2012 ("the Appeal") was fixed for Case Management by way of E-Review on 17 November 2020.

The Company and STAR had agreed for both Civil Appeals lodged by the Company and STAR to be consolidated and heard together. The Appeals are fixed for further Case Management by way of E-Review on 3 December 2020.

On 25 November 2020 the Company announced that in light of the Conditional Movement Control Order, the hearing of the Company's Application for Stay of Execution pursuant to Section 73 and Section 43 of the Courts of Judicature Act 1964 which was fixed for hearing on 25 November 2020 is vacated and the Court has re-fixed a new hearing date on 11 January 2021.

**(b) Claim against STAR at Kuala Lumpur High Court**

On 30 May 2019, the Company and JIC filed a claim against STAR at the Kuala Lumpur High Court for breach of the SPA dated 19 August 2011 on the following reliefs:

- a declaration that the Completion Period for JIC to deliver STAR's entitlement under the SPA is on 20 June 2020;
- a declaration that STAR has breached SPA;
- a declaration that STAR is unjustly enriched;
- the sum of RM248,242,987.62 to be paid to JIC as liquidated ascertained damages;



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

- the sum of RM297,035,481 to be paid to JRB as loss of proceeds from corporate fund raising exercises;
- the sum of RM50,000,000 together with all interests and all related costs incurred thereto pursuant to the Bank Guarantee that is to be refunded and/or returned to JIC within 7 days from the date of the Court Order, and
- damages.

On 1 August 2019, STAR has filed a Notice of Application for Disposal of case on point of law and/or Striking Out pursuant to Order 14A and Order 18 Rule 19 of the Rules of Court 2012.

Case Managements were held on 18 June 2019, 19 July 2019, 14 August 2019, 3 September 2019, 31 October 2019, 15 November 2019, 29 November 2019 and 6 January 2020.

During the case management on 6 January 2020, the court fixed another case management on 27 April 2020.

The Company announced on 17 April 2020, that in light of the Movement Control Order, the High Court of Kuala Lumpur had vacated the case management on 27 April 2020. The court fixed another case management on 18 May 2020.

On 14 May 2020, the Company announced that in light of the Movement Control Order, the High Court of Kuala Lumpur had vacated the case management on 18 May 2020, and fixed another case management on 3 August 2020. On 3 August 2020, the Court had decided that the hearing of the application by STAR be fixed on 19 August 2020. On 19 August 2020, the Court had fixed the matter for decision on 28 September 2020.

On 28 September 2020, the High Court has dismissed the STAR's Application for striking out of the lawsuit filed by the Company with costs of RM 3,000.00 and the claim against STAR is fixed for case management on 21 July 2021 for parties to update the Court on the compliance of the pre-trial directions. Further, the matter is fixed for trial on 19 August 2021, 20 August 2021, 26 August 2021 and 27 August 2021.

The solicitors of the Company are confident of the Company's chances in succeeding in its claim against STAR.

Insofar as STAR's application to have both suits disposed of summarily on points of law, the solicitors of the Company are sanguine of their chances in defending the applications as the underlying disputes involved many issues to be tried which can only be determined through viva voce evidence.

**9. 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)**

**10. Earnings Per Ordinary Share**

The earnings 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 30/09/20 RM'000	Preceding Year Quarter Ended 30/09/19 RM'000	Current Year To-date Ended 30/09/20 RM'000	Preceding Year To-date Ended 30/09/19 RM'000
<b>a) <u>Basic Earnings/(Loss) Per Share</u></b>				
Profit/(Loss) for the period attributable to owners of the Company	26,746	24,962	22,691	90,868
Weighted average Number of Share in issue (RM1.00 each)	651,513	606,099	651,513	606,099
Basic Earnings /(Loss) Per Share (sen)	4.11	4.12	3.48	14.99
<b>b) <u>Diluted Earnings/(Loss) Per Share</u></b>				
Profit/(Loss) for the period attributable to owners of the Company	26,746	24,962	22,691	90,868
Weighted average Number of Share in issue (RM1.00 each)	651,513	606,099	651,513	606,099
Effect of dilution due to issuance of shares	18,988	-	18,988	-
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each)	670,501	606,099	670,501	606,099
Diluted Earnings/(Loss) Per Share (sen)	3.99	4.12	3.38	14.99

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

**11. Status of the Corporate Exercise**

On 22 May 2020, the Company announced to Bursa Malaysia Securities Berhad, the proposed renounceable rights issue up to 402,277,057 new Company's shares ("Rights Shares") together with 201,138,528 Warrants on the basis of 2 Rights Shares together with 1 Warrant for every 4 Company's shares held on an entitlement date to be determined later ("Rights Entitlement Date").

On 13 July 2020, the Company announced to revise the following key terms of the Original Proposed Rights Issue with Warrants:-

- i. maximum gross proceeds to be raised to RM289.64 million from RM160.92 million; and
- ii. minimum Subscription Levels to be raised to RM200.00 million from RM130.00 million.

On 21 July 2020, an application in relation to the Proposed Rights Issue with Warrants has been submitted to Bursa Securities. Subsequently on 27 August 2020, Bursa Securities had resolved to approve the listing and quotation of the Rights Shares, and the admission, listing and quotation of the Warrants to be issued pursuant to the Proposed Rights Issue with Warrants.

On 24 September 2020, the shareholders of the Company had resolved to approve the Rights Issue with Warrants, and on 9 October 2020, the Company announced that the entitlement basis for the Rights Issue with Warrants is fixed at 8 Rights Shares together with 4 Warrants for every 5 existing shares held, with the issue price of RM0.22 per Rights Share and the exercise price of the Warrants at RM0.49 per share.

On 26 November 2020, the Rights Issue with Warrants is deemed complete with the listing and quotation of 1,080,101,412 Rights Shares and 540,050,650 Warrants on the Official List of Bursa Securities, raising a total proceeds of approximately RM237.62 million.

**12. Authorisation for issue.**

The interim financial statements were authorised for issue by the Board of Directors on 27 November 2020.