

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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 2021

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Sep-2021	Preceding Year Quarter ended 30-Sep-2020	Current Year To-date ended 30-Sep-2021	Preceding Year To-date ended 30-Sep-2020
	RM'000	RM'000	RM'000	RM'000
Revenue	30,555	63,162	89,600	213,386
Cost of Sales	(23,766)	(57,196)	(72,927)	(197,418)
Gross Profit	6,789	5,966	16,673	15,968
Other Operating Income / (Loss)	773	75,379	1,517	75,802
Other Operating, Administrative Expenses	(18,129)	(57,840)	(45,469)	(80,438)
Operating Loss before finance cost	(10,567)	23,505	(27,279)	11,332
Finance cost	(5,329)	(6,291)	(16,723)	(19,337)
Operating Loss after finance cost	(15,896)	17,214	(44,002)	(8,005)
Share of Profit in Joint Venture	43,362	-	110,701	-
Profit/(Loss) Before Taxation	27,466	17,214	66,699	(8,005)
Taxation	(67)	(890)	(491)	(2,117)
Net Profit/(Loss) For The Period	27,399	16,324	66,208	(10,122)
Other Comprehensive Income / (Loss)				
Foreign currency translation	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	27,399	16,324	66,208	(10,122)
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	31,852	26,746	80,404	22,691
Non-Controlling Interests	(4,453)	(10,422)	(14,196)	(32,813)
	27,399	16,324	66,208	(10,122)
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	1.72	4.11	4.34	3.48
- Diluted	1.59	3.99	4.01	3.38
Weighted average number of Ordinary Shares in issue	1,854,698	651,513	1,854,698	651,513
Weighted average number of Ordinary Shares in issue (diluted)	2,007,096	670,501	2,007,096	670,501

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 2020 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 2021

	(Unaudited) As At End Of Financial Period End 30-Sep-2021 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2020 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	101,515	102,807
Investment properties	612,859	623,177
Investment in Joint Venture	682,041	481,561
Golf Club memberships	311	311
Goodwill on Consolidation	76,136	76,136
Right of use of Assets	240	265
	1,473,102	1,284,257
Current Assets		
Inventories	483	483
Contract assets	237,988	276,709
Trade and Other Receivables	391,620	381,898
Amount due from Joint Venture	10,588	10,588
Deposits placed with licensed banks	44,380	46,079
Cash and bank balances	71,904	128,503
	756,963	844,260
Total Assets	2,230,065	2,128,517
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,061,612	924,998
Reserves	14,445	8,675
Accumulated Profit	284,859	210,276
	1,360,916	1,143,949
Non-controlling interests	(30,612)	(16,416)
TOTAL EQUITY	1,330,304	1,127,533
Non-Current Liabilities		
Long Term Borrowings	318,882	318,942
Deferred Tax Liabilities	101	101
	318,983	319,043
Current Liabilities		
Trade and Other Payables	549,090	613,661
Bank borrowings	25,488	60,087
Bank overdraft	6,200	8,193
	580,778	681,941
TOTAL EQUITY AND LIABILITIES	2,230,065	2,128,517
No of Ordinary Shares	2,042,318	1,755,167
Net Assets Per Share attributable to Owners of the parent (RM)	0.67	0.65

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2021

	Current Year 9 Months ended 30-Sep-2021 RM'000	Preceding Year 9 Months ended 30-Sep-2020 RM'000
Cash flows from operating activities		
Profit before tax for the year	66,699	(8,005)
Adjustment for:		
Depreciation and amortisation	11,754	14,608
Interest expense	16,723	19,337
Interest income	(106)	(259)
Gain on disposal of plant & equipment	-	(52)
Gain on disposal of subsidiary	-	(88,950)
Allowance for doubtful debts	-	45,528
Share of Profit in Joint Venture	(110,701)	-
LTIP option expenses	6,462	-
Provision for liquidated ascertained damages	-	29,513
Operating profit before working capital changes	(9,169)	11,720
(Increase)/Decrease in working capital		
Contract asset	38,722	(6,227)
Trade and other receivables	(9,771)	18,866
Property Development Expenditure	-	48,807
Trade and other payables	(62,252)	(66,804)
	(33,301)	(5,358)
Net Cash from/(used) in Operating activities	(42,470)	6,362
Interest paid	(5,943)	(9,054)
Income tax paid	(2,738)	(799)
Net Operating Cash Flow	(51,151)	(3,491)
Cash flows from investing activities		
Purchase of property, plant & equipment	(143)	(197)
Interest received	106	259
Proceeds from disposal of property, plant & equipment	-	53
Additional investment in Joint Venture company	(89,779)	(64,749)
Decrease / (Increase) in deposits pledged	1,699	11,876
Addition to investment properties	-	(1,316)
Disposal of subsidiary net of cash disposed	-	(1,058)
Net Investing Cash Flow	(88,117)	(55,132)
Cash flows from financing activities		
Proceeds from issuance of share capital	136,614	7,680
Interest paid	(10,780)	(10,283)
Drawdown / (Repayment) of short term borrowings	(34,659)	(28,120)
Drawdown / (Repayment) of bank term loans	-	4,500
Share issuance expenses	(5,821)	-
Net Financing Cash Flow	85,354	(26,223)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021. (Cont.)**

	Current Year 9 Months ended 30-Sep-2021	Preceding Year 9 Months ended 30-Sep-2020
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(53,914)	(84,846)
Cash & Cash Equivalents at beginning of the year	116,534	85,976
Translation Reserve	(692)	1,240
Cash & Cash Equivalents at end of the period.	61,928	2,370

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	44,380	37,357
Cash & bank balances	71,904	15,670
Bank overdrafts	(6,200)	(9,595)
	110,084	43,432
Less : Deposit held as security values	(44,380)	(37,357)
Debt service reserves account	(3,776)	(3,705)
	61,928	2,370

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 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 2021

	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	Other Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
Current Year									
Quarter ended									
30 September 2021									
Balance as at									
1 January 2021	924,998	2,576	244,027	(221,420)	(16,508)	210,276	1,143,949	(16,416)	1,127,533
Total Comprehensive Income for the Period	-	-	-	-	-	80,404	80,404	(14,196)	66,208
Foreign currency translation	-	-	-	-	(692)	-	(692)	-	(692)
Issuance of ordinary shares									
LTIP option expenses	-	-	-	-	-	(5,821)	(5,821)	-	(5,821)
Exercise of Warrants	136,614	-	(2)	2	-	-	136,614	-	136,614
Share options granted under LTIP	-	6,462	-	-	-	-	6,462	-	6,462
Balance as at									
30 September 2021	1,061,612	9,038	244,025	(221,418)	(17,200)	284,859	1,360,916	(30,612)	1,330,304
Preceding Year									
Quarter ended									
30 September 2020									
Balance as at									
1 January 2020	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	(32,813)	(10,122)
Foreign currency translation	-	-	-	-	1,240	-	1,240	-	1,240
Issuance of ordinary shares									
Warrants	10,680	-	(3,000)	-	-	-	7,680	-	7,680
Disposal of Subsidiary	-	-	-	-	-	-	-	85,462	85,462
Balance as at									
30 September 2020	670,322	2,576	22,607	-	(10,310)	324,365	1,009,560	(5,445)	1,004,115

(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 2020 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 2020.

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 2020.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 December 2020 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.

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

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:

a) 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 was completed 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.

The status of utilisation of proceeds as at 31 October 2021 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31.10.2021 RM'000	Timeframe for utilisation
(i) Subscription of USD30 million ordinary shares in JPP	128,400	128,400	Within 6 months
(ii) Repayment of Bank Borrowings	31,581	31,581	Within 24 months
(iii) Preliminary expenses in relation to venture into new construction projects in Vietnam	10,000	-	Within 36 months
(iv) Future business projects or investments	48,366	48,366	Within 36 months
(v) Working capital	13,675	13,675	Within 36 months
(vi) Estimated expenses for the Right Issue	5,600	5,600	Immediate
	237,622	227,622	

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

b) Private Placement

On 31 May 2021, the Company announced to undertake the Proposed Private Placement of up to 552,787,900 new Ordinary Shares in JRB, representing up to 20% of the total number of issued shares of JRB (assuming all outstanding Warrants B, Warrants C and LTIP Options are exercised, and additional LTIP Options are granted and exercised as at 24 May 2021, being the latest practicable date of the said announcement).

On 21 June 2021, the Company fixed the issue price for the Private Placement of 272,667,000 Placement Shares, representing approximately 15.41% of the existing issued share capital, at RM0.4750 per Placement Share ("First Tranche"). The issue price of RM0.4750 per Placement Share represents a discount of RM0.0473 or approximately 9.06% to the 5-day VWAMP of JRB Shares up to and including 18 June 2021 of RM0.5223 per JRB Share.

On 1 July 2021, the First Tranche was completed with the listing and quotation of 272,667,000 Ordinary Shares on the Official List of Bursa Securities, raising a total proceeds of approximately RM129.52 million.

The status of utilisation of proceeds as at 31 October 2021 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31.10.2021 RM'000	Timeframe for utilisation
(i) Solar project	50,000	11,031	Within 24 months
(ii) Working capital requirements	47,077	46,077	Within 12 months
(iii) Capital expenditure for Evolve Concept Mall	5,000	2,000	Within 24 months
(iv) Acquisitions	22,405	-	Within 24 months
(v) Estimated expenses for the Private Placement	5,035	5,035	Immediate
	129,517	64,143	

7. Dividend.

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

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

8. Segmental Information for the Financial Period Ended 30 September 2021.

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 Investment RM'000	Investment Holding & Others RM'000	Elimination RM'000	Total RM'000
REVENUE					
External Revenue	83,640	5,677	283	-	89,600
Inter-Company	-	-	9,234	(9,234)	-
	83,640	5,677	9,517	(9,234)	89,600
Segment Results	(4,881)	(14,405)	(9,510)		(28,796)
Other Income					1,517
Loss Before Finance Cost					(27,279)
Finance Cost					(16,723)
Loss After Finance cost					(44,002)
Share of Profit in Joint Venture					110,701
Profit Before Taxation					66,699
Taxation					(491)
Profit After Taxation					66,208
<u>Attributable to:</u> Owners of the Company					80,404
Non-Controlling Interests					(14,196)
					66,208

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

The Group's revenue for the financial period ended 30 September 2021 based on geographical location is presented as follows:

	RM'000
Malaysia	43,277
Vietnam	46,323

Total	89,600
	=====

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 2020.

10. Significant Events.

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 14 April 2021, the Company had incorporated a wholly-owned subsidiary, JAKS Solar Nibong Tebal Sdn Bhd, with issued capital of RM100.00 to undertake the Large Scale Solar (LSS4) project.

12. Changes in Contingent Liabilities.

The changes in contingent liabilities of the Group since 31 December 2020 until 30 September 2021 were as follows: -

	As at 30 Sep 2021 RM'000	As at 31 Dec 2020 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	57,219	41,203
	=====	=====

13. Material Commitment.

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.

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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 30/9/2021 RM'000	Preceding Year Quarter Ended 30/9/2020 RM'000	Changes %	Current Year To-date Ended 30/9/2021 RM'000	Preceding Year To-date Ended 30/9/2020 RM'000	Changes %
Construction	28,573	66,364	(57)	83,640	224,911	(63)
Property Development & Investment	1,876	6,686	(72)	5,677	17,868	(68)
Less Provision for Liquidated ascertained damages ("LAD")	-	(9,910)	(100)	-	(29,513)	(100)
	<u>1,876</u>	<u>(3,224)</u>	<u>158</u>	<u>5,677</u>	<u>(11,645)</u>	<u>149</u>
Investment Holding & Others	106	22	382	283	120	136
Total	30,555	63,162	(52)	89,600	213,386	(58)

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

b) Profit / (Loss) Before Tax

Segment	Current Year Quarter Ended 30/9/2021 RM'000	Preceding Year Quarter Ended 30/9/2020 RM'000	Changes %	Current Year To-date Ended 30/9/2021 RM'000	Preceding Year To-date Ended 30/9/2020 RM'000	Changes %
Construction	(4,890)	8,748	(156)	(5,962)	29,119	(120)
Property Development & Investment	(9,087)	(45,157)	(80)	(28,968)	(83,284)	(65)
Gain on disposal of subsidiary	-	88,950	(100)	-	88,950	(100)
	(9,087)	43,793	(121)	(28,968)	5,666	(611)
Investment Holding & Others	(1,919)	(35,327)	95	(9,072)	(42,790)	79
Share of Profit in Joint Venture	43,362	-	100	110,701	-	100
	41,443	(35,327)	217	101,629	(42,790)	338
Total	27,466	17,214	60	66,699	(8,005)	933

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

The Group achieved lower revenue of RM30.6 million for the current quarter ended 30 September 2021, compared to the revenue of the previous year's corresponding quarter of RM63.2 million. The decrease was mainly due to the lower revenue recognised from the Construction division. The Vietnam EPC construction works is nearing tail end, and contributed revenue of RM18.0 million in the current quarter as compared to RM54.2 million in the previous year's corresponding quarter.

At the operational level, the Group incurred a loss of RM15.9 million in the current quarter compared to a profit of RM17.2 million in the previous year's corresponding quarter. Notwithstanding the operational losses, the Group recorded a higher profit before tax of RM27.5 million in the current quarter, a 60% increase from the profit before tax of RM17.2 million in the preceding year's corresponding quarter. The increase was mainly from the RM43.4 million Share of Profit in JAKS Hai Duong Power Company Limited ("JHDP"), the Joint Venture Company operating the Vietnam Power Plant that the Group has a 30% equity interest.

The Construction division contributed a lower revenue of RM28.6 million (Q3 2020: RM66.4 million) and recorded a loss before tax of RM4.9 million (Q3 2020: profit before tax RM8.7 million) in the current quarter under review, following the lower contribution from the Vietnam EPC construction works for the quarter. The local construction works has also been adversely affected by the COVID-19 pandemic and various MCO measures resulting in work interruptions, delays in work progress, additional MCO related costs, supply chain disruption as well as shortage of labour and materials.

The Property Development & Investment division contributed RM1.9 million in revenue as compared to a negative revenue of RM3.2 million in the previous year's corresponding quarter (after provision for liquidated ascertained damages). This division recorded a loss before tax of RM9.1 million as compared to a profit before tax of RM43.8 million in the third quarter of 2020. There was a one-off gain on disposal amounted to RM89.0 million recognised in the preceding year's corresponding quarter following the disposal of the loss making Property Development subsidiary.

The Investment Holding & Others division recorded a higher profit before tax of RM41.4 million in the quarter under review as compared to a loss before tax of RM35.3 million incurred in the preceding year's corresponding quarter. The higher profitability was mainly from the RM43.4 million share of profit in JHDP.

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

For the nine months ended 30 September 2021, the Group achieved profit before tax of RM66.7 million, an increase of RM74.7 million from the loss position of RM8.0 million in the previous year's corresponding period. This was despite a lower revenue achieved of RM89.6 million in the reporting period compared to RM213.4 million in the previous year's corresponding period. The turnaround to profitability stems mainly from the share of profit from JHDP of RM110.7 million that was absent in the preceding year and lower Other Operating & Administration expenses by RM35.0 million, offset by the one-off gain on disposal of RM89.0 million recognised in the preceding year.

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/7/21-30/9/21 <u>RM'000</u>	Immediate Preceding Quarter 1/4/21 – 30/6/21 <u>RM'000</u>	Changes %
Revenue	30,555	41,591	(27)
Profit before tax	27,466	23,939	15

The Group achieved lower revenue of RM30.6 million for the current quarter, compared to revenue of RM41.6 million in the preceding quarter ended 30 June 2021. The 27% decrease in revenue was mainly due to lower RM18.0 million revenue recognised from Vietnam EPC construction work in the current quarter as compared to RM28.3 million in the immediate preceding quarter.

Despite the lower revenue recognition, the Group recorded a higher profit before tax of RM27.5 million in the current quarter compared to a profit before tax of RM23.9 million in the preceding quarter ended 30 June 2021. The 15% increase in profit before tax was mainly due to higher RM43.4 million Share of Profit in the Joint Venture company achieved in the current quarter as compared to RM37.5 million achieved in the immediate preceding quarter.

3. Prospects.

The prospects of economic recovery in Malaysia are undoubtedly largely dependent on the abatement of the COVID-19 pandemic. It is hoped that with the improved level of vaccination and re-opening of businesses, as well as increase in economic activities, it will spur recovery in the business sectors that the Group is involved in.

JAKS RESOURCES BERHAD

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

The Group's profitability for this year will largely be dependent on its Power & Energy division, in particular, the recurring share of profits from JHDP. JHDP power plant that achieved COD in the beginning of the year is expected to contribute stable earnings for the fourth quarter of this year. The large scale solar photovoltaic plants ("LSS4") renewable energy project in Seberang Prai, Penang is progressing well and the Power Purchase Agreement ("PPA") has been signed.

On the Construction division, the contribution of the Vietnam EPC construction work will taper off by end of the year. The Group has been actively bidding and/or negotiating for new construction projects, targeting those with higher margin to replenish its order book for the local construction division. Although there is a lack of new mega infrastructure projects to pump-prime the construction industry in the recent Budget 2022, the Group is optimistic that it can give competitive bids to secure new projects.

The outlook for the Group's investment properties remains challenging. Nevertheless, the Group continues its efforts to improve the occupancy rate and rental yield of its Evolve Mall at Ara Damansara and Pacific Tower Business Hub at Section 13, Petaling Jaya.

The Group expects to close the financial year 2021 on a more positive note.

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 2021 RM'000	Year-to-date Ended 30 Sep 2021 RM'000
Taxation	67	491
	=====	=====

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%.

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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 2021 including interest denominated in Ringgit Malaysia are as follows: -

	Secured <u>RM'000</u>	Unsecured <u>RM'000</u>	Total <u>RM'000</u>
Short term borrowings	25,488	-	25,488
Overdraft	6,200	-	6,200
Long term borrowings	318,882	-	318,882
	<hr/>	<hr/>	<hr/>
Total	350,570	-	350,570
	=====	=====	=====

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 2021 RM'000
<u>Expenses</u>	
Interest Expense	16,723
Depreciation and Amortisation	11,754
LTIP option expenses	6,462
<u>Income</u>	
Interest Income	106
Share of Profit in Joint Venture	110,701

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 had filed an application pursuant to Order 14A, Order 18 and Order 81 of the Rules of Court 2012 (“ROC”) to have their claim decided based on question of law and/or construction of orders and grounds of judgement which they have previously obtained.

On 7 August 2020, the Company announced that the High Court has allowed STAR’s application in part 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.

Accordingly, the Company’s counterclaim was struck out.

The Company filed for an appeal to the Court of Appeal against the decision of the High Court on 7 August 2020 vide Civil Appeal No.: W-02(IM)(NCVC)-1122-08/2020 (“**Appeal 1122**”).

Similarly, STAR also appealed to the Court of Appeal against part of the decision of the High Court on 7 August 2020 insofar as they relate to questions which was dismissed by the learned High Court Judge vide Civil Appeal No.: W-02(IM)(NCVC)-1188-09/2020 (“**Appeal 1188**”). Upon counsel’s advice, the parties have agreed for both appeals to be heard on 27 July 2021 together with Civil Appeal No.: W-02(IM)(NCVC)-1435-10/2020 (“**Appeal 1435**”).

On 16 April 2021, the Company has filed a Notice of Motion at the Court of Appeal for a Stay of Execution of the Order granted by the High Court on 7 August 2020 following the dismissal of the Company's application for a stay of execution of the similar order at the High Court on 24 March 2021. The Notice of Motion filed at the Court of Appeal for a Stay of Execution of the Order granted by the High Court on 7 August 2020 was at the Case Management on 4 May 2021, fixed for Hearing on 19 July 2021.

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

During Hearing for the Motion for Stay on 19 July 2021, STAR had undertaken not to execute the Order dated 7 August 2021 pending disposal of Appeal 1122, Appeal 1188 and Appeal 1435 on 28 July 2021.

On 28 July 2021, the Company announced that the appeal lodged by the Company at the Court of Appeal vide Appeal 1122 was allowed and the judgment given by the High Court on 7 August 2020 was set aside in the entirety.

This effectively sets aside the judgment by the High Court on 7 August 2020 which ordered for:

- (a) the Late Payment Interest of RM50,542,117-82 calculated at 8% per annum from the balance purchase price of RM134,500,000-00 from 25 October 2015 to 6 July 2020;
- (b) the Late Payment Interest be calculated at 8% per annum from the Balance Purchase Price of RM134,500,000-00 is to continue from 7 July 2020 to date of completion and delivery of the Vendor's Entitlement in accordance with the terms of the Sale and Purchase Agreement dated 19 August 2011.

Consequently, the Company also succeeded in defending the appeal lodged by STAR vide Appeal 1188. The Court of Appeal directed that Suit No.: WA-22NCVC-258-04/2019 where the Company has counterclaimed for damages arising from loss of profit from corporate exercise, loss of reputation and loss and impact on the status of the Defendant as public listed company and WA-22NCVC-374-05/2019 where the Company has claimed for the sum of RM248,242,987-62 as liquidated ascertained damages, RM297,035,481-00 as loss of proceeds from corporate fundraising exercise and refund of RM50,000,000-00 together with all interests pursuant to the Bank Guarantees be refunded, be reverted back to the High Court for full trial before Justice Nazlan Mohd Ghazali.

On 25 August 2021, STAR had filed a motion for leave to appeal against the decision of the Court of Appeal dated 28 July 2021 in allowing the Company's appeal vide Civil Application No.: 08(i)-332-08/2021(w) and dismissal of STAR's appeal vide Civil Application No.: 08(i)-333-08/2021(w).

On 7 October, the Company announced that the three (3) motions for leave to appeal to the Federal Court filed by STAR is fixed for Hearing on 15 February 2022.

(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 Sale and Purchase Agreement 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.

Similarly, STAR had filed an application pursuant to Order 14A and Order 18 Rule 19 of the ROC to have Company's claim decided based on question of law and/or construction of orders and grounds of judgement which they have previously obtained.

On 28 September 2020, the High Court dismissed the application filed by STAR. STAR had appealed against the decision dated 28 September 2020 vide Appeal 1435.

By consensus of the parties, Appeal 1435 was heard together with Appeal 1122 and Appeal 1188. Appeal 1435 was dismissed.

On 5 August 2021, the Company announced that the matter has been fixed for further Case Management on 9 August 2021 for directions on the matter being heard, together with the Kuala Lumpur High Court Suit No.: WA-22NCVC-258-04/2018 following Order of the Court of Appeal dated 27 July 2021.

On 11 August 2021, the Company announced that at Case Management on 9 August 2021, the Court has confirmed that the matter will be transferred and be heard together with Kuala Lumpur High Court Suit No.: WA-22NCVC-258-04/2019 before NCVC Court 2 following directions from the Court of Appeal. As a result, the trial dates initially fixed on 19 August 2021, 20 August 2021, 26 August 2021 and 27 August 2021 are vacated.

The matters are fixed for Case Management on 6 September 2021 for parties to update the Court as to whether any interlocutory applications will be filed by the parties.

On 25 August 2021, STAR had filed a motion for leave to appeal against the decision of the Court of Appeal dated 28 July 2021 in dismissing Appeal 1435 vide Civil Application No.: 08(i)-334-08/2021(w).

On 7 September 2021, the Company announced that both the Kuala Lumpur High Court Suit No.: WA-22NCVC-258-04/2019 and Kuala Lumpur High Court Suit No.: WA-22NCVC-374-05/2019 are fixed for Case Management on 18 October 2021.

On 18 October 2021, the Company announced that both the Kuala Lumpur High Court Suit No.: WA-22NCVC-258-04/2019 and Kuala Lumpur High Court Suit No.: WA-22NCVC-374-05/2019 are fixed for trial on 17 October 2022, 18 October 2022 and 19 October 2022. The pre-trial Case Management has been fixed on 2 March 2022.

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B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**9. Earnings / (Loss) Per Ordinary Share**

The earnings / loss per share has been calculated based on the Group's profit / (loss) 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 30/9/21 RM'000	Preceding Year Quarter Ended 30/9/20 RM'000	Current Year To-date Ended 30/9/21 RM'000	Preceding Year To-date Ended 30/9/20 RM'000
a) <u>Basic Earnings/(Loss) Per Share</u>				
Profit/(Loss) for the period attributable to owners of the Company	31,852	26,746	80,404	22,691
Weighted average Number of Share in issue (RM1.00 each)	1,854,698	651,513	1,854,698	651,513
Basic Earnings /(Loss) Per Share (sen)	1.72	4.11	4.34	3.48
b) <u>Diluted Earnings/(Loss) Per Share</u>				
Profit/(Loss) for the period attributable to owners of the Company	31,852	26,746	80,404	22,691
Weighted average Number of Share in issue (RM1.00 each)	1,854,698	651,513	1,854,698	651,513
Effect of dilution due to issuance of shares	152,398	18,988	152,398	18,988
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each)	2,007,096	670,501	2,007,096	670,501
Earnings/(Loss) Per Share (sen)	1.59	3.99	4.01	3.38

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

10. Status of the Corporate Exercise

On 31 May 2021, the Company announced to undertake the Proposed Private Placement of up to 552,787,900 new Ordinary Shares in JRB, representing up to 20% of the total number of issued shares of JRB (assuming all outstanding Warrants B, Warrants C and LTIP Options are exercised, and additional LTIP Options are granted and exercised as at 24 May 2021, being the latest practicable date of the said announcement).

On 21 June 2021, the Company fixed the issue price for the Private Placement of 272,667,000 Placement Shares, representing approximately 15.41% of the existing issued share capital, at RM0.4750 per Placement Share (“First Tranche”). The issue price of RM0.4750 per Placement Share represents a discount of RM0.0473 or approximately 9.06% to the 5-day VWAMP of JRB Shares up to and including 18 June 2021 of RM0.5223 per JRB Share.

On 1 July 2021, the First Tranche was completed with the listing and quotation of 272,667,000 Ordinary Shares, representing approximately 15.41% of the existing issued share capital of the Company on the Official List of Bursa Securities, raising a total proceeds of approximately RM129.5 million. As at the date of this report, the private placement exercise is yet to be completed, as it utilises the general mandate approved by the shareholders of the Company at the Annual General Meeting held on 29 June 2021 to issue up to 20% of the total number of issued shares of the Company, and the implementation period for such exercise, as stipulated in the Bursa Securities’ Main Market Listing Requirements, is within six (6) months from the approval obtained from Bursa Securities (i.e. 14 June 2021).

Following the Company’s application for the extension of time to fully implement the Private Placement, Bursa Securities had on 29 November 2021 resolved to grant the Company an extension of time until 31 December 2021

11. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 30 November 2021.