

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 31-Dec-2023	Preceding Year Quarter ended 31-Dec-2022	Current Year To-date ended 31-Dec-2023	Preceding Year To-date ended 31-Dec-2022
	RM'000	RM'000	RM'000	RM'000
Revenue	10,331	50,706	37,787	94,650
Cost of Sales	12,832	(39,991)	(8,094)	(79,288)
Gross Profit	23,163	10,715	29,693	15,362
Other Operating Income	718	6,969	2,576	8,827
Other Operating, Administrative Expenses	(68,753)	(61,561)	(127,617)	(118,576)
Operating Loss before finance cost	(44,872)	(43,877)	(95,348)	(94,387)
Finance cost	(8,139)	(7,619)	(28,509)	(24,386)
Operating Loss after finance cost	(53,011)	(51,496)	(123,857)	(118,773)
Share of Profit in Joint Venture	34,503	46,173	131,103	156,190
Profit/(Loss) Before Taxation	(18,508)	(5,323)	7,246	37,417
Taxation	(138)	(393)	(292)	(897)
Net Profit/(Loss) For The Period	(18,646)	(5,716)	6,954	36,520
Other Comprehensive Income / (Loss)				
Foreign currency translation	1,832	1,991	1,832	1,991
Total Comprehensive Income/(Loss) for the Period	(16,814)	(3,725)	8,786	38,511
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	(24,808)	(2,964)	15,527	53,779
Non-Controlling Interests	6,162	(2,752)	(8,573)	(17,259)
	(18,646)	(5,716)	6,954	36,520
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	(1.11)	(0.14)	0.70	2.62
- Diluted	(1.11)	(0.14)	0.70	2.61
Weighted average number of Ordinary Shares in issue ('000)	2,225,267	2,055,317	2,225,267	2,055,317
Weighted average number of Ordinary Shares in issue (diluted) ('000)	2,225,267	2,056,578	2,225,267	2,056,578

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 2022 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 31 DECEMBER 2023

	(Unaudited)	(Audited)
	As At	As At
	End Of	End Of
	Financial	Financial
	Year End	Year End
	31-Dec-2023	31-Dec-2022
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	296,599	242,453
Investment properties	584,206	597,703
Investment in Joint Venture	904,495	800,779
Golf Club memberships	287	295
Goodwill on Consolidation	-	23,500
Right of use of Assets	2,051	344
	<u>1,787,638</u>	<u>1,665,074</u>
Current Assets		
Inventories	483	483
Contract assets	171,938	258,494
Trade and Other Receivables	344,372	339,893
Amount due from Joint Venture	10,291	10,282
Deposits placed with licensed banks	22,222	42,451
Cash and bank balances	41,929	62,147
	<u>591,235</u>	<u>713,750</u>
Total Assets	<u>2,378,873</u>	<u>2,378,824</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,125,105	1,074,143
Reserves	5,412	26,188
Accumulated Profit	348,126	310,874
	<u>1,478,643</u>	<u>1,411,205</u>
Non-controlling interests	(65,140)	(56,567)
TOTAL EQUITY	<u>1,413,503</u>	<u>1,354,638</u>
Non-Current Liabilities		
Long Term Borrowings	428,741	432,932
Deferred Tax Liabilities	30	67
	<u>428,771</u>	<u>432,999</u>
Current Liabilities		
Trade and Other Payables	470,522	522,390
Bank borrowings	60,040	57,862
Bank overdraft	6,037	10,935
	<u>536,599</u>	<u>591,187</u>
TOTAL EQUITY AND LIABILITIES	<u>2,378,873</u>	<u>2,378,824</u>
No of Ordinary Shares	2,219,335	2,090,318
Net Assets Per Share attributable to Owners of the parent (RM)	<u>0.67</u>	<u>0.68</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 YEAR ENDED 31 DECEMBER 2023

	Current Year 12 Months ended 31-Dec-2023 RM'000	Preceding Year 12 Months ended 31-Dec-2022 RM'000
Cash flows from operating activities		
Profit / (Loss) before tax for the period	7,246	37,417
Adjustment for:		
Depreciation and amortisation	19,999	15,897
Interest expense	28,508	24,386
Interest income	(748)	(1,425)
Gain on disposal of plant & equipment	(507)	(205)
Bad debts written off	-	3,002
Share of Profit in Joint Venture	(131,103)	(156,190)
Impairment Loss on Goodwill	23,500	29,000
Allowance for impairment of receivables	32,893	19,770
Impairment / (Reversal Impairment) on Investment Property	-	(5,125)
Unrealised Loss on foreign exchange	3,325	2,811
Long Term Incentive Plan ("LTIP") expenses	12,690	13,980
Gain on modification of lease contract	-	(39)
Operating profit/ (loss) before working capital changes	(4,197)	(16,721)
(Increase)/Decrease in working capital		
Contract assets	86,556	(51,029)
Trade and other receivables	(39,109)	(19,669)
Trade and other payables	(52,854)	13,449
	(5,407)	(57,249)
Net Cash generated from / (used in) Operating activities	(9,604)	(73,970)
Interest paid	(7,221)	(2,573)
Income tax paid	(2,638)	(4,403)
Net Operating Cash Flow	(19,463)	(80,946)
Cash flows from / (used in) investing activities		
Purchase of property, plant & equipment and right-of-use	(60,640)	(140,319)
Interest received	748	1,425
Proceeds from disposal of property, plant & equipment	507	206
Dividend received from Joint Venture company	27,386	70,132
Decrease / (Increase) in deposits pledged	29,578	(4,877)
Addition to investment in Joint Venture company	(9)	(12)
Net Investing Cash Flow	(2,430)	(73,445)
Cash flows from / (used in) financing activities		
Proceeds from issuance of share capital	38,272	711
Interest paid	(21,287)	(21,813)
Drawdown / (Repayment) of short term borrowings	2,178	(7,225)
Drawdown (Repayment) of lease liabilities	1,163	(228)
Drawdown / (Repayment) of bank term loans	(5,354)	132,129
Share issuance expenses	(882)	-
Net Financing Cash Flow	14,090	103,574

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023. (Cont.)**

	Current Year 12 Months ended 31-Dec-2023	Preceding Year 12 Months ended 31-Dec-2022
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(7,803)	(50,817)
Cash & Cash Equivalents at beginning of the year	29,719	78,605
Translation Reserve	1,832	1,931
Cash & Cash Equivalents at end of the period.	23,748	29,719

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	22,222	42,451
Cash & bank balances	41,929	62,147
Bank overdrafts	(6,037)	(10,935)
	58,114	93,663
Less : Deposit held as security values	(22,222)	(42,451)
Bank balance held as security values	(904)	(10,253)
Debt service reserves account	(11,240)	(11,240)
	23,748	29,719

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 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 YEAR ENDED 31 DECEMBER 2023**

	Attributable to Equity Holders of the Company						Non-Controlling Interest	Total Equity	
	Non-Distributable			Distributable					
	Share Capital	Share Options Reserve	Warrant Reserve	Other Reserve	Translation Reserve	Retained Earnings			Sub-Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Current Year Quarter ended 31 December 2023									
Balance as at 1 January 2023	1,074,143	11,198	238,089	(215,481)	(7,618)	310,874	1,411,205	(56,567)	1,354,638
Total Comprehensive Income for the Period	-	-	-	-	-	15,527	15,527	(8,573)	6,954
Foreign currency translation	-	-	-	-	1,832	-	1,832	-	1,832
Issuance of ordinary shares									
Private placement expenses	-	-	-	-	-	(882)	(882)	-	(882)
Private placement	38,272	-	-	-	-	-	38,272	-	38,272
Exercise of Warrants	-	-	(1)	-	-	-	(1)	-	(1)
Transfer of warrant reserve upon expiry of warrant to retained earnings	-	-	(22,607)	-	-	22,607	-	-	-
Issuance of shares under share grant plan	12,690	-	-	-	-	-	12,690	-	12,690
Balance as at 31 December 2023	1,125,105	11,198	215,481	(215,481)	(5,786)	348,126	1,478,643	(65,140)	1,413,503
Preceding Year Quarter ended 31 December 2022									
Balance as at 1 January 2022	1,061,612	9,038	238,089	(215,482)	(9,608)	257,095	1,340,744	(39,308)	1,301,436
Total Comprehensive Income for the Period	-	-	-	-	-	53,779	53,779	(17,259)	36,520
Foreign currency translation	-	-	-	-	1,991	-	1,991	-	1,991
Issuance of ordinary shares									
Issuance of shares under share grant plan	11,700	-	-	-	-	-	11,700	-	11,700
Exercised of LTIP	831	(120)	-	-	-	-	711	-	711
Share options granted under LTIP	-	2,280	-	-	-	-	2,280	-	2,280
Balance as at 31 December 2022	1,074,143	11,198	238,089	(215,482)	(7,617)	310,874	1,411,205	(56,567)	1,354,638

(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 2022 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 2022.

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 2022.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 December 2022 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 fourth quarter of financial year 2023.

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 Year Ended 31 December 2023.

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	Power Energy RM'000	Investment Holding & Others RM'000	Elimination RM'000	Total RM'000
REVENUE						
External Revenue	19,921	10,264	7,602	-	-	37,787
Inter-Company	-	-	-	35,186	(35,186)	-
	19,921	10,264	7,602	35,186	(35,186)	37,787
Segment Results	(83,740)	5,167	2,550	(21,901)		(97,924)
Other Income						2,576
Loss Before Finance Cost						(95,348)
Finance Cost						(28,509)
Loss After Finance cost						(123,857)
Share of Profit in Joint Venture						131,103
Profit Before Taxation						7,246
Taxation						(292)
Profit After Taxation						6,954
<u>Attributable to:</u> Owners of the Company						15,527
Non-Controlling Interests						(8,573)
						6,954

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

The Group's revenue for the financial year ended 31 December 2023 based on geographical location is presented as follows:

	RM'000
Malaysia	37,787
Vietnam	-

Total	37,787
	=====

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 2022.

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 12 September 2023, JAKS Solar Power Holdings Sdn Bhd incorporated a wholly-owned subsidiary, JANS Solar Holdings Sdn Bhd, with issued capital of RM100 to undertake the development and generation of renewable energy business. On 21 November 2023, the issued capital was increased from RM100 to RM1,000.

On 20 September 2023, JANS Solar Holdings Sdn Bhd incorporated a wholly-owned subsidiary, JANS Solar (Nibong Tebal) Sdn Bhd, with issued capital of RM100 to undertake the business of renewable energy such as solar power projects.

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

12. Changes in Contingent Liabilities.

The changes in contingent liabilities of the Group since 31 December 2022 until 31 December 2023 were as follows: -

	As at 31 Dec 2023 RM'000	As at 31 Dec 2022 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	40,814	90,914
	=====	=====

13. Material Commitment.

There are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming enforceable, may have a material impact on the financial results/position of the Group.

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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 31/12/2023 RM'000	Preceding Year Quarter Ended 31/12/2022 RM'000	Changes %	Current Year To-date Ended 31/12/2023 RM'000	Preceding Year To-date Ended 31/12/2022 RM'000	Changes %
Construction	2,917	46,661	(94)	19,921	84,399	(76)
Property Investment	3,069	4,045	(24)	10,264	10,251	0
Power Energy	4,345	-	100	7,602	-	100
Investment Holding & Others	-	-	-	-	-	-
Total	10,331	50,706	(80)	37,787	94,650	(60)

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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 31/12/2023 RM'000	Preceding Year Quarter Ended 31/12/2022 RM'000	Changes %	Current Year To-date Ended 31/12/2023 RM'000	Preceding Year To-date Ended 31/12/2022 RM'000	Changes %
Construction	(63,262)	(40,518)	(56)	(84,173)	(59,648)	(41)
Property Investment	15,367	(5,446)	382	(14,703)	(35,054)	58
Power-Energy	(352)	-	(100)	(2,302)	-	(100)
Investment Holding & Others	(4,764)	(5,532)	14	(22,679)	(24,071)	6
Share of Profit in Joint Venture	34,503	46,173	(25)	131,103	156,190	(16)
	29,739	40,641	(27)	108,422	132,119	(18)
Total	(18,508)	(5,323)	(248)	7,246	37,417	(81)

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

For the quarter ended 31 December 2023, the Group achieved revenue of RM10.3 million, a decrease of 80% when compared with the revenue of RM50.7 million achieved in the preceding year's corresponding quarter. The drop in revenue was mainly due to the lower project revenue recognised from the ongoing local construction works in the current quarter as the projects are at advanced stages of completion.

The Group recorded a higher loss before tax of RM18.5 million in the fourth quarter of 2023 as compared to a loss before tax of RM5.3 million incurred in the corresponding quarter of the previous year. The higher loss was mainly due to lower share of profit recognised from the Vietnam joint venture of RM34.5 million, a reduction of RM11.7 million from the previous year's corresponding quarter, mainly due to higher interest cost incurred by the joint venture, impairment loss on goodwill and receivables of RM23.5 million and RM32.9 million respectively.

In the fourth quarter of 2023, the Construction division reported lower revenue of RM2.9 million, a reduction of 94% compared to the revenue of RM46.7 million in the same quarter of the previous year. This decline was primarily attributed to the lower revenue recognition from the local construction works that are in their final stages of completion. With the lower revenue, this division incurred a higher loss before tax RM63.3 million in this fourth quarter compared to RM40.5 million loss before tax incurred in the corresponding quarter of the previous year.

In the quarter under review, the Property Investment division recognised lower revenue contribution of RM3.1 million, from RM4.0 million achieved in the previous year's corresponding quarter. This division reported a profit before tax of RM15.4 million, compared to a loss before tax of RM5.4 million in the fourth quarter of 2022 mainly due to the reversal of provision made in previous years.

Following the successful completion and achievement of commercial operations date for the 50MW solar photovoltaic project under the Large-Scale Solar ("LSS") 4 Programme in August 2023, the Power-Energy division commenced its business operations of generation and delivery of renewable energy to Tenaga Nasional Berhad ("TNB") under the Power Purchase Agreement with TNB. Revenue contribution of RM4.3 million was recognised in the Group from this division. This division incurred a loss before tax of RM0.4 million in the current quarter due to the depreciation charges and interest expenses.

The Investment Holding & Others division recorded a reduced profit before tax of RM29.7 million in the quarter under review, as compared to RM40.6 million profit before tax achieved in the corresponding quarter of the preceding year. The lower profitability was primarily attributed to a lower share of profit from the Vietnam joint venture as mentioned earlier.

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

The current year's revenue was 60% lower than the previous year as the revenue in the Construction division dropped by 76%. The lower revenue recognition was due to construction works that are in their final stages of completion.

For the financial year ended 31 December 2023, the Group achieved a profit before tax of RM7.2 million, a decrease of 81% from the profit before tax of RM37.4 million in the previous year. The decrease in profitability was mainly due to lower share of profit in the Vietnam joint venture of RM131.1 million in 2023 as compared to RM156.2 million in the previous year.

2. Variation of Results against Preceding Quarter.

	Current Year Quarter 1/10/23-31/12/23 <u>RM'000</u>	Immediate Preceding Quarter 1/7/23-30/9/23 <u>RM'000</u>	Changes %
Revenue	10,331	9,984	3
Profit/(Loss) before tax	(18,508)	2,203	(940)

In the current quarter, the Group reported slightly higher revenue amounting to RM10.3 million, an increase of 3% from the preceding quarter.

However, due to the impairment loss on goodwill and receivables of RM23.5 million and RM32.9 million respectively, the Group incurred loss before tax of RM18.5 million in the current quarter, compared to a profit before tax of RM2.2 million in the preceding quarter.

3. Prospects.

The Power-Energy division's LSS4 solar project will provide a reliable additional income stream and is expected to contribute positively to the Group's revenue in 2024 as the full year's contribution will be factored in. The Group is working on the development of the 29.99 MW Solar Plant under the Energy Commission's Corporate Green Power Programme ("CGPP"), which is expected to contribute positively to the future earnings of the Group upon completion. This division will continue to expand its renewable energy projects and asset portfolio through greenfield development and acquisition of renewable energy assets. Additionally, active participation in regional energy export initiatives is on the agenda. The Group recognises the pivotal role that profits from the Power-Energy division will play. These profits are seen as crucial in navigating the current constrained construction outlook and overcoming the competitive challenges faced by retail malls in attracting foot traffic.

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

The Construction division faces intense competition for new projects amidst a slowdown in construction sector in Malaysia. The rising costs of construction materials and labour cost necessitate a careful approach in projects selection. The division is prioritising projects with sufficient margins to accommodate inflationary pressures. Despite these challenges, the division is actively pursuing construction projects through tender participation and direct proposals, aiming to replenish its order book.

The Property Investment division is steadfast in its commitment to improving the occupancy rate and rental yield of its properties. Efforts are focused on enhancing the yield of Evolve Mall in Ara Damansara and Pacific Tower Business Hub in Section 13, Petaling Jaya.

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 31 Dec 2023 RM'000	Year-to-date Ended 31 Dec 2023 RM'000
Taxation	138	292
	=====	=====

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 which has 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 31 December 2023 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	60,040	-	60,040
Overdraft	6,037	-	6,037
Long term borrowings	428,741	-	428,741
	<hr/>	<hr/>	<hr/>
Total	494,818	-	494,818
	=====	=====	=====

7. Notes to the statement of comprehensive income.

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

	Year-to-date Ended 31 Dec 2023 RM'000
<u>Expenses</u>	
Depreciation and Amortisation	19,999
Interest Expense	28,508
Impairment Loss on Goodwill	23,500
Allowance for Impairment of Receivables	32,893
Unrealised Loss on foreign exchange	3,325
Long Term Incentive Plan ("LTIP") expenses	12,690
<u>Income</u>	
Interest Income	748
Gain on disposal of plant & equipment	507
Share of Profit in Joint Venture	131,103

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

8. Material Litigation.

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

STAR had on 30 April 2019 served a Writ of Summons and Statement of Claim dated 19 April 2019 against the Company claiming that our Company as the corporate guarantor of JAKS Island Circle Sdn Bhd (“JIC”) is liable for JIC’s purported default of obligations under the Sale and Purchase Agreement entered into on 19 August 2011 between JIC and STAR (“Sale and Purchase Agreement”) to purchase a leasehold land located at Seksyen 13, Petaling Jaya for a purchase consideration of RM135 million. The claim is for inter alia specific relief and damages for the total amount of approximately RM177.72 million.

On 27 May 2019, the Company filed its Defence and Counterclaim against STAR for inter alia damages arising from injury to its reputation and business.

STAR then filed its Reply and Defence to Counterclaim on 20 June 2019.

On 6 August 2019, the Company filed its Amended Defence and Counterclaim against STAR and on 10 September 2019, the Company filed its Reply to Defence to Counterclaim. Various litigation proceedings have been and are still ongoing between STAR and the Company.

The hearing of 3 motions for leave to appeal to the Federal Court filed by STAR was held on 23 February 2023. The Federal Court has granted leave to STAR to appeal against the decision of the Court of Appeal dated 27 July 2021. On 9 May 2023, the Court has fixed 5 July 2023 for Case Management. On 5 July 2023, the Federal Court has fixed next Case Management on 15 August 2023 for parties to obtain the Grounds of Judgment for the decision of the Court of Appeal dated 27 July 2021. The Case Management on 20 November 2023 was fixed to do some housekeeping, with the Hearing on 6 December 2023 is maintained. Currently, the Hearing for the above matter was adjourned to 7 March 2024.

For information purposes only, JIC is no longer an indirect subsidiary of the Company following its disposal by JAKS Sdn Bhd (“JSB”) on 29 September 2020.

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

(b) Claim against STAR at Kuala Lumpur High Court

On 30 May 2019, the Company and JIC filed a Suit against STAR for breach of the Sale and Purchase Agreement and claimed inter alia the following relief:-

- a) a declaration that the Completion Period for JIC to deliver STAR's entitlement under the Sale and Purchase Agreement is on 20 June 2020;
- b) a declaration that STAR has breached the Sale and Purchase Agreement;
- c) a declaration that STAR is unjustly enriched;
- d) the sum of RM248,242,987.62 to be paid to JIC as liquidated and ascertained damages;
- e) the sum of RM297,035,481.00 to be paid to the Company as loss of proceeds;
- f) the sum of RM50,000,000.00 together with all interests and all related costs incurred thereto pursuant to the Bank Guarantees to be refunded and/or returned to JIC within 7 days from the date of the Court order; and
- g) damages.

On 5 July 2019, STAR filed its Defence.

Various litigation proceedings have been and are still ongoing between the parties.

Currently, the main Suit is fixed for trial from 4 March 2024 to 8 March 2024.

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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	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To-date	To-date
	Ended	Ended	Ended	Ended
	31/12/23	31/12/22	31/12/23	31/12/22
	RM'000	RM'000	RM'000	RM'000

a) Basic Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	(24,808)	(2,964)	15,527	53,779
Weighted average Number of Share in issue (RM1.00 each) ('000)	2,225,267	2,055,317	2,225,267	2,055,317
Basic Earnings / (Loss) Per Share (sen)	(1.11)	(0.14)	0.70	2.62

b) Diluted Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	(24,808)	(2,964)	15,527	53,779
Weighted average Number of Share in issue (RM1.00 each) ('000)	2,225,267	2,055,317	2,225,267	2,055,317
Effect of dilution due to issuance of shares	-	1,261	-	1,261
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each) ('000)	2,225,267	2,056,578	2,225,267	2,056,578
Diluted Earnings/(Loss) Per Share (sen)	(1.11)	(0.14)	0.70	2.61

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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

Dividend Reinvestment Plan (“DRP”)

On 13 February 2023, the Company announced a proposal to establish a dividend reinvestment plan which will provide shareholders of JAKS with an option to elect to reinvest in whole or in part, their cash dividend(s) as may be declared by JAKS, which includes any interim, final, special or other types of cash dividend in new ordinary shares in JAKS.

The Proposed DRP was approved by the shareholders of the Company at the Annual General Meeting convened on 27 June 2023.

11. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 29 February 2024.