



STAR MEDIA GROUP BERHAD

Company No. 197101000523 (10894-D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

Unaudited Condensed Consolidated Statement of Profit or Loss

| | Note | 3 months ended | | Financial period ended | |
|--|------|----------------------|----------------------|------------------------|----------------------|
| | | 31.03.2022 RM'000 | 31.03.2021 RM'000 | 31.03.2022 RM'000 | 31.03.2021 RM'000 |
| Revenue | | 52,104 | 42,612 | 52,104 | 42,612 |
| Operating expenses | A8 | (51,862) | (59,935) | (51,862) | (59,935) |
| Other operating income | A9 | 2,968 | 3,587 | 2,968 | 3,587 |
| Profit/(Loss) from operations | | 3,210 | (13,736) | 3,210 | (13,736) |
| Finance cost | | (238) | (284) | (238) | (284) |
| Profit/(Loss) before taxation | | 2,972 | (14,020) | 2,972 | (14,020) |
| Taxation | B5 | (471) | (135) | (471) | (135) |
| Profit/(Loss) for the financial period | | 2,501 | (14,155) | 2,501 | (14,155) |
| Attributable to: | | | | | |
| Owners of the parent | | 2,521 | (14,100) | 2,521 | (14,100) |
| Non-controlling interests | | (20) | (55) | (20) | (55) |
| | | 2,501 | (14,155) | 2,501 | (14,155) |
| Basic/Diluted earnings/(loss) per ordinary share (sen): | | 0.35 | (1.95) | 0.35 | (1.95) |

(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2021)

Included in the Operating Expenses are depreciation and amortisation expenses:

| | | | | |
|--|---------|---------|---------|---------|
| | (4,034) | (6,655) | (4,034) | (6,655) |
|--|---------|---------|---------|---------|

**Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2022**

| | 3 months ended | | Financial period ended | |
|--|----------------------|----------------------|------------------------|----------------------|
| | 31.03.2022 RM'000 | 31.03.2021 RM'000 | 31.03.2022 RM'000 | 31.03.2021 RM'000 |
| Profit/(Loss) for the financial period | 2,501 | (14,155) | 2,501 | (14,155) |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| - exchange differences on translating foreign operations | 3 | 14 | 3 | 14 |
| Total comprehensive income for the financial period | 2,504 | (14,141) | 2,504 | (14,141) |
| Attributable to: | | | | |
| Owners of the parent | 2,524 | (14,086) | 2,524 | (14,086) |
| Non-controlling interests | (20) | (55) | (20) | (55) |
| | 2,504 | (14,141) | 2,504 | (14,141) |

(The unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2021)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2022**

| | 31 March 2022 RM'000 | 31 December 2021 RM'000 |
|---|-------------------------|----------------------------|
| Non-current assets | | |
| Property, plant and equipment | 159,111 | 160,735 |
| Investment properties | 145,434 | 146,226 |
| Intangible assets | 23,787 | 24,020 |
| Inventories | 8,823 | 8,823 |
| Right-of-use assets | 14,260 | 15,032 |
| Other investments | | |
| -Financial assets at fair value through profit or loss | 80 | 94 |
| Deferred tax assets | 2,349 | 2,350 |
| | 353,844 | 357,280 |
| Current assets | | |
| Inventories | 11,193 | 5,959 |
| Trade and other receivables | 38,326 | 46,528 |
| Current tax assets | 9,467 | 9,573 |
| Short term deposits | 333,950 | 325,310 |
| Cash and bank balances | 12,194 | 17,775 |
| | 405,130 | 405,145 |
| TOTAL ASSETS | 758,974 | 762,425 |

Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2022 (cont'd)

| | 31 March 2022 RM'000 | 31 December 2021 RM'000 |
|---|-------------------------|----------------------------|
| EQUITY AND LIABILITIES | | |
| Share capital | 738,564 | 738,564 |
| Treasury shares | (6,124) | (6,124) |
| Reserves | (82,743) | (85,267) |
| Equity attributable to owners of the parent | 649,697 | 647,173 |
| Non-controlling interests | (1,967) | (1,947) |
| Total equity | 647,730 | 645,226 |
| Non-current liabilities | | |
| Lease liabilities | 13,725 | 14,241 |
| Deferred tax liabilities | 26 | 26 |
| | 13,751 | 14,267 |
| Current liabilities | | |
| Trade and other payables | 95,242 | 100,680 |
| Lease liabilities | 1,997 | 2,188 |
| Taxation | 254 | 64 |
| | 97,493 | 102,932 |
| Total Liabilities | 111,244 | 117,199 |
| TOTAL EQUITY AND LIABILITIES | 758,974 | 762,425 |
| Net assets per share attributable to owners of the parent company (RM) | 0.89 | 0.88 |

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2021)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the year ended 31 March 2022

[----- Attributable to equity holders of the Company -----]

| | Share capital RM'000 | Foreign exchange translation reserves RM'000 | Treasury shares RM'000 | Retained earnings/ (Accumulated losses) RM'000 | Total RM'000 | Non- controlling interest RM'000 | Total Equity RM'000 |
|---|----------------------------|--|------------------------------|--|-----------------|---|------------------------|
| Balance as at 1 January 2022 | 738,564 | 2,610 | (6,124) | (87,877) | 647,173 | (1,947) | 645,226 |
| Total comprehensive income for the year | - | 3 | - | 2,521 | 2,524 | (20) | 2,504 |
| Balance as at 31 March 2022 | 738,564 | 2,613 | (6,124) | (85,356) | 649,697 | (1,967) | 647,730 |

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the year ended 31 March 2021**

[----- Attributable to equity holders of the Company -----]

| | Share capital RM'000 | Foreign exchange translation reserves RM'000 | Treasury shares RM'000 | Retained earnings RM'000 | Total RM'000 | Non- controlling interest RM'000 | Total Equity RM'000 |
|---|----------------------------|--|------------------------------|--------------------------------|-----------------|---|------------------------|
| Balance as at 1 January 2021 | 738,564 | 2,830 | (6,124) | 44,482 | 779,752 | (1,876) | 777,876 |
| Total comprehensive income for the year | - | 14 | - | (14,100) | (14,086) | (55) | (14,141) |
| Balance as at 31 March 2021 | 738,564 | 2,844 | (6,124) | 30,382 | 765,666 | (1,931) | 763,735 |

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2021)

Unaudited Condensed Consolidated Statement of Cash Flows
For the year ended 31 March 2022

| | 31 March 2022 RM'000 | 31 March 2021 RM'000 |
|---|-------------------------|-------------------------|
| Profit/(Loss) before taxation | 2,972 | (14,020) |
| Adjustments for non-cash flow items:- | | |
| Non-cash items | 3,812 | 7,264 |
| Non-operating items | (1,314) | (1,284) |
| Operating profit before working capital changes | 5,470 | (8,040) |
| Changes in working capital | | |
| Net change in current assets | 3,432 | 13,523 |
| Net change in current liabilities | (5,470) | (12,139) |
| | (2,038) | 1,384 |
| Cash generated from/(used in) operations | 3,432 | (6,656) |
| Net tax paid | (175) | (3,190) |
| Net cash generated from/(used in) operating activities | 3,257 | (9,846) |
| Investing Activities | | |
| Proceeds from disposal of property, plant and equipment | 109 | 103 |
| Purchases of property, plant and equipment | (824) | (261) |
| Purchases of intangible assets | (71) | (88) |
| Purchases of video programme rights | - | (94) |
| Interest and investment income received | 1,552 | 1,568 |
| Deposits placed with licensed banks with original maturity more than 3 months | - | (15) |
| Net cash generated from investing activities | 766 | 1,213 |
| Financing Activities | | |
| Interest paid | (238) | (284) |
| Repayment of lease liabilities | (731) | (784) |
| Net cash used in financing activities | (969) | (1,068) |
| Net increase/(decrease) in cash and cash equivalents | 3,054 | (9,701) |
| Effect of exchange rates fluctuations on cash held | 5 | 4 |
| Cash and cash equivalents at beginning of the period | 343,085 | 352,604 |
| Cash and cash equivalents at end of the period | 346,144 | 342,907 |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of the financial period:

| | 31 March 2022 RM'000 | 31 March 2021 RM'000 |
|---|-------------------------|-------------------------|
| Deposits placed with licensed banks | 333,950 | 308,040 |
| Cash and bank balances | 12,194 | 35,515 |
| Deposits placed with licensed banks with original maturity more than 3 months | - | (648) |
| | 346,144 | 342,907 |

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2021).

Notes to the interim financial report

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market 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 2021.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2021 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial year:

| | |
|---|--|
| Annual Improvements to MFRS Standards 2018 - 2020 | |
| Amendments to MFRS 3 | <i>Reference to the Conceptual Framework</i> |
| Amendments to MFRS 116 | <i>Property, Plant and Equipment - Proceeds before Intended Use</i> |
| Amendments to MFRS 137 | <i>Onerous Contracts – Cost of Fulfilling a Contract</i> |
| Amendments to MFRS 101 | <i>Classification of Liabilities as Current or Non-current</i> |
| MFRS 17 | <i>Insurance Contracts</i> |
| Amendments to MFRS 17 | <i>Insurance Contracts</i> |
| Amendments to MFRS 101 | <i>Disclosure of Accounting Policies</i> |
| Amendments to MFRS 108 | <i>Definition of Accounting Estimates</i> |
| Amendments to MFRS 112 | <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> |
| Amendments to MFRS 10 and MFRS 128 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> |
| Amendments to MFRS 112 | <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> |

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

Notes to the interim financial report

A2. Seasonal or cyclical factors

The operations of our major business segment are generally affected by the major festive seasons.

A3. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2022.

A4. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the current quarter.

A5. Debt and equity securities

There were no issuances and repayment of debts and equity securities, share cancellations and resale of treasury shares during the financial period ended 31 March 2022.

A6. Dividend paid

No dividend was paid in the current financial period ended 31 March 2022.

Notes to the interim financial report

A7. Segment Reporting

| | Print and digital RM'000 | Radio RM'000 | Event and exhibition RM'000 | Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|--------------------------------------|--------------------------------|-----------------|-----------------------------------|------------------|-----------------------|------------------------|
| <u>Financial period ended</u> | | | | | | |
| <u>31 March 2022</u> | | | | | | |
| Sales to external customers | 43,303 | 8,495 | 306 | - | - | 52,104 |
| Inter-segment sales | 22 | 5 | - | 6,825 | (6,852) | - |
| Total revenue | 43,325 | 8,500 | 306 | 6,825 | (6,852) | 52,104 |
| Profit/(Loss) before tax | 649 | 2,200 | (201) | 338 | (14) | 2,972 |
| Assets | 666,316 | 84,181 | 4,019 | 4,458 | - | 758,974 |
| <u>Financial period ended</u> | | | | | | |
| <u>31 March 2021</u> | | | | | | |
| Sales to external customers | 35,119 | 6,314 | 1,179 | - | - | 42,612 |
| Inter-segment sales | - | 4 | - | 7,230 | (7,234) | - |
| Total revenue | 35,119 | 6,318 | 1,179 | 7,230 | (7,234) | 42,612 |
| (Loss)/Profit before tax | (13,196) | (722) | (477) | 388 | (13) | (14,020) |
| Assets | 798,016 | 85,689 | 5,681 | 11,713 | - | 901,099 |

Notes to the interim financial report**A8. Operating expenses**

| | 3 months ended | | Financial period ended | |
|--|----------------------|----------------------|------------------------|----------------------|
| | 31.03.2022 RM'000 | 31.03.2021 RM'000 | 31.03.2022 RM'000 | 31.03.2021 RM'000 |
| Allowance of credit losses | (223) | 582 | (223) | 582 |
| Loss on disposal of property, plant And equipment | 49 | 59 | 49 | 59 |
| Foreign exchange loss | 119 | 31 | 119 | 31 |
| Impairment on intangible assets | - | 83 | - | 83 |

A9. Other operating income

| | 3 months ended | | Financial period ended | |
|---|----------------------|----------------------|------------------------|----------------------|
| | 31.03.2022 RM'000 | 31.03.2021 RM'000 | 31.03.2022 RM'000 | 31.03.2021 RM'000 |
| Interest income | 61 | 165 | 61 | 165 |
| Investment income | 1,491 | 1,403 | 1,491 | 1,403 |
| Reversal of allowance of credit losses | - | 183 | - | 183 |
| Foreign exchange gain | 5 | 2 | 5 | 2 |
| Gain on disposal of property, plant and equipment and intangible assets | 36 | - | 36 | - |
| Reversal of impairment on intangible assets | - | 491 | - | 491 |
| Other income | 1,375 | 1,343 | 1,375 | 1,343 |
| Total | <u>2,968</u> | <u>3,587</u> | <u>2,968</u> | <u>3,587</u> |

A10. Events subsequent to the end of the reporting period

There are no material events subsequent to the end of the reporting year under review that have not been reflected in the quarterly financial statements.

A11. Changes in composition of the Group

There are no changes in the composition of the Group during the quarter under review.

A12. Capital commitments

| | RM'000 |
|---|--------------|
| Authorised capital expenditure not provided for in the financial statements | |
| - contracted | 2,963 |
| - not contracted | 4,951 |
| | <u>7,914</u> |

Additional information required by Bursa Malaysia Securities Listing Requirements**B1. Review of performance**

| | Current Year Quarter 31.03.2022 (1Q 2022) RM'000 | Preceding Year Corresponding Quarter 31.03.2021 (1Q 2021) RM'000 |
|--|--|---|
| Revenue | 52,104 | 42,612 |
| Consolidated Profit/(Loss) before taxation | 2,972 | (14,020) |
| Consolidated Profit/(Loss) after taxation | 2,501 | (14,155) |

The Group's total revenue in 1Q 2022 came in at RM52.10 million, which increased by 22.3% as compared to 1Q 2021. The Group registered a profit before tax of RM2.97 million in 1Q 2022 as compared to loss before tax of RM14.02 million in 1Q 2021.

Performance of the respective business segments for 1Q 2022 compared to the corresponding quarter of 2021 are as follows:-

Print and Digital – 1Q 2022's revenue has increased by 23.3% against 1Q 2021 mainly due to the reopening of economic activities, which led to the increase in advertisement bookings. This segment recorded a profit before tax of RM0.65 million in 1Q 2022 as compared to loss before tax of RM13.20 million in 1Q 2021.

Radio Broadcasting – Radio generated a higher revenue amounting to RM8.50 million in 1Q 2022 as compared to RM6.31 million in 1Q 2021. This segment recorded a profit before tax of RM2.2 million compared to a loss of RM0.72 million in 1Q 2021 mainly due to higher revenue.

Event and exhibition – This segment recorded a loss amounting to RM0.20 million in 1Q 2022 compared to a loss of RM0.48 million in the corresponding quarter. With better cost management and capitalising on economies of scale, the Group managed to achieve a better performance for this segment.

Additional information required by Bursa Malaysia Securities Listing Requirements**B2. Variation of results against preceding quarter**

| | Current Quarter 31.03.2022 (1Q 2022) RM'000 | Preceding Quarter 31.12.2021 (4Q 2021) RM'000 |
|--|---|---|
| Revenue | 52,104 | 51,515 |
| Consolidated Profit/(Loss) before taxation | 2,972 | (43,256) |
| Consolidated Profit/(Loss) after taxation | 2,501 | (25,620) |

1Q 2022 recorded a marginal increase in revenue of 1.1% to RM52.10 million as compared to RM51.52 million in 4Q 2021 mainly attributed to the increase in revenue of Print and Digital and Radio segments of the Group. With better cost management, the Group recorded a profit before tax of RM2.97 million.

B3. Prospects

With the reopening of the economic activities, we are seeing improvement in our financial performance since 4Q 2021, with positive growth on revenue and a turnaround into profit in 1Q 2022.

Despite the improving consumer sentiment and business activities, we expect the market conditions to remain volatile in view of increasing pressure of inflation, the prolonging Ukraine crisis and the supply chain disruptions. The Group will continue its efforts in retaining and sustaining its investment in its digital transformation initiatives and strategies with the various digitally-driven products such as The Star Online, mStar and the newly launched BM news portal, Majoriti which aims to further strengthen our market share in the Malay community. The Group will leverage on its existing assets to continuously look for various opportunities that generates synergistic benefits and strengthen all our existing products in the ever-changing market environment to further boost the performance of the Group.

Additional information required by Bursa Malaysia Securities Listing Requirements**B4. Profit forecast**

The Group has not provided any profit forecast in a public document.

B5. Taxation

Taxation comprises the following: -

| | 3 months ended | | Financial period ended | |
|---|----------------|------------|------------------------|------------|
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current period tax expense based on profit for the financial period | | | | |
| 1. Malaysian taxation | 471 | 135 | 471 | 135 |
| 2. Foreign taxation | - | - | - | - |
| 3. Deferred taxation | - | - | - | - |
| | 471 | 135 | 471 | 135 |

The Group's tax expense for the financial period is mainly due to income tax expense incurred by profitable subsidiaries within the Group.

B6. Status of corporate proposal announced

On 12 May 2017, the Company announced that Laviani Pte Ltd, a wholly-owned subsidiary company, entered into a conditional share purchase agreement with Lucrum 1 Investment for the proposed disposal of its entire equity interest in Cityneon Holdings Limited for a disposal consideration of SGD115,612,731 (equivalent to RM360,179,902) to be satisfied entirely via cash.

Subsequently, the Company obtained approval from its shareholders at the Extraordinary General Meeting held on 7 July 2017 for the abovementioned disposal.

On 12 July 2017, the Company announced the completion on the disposal of Cityneon Holdings Limited by Laviani Pte Ltd. Accordingly, Cityneon Holdings Limited and its subsidiaries will cease to be the indirect subsidiary companies of the Company.

On 1 August 2019, the Company announced that it has only utilised RM207.68 million out of the Disposal Proceeds and proposed variation to the utilisation of proceeds. Revised amount on the utilisation of proceeds are tabulated below.

As at 31 March 2022, the details of utilisation of proceeds are as follows:-

| Purposes | Revised Amount (as at 30 June 2019) RM'000 | Actual utilisation RM'000 | Remaining Balance RM'000 | Revised Expected Timeframe for Utilisation |
|-------------------------|--|------------------------------|-----------------------------|--|
| Future investments | 66,500 | - | 66,500 | Within 24 months |
| General working capital | 86,000 | (86,000) | - | Fully utilised |
| Total | 152,500 | (86,000) | 66,500 | |

Additional information required by Bursa Malaysia Securities Listing Requirements**B6. Status of corporate proposal announced (cont'd)**

The proposed revised timeframe for future investment purpose which was due in July 2021 is extended to the next 24 months as the Group continues to identify and evaluate growth opportunities through potential Mergers and Acquisitions.

B7. Lease liabilities

The Group's lease liabilities as at the end of the first quarter are as follows:

| | As at 31.03.2022 RM'000 | As at 31.03.2021 RM'000 |
|-------------------------------------|-------------------------------|-------------------------------|
| Short Term Lease Liabilities | | |
| Unsecured | | |
| - Finance lease | - | - |
| - Lease liabilities | 1,997 | 2,678 |
| | 1,997 | 2,678 |
| Long Term Lease Liabilities | | |
| Unsecured | | |
| - Finance lease | 5,188 | 858 |
| - Lease liabilities | 8,537 | 14,973 |
| | 13,725 | 15,831 |

All lease liabilities in 2022 and 2021 are denominated in Ringgit Malaysia.

B8. Changes in material litigation

On the sale and purchase agreement dated 19 August 2011 made between the Company and Jaks Island Circle Sdn Bhd ("**JIC**") ("**SPA**") which had expired on 15 February 2018 for the delivery of vacant possession of its investment property under construction ("**Tower A**"), the Company had on 15 February 2018 called on the two (2) bank guarantees issued by United Overseas Bank (Malaysia) Berhad and AmBank (M) Berhad respectively (collectively, "**Banks**") amounting to RM50,000,000 pledged as security by JIC under the SPA.

After numerous rounds of court hearings and appeals in financial year 2018, the Company had received the latest update on 7 January 2019 where the Federal Court had unanimously dismissed JIC's Federal Court's Leave Applications with costs awarded to the Company. In relation to this, the Company has received the bank guarantees on 9 January 2019.

The Company had on 19 April 2019 filed a Writ and Statement of Claim against JAKS Resources Berhad ("**JRB**") for inter alia:

- (a) specific relief for JRB to complete or cause to be completed JIC's obligations under the SPA namely the completion and delivery of Vendor's Entitlement by 31 October 2019 in full and proper compliance with the terms of the SPA; and
- (b) damages being late payment interest calculated at the rate of 8% per annum on the balance purchase price of RM134,500,000 from 25 October 2015 to 31 October 2019 ("**Corporate Guarantee Claim**").

Additional information required by Bursa Malaysia Securities Listing Requirements

B8. Changes in material litigation (cont'd)

On 31 May 2019, the Company announced that it had been served with a Writ of Summons and Statement of Claim both dated 30 May 2019 (“**JAKS’ Claim**”) which amounted to RM595.3 million in addition to exemplary damages, interest, costs and such further relief that may be just. Among the reliefs sought were, refund of RM50,000,000 bank guarantees together with all interests and related costs incurred thereto.

On 1 August 2019, the Company filed an application to strike out JAKS’ claim. In addition, the Company had filed an application for summary relief in respect of the Corporate Guarantee Claim. High Court has fixed 28 September 2020 for clarification and decision on the application.

On 14 October 2019, the High Court had adjourned the hearing on the Company’s application for summary relief in respect of the Company’s Corporate Guarantee Claim against JRB. The High Court had fixed the hearing date on 14 November 2019, which have been adjourned to 21 April 2020. The hearing has been further adjourned to 18 June 2020 in light of the extension of the Movement Control Order by the Government of Malaysia. However, the hearing was further adjourned to 7 August 2020.

On 7 August 2020, the Court has partly allowed the Company’s application filed under Order 14A of the Rules of High Court 2012 in respect of the Company’s Corporate Guarantee Claim against JRB. The High Court has amongst others, ruled that the Company be compensated by JRB at the rate of 8% per annum on the Balance Purchase Price of RM134,500,000 from 25 October 2015 to 6 July 2020 which will continue to run from 6 July 2020 to the date JRB completes or cause to be completed JIC’s obligations under the SPA namely the full and complete delivery of the Company’s Entitlement in full and proper compliance with the terms of the SPA.

On 25 August 2020, the Company was informed by its solicitors that JRB has appealed against the High Court’s decision (“**Appeal 1122**”) and has also applied for a Stay of Execution of the High Court’s Order dated 7 August 2020 pending the disposal of the appeal. The Stay of Execution hearing was originally fixed on 14 October 2020 but in view of the Conditional Movement Control Order and Movement Control Order, it was adjourned to 25 November 2020 and subsequently to 11 January 2021 and 24 March 2021.

On 24 March 2021, the High Court has dismissed JRB’s application for the Stay of Execution of the High Court’s Order dated 7 August 2020 with costs of RM3,000.00 awarded to the Company.

JRB had on 16 April 2021 filed a notice of motion with the Court of Appeal against the High Court’s dismissal of JRB’s application for the Stay of Execution (“**Motion for Stay**”). JRB’s Motion for Stay is fixed for case management before the Court of Appeal’s Registrar on 4 May 2021. Following the case management, the hearing for JRB’s Motion for Stay is fixed on 19 July 2021. In view of the Company’s undertaking not to execute the High Court’s Order dated 7 August 2020 before 27 July 2021, the Court of Appeal struck out JRB’s Motion for Stay without costs.

On 1 September 2020, the Company appealed to the Court of Appeal against part of the High Court’s decision made on 7 August 2020 that it is not necessary and incumbent on JRB and/or JIC, having regard to the provisions of Clause 18(a)(i) of the SPA as well as general construction industry practice, to provide the full set construction drawings, details and specifications requested by the Company vide letter dated 1 July 2020 in order to carry out proper and meaningful joint inspection under Clause 4B.4 of the SPA (“**Appeal 1188**”).

Additional information required by Bursa Malaysia Securities Listing Requirements

B8. Changes in material litigation (cont'd)

Following the case management for Appeal 1188 on 17 November 2020, the parties agreed that Appeal 1122 and Appeal 1188 will be heard together at the Court of Appeal. The Court then directed that e-Appellate hearing for both Appeal 1122 and Appeal 1188 be fixed on 27 July 2021.

On 28 September 2020, the High Court dismissed the Company's application to strike off JAK's Claim. The Company had on 2 October 2020 filed an appeal to the Court of Appeal against the decision of the High Court ("**Appeal 1435**"). During the case management on 25 January 2021, the Company proposed for this Appeal 1435 to be heard with Appeal 1122 and Appeal 1188 given their commonality in facts and law. JIC and JRB's solicitors informed the Court that they will seek their clients' instructions on this matter.

Appeal 1122, Appeal 1188 and Appeal 1435 shall hereinafter be collectively referred to as the "**3 Appeals**".

During the case management before the Court of Appeal on 4 March 2021, the Deputy Registrar of the Court of Appeal directed for the 3 Appeals be heard together on 27 July 2021. A further case management for the 3 Appeals at the Court of Appeal is fixed for 8 July 2021.

The 3 Appeals were heard together on 27 July 2021 before the Court of Appeal whereby the Court of Appeal has unanimously decided that there are various disputes of fact and/or law which necessitates a trial. In light of this, the Court of Appeal ordered as follows:

- (a) Appeal 1122 was allowed, whereas Appeal 1188 and Appeal 1435 were dismissed;
- (b) Costs of the 3 Appeals to follow the costs of the (eventual) trial of these matters; and
- (c) Trial for JAKS' Claim before Justice Akhtar Tahir to be transferred to Justice Nazlan's court from which the Corporate Guarantee Claim originates.

The Company had on 26 August 2021 filed three (3) Motions and respective Affidavits in Support for application for Leave to Appeal to the Federal Court against the decisions of the Court of Appeal ("**Star's FC Leave Motions**") with the next case management fixed on 27 September 2021.

During the High Court's case management on 17 August 2021, the Registrar confirmed that JAKS' Claim had successfully been transferred to Justice Nazlan's court and the next case management is fixed on 6 September 2021.

On 6 September 2021, the Company informed the Registrar of the High Court that the Company had on 26 August 2021 filed Star's FC Leave Motions and the matter was then fixed for case management before Justice Nazlan on 18 October 2021.

On 18 October 2021, Justice Nazlan directed that the next pre-trial case management for JAKS' Claim is on 2 March 2022 and the trial is tentatively fixed on 17 October 2022, 18 October 2022 and 19 October 2022 pending Star's FC Leave Motions to be disposed of at the Federal Court. In view of Justice Nazlan's recent elevation to the Court of Appeal, JAKS' Claim has been transferred to Justice Azimah bt Omar's Court.

During the case management on 27 September 2021 at the Federal Court, the parties agreed that Star's FC Leave Motions be heard together and the matter was fixed for further case management on 5 October 2021.

Additional information required by Bursa Malaysia Securities Listing Requirements

B8. Changes in material litigation (cont'd)

During the case management on 5 October 2021, the Federal Court set an online hearing for the Star's FC Leave Motions on 15 February 2022 before a single judge panel.

The Federal Court has further adjourned the hearing of Star's FC Leave Motions which was initially fixed on 17 May 2022 as JIC has been put into creditors' voluntary winding up. According to Section 451 (2) of the Companies Act 2016, any legal proceedings against a company in liquidation shall obtain leave from the High Court ("**Leave Application**").

In view of the above, the Federal Court had on 12 May 2022 allowed the Company's request to adjourn the hearing of Star's FC Leave Motions to enable the Company to apply for Leave Application from the High Court. The Federal Court has fixed 15 June 2022 for case management pending the Leave Application to continue the appeal proceedings against JIC.

During the first case management on 9 May 2022 before Justice Azimah bt Omar in the High Court, the trial dates initially fixed on 17 October 2022, 18 October 2022 and 19 October 2022 have been vacated. The Court has fixed a further case management on 23 May 2022 for the parties to update the outcome of the hearing of Star's FC Leave Motions.

On 23 May 2022, the High Court fixed five (5) days trial from 4 March 2024 to 8 March 2024 for both Corporate Guarantee Claim and JAKS' Claim, which will be heard together. The Court has fixed a further case management on 23 August 2022 for the parties to update the outcome of the Leave Application.

B9. Dividend

No interim dividend has been recommended for the current quarter under review (Quarter 1, 2021: Nil).

Additional information required by Bursa Malaysia Securities Listing Requirements**B10. Basic earnings per share**

The basic earnings per share has been calculated based on the Group's profit/(loss) after taxation attributable to owners of the parent divided by the weighted average number of ordinary shares outstanding during the financial period.

| | 3 months ended | | Financial period ended | |
|--|----------------|---------------|------------------------|---------------|
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| Group's profit/(loss) after taxation attributable to owners of the parent (RM'000) | 2,521 | (14,100) | 2,521 | (14,100) |
| Number of shares at the beginning of the year ('000) | 724,765 | 724,765 | 724,765 | 724,765 |
| Effect of Share Buy Back during the period ('000) | - | - | - | - |
| Weighted average number of ordinary shares outstanding ('000) | 724,765 | 724,765 | 724,765 | 724,765 |
| Basic earnings/(loss) per share (sen) | 0.35 | (1.95) | 0.35 | (1.95) |

Diluted earnings per share

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

By Order of the Board

Hoh Yik Siew
Group Company Secretary

24 May 2022
Petaling Jaya, Selangor Darul Ehsan