



STAR MEDIA GROUP BERHAD

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

Unaudited Condensed Consolidated Statement of Profit or Loss

	Note	3 months ended		Financial period ended	
		30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Revenue		53,627	46,243	158,946	135,596
Operating expenses	A8	(55,097)	(103,614)	(161,704)	(251,167)
Other operating income	A9	3,633	2,943	10,506	9,916
Profit/(Loss) from operations		2,163	(54,428)	7,748	(105,655)
Finance cost		(223)	(263)	(691)	(819)
Profit/(Loss) before tax		1,940	(54,691)	7,057	(106,474)
Taxation	B5	260	(99)	(561)	(336)
Profit/(Loss) for the financial period		2,200	(54,790)	6,496	(106,810)
Attributable to:					
Owners of the parent		2,200	(54,763)	6,533	(106,710)
Non-controlling interests		-	(27)	(37)	(100)
		2,200	(54,790)	6,496	(106,810)
Basic/Diluted earnings/(loss) per ordinary share (sen):		0.30	(7.56)	0.90	(14.72)

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

Included in the Operating Expenses are depreciation and amortisation expenses:

	(4,045)	(6,144)	(11,845)	(19,296)
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**Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 September 2022**

	3 months ended		Financial period ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Profit/(Loss) for the financial period	2,200	(54,790)	6,496	(106,810)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
- exchange differences on translating foreign operations	23	(19)	46	(32)
Total comprehensive income for the financial period	2,223	(54,809)	6,542	(106,842)
Attributable to:				
Owners of the parent	2,223	(54,782)	6,579	(106,742)
Non-controlling interests	-	(27)	(37)	(100)
	2,223	(54,809)	6,542	(106,842)

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

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2022**

	30 September 2022 RM'000	31 December 2021 RM'000
Non-current assets		
Property, plant and equipment	156,034	160,735
Investment properties	143,850	146,226
Intangible assets	23,761	24,020
Land held for development	-	8,823
Right-of-use assets	13,292	15,032
Other investments		
-Financial assets at fair value through profit or loss	109	94
Deferred tax assets	2,350	2,350
	339,396	357,280
Current assets		
Inventories	12,346	5,959
Property development costs	9,564	-
Trade and other receivables	45,290	46,528
Current tax assets	9,299	9,573
Cash and bank balances	354,110	343,085
	430,609	405,145
TOTAL ASSETS	770,005	762,425

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2022 (cont'd)**

	30 September 2022 RM'000	31 December 2021 RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(6,124)	(6,124)
Reserves	(80,672)	(85,267)
Equity attributable to owners of the parent	651,768	647,173
Non-controlling interests	-	(1,947)
Total equity	651,768	645,226
Non-current liabilities		
Lease liabilities	12,784	14,241
Deferred tax liabilities	26	26
	12,810	14,267
Current liabilities		
Trade and other payables	103,400	100,680
Lease liabilities	2,013	2,188
Taxation	14	64
	105,427	102,932
Total Liabilities	118,237	117,199
TOTAL EQUITY AND LIABILITIES	770,005	762,425
Net assets per share attributable to owners of the parent company (RM)	0.90	0.89

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

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 September 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 period	-	46	-	6,533	6,579	(37)	6,542
Acquisition of non-controlling interest	-	-	-	(1,984)	(1,984)	1,984	-
Balance as at 30 September 2022	738,564	2,656	(6,124)	(83,328)	651,768	-	651,768

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 September 2022 (cont'd)**

[----- 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 period	-	(32)	-	(106,710)	(106,742)	(100)	(106,842)
Balance as at 30 September 2021	738,564	2,798	(6,124)	(62,228)	673,010	(1,976)	671,034

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

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2022

	30 September 2022 RM'000	30 September 2021 RM'000
Profit/(Loss) before tax	7,057	(106,474)
Adjustments for non-cash flow items:-		
Non-cash items	12,594	105,471
Non-operating items	(4,569)	(3,989)
Operating profit/(loss) before working capital changes	15,082	(4,992)
Changes in working capital		
Net change in current assets	(6,024)	6,678
Net change in current liabilities	2,679	(2,948)
Cash generated from/(used in) operations	11,737	(1,262)
Net tax paid	(336)	(4,371)
Net cash generated from/(used in) operating activities	11,401	(5,633)
Investing Activities		
Proceeds from disposal of property, plant and equipment	121	240
Purchases of property, plant and equipment	(2,873)	(3,338)
Purchases of intangible assets	(614)	(150)
Purchases of video programme rights	-	(95)
Interest and investment income received	5,260	4,808
Withdrawals from licensed banks with original maturity more than 3 months	-	633
Net cash generated from investing activities	1,894	2,098
Financing Activities		
Interest paid	(691)	(819)
Repayment of lease liabilities	(1,633)	(2,188)
Net cash used in financing activities	(2,324)	(3,007)
Net increase/(decrease) in cash and cash equivalents	10,971	(6,542)
Effect of exchange rates fluctuations on cash held	54	16
Cash and cash equivalents at beginning of the period	343,085	352,604
Cash and cash equivalents at end of the period	354,110	346,078

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

	30 September 2022 RM'000	30 September 2021 RM'000
Deposits placed with licensed banks	341,116	329,102
Cash and bank balances	12,994	16,976
	354,110	346,078

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 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 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 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*

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

The following MFRSs and Amendments to MFRSs have been issued by MASB but are not yet effective to the Group:

Effective for annual periods on or after 1 January 2023

MFRS 17 *Insurance Contracts*

Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*

Amendments to MFRS 108 *Definition of Accounting Estimates*

Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

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 30 September 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 30 September 2022.

A6. Dividend paid

No dividend was paid in the current financial period ended 30 September 2022.

Notes to the interim financial report

A7. Segment Reporting

	Print and digital	Radio	Event and exhibition	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Financial period ended</u>						
<u>30 September 2022</u>						
Sales to external customers	133,863	24,777	306	-	-	158,946
Inter-segment sales	804	162	-	21,123	(22,089)	-
Total revenue	134,667	24,939	306	21,123	(22,089)	158,946
Profit/(Loss) before tax	515	6,069	(547)	1,020	-	7,057
Assets	684,139	76,465	3,651	5,750	-	770,005
<u>Financial period ended</u>						
<u>30 September 2021</u>						
Sales to external customers	115,606	18,797	1,193	-	-	135,596
Inter-segment sales	1,794	23	-	21,515	(23,332)	-
Total revenue	117,400	18,820	1,193	21,515	(23,332)	135,596
(Loss)/Profit before tax	(107,155)	731	(1,071)	1,081	(60)	(106,474)
Assets	718,744	85,384	4,863	7,449	-	816,440

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

	3 months ended		Financial period ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Allowance of credit losses	135	264	128	995
Foreign exchange loss	256	22	411	156
Impairment on property, plant and equipment and intangible assets	-	(81)	-	32,662
Reversal of compensation income	-	50,452	-	50,542

A9. Other operating income

	3 months ended		Financial period ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Interest income	83	74	209	364
Investment income	1,904	1,552	5,051	4,444
Reversal of allowance of credit losses	-	21	-	245
Foreign exchange gain	2	1	9	5
Gain on disposal of property, plant and equipment	6	-	42	-
Other income	1,638	1,295	5,195	4,858
Total	<u>3,633</u>	<u>2,943</u>	<u>10,506</u>	<u>9,916</u>

A10. Events subsequent to the end of the reporting period

There are no material events subsequent to the end of the reporting period 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	2,454
- not contracted	2,869
	<u>5,323</u>

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

	Current Year Quarter 30.09.2022 (3Q 2022) RM'000	Preceding Year Corresponding Quarter 30.09.2021 (3Q 2021) RM'000
Revenue	53,627	46,243
Consolidated Profit/(Loss) before tax	1,940	(54,691)
Consolidated Profit/(Loss) after tax	2,200	(54,790)

The Group's total revenue in 3Q 2022 is at RM53.6 million, an improvement of 16% compared to 3Q 2021. The Group registered a profit before tax of RM1.9 million in 3Q 2022 as compared to loss before tax of RM54.7 million in 3Q 2021 which was mainly attributed to the reversal of compensation income of RM50.5 million.

Performance of the respective business segments for 3Q 2022 compared to the corresponding quarter of 2021 are as follows:-

Print and Digital – 3Q 2022 revenue has increased by 12% against 3Q 2021 mainly driven by operational enhancement which has led to improvement in advertising bookings. This segment recorded a profit before tax of RM0.4 million in 3Q 2022 as compared to loss before tax of RM54.8 million in 3Q 2021.

Radio Broadcasting – Radio generated a higher revenue by 40% amounting to RM7.8 million in 3Q 2022 as compared to RM5.6 million in 3Q 2021. This segment recorded a profit before tax of RM1.2 million as compared to 3Q 2021 of RM0.1 million which was driven by higher revenue contribution of commercial airtime.

Event and exhibition – This segment recorded a loss before tax of RM0.2 million in 3Q 2022, a marginal improvement compared to a loss before tax of RM0.3 million in 3Q 2021.

	9 months ended 30.09.2022 (9M 2022) RM'000	9 months ended 30.09.2021 (9M 2021) RM'000
Revenue	158,946	135,596
Consolidated Profit/(Loss) before tax	7,057	(106,474)
Consolidated Profit/(Loss) after tax	6,496	(106,810)

Performance of the Group for 9 months ended 30 September 2022 compared to the 30 September 2021 as follows:-

The Group recorded revenue of RM158.9 million for 9M 2022, representing an increase of 17% as compared to 9M 2021. This was mainly contributed by the revenue focused initiatives undertaken by the management which has led to the continuous improvement in its financial performance. The Group recorded profit before tax of RM7.1 million for 9M 2022, a significant improvement from loss before tax of RM106.5 million in 9M 2021. The loss before tax recorded in 9M 2021 includes the reversal of compensation income of RM50.5 million and the impairment of property, plant and equipment of RM32.7 million.

Additional information required by Bursa Malaysia Securities Listing Requirements**B1. Review of performance (cont'd)**

Performance of the respective business segments are as follows:-

Print and Digital – Revenue for 9M 2022 stood at RM134.7 million compared to RM117.4 million in 9M 2021. The increase of 15% compared to 9M 2021 was contributed by the print advertising, digital advertorial pillar and growth marketing. This segment recorded a profit before tax of RM0.5 million in 9M 2022 as compared to loss before tax of RM107.2 million in 9M 2021.

Radio Broadcasting – Radio generated a higher revenue of RM24.9 million in 9M 2022, a 33% increase as compared to RM18.8 million in 9M 2021 mainly attributed by the increase in commercial airtime revenue. This segment recorded a profit before tax of RM6.1 million as compared to a marginal profit before tax of RM0.7 million in 9M 2021.

Event and exhibition – This segment recorded a loss of RM0.5 million in 9M 2022 compared to a loss of RM1.1 million in 9M 2021. The improvement is a resultant of the uplift on restrictions imposed by Government on physical events and better cost management with the capitalisation on economies of scale.

B2. Variation of results against preceding quarter

	Current Quarter 30.09.2022 (3Q 2022) RM'000	Preceding Quarter 30.06.2022 (2Q 2022) RM'000
Revenue	53,627	53,215
Consolidated Profit/(Loss) before tax	1,940	2,144
Consolidated Profit/(Loss) after tax	2,200	1,794

3Q 2022 recorded marginal increase in revenue of 1% to RM53.6 million as compared to RM53.2 million in 2Q 2022 mainly attributed to the increase in revenue of Print and Digital of the Group. The Group recorded a slight reduction in profit before tax of RM1.9 million compared to 2Q 2022 of RM2.1 million due to continued increase in operating expenses arising from to the newsprint costs due to weakening of MYR against USD.

B3. Prospects

The reopening of the economic activities has led to improvement in consumer sentiment which resulted in increase in advertising bookings as businesses have resumed operations at its optimal level. This strong demand has translated into growth in our financial performance.

Despite the improvement, we expect the market conditions to remain volatile in view of inflationary pressures and geopolitical fragmentations. The Group will remain financially prudent and continue to improve its operational efficiencies.

The Group will continue its efforts in retaining and sustaining its investments in its digital transformation initiatives and strategies with various digitally driven product such as The Star Online, mStar and the newly launched BM news portal, Majoriti and Majoriti 7, which aims to further strengthen our market share in the Malay community.

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	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	(260)	99	561	336
2. Foreign taxation	-	-	-	-
3. Deferred taxation	-	-	-	-
	(260)	99	561	336

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 30 September 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 reporting period are as follows:

	As at 30.09.2022 RM'000	As at 30.09.2021 RM'000
Short Term Lease Liabilities		
Unsecured		
- Finance lease	637	748
- Lease liabilities	1,376	1,634
	2,013	2,382
Long Term Lease Liabilities		
Unsecured		
- Finance lease	4,802	785
- Lease liabilities	7,982	13,984
	12,784	14,769

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 had further directed parties to file their respective written submissions, bundles of authorities, common core bundles and executive summary (if necessary) on or before 31 January 2022. A further case management is fixed on 1 February 2022 via e-Review to ensure all cause papers and other relevant documents are in order. The Federal Court has adjourned the hearing of Star's FC Leave Motions originally fixed on 15 February 2022 to 17 May 2022. The Federal Court also directed parties to attend a final case management on 10 May 2022 to ensure all papers in respect of Star's FC Leave Motions are in order before the hearing.

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**"). The Leave Application has been fixed for hearing on the 6 October 2022.

The hearing of Star's FC Leave Motions before a single panel judge at the Federal Court which was originally fixed on 8 November 2022 has been adjourned to 23 February 2023. The virtual hearing will be heard before a new panel of three (3) judges and the Federal Court has fixed a pre-hearing case management on 8 February 2023.

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.

During the case management on 23 August 2022, the Court directed for the next case management to take place on 9 December 2022 for the parties to update on the outcome of the Leave Application and Star's FC Leave Motions.

B9. Dividend

No interim dividend has been recommended for the current quarter under review.

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 tax 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	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Group's profit/(loss) after tax attributable to owners of the parent (RM'000)	2,200	(54,763)	6,533	(106,710)
Weighted average number of ordinary shares outstanding ('000)	724,765	724,765	724,765	724,765
Basic earnings/(loss) per share (sen)	0.30	(7.56)	0.90	(14.72)

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
22 November 2022
Petaling Jaya, Selangor Darul Ehsan