



## STAR MEDIA GROUP BERHAD

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

### INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

#### Unaudited Condensed Consolidated Statement of Profit or Loss

	Note	3 months ended		Financial year ended	
		31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue		58,013	51,517	216,959	187,113
Operating expenses	A8	(61,489)	(99,163)	(223,193)	(350,330)
Other operating income	A9	5,380	4,666	15,886	14,582
<b>Profit/(Loss) from operations</b>		<b>1,904</b>	<b>(42,980)</b>	<b>9,652</b>	<b>(148,635)</b>
Finance cost		(211)	(276)	(902)	(1,095)
<b>Profit/(Loss) before tax</b>		<b>1,693</b>	<b>(43,256)</b>	<b>8,750</b>	<b>(149,730)</b>
Taxation	B5	(1,305)	17,636	(1,866)	17,300
<b>Profit/(Loss) for the financial period</b>		<b>388</b>	<b>(25,620)</b>	<b>6,884</b>	<b>(132,430)</b>
Attributable to:					
Owners of the parent		388	(25,649)	6,921	(132,359)
Non-controlling interests		-	29	(37)	(71)
		<b>388</b>	<b>(25,620)</b>	<b>6,884</b>	<b>(132,430)</b>
Basic/Diluted earnings/(loss) per ordinary share (sen):		0.05	(3.54)	0.95	(18.26)

(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 31<sup>st</sup> December 2021)

Included in the Operating Expenses are depreciation and amortisation expenses:

	(3,923)	(5,952)	(15,768)	(25,248)
--	---------	---------	----------	----------

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

	3 months ended		Financial year ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
<b>Profit/(Loss) for the financial period</b>	<b>388</b>	<b>(25,620)</b>	<b>6,884</b>	<b>(132,430)</b>
<b>Other comprehensive income/(loss)</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
- exchange differences on translating foreign operations	(4)	(188)	42	(220)
<b>Total comprehensive income /(loss) for the financial period</b>	<b>384</b>	<b>(25,808)</b>	<b>6,926</b>	<b>(132,650)</b>
<b>Attributable to:</b>				
Owners of the parent	384	(25,837)	6,963	(132,579)
Non-controlling interests	-	29	(37)	(71)
	<b>384</b>	<b>(25,808)</b>	<b>6,926</b>	<b>(132,650)</b>

(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 31 December 2022**

	31 December 2022 RM'000	31 December 2021 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	155,372	160,735
Investment properties	143,056	146,226
Intangible assets	23,503	24,020
Land held for development	-	8,823
Right-of-use assets	12,728	15,032
Other investments		
-Financial assets at fair value through profit or loss	109	94
Deferred tax assets	1,221	2,350
	<b>335,989</b>	<b>357,280</b>
<b>Current assets</b>		
Inventories	8,943	5,959
Property development costs	9,656	-
Trade and other receivables	46,835	46,528
Current tax assets	9,351	9,573
Cash and bank balances	364,825	343,085
	<b>439,610</b>	<b>405,145</b>
<b>TOTAL ASSETS</b>	<b>775,599</b>	<b>762,425</b>

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

	31 December 2022 RM'000	31 December 2021 RM'000
<b>EQUITY AND LIABILITIES</b>		
Share capital	738,564	738,564
Treasury shares	(6,124)	(6,124)
Reserves	(80,288)	(85,267)
Equity attributable to owners of the parent	<b>652,152</b>	<b>647,173</b>
Non-controlling interests	-	(1,947)
<b>Total equity</b>	<b>652,152</b>	<b>645,226</b>
<b>Non-current liabilities</b>		
Lease liabilities	12,176	14,241
Deferred tax liabilities	53	26
	<b>12,229</b>	<b>14,267</b>
<b>Current liabilities</b>		
Trade and other payables	109,151	100,680
Lease liabilities	2,057	2,188
Taxation	10	64
	<b>111,218</b>	<b>102,932</b>
<b>Total Liabilities</b>	<b>123,447</b>	<b>117,199</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>775,599</b>	<b>762,425</b>
<b>Net assets per share attributable to owners of the parent company (RM)</b>	<b>0.90</b>	<b>0.89</b>

(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 year ended 31 December 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
<b>Balance as at 1 January 2022</b>	<b>738,564</b>	<b>2,610</b>	<b>(6,124)</b>	<b>(87,877)</b>	<b>647,173</b>	<b>(1,947)</b>	<b>645,226</b>
Total comprehensive income for the year	-	42	-	6,921	6,963	(37)	6,926
Acquisition of non-controlling interest	-	-	-	(1,984)	(1,984)	1,984	-
<b>Balance as at 31 December 2022</b>	<b>738,564</b>	<b>2,652</b>	<b>(6,124)</b>	<b>(82,940)</b>	<b>652,152</b>	<b>-</b>	<b>652,152</b>

**Unaudited Condensed Consolidated Statements of Changes in Equity  
For the year ended 31 December 2022 (cont'd)**

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

	Share capital	Foreign exchange translation reserves	Treasury shares	Retained earnings/ (Accumulated losses)	Total	Non- controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	(220)	-	(132,359)	(132,579)	(71)	(132,650)
<b>Balance as at 31 December 2021</b>	<b>738,564</b>	<b>2,610</b>	<b>(6,124)</b>	<b>(87,877)</b>	<b>647,173</b>	<b>(1,947)</b>	<b>645,226</b>

**(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 year ended 31 December 2022**

	31 December 2022 RM'000	31 December 2021 RM'000
<b>Profit/(Loss) before tax</b>	8,750	(149,730)
<b>Adjustments for non-cash flow items:-</b>		
Non-cash items	18,905	95,783
Non-operating items	(7,880)	(5,298)
<b>Operating profit/(loss) before working capital changes</b>	<b>19,775</b>	<b>(59,245)</b>
<b>Changes in working capital</b>		
Net change in current assets	(4,250)	63,187
Net change in current liabilities	8,473	(5,496)
<b>Cash generated from/(used in) operations</b>	<b>23,998</b>	<b>(1,554)</b>
Net tax paid	(546)	(7,721)
<b>Net cash generated from/(used in) operating activities</b>	<b>23,452</b>	<b>(9,275)</b>
<b>Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	1,369	565
Proceeds from disposal of intangible assets	-	1,800
Purchases of property, plant and equipment	(7,261)	(5,450)
Purchases of intangible assets	(644)	(280)
Interest and investment income received	7,880	6,398
Withdrawals from licensed banks with original maturity more than 3 months	-	632
<b>Net cash generated from investing activities</b>	<b>1,344</b>	<b>3,665</b>
<b>Financing Activities</b>		
Interest paid	(900)	(1,053)
Repayment of lease liabilities	(2,196)	(2,910)
<b>Net cash used in financing activities</b>	<b>(3,096)</b>	<b>(3,963)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>21,700</b>	<b>(9,573)</b>
Effect of exchange rates fluctuations on cash held	40	54
Cash and cash equivalents at beginning of the year	343,085	352,604
<b>Cash and cash equivalents at end of the year</b>	<b>364,825</b>	<b>343,085</b>

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

	31 December 2022 RM'000	31 December 2021 RM'000
Deposits placed with licensed banks	351,730	325,310
Cash and bank balances	13,095	17,775
	<b>364,825</b>	<b>343,085</b>

**(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 101 *Non-Current Liabilities With Covenants*

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 year ended 31 December 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 year ended 31 December 2022.

### A6. Dividend paid

No dividend was paid in the current financial year ended 31 December 2022

## Notes to the interim financial report

A7. Segment Reporting

	<b>Print and digital RM'000</b>	<b>Radio RM'000</b>	<b>Event and exhibition RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b><u>Financial year ended 31 December 2022</u></b>						
Sales to external customers	182,713	33,429	817	-	-	216,959
Inter-segment sales	1,453	166	-	27,995	(29,614)	-
Total revenue	184,166	33,595	817	27,995	(29,614)	216,959
Profit/(Loss) before tax	874	7,202	(780)	1,454	-	8,750
Assets	690,108	77,637	3,228	4,626	-	775,599
<b><u>Financial year ended 31 December 2021</u></b>						
Sales to external customers	158,671	25,661	2,781	-	-	187,113
Inter-segment sales	841	33	-	29,117	(29,991)	-
Total revenue	159,512	25,694	2,781	29,117	(29,991)	187,113
(Loss)/Profit before tax	(151,269)	1,199	(812)	1,243	(91)	(149,730)
Assets	657,882	83,538	4,579	16,426	-	762,425

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

	3 months ended		Financial year ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Allowance of credit losses	-	(393)	-	602
Foreign exchange loss	(73)	(12)	338	144
Impairment on property, plant and equipment and intangible assets	-	38,975	-	71,637
Reversal of compensation income	-	-	-	50,542

**A9. Other operating income**

	3 months ended		Financial year ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Interest income	97	406	306	770
Investment income	2,523	1,179	7,574	5,623
Reversal of allowance of credit losses	7	308	7	553
Foreign exchange gain	1	43	10	48
Gain on disposal of property, plant and equipment	674	236	716	236
Other income	2,078	2,494	7,273	7,352
Total	5,380	4,666	15,886	14,582

**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	1,156
- not contracted	3,435
	4,591

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

	Current Year Quarter 31.12.2022 (4Q 2022) RM'000	Preceding Year Corresponding Quarter 31.12.2021 (4Q 2021) RM'000
Revenue	58,013	51,517
Consolidated Profit/(Loss) before tax	1,693	(43,256)
Consolidated Profit/(Loss) after tax	388	(25,620)

The Group's total revenue in 4Q 2022 is at RM58.0 million, an improvement of 13% compared to 4Q 2021. The Group registered a profit before tax of RM1.7 million in 4Q 2022 as compared to loss before tax of RM43.3 million in 4Q 2021. In the preceding year corresponding quarter, the loss before tax was mainly due to the impairment of property, plant and equipment of RM39.0 million.

*Performance of the respective business segments for 4Q 2022 compared to the corresponding quarter of 2021 are as follows:-*

*Print and Digital* – 4Q 2022 revenue has increased by 18% against 4Q 2021 mainly driven by operational enhancement which has led to improvement in advertising bookings. This segment recorded a loss before tax of RM0.4 million in 4Q 2022 as compared to loss before tax of RM44.1 million in 4Q 2021.

*Radio Broadcasting* – Radio generated a higher revenue by 26% amounting to RM8.7 million in 4Q 2022 as compared to RM6.9 million in 4Q 2021. This segment recorded a profit before tax of RM1.1 million as compared to 4Q 2021 profit before tax of RM0.5 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 4Q 2022 compared to a profit before tax of RM0.3 million in 4Q 2021.

	Financial year 31.12.2022 (FY2022) RM'000	Financial year 31.12.2021 (FY2021) RM'000
Revenue	216,959	187,113
Consolidated Profit/(Loss) before tax	8,750	(149,730)
Consolidated Profit/(Loss) after tax	6,884	(132,430)

*Performance of the Group for the financial year ended 31 December 2022 compared to 31 December 2021 as follows:-*

The Group recorded revenue of RM217.0 million for FY2022, representing an increase of 16% as compared to FY2021. 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 RM8.8 million for FY2022, a significant improvement from loss before tax of RM149.7 million in FY2021. The loss before tax recorded in FY2021 includes the the impairment of property, plant and equipment of RM71.6 million and the reversal of compensation income of RM50.5 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 FY2022 stood at RM184.2 million compared to RM159.5 million in FY2021. The increase of 15% compared to FY2021 was contributed by the print advertising, digital advertorial pillar and growth marketing. This segment recorded a profit before tax of RM0.9 million in FY2022 as compared to loss before tax of RM151.3 million in FY2021.

*Radio Broadcasting* – Radio generated a higher revenue of RM33.6 million in FY2022, a 31% increase as compared to RM25.7 million in FY2021 mainly attributed by the increase in commercial airtime revenue. This segment recorded a profit before tax of RM7.2 million as compared to a profit before tax of RM1.2 million in FY2021.

Event and exhibition – This segment recorded a loss before tax of RM0.8 million in FY2022 and FY2021 respectively.

**B2. Variation of results against preceding quarter**

	Current Quarter 31.12.2022 (4Q 2022) RM'000	Preceding Quarter 30.09.2022 (3Q 2022) RM'000
Revenue	58,013	53,627
Consolidated Profit before tax	1,693	1,940
Consolidated (Loss)/Profit after tax	388	2,200

4Q 2022 recorded an increase in revenue of 8% to RM58.0 million as compared to RM53.6 million in 3Q 2022 mainly attributed to the increase in revenue of Print and Digital of the Group. The Group recorded a profit before tax of RM1.7 million compared to 3Q 2022 of RM1.9 million, a slight reduction, as operating expenses increase due to the rising newsprint costs as MYR weakens against USD.

**B3. Prospects**

The Group capitalised on the growth in economic activities and continuous upbeat consumer spending which has resulted in an increase in advertising bookings as businesses are resuming operations to pre-pandemic level.

The focus on revenue initiatives have translated into growth in our financial performance. Despite the improvement, we expect rising recession risk due to the effects of global economic instability. 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 print publication, 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 year ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	148	5,859	709	6,195
2. Foreign taxation	-	-	-	-
3. Deferred taxation	1,157	(23,495)	1,157	(23,495)
	1,305	(17,636)	1,866	(17,300)

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**

- a) 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 December 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
<b>Total</b>	<b>152,500</b>	<b>(86,000)</b>	<b>66,500</b>	

**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.

- b) On 10 February 2023, the Company entered into a conditional sale and purchase agreement with Matang Berhad for the proposed disposal of two (2) units of double-storey semi-detached factory and warehouse annexed with a one-and-a-half (1 ½)-storey office building and other ancillary buildings to be erected on part of the land held under Geran 204626, Lot 78658, Mukim Damansara, Daerah Petaling, Negeri Selangor by SMG Land Sdn Bhd, a wholly-owned subsidiary of the Company, to Matang at the aggregated disposal consideration of RM33,000,000 only, to be satisfied via a combination of cash payment and via issuance of 357,000,000 new ordinary shares of Matang. As at the end of the reporting period, the disposal is yet to be completed.

**B7. Lease liabilities**

The Group's lease liabilities as at the end of the reporting year are as follows:

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
<b>Short Term Lease Liabilities</b>		
Unsecured		
- Finance lease	636	634
- Lease liabilities	1,421	1,554
	2,057	2,188
<b>Long Term Lease Liabilities</b>		
Unsecured		
- Finance lease	4,602	746
- Lease liabilities	7,574	13,495
	12,176	14,241

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.

## Additional information required by Bursa Malaysia Securities Listing Requirements

### **B8. Changes in material litigation (cont'd)**

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**").

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.



## Additional information required by Bursa Malaysia Securities Listing Requirements

### **B8. Changes in material litigation (cont'd)**

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**").

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.

## Additional information required by Bursa Malaysia Securities Listing Requirements

### **B8. Changes in material litigation (cont'd)**

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.

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.

**Additional information required by Bursa Malaysia Securities Listing Requirements****B8. Changes in material litigation (cont'd)**

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.

**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 year ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Group's profit/(loss) after tax attributable to owners of the parent (RM'000)	388	(25,649)	6,921	(132,359)
Weighted average number of ordinary shares outstanding ('000)	724,765	724,765	724,765	724,765
<b>Basic earnings/(loss) per share (sen)</b>	<b>0.05</b>	<b>(3.54)</b>	<b>0.95</b>	<b>(18.26)</b>

**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  
21 February 2023  
Petaling Jaya, Selangor Darul Ehsan