



STAR MEDIA GROUP BERHAD
Company No. 197101000523 (10894-D)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2023**

Unaudited Condensed Consolidated Statement of Profit or Loss

	Note	3 months ended		Financial period ended	
		30.06.2023	30.06.2022 (restated)	30.06.2023	30.06.2022 (restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		58,022	53,874	110,010	106,546
Operating expenses	A8	(60,950)	(54,746)	(116,259)	(106,607)
Other operating income	A9	4,352	3,246	9,029	5,646
Profit from operations		1,424	2,374	2,780	5,585
Finance cost		(199)	(230)	(406)	(468)
Profit before tax		1,225	2,144	2,374	5,117
Taxation	B5	(434)	(350)	(445)	(821)
Profit for the financial period		791	1,794	1,929	4,296
Attributable to:					
Owners of the parent		791	1,812	1,929	4,333
Non-controlling interests		-	(18)	-	(37)
		791	1,794	1,929	4,296
Basic/Diluted earnings per ordinary share (sen):		0.11	0.25	0.27	0.60

(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 December 2022)

Included in the Operating Expenses are depreciation and amortisation expenses:

	(3,885)	(3,766)	(7,802)	(7,800)
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**Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2023**

	3 months ended		Financial period ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Profit for the financial period	791	1,794	1,929	4,296
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
- exchange differences on translating foreign operations	23	20	24	23
Total comprehensive income for the financial period	814	1,814	1,953	4,319
Attributable to:				
Owners of the parent	814	1,832	1,953	4,356
Non-controlling interests	-	(18)	-	(37)
	814	1,814	1,953	4,319

(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 2022)

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2023

	30 June 2023 RM'000	31 December 2022 RM'000
Non-current assets		
Property, plant and equipment	153,448	155,372
Investment properties	141,470	143,056
Intangible assets	23,038	23,503
Right-of-use assets	11,752	12,728
Other investments		
-Financial assets at fair value through profit or loss	141	109
Deferred tax assets	1,221	1,221
	331,070	335,989
Current assets		
Inventories	10,445	8,943
Property development costs	13,980	9,656
Trade and other receivables	45,306	46,574
Contract assets	1,330	-
Current tax assets	25	9,351
Cash and bank balances	366,375	364,825
	437,461	439,349
TOTAL ASSETS	768,531	775,338

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 June 2023 (cont'd)

	30 June 2023 RM'000	31 December 2022 RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(6,124)	(6,124)
Reserves	(85,584)	(80,289)
Total equity	646,856	652,151
Non-current liabilities		
Lease liabilities	10,488	11,534
Deferred tax liabilities	53	53
	10,541	11,587
Current liabilities		
Trade and other payables	107,773	108,891
Contract liabilities	627	-
Lease liabilities	2,721	2,699
Taxation	13	10
	111,134	111,600
Total Liabilities	121,675	123,187
TOTAL EQUITY AND LIABILITIES	768,531	775,338
Net assets per share attributable to owners of the parent (RM)	0.89	0.90

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 June 2023

[----- 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 Equity RM'000
Balance as at 1 January 2023	738,564	2,651	(6,124)	(82,940)	652,151
Total comprehensive income for the period	-	24	-	1,929	1,953
Dividend paid	-	-	-	(7,248)	(7,248)
Balance as at 30 June 2023	738,564	2,675	(6,124)	(88,259)	646,856

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 June 2023 (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 2022	738,564	2,610	(6,124)	(87,877)	647,173	(1,947)	645,226
Total comprehensive income for the period	-	23	-	4,333	4,356	(37)	4,319
Acquisition of non-controlling interest	-	-	-	(1,984)	(1,984)	1,984	-
Balance as at 30 June 2022	738,564	2,633	(6,124)	(85,528)	649,545	-	649,545

(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 2022)

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2023

	30 June 2023 RM'000	30 June 2022 RM'000
Profit before tax	2,374	5,117
Adjustments for non-cash flow items:-		
Non-cash items	8,953	7,726
Non-operating items	(6,239)	(2,805)
Operating profit before working capital changes	5,088	10,038
Changes in working capital		
Net change in current assets	(10,003)	(2,000)
Net change in current liabilities	2,414	(5,474)
Cash (used in)/generated from operations	(2,501)	2,564
Net tax refund/(paid)	8,883	(265)
Net cash generated from operating activities	6,382	2,299
Investing Activities		
Proceeds from disposal of property, plant and equipment	27	109
Purchases of property, plant and equipment	(2,682)	(1,160)
Purchases of intangible assets	(42)	(71)
Interest and investment income received	6,645	3,273
Net cash generated from investing activities	3,948	2,151
Financing Activities		
Interest paid	(406)	(468)
Repayment of lease liabilities	(1,151)	(1,233)
Dividend paid	(7,248)	-
Net cash used in financing activities	(8,805)	(1,701)
Net increase in cash and cash equivalents	1,525	2,749
Effect of exchange rates fluctuations on cash held	25	28
Cash and cash equivalents at beginning of the period	364,825	343,085
Cash and cash equivalents at end of the period	366,375	345,862

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 June 2023 RM'000	30 June 2022 RM'000
Deposits placed with licensed banks	347,112	336,025
Cash and bank balances	19,263	9,837
	366,375	345,862

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022).

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 2022.

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 2022 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial year:

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>
Amendments to MFRS 101	<i>Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies</i>
Amendments to MFRS 101	<i>Non-Current Liabilities with Covenants</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 112	<i>International Tax Reform – Pillar Two Model Rules</i>

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 2024

Amendments to MFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 107 and MFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

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 June 2023.

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 June 2023.

A6. Dividend paid

In respect of the financial year ended 31 December 2022

First and final dividend of 1.0 sen per ordinary share,
paid on 6 June 2023

RM'000

7,248

Notes to the interim financial report

A7. Segment Reporting

	Print, digital and events RM'000	Radio RM'000	Property Development & Investment RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<u>Financial period ended</u>						
<u>30 June 2023</u>						
Sales to external customers	90,878	14,903	4,229	-	-	110,010
Inter-segment sales	947	-	-	13,441	(14,388)	-
Total revenue	91,825	14,903	4,229	13,441	(14,388)	110,010
Profit/(Loss) before tax	571	1,231	(130)	702	-	2,374
Assets	494,524	66,679	201,350	5,978	-	768,531
<u>Financial period ended</u>						
<u>30 June 2022 (restated)</u>						
Sales to external customers	88,113	17,076	1,357	-	-	106,546
Inter-segment sales	211	8	-	13,842	(14,061)	-
Total revenue	88,324	17,084	1,357	13,842	(14,061)	106,546
Profit/(Loss) before tax	1,931	4,870	(2,143)	459	-	5,117
Assets	472,101	85,166	196,871	6,362	-	760,500

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

	3 months ended		Financial period ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Allowance of credit losses	944	215	1,457	(8)
Foreign exchange loss	-	36	3	155

A9. Other operating income

	3 months ended		Financial period ended	
	30.06.2023 RM'000	30.06.2022 (restated) RM'000	30.06.2023 RM'000	30.06.2022 (restated) RM'000
Interest income	95	65	227	126
Investment income	3,226	1,656	6,418	3,147
Reversal of allowance of credit losses	111	-	252	-
Foreign exchange gain	43	2	59	7
Gain on disposal of property, plant and equipment	27	-	27	36
Other income	850	1,523	2,046	2,330
Total	4,352	3,246	9,029	5,646

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	259
- not contracted	2,314
	2,573

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

	Current Year Quarter 30.06.2023 (2Q 2023) RM'000	Preceding Year Corresponding Quarter 30.06.2022 (2Q 2022) RM'000 (restated)
Revenue	58,022	53,874
Consolidated Profit before tax	1,225	2,144
Consolidated Profit after tax	791	1,794

The Group's total revenue in 2Q 2023 is RM58.0 million, an increase of 8% as compared to 2Q 2022. The Group registered a lower profit before tax of RM1.2 million in 2Q 2023 as compared to RM2.1 million in 2Q 2022.

Performance of the respective business segments for 2Q 2023 compared to the corresponding quarter of 2022 are as follows:-

Print, Digital and Events – 2Q 2023 revenue increased by 7% against 2Q 2022. This segment recorded a profit before tax of RM0.1 million in 2Q 2023 as compared to a profit before tax of RM0.4 million in 2Q 2022 due to an increase in newsprint costs.

Radio Broadcasting – Radio generated a lower revenue by 15% amounting to RM7.3 million in 2Q 2023 as compared to RM8.6 million in 2Q 2022. This segment recorded a profit before tax of RM0.4 million as compared to 2Q 2022 profit before tax of RM2.7 million which was affected by seasonality factors thus lower revenue contribution of commercial airtime.

Property Development & Investment – This segment generated revenue of RM2.9 million in 2Q 2023 compared to RM0.7 million in 2Q 2022. This is mainly attributed as the Group launched the Star Business Hub project. Property development & investment segment recorded a profit before tax of RM0.4 million in 2Q 2023 compared to a loss before tax of RM1.1 million in 2Q 2022.

	6 months ended 30.06.2023 (1H 2023) RM'000	6 months ended 30.06.2022 (1H 2022) RM'000 (restated)
Revenue	110,010	106,546
Consolidated Profit before tax	2,374	5,117
Consolidated Profit after tax	1,929	4,296

Performance for the Group for 6 months ended 30 June 2023 compared to 30 June 2022 are as follows:-

The Group recorded revenue of RM110.0 million in 1H 2023, representing an increase of 3% as compared to 1H 2022. The increase was mainly driven by the launch of the Star Business Hub property development project and also increase in cover price of The Star. The Group recorded profit before tax of RM2.4 million in 1H 2023 as compared to a profit before tax of RM5.1million in 1H 2022.

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, Digital and Events – Revenue in 1H 2023 stood at RM90.9 million compared to RM88.1 million in 1H 2022. The increase of 3% compared to 1H 2022 was contributed by the cover price increase and increase in print advertising. This segment recorded a profit before tax of RM0.6 million in 1H 2023 as compared to profit before tax of RM1.9 million in 1H 2022.

Radio Broadcasting – Radio recorded revenue of RM14.9 million in 1H 2023, a 13% decrease as compared to RM17.1 million in 1H 2022 mainly due to seasonality factors. This segment recorded a profit before tax of RM1.2 million in 1H 2023 as compared to a profit before tax of RM4.9 million in 1H 2022.

Property Development & Investment – Revenue in 1H 2023 was RM4.2 million as compared to RM1.4 million in 1H 2022 mainly due to the launch of Star Business Hub and an increase in occupancy rate of the properties. This segment recorded a loss before tax of RM0.1 million in 1H 2023 compared to a loss before tax of RM2.1 million in 1H 2022.

B2. Variation of results against preceding quarter

	Current Quarter 30.06.2023 (2Q 2023) RM'000	Preceding Quarter 31.03.2023 (1Q 2023) RM'000
Revenue	58,022	51,988
Consolidated Profit before tax	1,225	1,149
Consolidated Profit after tax	791	1,138

2Q 2023 recorded an increase in revenue of 12% to RM58.0 million as compared to RM52.0 million in 1Q 2023 mainly attributed to the increase in revenue from Print, Digital and Events as well as Property Development & Investment segments of the Group. The Group recorded a profit before tax of RM1.2 million, a marginal increase compared to RM1.1 million in the preceding quarter.

B3. Prospects

The Group remains financially prudent and continually focuses on its revenue enhancement initiatives and operational efficiency improvements.

The Group continues to increase its range of products such as the BM print publication, Majoriti 7, launched in 2022 and the recent introduction of its weekly business print publication, Star Biz7.

Based on the prevailing market conditions, the Group remains cautiously optimistic on its future outlook, while striving to sustain its financial performance.

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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	434	350	445	821
2. Foreign taxation	-	-	-	-
3. Deferred taxation	-	-	-	-
	434	350	445	821

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 ceased 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 June 2023, 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	By 31 December 2024
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 2023 was extended to 31 December 2024 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 ("Matang") 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. For avoidance of doubt, the resolution on the proposed disposal was not approved by the shareholders of the Company at its Extraordinary General Meeting held on 31 May 2023 and subsequently, on 17 July 2023, the said sale and purchase agreement was terminated.

B7. Lease liabilities

The Group's lease liabilities as at the end of the financial period are as follows:

	As at 30.06.2023 RM'000	As at 30.06.2022 RM'000
Short Term Lease Liabilities		
Unsecured - Lease liabilities	2,721	1,961
Long Term Lease Liabilities		
Unsecured - Lease liabilities	10,488	13,235

All lease liabilities in 2023 and 2022 are denominated in Ringgit Malaysia.

B8. Changes in material litigation

The Company had on 19 August 2011 entered into a Sale and Purchase Agreement with JAKS Island Circle Sdn Bhd ("JIC") for the proposed disposal of the Company's land held under H.S. (D) 259880, No. Lot PT 16, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor together with the buildings erected thereon to JIC for a consideration of RM135,000,000 only ("JAKS SPA").

Under the JAKS SPA, JIC shall pay the purchase consideration partly through the completion, delivery and transfer of the legal title with vacant possession and certificate of completion and compliance, free from all encumbrances whatsoever of a fifteen (15) storey office block to be constructed on PT 16 ("Tower A") to the Company as the Company's entitlement.

Pursuant to the JAKS SPA, JIC shall also provide a bank guarantee for the sum of RM50,000,000 only in favour of the Company to guarantee, among others, the completion and delivery of the vacant possession of the Tower A in accordance with the terms of the JAKS SPA. In addition, JIC's holding company, JAKS Resources Berhad ("JRB") shall also provide a corporate guarantee in favour of the Company to guarantee the performance of the obligations of JIC under the JAKS SPA ("JRB Corporate Guarantee").

Additional information required by Bursa Malaysia Securities Listing Requirements

B8. Changes in material litigation (cont'd)

As JIC had failed to deliver the vacant possession of Tower A by the stipulated timeline, the Company had, on 15 February 2018, made a demand on the bank guarantees amounting to RM50,000,000 (“JIC Bank Guarantees”) in accordance with the terms of the JAKS SPA. In an attempt to injunct or prevent the Company from calling on the JIC Bank Guarantees, JIC had, on 23 February 2018, initiated suits WA-24C(ARB)-11-02/2018 and WA-24C(ARB)-12-02/2018 (collectively, “OS 11 & 12”) in the High Court.

The High Court in OS 11 & 12 had ruled in favour of the Company for the release of the JIC Bank Guarantees by the financial institutions in the sum of RM50,000,000 to the Company and ultimately rejected JIC’s contention that the Company’s calls on the JIC Bank Guarantees were unconscionable and premature. This decision was further upheld by the Court of Appeal, and JIC’s motions for leave to appeal to the Federal Court against the decision of the Court of Appeal were dismissed on 7 January 2019.

Subsequently, the Company had on 19 April 2019 filed a Writ of Summons and a Statement of Claim against JRB vide the Civil Suit No. WA-22NCvC-258-04/2019 (“Suit 258”) for JRB’s alleged breach and failure to perform its obligations under the JRB Corporate Guarantee. The Company has claimed for, among others, specific performance to order JRB to complete or cause to be completed JIC’s obligations under the JAKS SPA by 31 October 2019 in full and proper compliance with the terms of the JAKS SPA and damages being the late payment interest calculated at eight (8%) per annum on the balance purchase price under the JAKS SPA of RM134,500,000 from 25 October 2015 until the date of full payment of the RM134,500,000.

Thereafter, JRB and JIC (collectively, “JAKS”) had filed a counterclaim and served a Writ of Summons and a Statement of Claim both dated 30 May 2019 against the Company for an alleged premature call on the JIC Bank Guarantees. JAKS in this Suit No. WA-22NCvC-374-05/2019 (“Suit 374”) has claimed for among others, the sum of RM50,000,000 pursuant to the JIC Bank Guarantees to be refunded or returned and the sum of RM248,242,988 as liquidated and ascertained damages and RM297,035,481 for loss of proceeds from JRB’s corporate fundraising exercises.

The Company had on 1 August 2019 filed an application for a preliminary determination under Order 14A of the Rules of Court and to strike out JAKS’ counter claim in Suit 258 and Suit 374 respectively on the grounds of res judicata and multiplicity of proceedings. The Company contended that JAKS’ position in both Suit 258 and Suit 374 on the alleged variations of the building plans which required the resubmission of the plans for the approval of Majlis Bandaraya Petaling Jaya and the alleged new completion date under the JAKS SPA being 20 June 2020 were exactly the same arguments raised by JIC (“Alleged Variations and Alleged New Completion Date”) in the previous suits OS 11 & 12, which had been fully litigated in the High Court.

In respect of Suit 258, the High Court had on 7 August 2020 allowed the Company’s application for preliminary determination under Order 14A partially and, among others, ordered JRB to compensate the Company at the rate of eight (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 JAKS SPA. However, the High Court dismissed the Company’s question in the same application to compel JRB to provide full set of the construction drawings, details and specifications requested by the Company in order to carry out a proper and meaningful joint inspection (“the Dismissal”). Therefore, JRB had on 21 August 2020 appealed against the decision delivered in favour of the Company and the Company had on 1 September 2020 also appealed against the Dismissal.

Additional information required by Bursa Malaysia Securities Listing Requirements

B8. Changes in material litigation (cont'd)

In respect of Suit 374, the High Court had on 28 September 2020 dismissed the Company's application for preliminary determination. Subsequently, the Company had on 2 October 2020 filed an appeal against the decision of the High Court in respect of Suit 374.

Hence, there were three (3) appeals in total filed in the Court of Appeal as follows:

- a) Appeal No. W-02(IM)(NCVC)-1122-08/2020 filed by JRB against the orders in favour of the Company's preliminary determination in Suit 258;
- b) Appeal No. W-02(IM)(NCVC)-1188-09/2020 filed by the Company against the Dismissal in Suit 258; and
- c) Appeal No. W-02(IM)(NCVC)-1435-09/2020 filed by the Company against the dismissal of the Company's application for preliminary determination in Suit 374.

On appeal, the Court of Appeal heard the three (3) appeals together and decided against the Company on 27 July 2021. As a result, the Company had on 25 August 2021 filed three (3) motions for leave to appeal to the Federal Court against the decision of the Court of Appeal. As JIC has been put into creditors' voluntary winding-up, any legal proceedings against a company in liquidation shall be subject to leave from the High Court being obtained. The Company filed an Originating Summon for leave which was granted by the High Court on 6 October 2022 to continue the appeal proceedings against JIC. The leave application to the Federal Court in respect of the three (3) motions was heard on 23 February 2023 whereupon the Federal Court has unanimously granted the Company the leave to appeal against the Court of Appeal's decision, to the Federal Court.

Accordingly, the Company had on 6 March 2023 filed and served the notices of appeal to the Federal Court and JAKS ("Federal Court Appeals"). The Federal Court had sealed and registered the notices of the Federal Court Appeals and fixed 8 May 2023 for case management. During the case management on 8 May 2023, the Federal Court set the next case management on 3 July 2023 for the Company to update on the status of the filing of the grounds of judgement from the Court of Appeal as a Supplementary Records of Appeal. On 15 August 2023, the Federal Court had directed the filing of a supplemental record of appeal to include the Court of Appeal's grounds of the three (3) appeals by 29 August 2023, pending the fixing of a hearing date for the Federal Court Appeals.

Pending the outcome of the Federal Court Appeals as stated above, the High Court had fixed five (5) days trial from 4 March 2024 to 8 March 2024 for both Suit 258 and Suit 374, which will be heard together. During the case management on 15 March 2023, the High Court had instructed the Company to formally file a notice of application supported by affidavit for the stay application made by the Company, which was fixed for hearing on 22 May 2023. On 22 May 2023, the High Court allowed the Company's stay application and the initial five (5) trial dates in March 2024 has been vacated pending the outcome of the Federal Court Appeals.

Additional information required by Bursa Malaysia Securities Listing Requirements**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 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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Group's profit after tax attributable to owners of the parent (RM'000)	791	1,812	1,929	4,333
Weighted average number of ordinary shares outstanding ('000)	724,765	724,765	724,765	724,765
Basic earnings per share (sen)	0.11	0.25	0.27	0.60

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 August 2023
Petaling Jaya, Selangor Darul Ehsan