

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018.**

**THE FIGURES HAVE NOT BEEN AUDITED**

The Directors are pleased to announce the 3rd Quarter unaudited financial results for the financial period ended 30 September 2018.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Sep-2018	Preceding Year Quarter ended 30-Sep-2017	Current Year To-date ended 30-Sep-2018	Preceding Year To-date ended 30-Sep-2017
	RM'000	RM'000	RM'000	RM'000
Revenue	125,155	140,395	513,688	466,128
Cost of Sales	(112,081)	(121,921)	(438,821)	(399,628)
Gross Profit	13,074	18,474	74,867	66,500
Other Operating Income	1,877	140	10,533	8,494
Other Operating, Administrative, Selling and Distribution expenses	(22,235)	(480)	(64,437)	(45,144)
Operating Profit/(Loss) before finance cost	(7,284)	18,134	20,963	29,850
Finance cost	(4,617)	(6,884)	(16,005)	(20,133)
Operating Profit/(Loss) after finance cost	(11,901)	11,250	4,958	9,717
Share of Profit / (Loss) in Joint Venture	-	(37)	(50)	(105)
Profit/(Loss) Before Taxation	(11,901)	11,213	4,908	9,612
Taxation	(112)	(1,298)	(1,586)	(1,884)
Net Profit/(Loss) For The Period	(12,013)	9,915	3,322	7,728
Other Comprehensive Income / (Loss)				
Foreign currency translation	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	(12,013)	9,915	3,322	7,728
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	(2,776)	9,654	27,803	19,177
Non-Controlling Interests	(9,237)	261	(24,481)	(11,449)
	(12,013)	9,915	3,322	7,728
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	(0.52)	2.09	5.25	4.16
- Diluted	(0.52)	2.00	5.25	3.98
Weighted average number of Ordinary Shares in issue	529,392	461,308	529,392	461,308
Weighted average number of Ordinary Shares in issue (diluted)	529,392	482,247	529,392	482,247

Notes :

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements.

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018.**

	(Unaudited) As At End Of Financial Period End 30-Sep-2018  RM'000	(Audited) As At End Of Financial Year End 31-Dec-2017  RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	4,715	6,955
Investment properties	644,610	644,636
Investment in Joint Venture	119,515	119,565
Golf Club memberships	334	334
Goodwill on Consolidation	148,501	148,501
Deferred Tax Assets	2,325	2,325
	920,000	922,316
<b>Current Assets</b>		
Inventories	1,572	1,813
Property Development Costs	49,456	71,450
Amount due from customers for contract works	439,397	514,999
Trade and Other Receivables	463,865	352,072
Amount due by Joint Venture	11,552	10,157
Deposits placed with licensed banks	77,465	88,031
Cash and bank balances	162,306	129,979
	1,205,613	1,168,501
<b>Total Assets</b>	2,125,613	2,090,817
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
<b>Share Capital</b>	598,974	524,387
<b>Share Options Reserve</b>	3,219	4,325
<b>Translation Reserve</b>	(7,152)	(11,071)
<b>Accumulated Profit</b>	206,759	180,437
	801,800	698,078
<b>Non-controlling interests</b>	41,550	66,031
<b>TOTAL EQUITY</b>	843,350	764,109
<b>Non-Current Liabilities</b>		
Long Term Borrowings	323,382	310,611
Deferred Tax Liabilities	153	153
	323,535	310,764
<b>Current Liabilities</b>		
Trade and Other Payables	840,089	796,723
Tax Payable	1,043	862
Bank borrowings	99,382	153,183
Bank overdraft	18,214	65,176
	958,728	1,015,944
<b>TOTAL EQUITY AND LIABILITIES</b>	2,125,613	2,090,817
No of Ordinary Shares	545,943	492,747
Net Assets Per Share attributable to Owners of the parent (RM)	1.47	1.42

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements).

# JAKS RESOURCES BERHAD

(COMPANY NO. 585648-T)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018.

	Current Year 9 Months ended 30-Sep-2018 RM'000	Preceding Year 9 Months ended 30-Sep-2017 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax for the period	4,908	9,612
Adjustment for:		
Depreciation and amortisation	10,185	10,545
Interest expense	16,005	20,528
Interest income	(1,219)	(395)
Gain on disposal of land held for development	(5,830)	-
Gain on disposal of plant & equipment	(101)	196
Allowance for doubtful debts no longer required	-	(6,945)
Share of (Profit) / Loss in Joint Venture	50	105
Unrealised (Gain) / Loss on foreign exchange	-	(254)
Share options expenses	-	7,595
Provision for liquidated ascertained damages	23,537	923
Operating profit before working capital changes	47,535	41,910
(Increase)/Decrease in working capital		
Inventories	241	1,088
Amount due from customers for contract works	75,602	13,416
Trade and other receivables	(250,593)	(55,276)
Amount due from Joint Venture company	(1,345)	(44,625)
Property Development Expenditure	21,994	206,508
Trade and other payables	19,829	21,439
Land held for property development	-	(249)
	(134,272)	142,301
	(86,737)	184,211
Interest paid	(6,196)	(10,975)
Income tax paid	(1,424)	(5,664)
<b>Net Operating Cash Flow</b>	<b>(94,357)</b>	<b>167,967</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(422)	(40)
Interest received	1,219	-
Proceeds from disposal of property, plant & equipment	1,255	486
Proceeds from disposal of land held for development (net)	144,599	-
Addition to investment properties	(8,651)	(194,924)
Withdrawal / (Placement) of Fixed Deposits	10,566	-
Bank balance held as security values	(50,000)	-
<b>Net Investing Cash Flow</b>	<b>98,566</b>	<b>(189,578)</b>
<b>Cash flows from financing activities</b>		
Net Proceeds from shares issued	72,001	58,404
Interest paid	(9,809)	(9,553)
Drawdown / (Repayment) of short term borrowings	(53,663)	(3,597)
Drawdown (Repayment) of hire purchase liabilities	50	(1,563)
Drawdown / (Repayment) of bank term loans	12,583	6,303
<b>Net Financing Cash Flow</b>	<b>21,162</b>	<b>49,987</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018. (Cont.)**

	Current Year 9 Months ended 30-Sep-2018	Preceding Year 9 Months ended 30-Sep-2017
	RM'000	RM'000
<b>Net Change in Cash &amp; Cash Equivalents</b>	25,371	28,376
<b>Exchange translation differences</b>		
<b>Cash &amp; Cash Equivalents at beginning of the year</b>	63,610	(46,370)
<b>Translation Reserve</b>	3,919	(3,213)
<b>Cash &amp; Cash Equivalents at end of the period.</b>	92,900	(21,207)

**Cash and Cash Equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

Deposits placed with licensed banks	77,465	60,544
Cash & bank balances	162,306	46,451
Bank overdrafts	(18,214)	(66,466)
	221,557	40,529
Less : Deposit held as security values	(77,465)	(60,544)
Bank balance held as security values	(50,000)	-
Debt service reserves account	(1,192)	(1,192)
	92,900	(21,207)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2018.**

	Attributable to Equity Holders of the Company						Non-Controlling Interest	Total Equity
	Non-Distributable			Distributable				
	Share Capital	Share Premium	Share Options Reserve	Translation Reserve	Retained Earnings	Sub-Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Current Year</b>								
<b>Quarter ended</b>								
<b>30 September 2018.</b>								
<b>Balance as at</b>								
<b>1 January 2018</b>	524,387	-	4,325	(11,071)	180,437	698,078	66,031	764,109
Total Comprehensive Income for the Period	-	-	-	-	27,803	27,803	(24,481)	3,322
Foreign currency translation	-	-	-	3,919	-	3,919	-	3,919
Issuance of ordinary shares								
Private placement	68,491	-	-	-	-	68,491	-	68,491
Private placement expenses	-	-	-	-	(1,481)	(1,481)	-	(1,481)
LTIP shares	6,096	-	-	-	-	6,096	-	6,096
Share options issued	-	-	(1,106)	-	-	(1,106)	-	(1,106)
<b>Balance as at</b>								
<b>30 September 2018.</b>	598,974	-	3,219	(7,152)	206,759	801,800	41,550	843,350
<b>Preceding Year</b>								
<b>Quarter ended</b>								
<b>30 September 2017.</b>								
<b>Balance as at</b>								
<b>1 January 2017</b>	438,361	8,369	-	2,977	55,178	504,885	77,704	582,589
Total Comprehensive Income for the Period	-	-	-	-	19,177	19,177	(11,449)	(2,187)
Foreign currency translation	-	-	-	(3,213)	-	(3,213)	-	(2,080)
Issuance of ordinary shares								
Private placement	58,334	-	-	-	-	58,334	-	58,334
LTIP shares	70	-	-	-	-	70	-	70
Fair Value of LTIP shares upon exercised	15	-	-	-	-	15	-	15
Share options issued	-	-	7,595	-	-	7,595	-	7,595
Reversal Fair Value of LTIP shares from Share option reserves	-	-	(15)	-	-	(15)	-	-
Transfer from share premium	8,369	(8,369)	-	-	-	-	-	-
Additional investment in subsidiary by Minority shareholders	-	-	-	-	-	-	4,900	4,900
<b>Balance as at</b>								
<b>30 September 2017.</b>	505,149	-	7,580	(236)	74,355	586,848	71,155	658,003

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying notes attached to the interim financial statements).

## **JAKS RESOURCES BERHAD (Company No. 585648-T)**

### **A. NOTES TO THE INTERIM FINANCIAL REPORT**

#### **1. Basis of Preparation.**

The interim financial statements are unaudited and have been prepared in compliance with FRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017.

The accounting policies and methods of computations followed by the Group in this interim financial report are consistent with those adopted in financial statements of the Group for the year ended 31 December 2017, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS beginning 1 January 2018:

MFRS 9	Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 140	Investment Property – Transfers of Investment Property

The adoption of the revised standards and amendments that are applicable from the financial year beginning on 1 January 2018 is not expected to result in any material impact on the financial position and results of the Group.

#### **2. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial year ended 31 December 2017 have been reported on without any audit qualification.

#### **3. Seasonal or Cyclical Factors.**

The business activities of the Group are not significantly affected by seasonal and cyclical factors.

#### **4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows.**

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period under review.

#### **5. Material changes in estimates.**

There are no material changes in estimates for the period under review.

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

**6. Issuance and Repayment of Debt and Equity Securities.**

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period under review save as listed below:

a) Private Placement

On 30 March 2018, 49,631,200 ordinary shares were issued under the proposed private placement at an issue price of RM1.38 per ordinary share. The private placement raised proceeds of RM68,491,056.

The status of utilisation of proceeds as at September 2018 is as follows.

<b>Proposed utilisation of proceeds</b>	<b>Proceeds raised RM'000</b>	<b>Utilised as at 30.9.2018 RM'000</b>	<b>Timeframe for utilisation</b>
On-going projects undertaken by JRB and its subsidiaries ("JRB Group" or "Group")	45,000	35,000	Within 12 months
Working capital for the EVOLVE Concept Mall	20,000	14,000	Within 12 months
Working capital	1,791	1,791	Within 6 months
Estimated expenses relating to the Proposed Private Placement	1,700	1,700	Within 3 months
	68,491	52,491	

b) Long Term Incentive Plan ("LTIP")

On 24 May 2017, 24,500,000 share options under the LTIP were granted to eligible directors and employees of the Group at an exercise price of RM1.40.

For the 9 months ended 30 September 2018, 3,565,000 LTIP share options were exercised and the Company allotted 3,565,000 ordinary shares in the same period under review. As at 30 September 2018, 14,115,000 of the LTIP share options granted were exercised.

**7. Dividend.**

No dividend has been paid in respect of the financial period under review.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**8. Segmental Information for the Financial Period Ended 30 September 2018.**

Segment information was presented in respect of the Group's business segment. Inter-segment pricing was determined based on a negotiated basis.  
Business Segments.

	Construction RM'000	Property Development & Investment RM'000	Investment Holding & Others RM'000	Elimination RM'000	Total RM'000
REVENUE					
External Revenue	413,850	96,744	3,094	-	513,688
Inter-Company	67,443	12,579	9,603	(89,625)	-
	481,293	109,323	12,697	(89,625)	513,688
Segment Results	55,713	(41,843)	(3,440)		10,430
Other Income					10,533
Finance Cost					(16,005)
Profit After Finance cost					4,958
Share of Loss in Joint Venture					(50)
Profit Before Taxation					4,908
Taxation					(1,586)
Profit After Taxation					3,322
<u>Attributable to:</u>					
Owners of the Company					27,803
Non-Controlling Interests					(24,481)
					3,322

The Group's revenue for the period ended 30 September 2018 based on geographical location is presented as follows:

	RM'000
Malaysia	324,400
Vietnam	189,288
	-----
Total	513,688
	=====



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

**9. Valuation of Property, Plant & Equipment.**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statement for the year ended 31 December 2017.

**10. Subsequent Events.**

Save for the status of the information as described in Note 12 in Part B, there were no significant subsequent events between the date of the last financial statements used in the preparation of this report and the date of this report, which will affect materially the content of this report.

**11. Effect of Changes in the Composition of the Group.**

There were no changes in the composition of the Group during the period.

**12. Changes in Contingent Liabilities.**

The changes in contingent liabilities of the Group since 31 December 2017 until 30 September 2018 were as follows: -

	As at 30 Sep 2018 RM'000	As at 31 Dec 2017 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	140,904	140,363
Liquidated and ascertained damages	31,543	23,495
	----- 172,447 =====	----- 163,858 =====

**13. Material Commitment**

Save as disclosed below, there are no material commitments incurred or known to be incurred by the Group that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results/position of the Group:-

There is capital contribution contracted but not provided for in respect of shares subscription in the joint venture, JAKS Pacific Power Limited, amounting to approximately USD110.14 million or RM456 million, using exchange rate of USD1 : RM4.1405 as at 28 September 2018.

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

**1. Review of Financial Performance.**

	Current Year Quarter ended 30/9/2018 RM'000	Preceding Year Quarter Ended 30/9/2017 RM'000	Changes %	Current Year To-date Ended 30/9/2018 RM'000	Preceding Year To-date Ended 30/9/2017 RM'000	Changes %
<u>Revenue</u>						
Construction	90,230	117,299	(23)	413,850	369,166	12
Property Development & Investment	33,596	21,778	54	96,744	92,401	5
Investment Holding & Others	1,329	1,318	1	3,094	4,561	(32)
<b>Total</b>	<b>125,155</b>	<b>140,395</b>	<b>(11)</b>	<b>513,688</b>	<b>466,128</b>	<b>10</b>
<u>Profit/(Loss) Before Taxation</u>						
Construction	7,464	12,151	(39)	52,106	39,342	32
Property Development & Investment	(17,761)	1,003	(1,870)	(42,765)	(22,880)	(87)
Investment Holding & Others	(1,604)	(1,941)	17	(4,433)	(6,850)	(35)
<b>Total</b>	<b>(11,901)</b>	<b>11,213</b>	<b>(206)</b>	<b>4,908</b>	<b>9,612</b>	<b>(49)</b>

The Group achieved revenue of RM125.2 million for the current quarter ended 30 September 2018, a decrease of approximately 11% from the previous year's corresponding quarter of RM140.4 million. The decrease was mainly attributable to slower work progress from existing domestic projects where revenue dropped by RM17.0 million and lower construction billing from the Vietnam EPC project with a reduction in revenue of RM10.0 million in the current quarter.

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

The main contributor to the current quarter's revenue was the Construction division with revenue of RM90.2 million of which RM32.8 million was derived from the Vietnam EPC construction work. The Property Development & Investment division contributed RM33.6 million to the Group's revenue for the current quarter.

Despite the lower revenue achieved, the Group still achieved positive gross profit of RM13.1 million in the quarter under review, a decrease of 29% from the gross profit of RM18.5 million in the third quarter of 2017. The Group incurred a loss before tax of RM11.9 million in the current year's third quarter as compared to a profit before tax of RM11.2 million in the previous year's corresponding quarter. This was mainly due to RM18.1 million reversal of liquidated and ascertained damages ("LAD") in the preceding year third quarter as the amount was reclassified to contingent liability pending the finalisation of the account settlement.

The Construction division achieved lower revenue of RM90.2 million in the current year quarter as compared to RM117.3 million achieved in the preceding year's corresponding quarter following slower construction works locally and abroad. This resulted in lower profit before tax of RM7.5 million in the quarter under review for this division.

The Property Development & Investment division recorded a loss before tax of RM17.8 million in the quarter under review as compared to a profit before tax of RM1.0 million in the third quarter of 2017. The difference was mainly due to RM18.1 million LAD reversal in the preceding year third quarter as the amount was reclassified to contingent liability pending the finalisation of the account settlement.

The Investment Holding & Others division recorded a lower loss before tax of RM1.6 million in the quarter under review as compared to a loss before tax of RM1.9 million incurred in the previous year's corresponding quarter. This was in line with the division's strategy to manage its cost to achieve some cost savings in the Group.

For the 9 months financial period ended 30 September 2018, the Group achieved revenue of RM513.7 million and profit before tax of RM4.9 million. This represents a year-on-year growth of 10% to the revenue. The Construction division contributed revenue of RM413.9 million and profit before tax of RM52.1 million. The Vietnam EPC construction works continued to be the main contributor to the Construction division with RM189.3 million revenue and RM48.9 million profit. The overall profitability of the Group was affected by the Property Development & Investment division as this division incurred a higher loss before tax of RM42.8 million in the nine months period of 2018 as compared to a loss before tax of RM22.9 million in the corresponding period of 2017. The losses in the Property Development & Investment division were mainly due to the operating expenses, depreciation charge, financing expenses to operate the mall and the allowance made for LAD.

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

**2. Variation of Results against Preceding Period.**

	Current Year Quarter 1/7/18-30/9/18 <u>RM'000</u>	Immediate Preceding Quarter 1/4/18 – 30/6/18 <u>RM'000</u>	Changes %
Revenue	125,155	178,336	(30)
Profit/(Loss) before tax	(11,901)	6,028	(297)

The Group achieved RM125.2 million revenue for the current quarter, a decrease of 30% from the revenue of RM178.3 million in the preceding quarter ended 30 June 2018. There was lower revenue of RM34.7 million recognised in the current quarter from the EPC construction work with the lower work progress billings as compared to RM63.5 million revenue on the progress work in the preceding quarter under review which in line with the progress of the work schedule.

Corresponding with the lower schedule of work progress from the EPC construction work from RM63.5 million in the preceding quarter to RM32.8 million recognised in the current quarter, the Group's incurred a loss before tax of RM11.9 million in the current quarter under review as compared to RM6.8 million a loss before tax incurred in the second quarter of 2018.

**3. Prospects.**

The progress of the construction for Vietnam power plant is proceeding as scheduled. Vietnam EPC construction works is expected to meet the project schedule in the coming quarters. The local Construction division outlook is challenging but the progress is meeting expectation. Overall, the Construction division is expected to perform satisfactorily in 2018.

The performance of the Property Development and Investment division had been affected by the high operating cost, depreciation charge and financing expenses at the EVOLVE Mall, much lower recognition of sales revenue from the property development as most of the units have been taken up coupled with the LAD charges. With the oversupply of retail space in the Klang Valley, the EVOLVE Mall will continue to face challenges in improving its rental yield. However, the Group is working towards further reducing the operating costs and to improve the performance of this division.

**4. Profit Forecast / Guarantee.**

The Company did not issue any profit forecast or guarantees.

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

**5. Taxation.**

Included in the taxation are the following:

	Current Quarter Ended 30 Sep 2018 RM'000	Year-to-date Ended 30 Sep 2018 RM'000
Taxation	112 =====	1,586 =====

The tax provision was based on the estimated taxable amount. The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilised to set off against losses of other companies within the Group.

The deferred tax asset of the Group is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

**6. Group Borrowings.**

Group borrowings as at 30 Sep 2018 including interest denominated in Ringgit Malaysia are as follows: -

	<u>Secured</u> RM'000	<u>Unsecured</u> RM'000	<u>Total</u> RM'000
Short term borrowings	99,382	-	99,382
Overdraft	18,214	-	18,214
Long term borrowings	323,382	-	323,382
Total	<u>440,978</u>	<u>-</u>	<u>440,978</u>

**7. Notes to the statement of comprehensive income.**

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

	Current Year-to-date Ended 30 Sep 2018 RM'000
<u>Expenses</u>	
Interest Expense	16,005
Depreciation and Amortisation	10,185
Share of Loss in Joint Venture	50
Liquidated and ascertained damages provision	23,537
<u>Income</u>	
Interest Income	1,219
Gain on disposal of plant & equipment	101
Gain on disposal of land held for development	5,830

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

**8. Material Litigation.**

Other than the the injunction filed with the High Court, Court of Appeal and Federal Court in relation to the Bank Guarantee claimed by STAR Media Group Berhad in Note 12 of this Part B, the Group is not engaged in any material litigation other than those carried out in the ordinary course of business on recovery of debts.

**9. Dividend**

No dividend has been declared for the quarter under review.

**10. Earnings Per Ordinary Share**

**a) Basic Earnings/(Loss) Per Share**

The earnings per share has been calculated based on the Group's profit attributable to owners of the Company for the period and the weighted average number of ordinary shares outstanding as at end of the period.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter Ended 30/9/18 RM'000	Preceding Year Quarter Ended 30/9/17 RM'000	Current Year To-date Ended 30/9/18 RM'000	Preceding Year To-date Ended 30/9/17 RM'000
Profit/(Loss) for the period attributable to owners of the Company	(2,776)	9,654	27,803	19,177
Weighted average Number of Share in issue (RM1.00 each)	529,392	461,308	529,392	461,308
Basic Earnings/(Loss) Per Share (sen)	(0.52)	2.09	5.25	4.16

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

**Diluted Earnings/(Loss) Per Share**

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter Ended 30/9/18 RM'000	Preceding Year Quarter Ended 30/9/17 RM'000	Current Year To-date Ended 30/9/18 RM'000	Preceding Year To-date Ended 30/9/17 RM'000
<u>Diluted Profit/(Loss) for the period attributable to owners of the Company</u>	(2,776)	9,654	27,803	19,177
Weighted average Number of Share in issue (RM1.00 each)	529,392	461,308	529,392	461,308
Effect of dilution due to issuance of LTIP	-	20,939	-	20,939
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each)	529,392	482,247	529,392	482,247
Diluted Earnings/(Loss) Per Share (sen)	(0.52)	2.00	5.25	3.98

**11. Status of the Corporate Exercise**

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report:-

On 6 June 2018, the Company announced the proposal to undertake a renounceable rights issue of up to 278,164,186 Warrants in JRB at an indicative issue price of RM0.25 per Warrant, on the basis of 1 Warrant for every 2 existing Ordinary Shares held in the Company.

The proposal was approved by the shareholders at the Extraordinary General Meeting held on 18 October 2018. The Abridged Prospectus and Provisional Allotment Letters of Offer have been sent to the shareholders on 23 November 2018.

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

**12. Other Information**

On 19 August 2011, JAKS Island Circle Sdn Bhd (“JICSB”), a 51%-owned subsidiary of JRB, entered into a Sale and Purchase Agreement (“SPA”) with Star Media Group Berhad (“STAR”) to purchase a 99-year leasehold land located at Seksyen 13, Petaling Jaya (“Land”) for a mixed residential and commercial development for a purchase consideration of RM135,000,000 (“Purchase Consideration”). The Purchase Consideration was to be satisfied by JICSB via the completion, delivery and transfer of legal title with vacant possession, free from all encumbrances, of a portion of the mixed residential and commercial development known as “Tower A”.

As security for the performance of JICSB’s obligations under the SPA, JICSB provided, inter-alia, irrevocable and on demand bank guarantees in favour of STAR for the sum of RM50,000,000 million (“Bank Guarantees”) guaranteeing the completion and delivery of vacant possession by JICSB of Tower A within 3 years from the vacant possession date or 3 years from the date of approval of the plans for Tower A, whichever is later (“Completion Period”).

On 15 February 2018, STAR called on the Bank Guarantees on the grounds that JICSB had not delivered vacant possession based on the Completion Period. On 21 February 2018, the solicitors of JICSB filed with the High Court in Kuala Lumpur for injunction to restrain the issuing financial institutions of the Bank Guarantees from releasing, and STAR, being the beneficiary of the Bank Guarantees, from receiving, the proceeds of the Bank Guarantees. The High Court granted an interim stay restraining the issuing financial institutions from paying out the proceeds of the Bank Guarantees until the hearing of the inter-partes injunction applications filed by the solicitors of JICSB on 7 March 2018.

On 6 March 2018, the solicitors of JICSB served a notice of arbitration pursuant to the SPA to resolve all disputes between the two parties by way of arbitration including issues arising from the claim by STAR on interest and the call on the Bank Guarantees. The validity of said notice is disputed by STAR’s solicitors. No further steps have been taken in respect of the arbitration.

The High Court fixed the hearing of the applications for injunction on 20 March 2018, with the interim stay restraining the issuing financial institutions from paying out the proceeds of the Bank Guarantees remaining in effect. Further hearings had been subsequently fixed on 26 March 2018, 6 April 2018 and 11 May 2018.



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

On 31 May 2018, the High Court adjourned the hearing of the applications for injunction until 12 July 2018. The applications for injunction were heard and dismissed by the High Court on 12 July 2018. The High Court directed the Bank Guarantees by the issuing financial institutions to be paid and released to STAR.

Appeals have been filed in the Court of Appeal by the solicitors of JICSB. The Court of Appeal has heard and dismissed the appeals of JICSB on 14 November 2018 and upheld the judgement of the High Court made on 12 July 2018. JICSB has instructed its solicitors to file urgent applications for leave to appeal to the Federal Court against the decision of the Court of Appeal and for injunctive relief pending hearing of the leave applications. The solicitors of JICSB are hopeful that the Federal Court can grant leave so that the issues that they have raised to restrain the calls on the Bank Guarantees can be fully argued.

On 19 November 2018, the Federal Court heard and allowed our application for interim injunction today pending the application for leave to appeal to the Federal Court, which is fixed for hearing on 7 January 2019. The interim injunction will restrain STAR from receiving the proceeds of the Bank Guarantee pending the hearing for the appeal to the Federal Court.

**13. Authorisation for issue.**

The interim financial statements were authorised for issue by the Board of Directors on 29 November 2018.