

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019.**

**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 2019.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Sep-2019	Preceding Year Quarter ended 30-Sep-2018	Current Year To-date ended 30-Sep-2019	Preceding Year To-date ended 30-Sep-2018
	RM'000	RM'000	RM'000	RM'000
Revenue	216,035	117,656	829,263	490,151
Cost of Sales	(182,701)	(112,081)	(692,898)	(438,821)
Gross Profit	33,334	5,575	136,365	51,330
Other Operating Income	487	1,877	1,842	10,533
Other Operating, Administrative, Selling and Distribution expenses	(11,969)	(14,736)	(58,704)	(40,900)
Operating Profit/(Loss) before finance cost	21,852	(7,284)	79,503	20,963
Finance cost	(4,626)	(4,617)	(14,981)	(16,005)
Operating Profit/(Loss) after finance cost	17,226	(11,901)	64,522	4,958
Share of Profit / (Loss) in Joint Venture	-	-	(116)	(50)
Profit/(Loss) Before Taxation	17,226	(11,901)	64,406	4,908
Taxation	(1,288)	(112)	(3,324)	(1,586)
Net Profit/(Loss) For The Period	15,938	(12,013)	61,082	3,322
Other Comprehensive Income / (Loss)				
Foreign currency translation	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	15,938	(12,013)	61,082	3,322
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	24,962	(2,776)	90,868	27,803
Non-Controlling Interests	(9,024)	(9,237)	(29,786)	(24,481)
	15,938	(12,013)	61,082	3,322
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	4.12	(0.52)	14.99	5.25
- Diluted	4.12	(0.52)	14.99	5.25
Weighted average number of Ordinary Shares in issue	606,099	529,392	606,099	529,392
Weighted average number of Ordinary Shares in issue (diluted)	606,099	529,392	606,099	529,392

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 2018 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 2019.**

	(Unaudited) As At End Of Financial Period End 30-Sep-2019 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2018 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	2,151	4,063
Investment properties	649,848	642,140
Investment in Joint Venture	347,787	197,171
Golf Club memberships	326	326
Goodwill on Consolidation	148,501	148,501
Deferred Tax Assets	2,325	2,325
	1,150,938	994,526
<b>Current Assets</b>		
Inventories	1,572	1,572
Property Development Costs	47,712	45,617
Amount due from customers for contract works	437,695	511,378
Trade and Other Receivables	502,216	515,928
Amount due by Joint Venture	8,731	6,879
Deposits placed with licensed banks	64,665	76,076
Cash and bank balances	34,530	91,035
	1,097,121	1,248,485
<b>Total Assets</b>	2,248,059	2,243,011
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
<b>Share Capital</b>	659,642	598,974
<b>Share Options Reserve</b>	3,219	3,219
<b>Warrant Reserve</b>	25,607	25,607
<b>Translation Reserve</b>	522	(3,795)
<b>Accumulated Profit</b>	283,782	194,199
	972,772	818,204
<b>Non-controlling interests</b>	(25,712)	4,074
<b>TOTAL EQUITY</b>	947,060	822,278
<b>Non-Current Liabilities</b>		
Long Term Borrowings	318,154	321,781
Deferred Tax Liabilities	94	94
	318,248	321,875
<b>Current Liabilities</b>		
Trade and Other Payables	882,044	985,971
Bank borrowings	92,204	105,311
Bank overdraft	8,503	7,576
	982,751	1,098,858
<b>TOTAL EQUITY AND LIABILITIES</b>	2,248,059	2,243,011
No of Ordinary Shares	643,118	545,943
Net Assets Per Share attributable to Owners of the parent (RM)	1.51	1.50

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2019.**

	Current Year 9 Months ended 30-Sep-2019 RM'000	Preceding Year 9 Months ended 30-Sep-2018 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax for the period	64,406	4,908
Adjustment for:		
Depreciation and amortisation	9,840	10,185
Interest expense	14,981	16,005
Interest income	(777)	(1,219)
Gain on disposal of land held for development	-	(5,830)
(Gain) / Loss on disposal of plant & equipment	387	(101)
Share of (Profit) / Loss in Joint Venture	116	50
Restricted Share plan ("RSP") expenses	19,742	-
Provision for liquidated ascertained damages	27,573	23,537
Operating profit before working capital changes	136,268	47,535
(Increase)/Decrease in working capital		
Inventories	-	241
Amount due from customers for contract works	73,683	75,602
Trade and other receivables	13,388	(250,593)
Additional shares investment in joint venture.	(152,584)	(1,345)
Property Development Expenditure	(2,095)	21,994
Trade and other payables	(131,914)	19,829
	(199,522)	(134,272)
	(63,254)	(86,737)
Interest paid	(4,534)	(6,196)
Income tax paid	(2,588)	(1,424)
<b>Net Operating Cash Flow</b>	<b>(70,376)</b>	<b>(94,357)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(81)	(422)
Interest received	777	1,219
Proceeds from disposal of property, plant & equipment	538	1,255
Proceeds from disposal of land held for development (net)	-	144,599
Addition to investment properties	(16,480)	(8,651)
Withdrawal / (Placement) of Fixed Deposits	11,411	10,566
Bank balance held as security values	-	(50,000)
<b>Net Investing Cash Flow</b>	<b>(3,835)</b>	<b>98,566</b>
<b>Cash flows from financing activities</b>		
Net Proceeds from shares issued	39,641	72,001
Interest paid	(10,447)	(9,809)
Drawdown / (Repayment) of short term borrowings	(13,052)	(53,663)
Drawdown (Repayment) of hire purchase liabilities	(181)	50
Drawdown / (Repayment) of bank term loans	(3,500)	12,583
<b>Net Financing Cash Flow</b>	<b>12,461</b>	<b>21,162</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019. (Cont.)**

	Current Year 9 Months ended 30-Sep-2019	Preceding Year 9 Months ended 30-Sep-2018
	RM'000	RM'000
<b>Net Change in Cash &amp; Cash Equivalents</b>	(61,750)	25,371
<b>Cash &amp; Cash Equivalents at beginning of the year</b>	82,223	63,610
<b>Translation Reserve</b>	4,318	3,919
<b>Cash &amp; Cash Equivalents at end of the period.</b>	24,791	92,900

**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	64,665	77,465
Cash & bank balances	34,530	162,306
Bank overdrafts	(8,503)	(18,214)
	90,692	221,557
Less : Deposit held as security values	(64,665)	(77,465)
Bank balance held as security values	-	(50,000)
Debt service reserves account	(1,236)	(1,192)
	24,791	92,900

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 ENDED 30 SEPTEMBER 2019.**

	Attributable to Equity Holders of the Company						Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable			Distributable				
	Share Capital RM'000	Share Options Reserve RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
<b>Current Year</b>								
<b>Quarter ended</b>								
<b>30 September 2019.</b>								
<b>Balance as at</b>								
<b>1 January 2019</b>	598,974	3,219	25,607	(3,796)	194,199	818,203	4,074	822,277
Total Comprehensive Income for the Period	-	-	-	-	90,868	90,868	(29,786)	61,082
Foreign currency translation	-	-	-	4,318	-	4,318	-	4,318
Issuance of ordinary shares								
Private placement	40,926	-	-	-	(1,285)	39,641	-	39,641
LTIP shares ("RSP")	19,742	-	-	-	-	19,742	-	19,742
<b>Balance as at</b>								
<b>30 September 2019.</b>	659,642	3,219	25,607	522	283,782	972,772	(25,712)	947,060
<b>Preceding 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	-	-	-	(1,481)	67,010	-	67,010
LTIP shares exercise	6,096	-	-	-	-	6,096	-	6,096
Share options granted	-	(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

(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 2018 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 2018.

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 2018.

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

The financial statements of JAKS for the financial year ended 31 December 2018 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 except for the release of the payment on the bank guarantee of RM50.0 million to Star Media Group Berhad on 9 January 2019. This disputed performance liability has been charged out in previous year.

#### **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 year under review and up to date of this report, save as listed below:

a) Private Placement

On 28 May 2019, 58,465,313 Ordinary Shares were issued under the proposed private placement at an issue price of RM0.70 per Ordinary Share. The private placement raised proceeds of RM40.926 million.

The status of utilisation of proceeds as at 30 September 2019 is as follows.

<b>Proposed utilisation of proceeds</b>	<b>Proceeds raised RM'000</b>	<b>Utilised as at 30.9.2019 RM'000</b>	<b>Timeframe for utilisation</b>
(i) Vietnam Power Plant Project	25,491	25,173	Within 12 months
(ii) Repayment of Bank Borrowings	4,335	4,335	Within 12 months
(iii) Renewable Energy Projects	10,000	2,938	Within 12 months
(iv) Estimated expenses for the Proposed Private Placement	1,100	1,100	Upon completion of the Proposed Private Placement
	40,926	33,546	

b) Long Term Incentive Plan ("LTIP") – Share Options

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. As at 30 September 2019, 14,115,000 of the LTIP Share Options granted remains unexercised.

c) Long Term Incentive Plan ("LTIP") – Restricted Share Plan ("RSP")

On 30 January 2019, the Company announced the award of 38,709,760 ordinary shares ("LTIP shares") under the RSP to selected employees or executives of the Company.

**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 2019.**

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	803,121	25,468	674	-	829,263
Inter-Company	43,571	15,920	10,426	(69,917)	-
	846,692	41,388	11,100	(69,917)	829,263
Segment Results	153,317	(48,936)	(26,720)		77,661
Other Income					1,842
Finance Cost					(14,981)
Profit After Finance cost					64,522
Share of Loss in Joint Venture					(116)
Profit Before Taxation					64,406
Taxation					(3,324)
Profit After Taxation					61,082
<u>Attributable to:</u>					
Owners of the Company					90,868
Non-Controlling Interests					(29,786)
					61,082

The Group's revenue for the period ended 30 September 2019 based on geographical location is presented as follows:

	RM'000
Malaysia	178,546
Vietnam	650,717
	-----
Total	829,263
	=====



**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 2018.

**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 under review save as listed below:

On 12 June 2019, the Company had incorporated a wholly-owned subsidiary, JAKS Solar Power Sdn Bhd, with issued capital of RM100.

On 28 June 2019, the Company had incorporated a wholly-owned subsidiary, JAKS Solar Power Holdings Sdn Bhd, with issued capital of RM100.

Both the companies were incorporated to facilitate the investment in renewable energy projects.

**12. Changes in Contingent Liabilities.**

The changes in contingent liabilities of the Group since 31 December 2018 until 30 September 2019 were as follows: -

	As at 30 Sep 2019 RM'000	As at 31 Dec 2018 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	72,186	91,341
Liquidated and ascertained damages	42,303	34,255
	----- 114,489 =====	----- 125,596 =====

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

**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:-

Capital contribution contracted but not provided for in respect of shares subscription in JAKS Pacific Power Limited, joint venture of the Group amounted to approximately USD56.14 million or RM235.0 million, using exchange rate of USD1 : RM4.187.

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

**1. Review of Financial Performance.**

a) Revenue

Segment	Current Year Quarter ended 30/9/2019 RM'000	Preceding Year Quarter Ended 30/9/2018 RM'000	Changes %	Current Year To-date Ended 30/9/2019 RM'000	Preceding Year To-date Ended 30/9/2018 RM'000	Changes %
Construction	213,421	90,230	137	803,120	413,850	94
Property Development & Investment Less Provision for Liquidated ascertained damages ("LAD")	12,049	33,595	(64)	53,042	96,744	(45)
	(9,527)	(7,498)	27	(27,573)	(23,537)	17
	<u>2,522</u>	<u>26,097</u>	<u>(90)</u>	<u>25,469</u>	<u>73,207</u>	<u>(65)</u>
Investment Holding & Others	92	1,329	(93)	674	3,094	(78)
<b>Total</b>	<b>216,035</b>	<b>117,656</b>	<b>84</b>	<b>829,263</b>	<b>490,151</b>	<b>69</b>

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

b) Profit / (Loss) Before Taxation

Segment	Current Year Quarter ended 30/9/2019 RM'000	Preceding Year Quarter Ended 30/9/2018 RM'000	Changes %	Current Year To-date Ended 30/9/2019 RM'000	Preceding Year To-date Ended 30/9/2018 RM'000	Changes %
Construction	39,264	7,464	426	150,948	52,106	190
Property Development & Investment	(17,874)	(17,761)	(1)	(59,151)	(42,765)	(38)
Investment Holding & Others	(4,164)	(1,604)	(160)	(7,649)	(4,433)	(73)
Restricted Share Plan Expenses	-	-	-	(19,742)	-	(100)
	<u>(4,164)</u>	<u>(1,604)</u>	<u>(160)</u>	<u>(27,391)</u>	<u>(4,433)</u>	<u>(518)</u>
<b>Total</b>	<b>17,226</b>	<b>(11,901)</b>	<b>245</b>	<b>64,406</b>	<b>4,908</b>	<b>1,212</b>

The Group achieved revenue of RM216.0 million for the current quarter ended 30 September 2019, an increase of approximately 84% from the previous year's corresponding quarter of RM117.7 million. The increase was mainly attributable to the higher amount of revenue recognised from the Vietnam EPC construction works in the Construction division of RM168.5 million as compared to RM32.8 million achieved in the preceding year's corresponding quarter following the higher amount of works done.

The main contributor to the Group's revenue for the current quarter was from the Construction division with revenue of RM213.4 million. The Property Development & Investment division contributed lower revenue of RM12.0 million to the Group in the current quarter as compared to RM33.6 million in the preceding year's corresponding quarter and this is in line with the billing stage. However, with the provision for liquidated ascertained damages ("LAD") charges of RM9.5 million (Q3 2018 – RM7.5 million LAD charges) which was netted off against the gross revenue achieved on application of the accounting standards,

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

MFRS 15 *Revenue*, the Property Development & Investment division achieved revenue of RM2.5 million in the current quarter. The preceding year's revenue has been adjusted to net off against the provision for LAD in the statement accordingly.

With an overall higher revenue achieved, the Group recorded a profit before tax of RM17.2 million in the current year's third quarter as compared to a loss before tax of RM11.9 million achieved in the preceding year's corresponding quarter.

The Construction division recorded a profit before tax of RM39.3 million in the quarter under review as compared to RM7.5 million achieved in the preceding year's corresponding quarter. The higher profit achieved was mainly attributed by the higher progress billings and profit recognised from the Vietnam EPC construction works.

The Property Development & Investment division recorded lower revenue before LAD of RM12.0 million as compared to RM33.6 million achieved in previous year's corresponding quarter due to lower number of property units sold and lower rental income from the mall. Although the revenue achieved was lower, there were some cost savings in the quarter under review. As a result, this division recorded a loss before tax of RM17.9 million compared to a loss before tax of RM17.8 million in the preceding year's corresponding quarter .

The Investment Holding & Others division recorded a higher loss before tax of RM4.2 million in the quarter under review as compared to a loss before tax of RM1.6 million incurred in the preceding year's corresponding quarter mainly due to the provision of unrealised foreign exchange loss of RM2.9 million in the quarter under review.

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

	Current Year Quarter 1/7/19-30/9/19 <u>RM'000</u>	Immediate Preceding Quarter 1/4/19 – 30/6/19 <u>RM'000</u>	Changes <u>%</u>
Revenue	216,035	315,430	(32)
Profit before tax	17,226	24,413	(29)

The Group achieved RM216.0 million revenue for the current quarter, a decrease of 32% from the revenue of RM315.4 million in the preceding quarter ended 30 June 2019. Correspondingly, the Group recorded lower profit before tax of RM17.2 million in the third quarter as compared to RM24.4 million achieved in the preceding quarter ended 30 June 2019.

The lower profit before tax in the current quarter was mainly due to lower revenue recognition from the Vietnam EPC construction works as compared to preceding quarter ended 30 June 2019.

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

**3. Prospects**

The Construction division will continue to be the main contributor in the remaining period of the financial year 2019 as construction works for Vietnam EPC is expected to meet the scheduled work plan and will continue to deliver positively to the Group until its completion.

For the Property Development and Investment division, delivery of some of the developed properties have been delayed resulting in the expensing of LAD charges and the Group will work to complete the property development project as soon as possible.

The Board will remain vigilant and continue to exercise due care and prudence in the running and administration of the Group's business.

**4. Profit Forecast / Guarantee.**

The Company did not issue any profit forecast or guarantees.

**5. Taxation.**

Included in the taxation are the following:

	Current Quarter Ended 30 Sep 2019 RM'000	Year-to-date Ended 30 Sep 2019 RM'000
Taxation	1,288	3,324
	=====	=====

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 effective tax rate was lower as most of the Group's profit generated were derived from the Vietnam operations with low tax rate of 1 to 2%.

**6. Group Borrowings.**

Group borrowings as at 30 September 2019 including interest denominated in Ringgit Malaysia are as follows: -

	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Short term borrowings	92,204	-	92,204
Overdraft	8,503	-	8,503
Long term borrowings	318,154	-	318,154
	-----	-----	-----
Total	418,861	-	418,861
	=====	=====	=====

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

**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 2019 RM'000
<u>Expenses</u>	
Interest Expense	14,981
Depreciation and Amortisation	9,840
Liquidated and ascertained damages provision	27,573
Restricted Share plan expenses	19,742
Loss on disposal of plant & equipment	387
Share of Loss in Joint Venture	116
<u>Income</u>	
Interest Income	777

**8. Material Litigation.**

- a) The Star Media Group Berhad (“STAR”) had on 30 April 2019 served a Writ of Summons and Statement of Claims against the Company claiming that the Company as corporate guarantor to JAKS Island Circle Sdn Bhd (“JIC”) is liable for JIC’s purported default of obligations under the Sale and Purchase Agreement (“SPA”) dated 19 August 2011 executed by STAR with JIC. The claim is for specific relief and damages for the total amount of RM177.7 million.

On 27 May 2019, the Company also filed its Defence and Counterclaim.

On 1 August 2019, STAR filed a Notice of Application for Disposal of case on point of law and/or Striking Out and/or Summary Judgment pursuant to Order 14A, Order 18 Rule 19 and Order 81 of the Rules of Court 2012 (“Application”).

Case managements were held at the Kuala Lumpur High Court 6 May 2019, 17 June 2019, 23 July 2019, 7 August 2019.

On 28 August 2019, the Court granted leave to the Company to file a Reply to Star Media's Defence in the Counterclaim.

During the hearing on 14 October 2019, the Court informed the solicitors for the respective parties that the hearing of Star Media's Application pursuant to Order 14A, Order 18 and Order 18 Rule 19 of the Rules of Court 2012 is vacated and re-fixed a new hearing date on 14 November 2019.

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

During the hearing on 14 November 2019, the Court informed the solicitors for the respective parties that the hearing of Star Media's Application pursuant to Order 14A, Order 18 and Order 18 Rule 19 of the Rules of Court 2012 is vacated and re-fixed a new hearing date on 3 January 2020.

- b) On 22 February 2019, STAR filed applications for enforcement of undertaking as to damages at the High Court. On 19 June 2019, after the submissions of parties, the Judge ordered for undertaking as to damages to be enforced against JIC. Damages to be paid by JIC calculated at the rate of 3.5% per annum of the sum of RM50 million over the period of 28 February 2018 to 9 January 2019.

On 24 June 2019, JIC has filed a Notice of Appeal against the entire High Court decision.

On 12 July 2019, JIC has filed a Notice of Application for Stay of Execution at the High Court.

Case Management for the matters were held on 18 July 2019, 5 September 2019, 2 October 2019 and 15 October 2019.

During the Hearing on 6 November 2019, the Court had dismissed the Company's application for stay of execution with costs of RM4,000 for each originating summons subject to 4% allocator fee. The Company will be seeking legal advice on the matter.

During the Case Management on 15 October 2019 for Appeal Nos.: W-02(IM)(C)-1198-07/2019 and W-02(IM)(C)-1199-07/2019, the Court gave directions on filing of submissions and has fixed the Hearing of the appeals on 12 February 2020.

- c) On 30 May 2019, the Company and JIC filed a claim against STAR at the Kuala Lumpur High Court for breach of the SPA dated 19 August 2011 on the following reliefs:-
- a declaration that the Completion Period for JIC to deliver STAR's entitlement under the SPA is on 20 June 2020;
  - a declaration that STAR has breached the SPA;
  - a declaration that STAR is unjustly enriched;
  - the sum of RM248,242,987.62 to be paid to JIC as liquidated ascertained damages;
  - the sum of RM297,035,481.00 to be paid to JRB as loss of proceeds from corporate fund raising exercises;
  - the sum of RM50,000,000.00 together with all interests and all related costs incurred thereto pursuant to the Bank Guarantee that is to be refunded and / or returned to JIC within 7 days from the date of the Court Order; and
  - damages.



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

On 1 August 2019, STAR has filed a Notice of Application for Disposal of case on point of law and/or Striking Out pursuant to Order 14A and Order 18 Rule 19 of the Rules of Court 2012.

Case Managements were held on 18 June 2019, 19 July 2019, 14 August 2019, 3 September 2019, 31 October 2019 and 15 November 2019.

During the case management on 15 November 2019, the court fixed another case management on 29 November 2019.

**9. Dividend**

No dividend has been declared for the quarter under review.

**10. Earnings Per Ordinary 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 30/9/19 RM'000	Preceding Year Quarter Ended 30/9/18 RM'000	Current Year To-date Ended 30/9/19 RM'000	Preceding Year To-date Ended 30/9/18 RM'000
<b>a) <u>Basic Earnings/(Loss) Per Share</u></b>				
Profit/(Loss) for the period attributable to owners of the Company	24,962	(2,776)	90,868	27,803
Weighted average Number of Share in issue (RM1.00 each)	606,099	529,392	606,099	529,392
Basic Earnings /(Loss) Per Share (sen)	4.12	(0.52)	14.99	5.25

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

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter Ended 30/9/19 RM'000	Preceding Year Quarter Ended 30/9/18 RM'000	Current Year To-date Ended 30/9/19 RM'000	Preceding Year To-date Ended 30/9/18 RM'000
<b>b) <u>Diluted Earnings/(Loss) Per Share</u></b>				
Profit/(Loss) for the period attributable to owners of the Company	24,962	(2,776)	90,868	27,806
Weighted average Number of Share in issue (RM1.00 each)	606,099	529,392	606,099	529,392
Effect of dilution due to issuance of shares	-	-	-	-
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each)	606,099	529,392	606,099	529,392
Diluted Earnings/(Loss) Per Share (sen)	4.12	(0.52)	14.99	5.25

**11. Status of the Corporate Exercise**

There were no corporate proposals announced but not completed as at the date of this report.

**12. Authorisation for issue.**

The interim financial statements were authorised for issue by the Board of Directors on 25 November 2019.