

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 2nd Quarter unaudited financial results for the financial period ended 30 June 2021

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Jun-2021	Preceding Year Quarter ended 30-Jun-2020	Current Year To-date ended 30-Jun-2021	Preceding Year To-date ended 30-Jun-2020
	RM'000	RM'000	RM'000	RM'000
Revenue	41,591	75,004	59,045	150,224
Cost of Sales	(33,321)	(67,623)	(49,161)	(140,222)
Gross Profit	8,270	7,381	9,884	10,002
Other Operating Income / (Loss)	282	219	744	423
Other Operating, Administrative Expenses	(16,546)	(10,095)	(27,340)	(22,598)
Operating Loss before finance cost	(7,994)	(2,495)	(16,712)	(12,173)
Finance cost	(5,596)	(5,922)	(11,394)	(13,046)
Operating Loss after finance cost	(13,590)	(8,417)	(28,106)	(25,219)
Share of Profit in Joint Venture	37,529	-	67,339	-
Profit/(Loss) Before Taxation	23,939	(8,417)	39,233	(25,219)
Taxation	(9)	(593)	(424)	(1,227)
Net Profit/(Loss) For The Period	23,930	(9,010)	38,809	(26,446)
Other Comprehensive Income / (Loss)				
Foreign currency translation	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	23,930	(9,010)	38,809	(26,446)
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	28,805	2,165	48,552	(4,055)
Non-Controlling Interests	(4,875)	(11,175)	(9,743)	(22,391)
	23,930	(9,010)	38,809	(26,446)
Earnings/(Loss) Per Share attributable to				
Owners of the Company (sen) :				
- Basic	1.64	0.33	2.76	(0.62)
- Diluted	1.47	0.32	2.48	(0.59)
Weighted average number of				
Ordinary Shares in issue	1,760,318	650,195	1,760,318	650,195
Weighted average number of				
Ordinary Shares in issue (diluted)	1,955,145	684,490	1,955,145	684,490

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 2020 and the accompanying notes attached to the interim financial statements.

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	(Unaudited) As At End Of Financial Period End 30-Jun-2021 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2020 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	102,198	102,807
Investment properties	616,281	623,177
Investment in Joint Venture	638,679	481,561
Golf Club memberships	311	311
Goodwill on Consolidation	76,136	76,136
Right of use of Assets	193	265
	1,433,798	1,284,257
Current Assets		
Inventories	483	483
Contract assets	228,280	276,709
Trade and Other Receivables	373,771	381,898
Amount due from Joint Venture	11,431	10,588
Deposits placed with licensed banks	32,924	46,079
Cash and bank balances	17,955	128,503
	664,844	844,260
Total Assets	2,098,642	2,128,517
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	932,095	924,998
Reserves	14,535	8,675
Accumulated Profit	258,828	210,276
	1,205,458	1,143,949
Non-controlling interests	(26,159)	(16,416)
TOTAL EQUITY	1,179,299	1,127,533
Non-Current Liabilities		
Long Term Borrowings	318,902	318,942
Deferred Tax Liabilities	101	101
	319,003	319,043
Current Liabilities		
Trade and Other Payables	542,477	613,661
Bank borrowings	51,545	60,087
Bank overdraft	6,318	8,193
	600,340	681,941
TOTAL EQUITY AND LIABILITIES	2,098,642	2,128,517
No of Ordinary Shares	1,769,651	1,755,167
Net Assets Per Share attributable to Owners of the parent (RM)	0.68	0.65

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Current Year 6 Months ended 30-Jun-2021 RM'000	Preceding Year 6 Months ended 30-Jun-2020 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax for the year	39,233	(25,219)
Adjustment for:		
Depreciation and amortisation	7,857	9,146
Interest expense	11,394	13,046
Interest income	(51)	(186)
Share of Profit in Joint Venture	(67,339)	-
LTIP option expenses	6,462	-
Provision for liquidated ascertained damages	-	19,603
Operating profit/(loss) before working capital changes	(2,444)	16,390
(Increase)/Decrease in working capital		
Amount due from customers for contract works	48,429	(99,168)
Trade and other receivables	8,125	39,476
Property Development Expenditure	-	48,535
Trade and other payables	(69,797)	(25,114)
	(13,243)	(36,271)
Net Cash from/(used) in Operating activities	(15,687)	(19,881)
Interest paid	(3,936)	(6,182)
Income tax paid	(1,739)	(951)
Net Operating Cash Flow	(21,362)	(27,014)
Cash flows from investing activities		
Purchase of property, plant & equipment	(351)	(324)
Interest received	51	186
Additional investment in Joint Venture company	(90,621)	(13,480)
Decrease in deposits pledged	13,155	5,595
Net Investing Cash Flow	(77,766)	(8,023)
Cash flows from financing activities		
Net Proceeds from shares issued	-	5,120
Proceeds from issuance of share capital	7,097	-
Interest paid	(7,458)	(6,865)
Drawdown / (Repayment) of short term borrowings	(8,542)	(24,298)
Drawdown (Repayment) of hire purchase liabilities	(40)	(36)
Drawdown / (Repayment) of bank term loans	-	4,500
Net Financing Cash Flow	(8,943)	(21,579)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021. (Cont.)**

	Current Year 6 Months ended 30-Jun-2021	Preceding Year 6 Months ended 30-Jun-2020
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(108,071)	(56,616)
Cash & Cash Equivalents at beginning of the year	116,534	85,976
Translation Reserve	(602)	1,692
Cash & Cash Equivalents at end of the period.	7,861	31,052

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	32,924	43,639
Cash & bank balances	17,955	44,335
Bank overdrafts	(6,318)	(9,578)
	44,561	78,396
Less : Deposit held as security values	(32,924)	(43,639)
Debt service reserves account	(3,776)	(3,705)
	7,861	31,052

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Attributable to Equity Holders of the Company							Non-Controlling Interest	Total Equity
	Non-Distributable					Distributable			
	Share Capital	Share Options Reserve	Warrant Reserve	Other Reserve	Translation Reserve	Retained Earnings	Sub-Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Current Year									
Quarter ended									
30 June 2021									
Balance as at									
1 January 2021	924,998	2,576	244,027	(221,420)	(16,508)	210,276	1,143,949	(16,416)	1,127,533
Total Comprehensive Income for the Period	-	-	-	-	-	48,552	48,552	(9,743)	38,809
Foreign currency translation	-	-	-	-	(602)	-	(602)	-	(602)
Issuance of ordinary shares									
Exercise of Warrants	7,097	-	(2)	2	-	-	7,097	-	7,097
Share options granted under LTIP	-	6,462	-	-	-	-	6,462	-	6,462
Balance as at									
30 June 2021	932,095	9,038	244,025	(221,418)	(17,110)	258,828	1,205,458	(26,159)	1,179,299
Preceding Year									
Quarter ended									
30 June 2020									
Balance as at									
1 January 2020	659,642	2,576	25,607	-	(11,551)	301,674	977,948	(58,094)	919,854
Total Comprehensive Income for the Period	-	-	-	-	-	(4,055)	(4,055)	(22,391)	(26,446)
Foreign currency translation	-	-	-	-	1,692	-	1,692	-	1,692
Issuance of ordinary shares									
Warrants	5,120	-	-	-	-	-	5,120	-	5,120
Balance as at									
30 June 2020	664,762	2,576	25,607	-	(9,859)	297,619	980,705	(80,485)	900,220

(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 2020 and the accompanying notes attached to the interim financial statements).

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 2020.

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 2020.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 December 2020 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 and up to date of this report, save as listed below:

a) Rights Issue with Warrants

On 24 September 2020, the shareholders of the Company had resolved to approve the Rights Issue with Warrants, and on 9 October 2020, the Company announced that the entitlement basis for the Rights Issue with Warrants is fixed at 8 Rights Shares together with 4 Warrants for every 5 existing shares held, with the issue price of RM0.22 per Rights Share and the exercise price of the Warrants at RM0.49 per share.

On 26 November 2020, the Rights Issue with Warrants was completed with the listing and quotation of 1,080,101,412 Rights Shares and 540,050,650 Warrants on the Official List of Bursa Securities, raising a total proceeds of approximately RM237.62 million.

The status of utilisation of proceeds as at 31 August 2021 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31.8.2021 RM'000	Timeframe for utilisation
(i) Subscription of USD30 million ordinary shares in JPP	128,400	128,400	Within 6 months
(ii) Repayment of Bank Borrowings	31,581	31,581	Within 24 months
(iii) Preliminary expenses in relation to venture into new construction projects in Vietnam	10,000	-	Within 36 months
(iv) Future business projects or investments	48,366	48,366	Within 36 months
(v) Working capital	13,675	13,675	Within 36 months
(vi) Estimated expenses for the Right Issue	5,600	5,600	Immediate
	237,622	227,622	

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

b) Private Placement

On 31 May 2021, the Company announced to undertake the Proposed Private Placement of up to 552,787,900 new Ordinary Shares in JRB, representing up to 20% of the total number of issued shares of JRB (assuming all outstanding Warrants B, Warrants C and LTIP Options are exercised, and additional LTIP Options are granted and exercised as at 24 May 2021, being the latest practicable date of the said announcement).

On 21 June 2021, the Company fixed the issue price for the Private Placement of 272,667,000 Placement Shares, representing approximately 15.41% of the existing issued share capital, at RM0.4750 per Placement Share ("First Tranche"). The issue price of RM0.4750 per Placement Share represents a discount of RM0.0473 or approximately 9.06% to the 5-day VWAMP of JRB Shares up to and including 18 June 2021 of RM0.5223 per JRB Share.

On 1 July 2021, the First Tranche was completed with the listing and quotation of 272,667,000 Ordinary Shares on the Official List of Bursa Securities, raising a total proceeds of approximately RM129.52 million.

The status of utilisation of proceeds as at 31 August 2021 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31.8.2021 RM'000	Timeframe for utilisation
(i) Solar project	50,000	765	Within 24 months
(ii) Working capital requirements	47,077	18,450	Within 12 months
(iii) Capital expenditure for Evolve Concept Mall	5,000	1,000	Within 24 months
(iv) Acquisitions	22,405	-	Within 24 months
(v) Estimated expenses for the Private Placement	5,035	5,035	Immediate
	129,517	25,250	

7. Dividend.

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

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

8. Segmental Information for the Financial Year Ended 30 June 2021.

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	55,067	3,801	177	-	59,045
Inter-Company	-	-	3,906	(3,906)	-
	55,067	3,801	4,083	(3,906)	59,045
Segment Results	(360)	(9,912)	(7,184)		(17,456)
Other Income					744
Loss Before Finance Cost					(16,712)
Finance Cost					(11,394)
Loss After Finance cost					(28,106)
Share of Profit in Joint Venture					67,339
Profit Before Taxation					39,233
Taxation					(424)
Profit After Taxation					38,809
<u>Attributable to:</u> Owners of the Company					48,552
Non-Controlling Interests					(9,743)
					38,809

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

The Group's revenue for the financial year ended 30 June 2021 based on geographical location is presented as follows:

	RM'000
Malaysia	30,736
Vietnam	28,309

Total	59,045
	=====

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 2020.

10. Significant Events.

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 14 April 2021, the Company had incorporated a wholly-owned subsidiary, JAKS Solar Nibong Tebal Sdn Bhd, with issued capital of RM100.00 to undertake the Large Scale Solar (LSS4) project.

12. Changes in Contingent Liabilities.

The changes in contingent liabilities of the Group since 31 December 2020 until 30 June 2021 were as follows: -

	As at 30 Jun 2021 RM'000	As at 31 Dec 2020 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	48,219	41,203
	=====	=====

13. Material Commitment.

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.

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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 30/6/2021 RM'000	Preceding Year Quarter Ended 30/6/2020 RM'000	Changes %	Current Year To-date Ended 30/6/2021 RM'000	Preceding Year To-date Ended 30/6/2020 RM'000	Changes %
Construction	39,480	82,902	(52)	55,067	158,547	(65)
Property Development & Investment	1,937	1,857	4	3,801	11,182	(66)
Less Provision for Liquidated ascertained damages ("LAD")	-	(9,766)	(100)	-	(19,603)	(100)
	<u>1,937</u>	<u>(7,909)</u>	<u>124</u>	<u>3,801</u>	<u>(8,421)</u>	<u>145</u>
Investment Holding & Others	174	11	1482	177	98	81
Total	41,591	75,004	(44)	59,045	150,224	(61)

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

b) Profit / (Loss) Before Tax

Segment	Current Year Quarter Ended 30/6/2021 RM'000	Preceding Year Quarter Ended 30/6/2020 RM'000	Changes %	Current Year To-date Ended 30/6/2021 RM'000	Preceding Year To-date Ended 30/6/2020 RM'000	Changes %
Construction	3,264	13,889	(76)	(1,072)	20,370	(105)
Property Development & Investment	(9,948)	(19,416)	49	(19,880)	(38,127)	48
Investment Holding & Others	(6,906)	(2,890)	(139)	(7,154)	(7,462)	4
Share of Profit in Joint Venture	37,529	-	100	67,339	-	100
	30,623	(2,890)	1,160	60,185	(7,462)	907
Total	23,939	(8,417)	384	39,233	(25,219)	256

The Group achieved lower revenue of RM41.6 million for the current quarter ended 30 June 2021, compared to the revenue of the previous year's corresponding quarter of RM75.0 million. The decrease was mainly due to the lower revenue recognised from the Construction division as there was lower recognition revenue of RM28.3 million from the Vietnam EPC construction works in the current quarter as compared to RM64.7 million recognised in the previous year's corresponding quarter. The Vietnam EPC construction works have come to near tail end.

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

Despite the lower revenue, the Group recorded a profit before tax of RM23.9 million in the current year second quarter as compared to a loss before tax of RM8.4 million in the preceding year's corresponding quarter. The turnaround to profitability was mainly due to the share of 30% profit in JAKS Hai Duong Power Company Limited ("JHDP") of RM37.5 million following the commencement of commercial operation ("COD").

The Construction division contributed a lower revenue of RM39.5 million (Q2 2020: RM82.9 million) and incurred a profit before tax of RM3.3 million (Q2 2020: profit before tax RM13.9 million) in the current quarter under review, following the lower contribution from the Vietnam EPC construction works for the quarter. The local construction works has also been adversely affected by the COVID-19 pandemic and various MCO measures resulting in work interruptions, delays in work progress, additional MCO related costs, supply chain disruption as well as shortage of labour and materials.

The Property Development & Investment division contributed RM1.9 million in revenue as compared to a negative revenue of RM7.9 million in the previous year's corresponding quarter (after provision for liquidated ascertained damages). This division recorded a lower loss before tax of RM9.9 million as compared to a loss before tax of RM19.4 million in the second quarter of 2020 following the disposal of its loss making Property Development subsidiary in the third quarter of 2020.

The Investment Holding & Others division recorded a higher profit before tax of RM30.6 million in the quarter under review as compared to a loss before tax of RM2.9 million incurred in the preceding year's corresponding quarter. The higher profitability was mainly from the RM37.5 million share of profit in JHDP. A one-off expense of RM6.5 million on recognition of fair value adjustment pursuant to the granting of share options for the long term incentive plan was charged off in the quarter.

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/4/21-30/6/21 <u>RM'000</u>	Immediate Preceding Quarter 1/1/21 – 31/3/21 <u>RM'000</u>	Changes %
Revenue	41,591	17,454	138
Profit before tax	23,939	15,294	57

The Group achieved higher revenue of RM41.6 million for the current quarter, compared to revenue of RM17.5 million in the preceding quarter ended 31 March 2021. With higher revenue recognition, the Group recorded a profit before tax of RM23.9 million in the current quarter compared to a profit before tax of RM15.3 million in the preceding quarter ended 31 March 2021.

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

3. Prospects

The prospects of economic recovery is undoubtedly largely dependent on the abatement of the COVID-19 pandemic and the “on-off” paralysis effects of the prolonged Movement Control Orders (“MCO”). On a positive note, it is hoped that with the improved level of vaccination and re-opening of business and economic activities will spur recovery in the retail and commercial sectors.

The Group will continue to focus on its Power & Energy business, particularly in execution of its latest large scale solar photovoltaic plants (“LSS4”) renewable energy project. At the same time the JAKS Hai Duong Power Plant in Vietnam has already achieved Commercial Operations (“COD”) and has started to provide steady recurring income to the Group.

On the Construction division, the Group is seeking for new construction projects with higher margin to replenish its order book for the local construction division.

The outlook for the Group’s investment properties is challenging following the various MCO measures in the Klang Valley on the back of resurgence of COVID-19 transmission. The Group is consistently exploring various options and initiatives to revamp and rejuvenate the Mall and Business Hub to improve its occupancy rate and rental yield.

Barring any unforeseen circumstances, the Group is cautiously optimistic of the future prospects.

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 Jun 2021 RM’000	Year-to-date Ended 30 Jun 2021 RM’000
Taxation	9	424
	=====	=====

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%.

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

6. Group Borrowings.

Group borrowings as at 30 June 2021 including interest denominated in Ringgit Malaysia are as follows: -

	Secured <u>RM'000</u>	Unsecured <u>RM'000</u>	Total <u>RM'000</u>
Short term borrowings	51,545	-	51,545
Overdraft	6,318	-	6,318
Long term borrowings	318,902	-	318,902
	<hr/>	<hr/>	<hr/>
Total	376,765	-	376,765
	=====	=====	=====

7. Notes to the statement of comprehensive income.

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

	Year-to-date Ended 30 Jun 2021 RM'000
<u>Expenses</u>	
Interest Expense	11,394
Depreciation and Amortisation	7,857
LTIP option expenses	6,462
<u>Income</u>	
Interest Income	51
Share of Profit in joint venture	67,339

8. Material Litigation.

(a) Star Media Group Berhad (“STAR”) Claim

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.

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

On 1 August 2019, STAR had filed an application pursuant to Order 14A, Order 18 and Order 81 of the Rules of Court 2012 (“ROC”) to have their claim decided based on question of law and/or construction of orders and grounds of judgement which they have previously obtained.

On 7 August 2020, the Company announced that the High Court has allowed STAR’s application in part and ruled that the Company is to pay damages to STAR, being late payment interest at the rate of 8% per annum on the Balance Purchase Price of RM134,500,000 from 25 October 2015 to 6 July 2020.

The Company was further advised by its solicitors that in delivering the High Court’s decision: -

1. the High Court did not allow STAR’s claim for payment of RM134,500,000 being the Balance Purchase Price;
2. the High Court was of the view that delivery of the STAR’s entitlement as defined in the Sale and Purchase Agreement dated 19 August 2011, had occurred on 6 July 2020;
3. the High Court did not allow any late payment interest on the Balance Purchase Price thereafter from 6 July 2020;
4. STAR’s claim and the Company’s counterclaim had been disposed by the High Court.

Accordingly, the Company’s counterclaim was struck out.

The Company filed for an appeal to the Court of Appeal against the decision of the High Court on 7 August 2020 vide Civil Appeal No.: W-02(IM)(NCVC)-1122-08/2020 (“**Appeal 1122**”).

Similarly, STAR also appealed to the Court of Appeal against part of the decision of the High Court on 7 August 2020 insofar as they relate to questions which was dismissed by the learned High Court Judge vide Civil Appeal No.: W-02(IM)(NCVC)-1188-09/2020 (“**Appeal 1188**”). Upon counsel’s advice, the parties have agreed for both appeals to be heard on 27 July 2021 together with Civil Appeal No.: W-02(IM)(NCVC)-1435-10/2020 (“**Appeal 1435**”).

On 16 April 2021, the Company has filed a Notice of Motion at the Court of Appeal for a Stay of Execution of the Order granted by the High Court on 7 August 2020 following the dismissal of the Company's application for a stay of execution of the similar order at the High Court on 24 March 2021. The Notice of Motion filed at the Court of Appeal for a Stay of Execution of the Order granted by the High Court on 7 August 2020 was at the Case Management on 4 May 2021, fixed for Hearing on 19 July 2021.

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

During Hearing for the Motion for Stay on 19 July 2021, STAR had undertaken not to execute the Order dated 7 August 2021 pending disposal of Appeal 1122, Appeal 1188 and Appeal 1435 on 28 July 2021.

On 28 July 2021, the Company announced that the appeal lodged by the Company at the Court of Appeal vide Appeal 1122 was allowed and the judgment given by the High Court on 7 August 2020 was set aside in its entirety.

This effectively sets aside the judgment by the High Court on 7 August 2020 which ordered for:

- (a) the Late Payment Interest of RM50,542,117-82 calculated at 8% per annum from the balance purchase price of RM134,500,000-00 from 25 October 2015 to 6 July 2020;
- (b) the Late Payment Interest be calculated at 8% per annum from the Balance Purchase Price of RM134,500,000-00 is to continue from 7 July 2020 to date of completion and delivery of the Vendor's Entitlement in accordance with the terms of the Sale and Purchase Agreement dated 19 August 2011.

Consequently, the Company also succeeded in defending the appeal lodged by STAR vide Appeal 1188. The Court of Appeal directed that Suit No.: WA-22NCVC-258-04/2019 where the Company has counterclaimed for damages arising from loss of profit from corporate exercise, loss of reputation and loss and impact on the status of the Defendant as public listed company and WA-22NCVC-374-05/2019 where the Company has claimed for the sum of RM248,242,987-62 as liquidated ascertained damages, RM297,035,481-00 as loss of proceeds from corporate fundraising exercise and refund of RM50,000,000-00 together with all interests pursuant to the Bank Guarantees be refunded, be reverted back to the High Court for full trial before Justice Nazlan Mohd Ghazali.

On 25 August 2021, STAR had filed a motion for leave to appeal against the decision of the Court of Appeal dated 28 July 2021 in allowing the Company's appeal vide Civil Application No.: 08(i)-332-08/2021(w) and dismissal of STAR's appeal vide Civil Application No.: 08(i)-333-08/2021(w).

(b) Claim against STAR at Kuala Lumpur High Court

On 30 May 2019, the Company and JIC filed a claim against STAR at the Kuala Lumpur High Court for breach of the Sale and Purchase Agreement 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 SPA;
- a declaration that STAR is unjustly enriched;

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

- the sum of RM248,242,987.62 to be paid to JIC as liquidated ascertained damages;
- the sum of RM297,035,481 to be paid to JRB as loss of proceeds from corporate fund raising exercises;
- the sum of RM50,000,000 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.

Similarly, STAR had filed an application pursuant to Order 14A and Order 18 Rule 19 of the ROC to have Company's claim decided based on question of law and/or construction of orders and grounds of judgement which they have previously obtained.

On 28 September 2020, the High Court dismissed the application filed by STAR. STAR had appealed against the decision dated 28 September 2020 vide Appeal 1435.

By consensus of the parties, Appeal 1435 was heard together with Appeal 1122 and Appeal 1188. Appeal 1435 was dismissed.

On 5 August 2021, the Company announced that the matter has been fixed for further Case Management on 9 August 2021 for directions on the matter being heard, together with the Kuala Lumpur High Court Suit No.: WA-22NCVC-258-04/2018 following Order of the Court of Appeal dated 27 July 2021.

On 11 August 2021, the Company announced that at Case Management on 9 August 2021, the Court has confirmed that the matter will be transferred and be heard together with Kuala Lumpur High Court Suit No.: WA-22NCVC-258-04/2019 before NCVC Court 2 following directions from the Court of Appeal. As a result, the trial dates initially fixed on 19 August 2021, 20 August 2021, 26 August 2021 and 27 August 2021 are vacated.

The matters are fixed for Case Management on 6 September 2021 for parties to update the Court as to whether any interlocutory applications will be filed by the parties.

On 25 August 2021, STAR had filed a motion for leave to appeal against the decision of the Court of Appeal dated 28 July 2021 in dismissing Appeal 1435 vide Civil Application No.: 08(i)-334-08/2021(w).

On 7 September 2021, the Company announced that both the Kuala Lumpur High Court Suit No.: WA-22NCVC-258-04/2019 and Kuala Lumpur High Court Suit No.: WA-22NCVC-374-05/2019 are fixed for Case Management on 18 October 2021.

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**9. Earnings / (Loss) Per Ordinary Share**

The earnings / loss per share has been calculated based on the Group's profit / (loss) 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	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To-date	To-date
	Ended	Ended	Ended	Ended
	30/6/21	30/6/20	30/6/21	30/6/20
	RM'000	RM'000	RM'000	RM'000

a) Basic Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	28,805	2,165	48,552	(4,055)
Weighted average Number of Share in issue (RM1.00 each)	1,760,318	650,195	1,760,318	650,195
Basic Earnings / (Loss) Per Share (sen)	1.64	0.33	2.76	(0.62)

b) Diluted Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	28,805	2,165	48,552	(4,055)
Weighted average Number of Share in issue (RM1.00 each)	1,760,318	650,195	1,760,318	650,195
Effect of dilution due to issuance of shares	194,827	34,295	194,827	34,295
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each)	1,955,145	684,490	1,955,145	684,490
Earnings/(Loss) Per Share (sen)	1.47	0.32	2.48	(0.59)

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

10. Status of the Corporate Exercise

On 31 May 2021, the Company announced to undertake the Proposed Private Placement of up to 552,787,900 new Ordinary Shares in JRB, representing up to 20% of the total number of issued shares of JRB (assuming all outstanding Warrants B, Warrants C and LTIP Options are exercised, and additional LTIP Options are granted and exercised as at 24 May 2021, being the latest practicable date of the said announcement).

On 21 June 2021, the Company fixed the issue price for the Private Placement of 272,667,000 Placement Shares, representing approximately 15.41% of the existing issued share capital, at RM0.4750 per Placement Share (“First Tranche”). The issue price of RM0.4750 per Placement Share represents a discount of RM0.0473 or approximately 9.06% to the 5-day VWAMP of JRB Shares up to and including 18 June 2021 of RM0.5223 per JRB Share.

On 1 July 2021, the First Tranche was completed with the listing and quotation of 272,667,000 Ordinary Shares, representing approximately 15.41% of the existing issued share capital of the Company on the Official List of Bursa Securities, raising a total proceeds of approximately RM129.5 million. As at the date of this report, the private placement exercise is yet to be completed, as it utilises the general mandate approved by the shareholders of the Company at the Annual General Meeting held on 29 June 2021 to issue up to 20% of the total number of issued shares of the Company, and the implementation period for such exercise, as stipulated in the Bursa Securities’ Main Market Listing Requirements, is within six (6) months from the approval obtained from Bursa Securities (i.e. 14 June 2021).

11. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 7 September 2021.