

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019.

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 4th Quarter unaudited financial results for the financial year ended 31 December 2019.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 31-Dec-2019	Preceding Year Quarter ended 31-Dec-2018	Current Year To-date ended 31-Dec-2019	Preceding Year To-date ended 31-Dec-2018
	RM'000	RM'000	RM'000	RM'000
Revenue	238,922	167,967	1,068,185	658,118
Cost of Sales	(188,719)	(192,828)	(881,617)	(631,649)
Gross Profit	50,203	(24,861)	186,568	26,469
Other Operating Income	1,646	327	3,488	10,860
Other Operating, Administrative, Selling and Distribution expenses	(57,868)	(15,925)	(116,572)	(56,825)
Operating Profit/(Loss) before finance cost	(6,019)	(40,459)	73,484	(19,496)
Finance cost	(5,967)	(7,243)	(20,948)	(23,248)
Operating Profit/(Loss) after finance cost	(11,986)	(47,702)	52,536	(42,744)
Share of Profit / (Loss) in Joint Venture	79	(409)	(37)	(459)
Profit/(Loss) Before Taxation	(11,907)	(48,111)	52,499	(43,203)
Taxation	(2,668)	(1,818)	(5,992)	(3,404)
Net Profit/(Loss) For The Period	(14,575)	(49,929)	46,507	(46,607)
Other Comprehensive Income / (Loss)				
Foreign currency translation	(7,866)	7,275	(7,866)	7,275
Total Comprehensive Income/(Loss) for the Period	(22,441)	(42,654)	38,641	(39,332)
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	17,762	(12,452)	108,631	15,351
Non-Controlling Interests	(32,338)	(37,477)	(62,124)	(61,958)
	(14,575)	(49,929)	46,507	(46,607)
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	2.89	(2.33)	17.65	2.88
- Diluted	2.89	(2.33)	17.65	2.88
Weighted average number of Ordinary Shares in issue	615,455	533,364	615,455	533,364
Weighted average number of Ordinary Shares in issue (diluted)	615,455	533,364	615,455	533,364

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 31 DECEMBER 2019.

	(Unaudited) As At End Of Financial Year End 31-Dec-2019 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2018 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	1,850	4,063
Investment properties	717,013	642,140
Investment in Joint Venture	357,408	197,171
Golf Club memberships	318	326
Goodwill on Consolidation	128,136	148,501
Deferred Tax Assets	-	2,325
Right of use of Assets	1,259	-
	<u>1,205,985</u>	<u>994,526</u>
Current Assets		
Inventories	1,027	1,572
Property Development Costs	54,674	45,617
Amount due from customers for contract works	342,569	511,378
Trade and Other Receivables	553,780	515,928
Amount due by Joint Venture	9,203	6,879
Deposits placed with licensed banks	49,068	76,076
Cash and bank balances	102,253	91,035
	<u>1,112,574</u>	<u>1,248,485</u>
Total Assets	<u>2,318,559</u>	<u>2,243,011</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	659,642	598,974
Share Options Reserve	3,219	3,219
Warrant Reserve	25,607	25,607
Translation Reserve	(11,662)	(3,795)
Accumulated Profit	301,612	194,199
	<u>978,419</u>	<u>818,204</u>
Non-controlling interests	(58,050)	4,074
TOTAL EQUITY	<u>920,369</u>	<u>822,278</u>
Non-Current Liabilities		
Long Term Borrowings	312,707	321,781
Deferred Tax Liabilities	-	94
	<u>312,707</u>	<u>321,875</u>
Current Liabilities		
Trade and Other Payables	976,425	985,971
Bank borrowings	96,487	105,311
Bank overdraft	12,572	7,576
	<u>1,085,483</u>	<u>1,098,858</u>
TOTAL EQUITY AND LIABILITIES	<u>2,318,559</u>	<u>2,243,011</u>
No of Ordinary Shares	643,118	545,943
Net Assets Per Share attributable to Owners of the parent (RM)	<u>1.52</u>	<u>1.50</u>

(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 YEAR ENDED 31 DECEMBER 2019.

	Current Year 12 Months ended 31-Dec-2019 RM'000	Preceding Year 12 Months ended 31-Dec-2018 RM'000
Cash flows from operating activities		
Profit before tax for the period	52,499	(43,203)
Adjustment for:		
Depreciation and amortisation	13,050	13,532
Interest expense	20,948	30,252
Interest income	(2,297)	(991)
(Gain) / Loss on disposal of plant & equipment	312	(6,918)
Share of (Profit) / Loss in Joint Venture	37	459
Impairment Loss on Goodwill	20,365	-
Allowance for impairment of receivables	10,967	1,155
Impairment on Investment Property	10,399	-
Unrealised (Gain) / Loss on foreign exchange	(1,858)	(2,261)
Restricted Share plan ("RSP") expenses	19,742	-
Provision for liquidated ascertained damages	37,428	32,332
Provision for Disputed Performance Liability	-	50,000
Operating profit before working capital changes	181,591	74,357
(Increase)/Decrease in working capital		
Inventories	(18,911)	26,074
Amount due from customers for contract works	168,809	87,826
Trade and other receivables	(50,356)	(162,721)
Trade and other payables	(45,485)	29,715
	54,057	(19,106)
	235,648	55,251
Interest paid	(6,914)	(15,103)
Income tax paid	(3,113)	(5,947)
Net Operating Cash Flow	225,621	34,201
Cash flows from investing activities		
Purchase of property, plant & equipment	(84)	(72)
Interest received	2,295	991
Proceeds from disposal of property, plant & equipment	621	8,309
Addition to investment properties	(86,551)	(9,074)
Addition to investment in Joint Venture company	(162,598)	(71,216)
Withdrawal / (Placement) of Fixed Deposits	27,008	11,932
Net Investing Cash Flow	(219,309)	(59,130)
Cash flows from financing activities		
Net Proceeds from shares issued	39,709	72,001
Net Proceeds from warrants issued	-	25,607
Interest paid	(14,034)	(15,149)
Drawdown / (Repayment) of short term borrowings	(9,193)	(45,717)
Drawdown (Repayment) of hire purchase liabilities	(205)	(449)
Drawdown / (Repayment) of bank term loans	(8,500)	9,083
Net Financing Cash Flow	7,777	45,376

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019. (Cont.)**

	Current Year 12 Months ended 31-Dec-2019	Preceding Year 12 Months ended 31-Dec-2018
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	14,089	20,447
Cash & Cash Equivalents at beginning of the year	82,223	63,589
Translation Reserve	(7,867)	(1,813)
Cash & Cash Equivalents at end of the period.	88,445	82,223

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	49,068	76,076
Cash & bank balances	102,253	91,035
Bank overdrafts	(12,572)	(7,576)
	138,749	159,535
Less : Deposit held as security values	(49,068)	(76,076)
Debt service reserves account	(1,236)	(1,236)
	88,445	82,223

(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 YEAR ENDED 31 DECEMBER 2019.

	Attributable to Equity Holders of the Company						Non-Controlling Interest	Total Equity
	Non-Distributable			Distributable				
	Share Capital	Share Options Reserve	Warrant Reserve	Translation Reserve	Retained Earnings	Sub-Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Current Year								
Quarter ended								
31 December 2019.								
Balance as at								
1 January 2019	598,974	3,219	25,607	(3,796)	194,200	818,204	4,074	822,278
Effect of adopting MFRS 16					68	68		68
Total Comprehensive								
Income for the Period	-	-	-	-	108,631	108,631	(62,124)	46,507
Foreign currency translation	-	-	-	(7,866)	-	(7,866)	-	(7,866)
Issuance of ordinary shares								
Private placement	40,926	-	-	-	(1,285)	39,641	-	39,641
LTP shares ("RSP")	19,742	-	-	-	-	19,742	-	19,742
Balance as at								
31 December 2019.	659,642	3,219	25,607	(11,662)	301,612	978,418	(58,050)	920,369
Preceding Year								
Quarter ended								
31 December 2018.								
Balance as at								
1 January 2018	524,387	4,325	-	(11,071)	180,437	698,078	66,031	764,109
Effect of adopting MFRS 9					(107)	(107)		(107)
Total Comprehensive								
Income for the Period	-	-	-	-	15,351	15,351	(61,957)	(46,606)
Foreign currency translation	-	-	-	7,275	-	7,275	-	7,275
Issuance of ordinary shares								
Private placement	68,491	-	-	-	(1,481)	67,010	-	67,010
LTP shares exercise	6,096	-	-	-	-	6,096	-	6,096
Share options granted	-	(1,106)	-	-	-	(1,106)	-	(1,106)
Issue of Warrants.	-	-	25,607	-	-	25,607	-	25,607
Balance as at								
31 December 2018.	598,974	3,219	25,607	(3,796)	194,200	818,204	4,074	822,278

(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 31 December 2019 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31.12.2019 RM'000	Timeframe for utilisation
(i) Vietnam Power Plant Project	25,491	25,491	Within 12 months
(ii) Repayment of Bank Borrowings	4,335	4,335	Within 12 months
(iii) Renewable Energy Projects	10,000	10,000	Within 12 months
(iv) Estimated expenses for the Proposed Private Placement	1,100	1,100	Upon completion of the Proposed Private Placement
	40,926	40,926	

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 31 December 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 Year Ended 31 December 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	1,027,636	39,808	741	-	1,068,185
Inter-Company	47,568	76,007	13,489	(137,064)	-
	1,075,204	115,815	14,230	(137,064)	1,068,185
Segment Results	179,277	(74,430)	(34,851)		69,996
Other Income					3,488
Finance Cost					(20,948)
Profit After Finance cost					52,536
Share of Loss in Joint Venture					(37)
Profit Before Taxation					52,499
Taxation					(5,992)
Profit After Taxation					46,507
<u>Attributable to:</u>					
Owners of the Company					108,631
Non-Controlling Interests					(62,124)
					46,507

The Group's revenue for the period ended 31 December 2019 based on geographical location is presented as follows:

	RM'000
Malaysia	250,594
Vietnam	817,591

Total	1,068,185
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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 31 December 2019 were as follows: -

	As at 31 Dec 2019 RM'000	As at 31 Dec 2018 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	67,176	91,341
Liquidated and ascertained damages	45,015	34,255
	<u>112,191</u>	<u>125,596</u>

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 USD52.14 million or RM213.4 million, using exchange rate of USD1 : RM4.0925.

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 31/12/2019 RM'000	Preceding Year Quarter Ended 31/12/2018 RM'000	Changes %	Current Year To-date Ended 31/12/2019 RM'000	Preceding Year To-date Ended 31/12/2018 RM'000	Changes %
Construction	224,516	214,478	5	1,027,636	628,327	64
Property Development & Investment Less Provision for Liquidated ascertained damages ("LAD")	24,194	11,062	119	77,236	107,807	(28)
	(9,855)	(58,795)	(83)	(37,428)	(82,332)	(55)
	14,339	(47,733)	(130)	39,808	25,475	56
Investment Holding & Others	67	1,222	(95)	741	4,316	(83)
Total	238,922	167,967	42	1,068,185	658,118	62

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 31/12/2019 RM'000	Preceding Year Quarter Ended 31/12/2018 RM'000	Changes %	Current Year To-date Ended 31/12/2019 RM'000	Preceding Year To-date Ended 31/12/2018 RM'000	Changes %
Construction	26,486	31,895	(17)	177,433	84,000	111
Property Development & Investment	(28,952)	(75,709)	(62)	(88,103)	(118,474)	(26)
Investment Holding & Others	(9,441)	(4,297)	120	(17,089)	(8,729)	96
Restricted Share Plan Expenses	-	-	-	(19,742)	-	(100)
	<u>(9,441)</u>	<u>(4,297)</u>	<u>120</u>	<u>(36,831)</u>	<u>(8,729)</u>	<u>322</u>
Total	(11,907)	(48,111)	(75)	52,499	(43,203)	(222)

The Group achieved revenue of RM238.9 million for the current quarter ended 30 December 2019, an increase of approximately 42% from the previous year's corresponding quarter of RM168.0 million. The increase was mainly attributable to the higher amount of revenue recognised from the Vietnam EPC construction works in the Construction division of RM166.9 million as compared to RM135.4 million achieved in the preceding year's corresponding quarter.

The main contributor to the Group's revenue for the current quarter was from the Construction division with revenue of RM224.5 million. The Property Development & Investment division contributed a higher revenue of RM24.2 million to the Group in the current quarter as compared to RM11.1 million in the preceding year's corresponding quarter in accordance with the billing stage. However, with the provision for liquidated ascertained damages ("LAD") charges of RM9.9 million (Q4 2018 – RM58.8 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 a revenue of RM14.3 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.

The Group recorded a lower loss before tax of RM11.9 million in the current year's fourth quarter as compared to a loss before tax of RM48.1 million in the preceding year's corresponding quarter.

The Construction division recorded a lower profit before tax of RM26.5 million in the quarter under review as compared to RM31.9 million achieved in the preceding year's corresponding quarter, due to allowance for impairment of receivables.

The Property Development & Investment division recorded lower a loss before tax of RM29.0 million compared to a loss before tax of RM75.7 million in the preceding year's corresponding quarter, in the absence of the RM50 million disputed performance liability charged out in Q4 2018.

The Investment Holding & Others division recorded a higher loss before tax of RM9.4 million in the quarter under review as compared to a loss before tax of RM4.3 million incurred in the preceding year's corresponding quarter in line with lower revenues from the division.

For the financial year ended 31 December 2019, the Group achieved revenue of RM1.068 billion and a profit before tax of RM52.54 million as compared to the preceding year's revenue of RM658.1 million and a loss before tax of RM43.2 million. The Construction division was the main contributor with revenues of RM1.027 billion and profit before tax of RM177.4 million of which RM817.6 million in revenue and RM187.2 million profits respectively were derived from the Vietnam EPC construction works.

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/10/19-31/12/19 <u>RM'000</u>	Immediate Preceding Quarter 1/7/19 – 30/9/19 <u>RM'000</u>	Changes <u>%</u>
Revenue	238,922	216,035	11
Profit / (Loss) before tax	(11,907)	17,226	(169)

The Group achieved RM238.9 million revenue for the current quarter, an increase of 11% from the revenue of RM216.0 million in the preceding quarter ended 30 September 2019. The Group recorded loss before tax of RM11.9 million in the fourth quarter as compared to a profit before tax of RM17.2 million achieved in the preceding quarter mainly due to impairment loss on goodwill, investment property and receivables in the current quarter.

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

3. Prospects

The Vietnam EPC has been the main revenue and profit contributor of the Group and is expected to continue in the financial year 2020 to deliver positively to the Group until its completion.

For the Property Development and Investment division, the Group is working towards completing the property development projects soon and to improve the yields on the investment properties.

The Board will continue to exercise due care and prudence to ensure the Group's result contribute positively.

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 31 Dec 2019 RM'000	Year-to-date Ended 31 Dec 2019 RM'000
Taxation	2,668	5,992
	=====	=====

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 31 December 2019 including interest denominated in Ringgit Malaysia are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	96,487	-	96,487
Overdraft	12,571	-	12,571
Long term borrowings	312,707	-	312,707
	-----	-----	-----
Total	421,765	-	421,765
	=====	=====	=====

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 31 Dec 2019
<u>Expenses</u>	RM'000
Interest Expense	20,948
Depreciation and Amortisation	13,050
Liquidated and ascertained damages provision	37,428
Restricted Share plan expenses	19,742
Loss on disposal of plant & equipment	312
Share of Loss in Joint Venture	37
Impairment loss on Goodwill	20,365
Allowance for impairment of receivables	10,967
Allowance for impairment of Investment Property	10,399
<u>Income</u>	
Interest Income	2,297
Unrealised gain on foreign exchange	1,858

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.

During the hearing on 3 January 2020, the Court informed the solicitors for the respective parties that the hearing of STAR'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 21 April 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.

During the Case Management on 18 December 2019 for Appeal Nos.: W-02(IM)(C)-1198-07/2019 and W-02(IM)(C)-1199-07/2019, the Court fixed another Case Management on 14 January 2020.

On 26 December 2019, JIC filed the Notice of Withdrawal of the Appeal for both Appeal Nos.: W-02(IM)(C)-1198-07/2019 and W-02(IM)(C)-1199-07/2019.

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

- 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.

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, 15 November 2019, 29 November 2019 and 6 January 2020.

During the case management on 6 January 2020, the court fixed another case management on 27 April 2020.

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.

Individual Period

Cumulative Period

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

	Current Year Quarter Ended 31/12/19 RM'000	Preceding Year Quarter Ended 31/12/18 RM'000	Current Year To-date Ended 31/12/19 RM'000	Preceding Year To-date Ended 31/12/18 RM'000
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a) Basic Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	17,762	(12,452)	108,631	15,351
Weighted average Number of Share in issue (RM1.00 each)	615,455	533,364	615,455	533,364
Basic Earnings/(Loss) Per Share (sen)	2.89	(2.33)	17.65	2.88

<u>Individual Period</u>		<u>Cumulative Period</u>	
Current Year Quarter Ended 31/12/19 RM'000	Preceding Year Quarter Ended 31/12/18 RM'000	Current Year To-date Ended 31/12/19 RM'000	Preceding Year To-date Ended 31/12/18 RM'000

b) Diluted Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	17,762	(12,452)	108,631	15,351
Weighted average Number of Share in issue (RM1.00 each)	615,455	533,364	615,455	533,364
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)	615,455	533,364	615,455	533,364
Diluted Earnings/(Loss) Per Share (sen)	2.89	(2.33)	17.65	2.88

11. Status of the Corporate Exercise

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

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 27 February 2020.