

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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 2021

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 31-Dec-2021	Preceding Year Quarter ended 31-Dec-2020	Current Year To-date ended 31-Dec-2021	Preceding Year To-date ended 31-Dec-2020
	RM'000	RM'000	RM'000	RM'000
Revenue	20,061	37,584	109,661	250,970
Cost of Sales	(16,849)	(36,535)	(89,776)	(233,953)
Gross Profit	3,212	1,049	19,885	17,017
Other Operating Income / (Loss)	1,162	21,284	2,679	97,086
Other Operating, Administrative Expenses	(64,159)	(122,321)	(109,628)	(202,759)
Operating Loss before finance cost	(59,785)	(99,988)	(87,064)	(88,656)
Finance cost	(5,030)	(6,076)	(21,753)	(25,413)
Operating Loss after finance cost	(64,815)	(106,064)	(108,817)	(114,069)
Share of Profit in Joint Venture	28,582	3,763	139,283	3,763
Profit/(Loss) Before Taxation	(36,233)	(102,301)	30,466	(110,306)
Taxation	(54)	(16,079)	(545)	(18,196)
Net Profit/(Loss) For The Year	(36,287)	(118,380)	29,921	(128,502)
Other Comprehensive Income / (Loss)				
Foreign currency translation	6,899	(4,957)	6,899	(4,957)
Total Comprehensive Income/(Loss) for the Year	(29,388)	(123,337)	36,820	(133,459)
<u>Net Profit/(Loss) For The Year Attributable to :</u>				
Owners of the Company	(28,544)	(107,252)	51,860	(84,561)
Non-Controlling Interests	(7,743)	(11,128)	(21,939)	(43,941)
	(36,287)	(118,380)	29,921	(128,502)
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	(1.50)	(13.68)	2.72	(10.79)
- Diluted	(1.42)	(12.54)	2.58	(9.88)
Weighted average number of Ordinary Shares in issue	1,902,502	783,937	1,902,502	783,937
Weighted average number of Ordinary Shares in issue (diluted)	2,009,673	855,544	2,009,673	855,544

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 31 DECEMBER 2021

	(Unaudited)	(Audited)
	As At	As At
	End Of	End Of
	Financial	Financial
	Year End	Year End
	31-Dec-2021	31-Dec-2020
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	104,527	102,807
Investment properties	607,335	623,177
Investment in Joint Venture	713,290	481,561
Golf Club memberships	303	311
Goodwill on Consolidation	54,134	76,136
Right of use of Assets	242	265
	1,479,831	1,284,257
Current Assets		
Inventories	483	483
Contract assets	208,209	276,709
Trade and Other Receivables	349,886	381,898
Amount due from Joint Venture	10,270	10,588
Deposits placed with licensed banks	55,129	46,079
Cash and bank balances	88,719	128,503
	712,696	844,260
Total Assets	2,192,527	2,128,517
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,061,612	924,998
Reserves	22,036	8,675
Accumulated Profit	257,197	210,276
	1,340,845	1,143,949
Non-controlling interests	(39,237)	(16,416)
TOTAL EQUITY	1,301,608	1,127,533
Non-Current Liabilities		
Long Term Borrowings	306,264	318,942
Deferred Tax Liabilities	87	101
	306,351	319,043
Current Liabilities		
Trade and Other Payables	518,332	613,661
Bank borrowings	59,993	60,087
Bank overdraft	6,243	8,193
	584,568	681,941
TOTAL EQUITY AND LIABILITIES	2,192,527	2,128,517
No of Ordinary Shares	2,042,318	1,755,167
Net Assets Per Share attributable to Owners of the parent (RM)	0.66	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 YEAR ENDED 31 DECEMBER 2021

	Current Year 12 Months ended 31-Dec-2021 RM'000	Preceding Year 12 Months ended 31-Dec-2020 RM'000
Cash flows from operating activities		
Profit / (Loss) before tax for the year	30,466	(110,306)
Adjustment for:		
Depreciation and amortisation	15,675	19,436
Interest expense	21,753	25,413
Interest income	(173)	(1,001)
Gain on disposal of plant & equipment	(66)	(53)
Gain on disposal of subsidiary	-	(89,114)
Share of Profit in Joint Venture	(139,283)	(3,763)
Impairment Loss on Goodwill	22,002	52,000
Allowance for impairment of receivables	23,606	69,352
Impairment on Investment Property	4,750	571
Unrealised (Gain) / Loss on foreign exchange	6,116	(2,501)
LTIP option expenses	6,462	17,053
Provision for liquidated ascertained damages	-	29,513
Loss on modification of lease contract	-	25
Operating profit/ (loss) before working capital changes	(8,693)	6,625
(Increase)/Decrease in working capital		
Inventories	-	544
Contract asset	68,500	19,505
Trade and other receivables	8,428	18,687
Trade and other payables	(98,223)	(16,434)
	(21,295)	22,302
Net Cash generated from / (used in) Operating activities	(29,987)	28,927
Interest paid	(7,958)	(4,702)
Income tax paid	(3,781)	(3,282)
Net Operating Cash Flow	(41,726)	20,943
Cash flows from / (used in) investing activities		
Purchase of property, plant & equipment	(3,654)	(31,995)
Interest received	173	1,001
Proceeds from disposal of property, plant & equipment	66	53
Additional investment in Joint Venture company	(92,128)	(121,775)
Decrease / (Increase) in deposits pledged	(9,050)	3,083
Addition to investment properties	(2,640)	(22,034)
Disposal of subsidiary net of cash disposed	-	(1,058)
Net Investing Cash Flow	(107,233)	(172,725)
Cash flows from / (used in) financing activities		
Proceeds from issuance of share capital	136,614	245,303
Interest paid	(13,795)	(20,711)
Drawdown / (Repayment) of short term borrowings	(94)	(29,269)
Drawdown / (Repayment) of bank term loans	(12,678)	(1,188)
Share issuance expenses	(5,821)	(6,838)
Net Financing Cash Flow	104,226	187,297

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021. (Cont.)**

	Current Year 12 Months ended 31-Dec-2021	Preceding Year 12 Months ended 31-Dec-2020
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(44,733)	35,515
Cash & Cash Equivalents at beginning of the year	116,534	85,976
Translation Reserve	6,899	(4,957)
Cash & Cash Equivalents at end of the period.	78,700	116,534

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	55,129	46,079
Cash & bank balances	88,719	128,503
Bank overdrafts	(6,243)	(8,193)
	137,605	166,389
Less : Deposit held as security values	(55,129)	(46,079)
Debt service reserves account	(3,776)	(3,776)
	78,700	116,534

(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 YEAR ENDED 31 DECEMBER 2021**

	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	Other Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
Current Year Quarter ended 31 December 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	-	-	-	-	-	51,860	51,860	(21,939)	29,921
Foreign currency translation	-	-	-	-	6,899	-	6,899	-	6,899
Issuance of ordinary shares									
LTIP option expenses	-	-	-	-	-	(5,821)	(5,821)	-	(5,821)
Exercise of Warrants	136,614	-	(5,938)	5,938	-	-	136,614	-	136,614
Acquisition of equity interest of NCI	-	-	-	-	-	882	-	(882)	(882)
Share options granted under LTIP Reversal Fair Value of LTIP shares from Share option reserves	-	6,462	-	-	-	-	6,462	-	6,462
	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	1,061,612	9,038	238,089	(215,482)	(9,609)	257,197	1,340,845	(39,237)	1,301,608
Preceding Year Quarter ended 31 December 2020									
Balance as at 1 January 2020	659,642	2,576	25,607	-	(11,550)	301,674	977,949	(58,094)	919,855
Total Comprehensive Income for the Period	-	-	-	-	-	(84,561)	(84,561)	(43,941)	(128,502)
Foreign currency translation	-	-	-	-	(4,957)	-	(4,957)	-	(4,957)
Issuance of ordinary shares									
Right issue	237,622	-	-	-	-	(6,838)	230,785	-	230,785
Issuance of warrant	-	-	221,421	(221,421)	-	-	-	-	-
Issuance of shares under share grant plan	17,053	-	-	-	-	-	17,053	-	17,053
Warrants	10,681	-	(3,001)	1	-	-	7,681	-	7,681
Disposal of Subsidiary	-	-	-	-	-	-	-	85,619	85,619
Balance as at 31 December 2020	924,998	2,576	244,027	(221,420)	(16,507)	210,276	1,143,949	(16,416)	1,127,533

(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 January 2022 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31.1.2022 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. Subsequently, on 31 December 2021, the Private Placement has been completed with no further issuance of placement shares after the First Tranche.

The status of utilisation of proceeds as at 31 January 2022 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM'000	Utilised as at 31.1.2022 RM'000	Timeframe for utilisation
(i) Solar project	50,000	16,091	Within 24 months
(ii) Working capital requirements	47,077	47,077	Within 12 months
(iii) Capital expenditure for Evolve Concept Mall	5,000	3,500	Within 24 months
(iv) Acquisitions	22,405	12,000	Within 24 months
(v) Estimated expenses for the Private Placement	5,035	5,035	Immediate
	129,517	83,703	

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 31 December 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 Investment RM'000	Investment Holding & Others RM'000	Elimination RM'000	Total RM'000
REVENUE					
External Revenue	102,107	7,154	400	-	109,661
Inter-Company	-	-	200,059	(200,059)	-
	102,107	7,154	200,459	(200,059)	109,661
Segment Results	(41,291)	(31,095)	(17,357)		(89,743)
Other Income					2,679
Loss Before Finance Cost					(87,064)
Finance Cost					(21,753)
Loss After Finance cost					(108,817)
Share of Profit in Joint Venture					139,283
Profit Before Taxation					30,466
Taxation					(545)
Profit After Taxation					29,921
<u>Attributable to:</u> Owners of the Company					51,860
Non-Controlling Interests					(21,939)
					29,921

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

The Group's revenue for the financial year ended 31 December 2021 based on geographical location is presented as follows:

	RM'000
Malaysia	63,217
Vietnam	46,444

Total	109,661
	=====

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 to undertake the Large Scale Solar ("LSS4") project. On 20 December 2021, the issued capital was increased from RM100 to RM10 million.

12. Changes in Contingent Liabilities.

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

	As at 31 Dec 2021 RM'000	As at 31 Dec 2020 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	57,219	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 31/12/2021 RM'000	Preceding Year Quarter Ended 31/12/2020 RM'000	Changes %	Current Year To-date Ended 31/12/2021 RM'000	Preceding Year To-date Ended 31/12/2020 RM'000	Changes %
Construction	18,468	38,262	(52)	102,107	263,172	(61)
Property Development & Investment	1,477	(1,092)	235	7,154	16,776	(57)
Less Provision for Liquidated ascertained damages ("LAD")	-	-	-	-	(29,513)	100
	<u>1,477</u>	<u>(1,092)</u>	<u>235</u>	<u>7,154</u>	<u>(12,737)</u>	<u>156</u>
Investment Holding & Others	116	414	(72)	400	535	(25)
Total	20,061	37,584	(47)	109,661	250,970	(56)

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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 31/12/2021 RM'000	Preceding Year Quarter Ended 31/12/2020 RM'000	Changes %	Current Year To-date Ended 31/12/2021 RM'000	Preceding Year To-date Ended 31/12/2020 RM'000	Changes %
Construction	(36,451)	(57,501)	37	(37,414)	(28,382)	(32)
Property Development & Investment	(20,752)	(22,131)	6	(49,719)	(105,415)	53
Gain on disposal of subsidiary	-	-	-	-	88,950	(100)
	(20,752)	(22,131)	6	(49,719)	(16,465)	(202)
Investment Holding & Others	(7,612)	(26,432)	71	(21,684)	(69,222)	69
Share of Profit in Joint Venture	28,582	3,763	660	139,283	3,763	3,601
	20,970	(22,669)	193	117,599	(65,459)	280
Total	(36,233)	(102,301)	65	30,466	(110,306)	128

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

The Group achieved lower revenue of RM20.1 million for the current quarter ended 31 December 2021, compared to the revenue of the previous year's corresponding quarter of RM37.6 million. The decrease was mainly due to the lower revenue recognised from the Construction division. The revenue from the domestic construction works reduced by RM15.9 million due to works delay. The Vietnam EPC construction works nearing the tail end contributed minimal revenue of RM0.1 million in the current quarter as compared to RM3.9 million in the previous year's corresponding quarter.

The Group incurred a loss before tax of RM36.2 million in the current fourth quarter compared to loss before tax of RM102.3 million in the previous year's corresponding quarter. The lower loss in the current quarter was mainly due to the higher share of profit in the Vietnam joint venture of RM28.6 million (Q4 2020: RM3.8 million) and lower impairment provision on goodwill of RM22.0 million (Q4 2020: RM52.0 million).

The Construction division contributed a lower revenue of RM18.5 million (Q4 2020: RM38.3 million) and recorded a loss before tax of RM36.5 million (Q4 2020: RM57.5 million) in the current quarter following the lower contribution from the Vietnam EPC construction works. The local construction works undertaken by the subsidiary 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 RM1.5 million in revenue as compared to a negative revenue of RM1.1 million in the previous year's corresponding quarter. This division recorded a loss before tax of RM20.8 million as compared to a loss before tax of RM22.1 million in the fourth quarter of 2020 as the property sector remains challenging.

The Investment Holding & Others division recorded a higher profit before tax of RM21.0 million in the quarter under review as compared to a loss before tax of RM22.7 million incurred in the preceding year's corresponding quarter. The higher profitability was mainly from the RM28.6 million share of profit in the Vietnam joint venture as compared to RM3.8 million achieved in the previous year's corresponding quarter.

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

For the financial year ended 31 December 2021, the Group achieved profit before tax of RM30.5 million, an increase of RM140.8 million from the loss position of RM110.3 million in the previous year. This was despite a lower revenue achieved of RM109.7 million in 2021 as compared to RM251.0 million in the previous year. The turnaround to profitability stems mainly from the share of profit in the Vietnam joint venture of RM139.3 million in the current year as compared to RM3.8 million in the previous year coupled with lower Operating & Administration expenses of RM93.1 million, offset by the one-off gain on disposal of RM89.0 million recognised in the previous year.

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/10/21-31/12/21 <u>RM'000</u>	Immediate Preceding Quarter 1/7/21 – 30/9/21 <u>RM'000</u>	Changes %
Revenue	20,061	30,555	(34)
Profit/(Loss) before tax	(36,233)	27,466	(232)

The Group achieved lower revenue of RM20.1 million for the current quarter, compared to revenue of RM30.5 million in the preceding quarter ended 30 September 2021. The Group recorded a loss before tax of RM36.2 million in the current quarter compared to a profit before tax of RM27.5 million in the preceding quarter ended 30 September 2021. The current fourth quarter's losses in the Group was due mainly to the reduction in revenue by 34%, impairment on goodwill and impairment loss on trade and other receivable that has been provided in the current quarter. There was also a lower share of profit in the Vietnam joint venture of RM28.6 million recognised in the current quarter as compared to RM43.4 million in the immediate preceding quarter.

3. Prospects.

For the year 2022, Malaysia's gross domestic product ("GDP") is expected to accelerate to from 3%-4% in 2021 to 5.5%-6.5% in 2022, boosted by the continuation of the various stimulus and assistance packages to combat the impact of the Covid-19 pandemic. This growth trajectory is based on expectations of further expansion in the global and domestic activities. The greatest challenge for the Group will be the rising operational cost and materials costs.

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

The Group's Power & Energy division is expected to be the key contributor for the new financial year 2022, particularly with the recurring share of profits from the JAKS Hai Duong Vietnam joint venture. The development of the large scale solar photovoltaic plants ("LSS4") renewable energy project in Seberang Prai, Penang is ongoing and expected to be completed in Q3 2023, after which this project will start contribution to the Group.

On the Construction division, the Vietnam EPC construction work is at tail end. The Group has been actively bidding and/or negotiating for new construction projects, targeting those with higher margin to replenish its order book for the local construction division. Although there is a lack of new mega infrastructure projects to pump-prime the construction industry in the recent Budget 2022, the Group is optimistic that it can give competitive bids to secure new projects.

The outlook for the Group's investment properties remains challenging. Nevertheless, the Group continues its efforts to improve the occupancy rate and rental yield of its Evolve Mall at Ara Damansara and Pacific Tower Business Hub at Section 13, Petaling Jaya.

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 2021 RM'000	Year-to-date Ended 31 Dec 2021 RM'000
Taxation	54 =====	545 =====

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%.

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B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**6. Group Borrowings.**

Group borrowings as at 31 December 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	59,993	-	59,993
Overdraft	6,243	-	6,243
Long term borrowings	306,264	-	306,264
	<hr/>	<hr/>	<hr/>
Total	372,500	-	372,500
	<u>=====</u>	<u>=====</u>	<u>=====</u>

7. Notes to the statement of comprehensive income.

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

	Year-to-date Ended 31 Dec 2021 RM'000
<u>Expenses</u>	
Interest Expense	21,753
Depreciation and Amortisation	15,675
Impairment Loss on Goodwill	22,002
Allowance for Impairment of Receivables	23,606
Impairment on Investment Property	4,750
LTIP option expenses	6,462
Unrealised loss on foreign exchange	6,116
<u>Income</u>	
Interest Income	173
Gain on disposal of plant & equipment	66
Share of Profit in Joint Venture	139,283

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

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.

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**”).

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

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.

During Hearing for the Motion for Stay on 19 July 2021, STAR had undertook 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 the 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.

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

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).

On 7 October, the Company announced that the three (3) motions for leave to appeal to the Federal Court filed by STAR is fixed for Hearing on 15 February 2022 has been vacated. The matter is fixed for Case Management on 9 February 2022. On 10 February 2022, the Company announced that the Hearing of the three (3) motions for leave to appeal to the Federal Court filed by STAR is now fixed for Hearing on 17 May 2022.

(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;
- 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.

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

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.

On 18 October 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 trial on 17 October 2022, 18 October 2022 and 19 October 2022. The pre-trial Case Management has been fixed on 2 March 2022.

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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 Year Quarter Ended 31/12/21 RM'000	Preceding Year Quarter Ended 31/12/20 RM'000	Current Year To-date Ended 31/12/21 RM'000	Preceding Year To-date Ended 31/12/20 RM'000
a) <u>Basic Earnings/(Loss) Per Share</u>				
Profit/(Loss) for the period attributable to owners of the Company	(28,544)	(107,252)	51,860	(84,561)
Weighted average Number of Share in issue (RM1.00 each)	1,902,502	783,937	1,902,502	783,937
Basic Earnings / (Loss) Per Share (sen)	(1.50)	(13.68)	2.72	(10.79)
b) <u>Diluted Earnings/(Loss) Per Share</u>				
Profit/(Loss) for the period attributable to owners of the Company	(28,544)	(107,252)	51,860	(84,561)
Weighted average Number of Share in issue (RM1.00 each)	1,902,502	783,937	1,902,502	783,937
Effect of dilution due to issuance of shares	107,171	71,607	107,171	71,607
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each)	2,009,673	855,544	2,009,673	855,544
Earnings/(Loss) Per Share (sen)	(1.42)	(12.54)	2.58	(9.88)

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

10. Status of the Corporate Exercise

There are no corporate exercise pending completion.

11. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 24 February 2022.