

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 31-Dec-2022	Preceding Year Quarter ended 31-Dec-2021	Current Year To-date ended 31-Dec-2022	Preceding Year To-date ended 31-Dec-2021
	RM'000	RM'000	RM'000	RM'000
Revenue	45,850	18,545	89,794	108,145
Cost of Sales	(35,353)	(16,434)	(74,650)	(89,361)
Gross Profit	10,497	2,111	15,144	18,784
Other Operating Income	1,851	3,018	3,709	4,535
Other Operating, Administrative Expenses	(56,509)	(66,289)	(113,524)	(111,758)
Operating Loss before finance cost	(44,161)	(61,160)	(94,671)	(88,439)
Finance cost	(7,616)	(5,257)	(24,383)	(21,980)
Operating Loss after finance cost	(51,777)	(66,417)	(119,054)	(110,419)
Share of Profit in Joint Venture	46,173	30,012	156,190	140,713
Profit/(Loss) Before Taxation	(5,604)	(36,405)	37,136	30,294
Taxation	(393)	(54)	(897)	(545)
Net Profit/(Loss) For The Period	(5,997)	(36,459)	36,239	29,749
Other Comprehensive Income / (Loss)				
Foreign currency translation	1,991	6,899	1,991	6,899
Total Comprehensive Income/(Loss) for the Period	(4,006)	(29,560)	38,230	36,648
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	(3,245)	(28,645)	53,498	51,759
Non-Controlling Interests	(2,752)	(7,814)	(17,259)	(22,010)
	(5,997)	(36,459)	36,239	29,749
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	(0.16)	(1.51)	2.60	2.73
- Diluted	(0.16)	(1.51)	2.60	2.73
Weighted average number of Ordinary Shares in issue	2,055,317	1,897,304	2,055,317	1,897,304
Weighted average number of Ordinary Shares in issue (diluted)	2,056,578	1,897,304	2,056,578	1,897,304

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 2021 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 2022

	(Unaudited) As At End Of Financial Year End 31-Dec-2022 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2021 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	242,453	104,214
Investment properties	597,701	606,138
Investment in Joint Venture	800,779	714,720
Golf Club memberships	295	303
Goodwill on Consolidation	23,500	52,500
Right of use of Assets	358	555
	1,665,086	1,478,430
Current Assets		
Inventories	483	483
Contract assets	253,636	207,776
Trade and Other Receivables	340,873	344,366
Amount due from Joint Venture	10,282	10,270
Deposits placed with licensed banks	42,451	55,196
Cash and bank balances	62,093	88,719
	709,818	706,810
Total Assets	2,374,904	2,185,240
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,074,143	1,061,612
Reserves	26,188	22,037
Accumulated Profit	310,594	257,096
	1,410,925	1,340,745
Non-controlling interests	(56,568)	(39,309)
TOTAL EQUITY	1,354,357	1,301,436
Non-Current Liabilities		
Long Term Borrowings	432,940	306,209
Deferred Tax Liabilities	67	87
	433,007	306,296
Current Liabilities		
Trade and Other Payables	518,805	511,419
Bank borrowings	57,854	59,846
Bank overdraft	10,881	6,243
	587,540	577,508
TOTAL EQUITY AND LIABILITIES	2,374,904	2,185,240
No of Ordinary Shares	2,087,318	2,042,318
Net Assets Per Share attributable to Owners of the parent (RM)	0.68	0.66

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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 2022

	Current Year 12 Months ended 31-Dec-2022 RM'000	Preceding Year 12 Months ended 31-Dec-2021 RM'000
Cash flows from operating activities		
Profit / (Loss) before tax for the period	37,136	30,294
Adjustment for:		
Depreciation and amortisation	15,650	15,833
Interest expense	24,383	21,980
Interest income	(1,966)	(1,387)
Gain on disposal of plant & equipment	(205)	(66)
Bad debts written off	-	2,711
Share of Profit in Joint Venture	(156,190)	(140,713)
Impairment Loss on Goodwill	29,000	23,636
Allowance for impairment of receivables	22,833	20,348
Impairment / (Reversal Impairment) on Investment Property	(5,125)	5,969
Unrealised (Gain) / Loss on foreign exchange	2,811	5,993
Long Term Incentive Plan ("LTIP") expenses	13,980	6,462
Operating profit/ (loss) before working capital changes	(17,693)	(8,940)
(Increase)/Decrease in working capital		
Contract assets	(45,860)	75,134
Trade and other receivables	(19,156)	35,725
Trade and other payables	8,072	(124,772)
	(56,944)	(13,913)
Net Cash generated from / (used in) Operating activities	(74,637)	(22,853)
Interest paid	(3,987)	(4,760)
Income tax paid	(4,403)	(3,781)
Net Operating Cash Flow	(83,027)	(31,394)
Cash flows from / (used in) investing activities		
Purchase of property, plant & equipment and right-of-use	(140,319)	(3,355)
Interest received	1,966	1,387
Proceeds from disposal of property, plant & equipment	205	66
Decrease / (Increase) investment in Joint Venture company	-	(92,454)
Dividend received from Joint Venture company	70,120	-
Decrease / (Increase) in deposits pledged	2,492	(9,212)
Addition to investment properties	-	(2,640)
Net Investing Cash Flow	(65,536)	(106,208)
Cash flows from / (used in) financing activities		
Net Proceeds from warrants issued	-	7,097
Proceeds from issuance of share capital	711	129,517
Interest paid	(20,396)	(17,220)
Drawdown / (Repayment) of short term borrowings	(7,225)	(13,047)
Drawdown (Repayment) of lease liabilities	(164)	(219)
Drawdown / (Repayment) of bank term loans	132,129	(55)
Share issuance expenses	-	(5,821)
Net Financing Cash Flow	105,055	100,252

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022. (Cont.)**

	Current Year 12 Months ended 31-Dec-2022	Preceding Year 12 Months ended 31-Dec-2021
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(43,508)	(37,350)
Cash & Cash Equivalents at beginning of the year	78,605	116,534
Translation Reserve	1,991	(579)
Cash & Cash Equivalents at end of the period.	37,088	78,605

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	42,451	55,196
Cash & bank balances	62,093	88,719
Bank overdrafts	(10,881)	(6,243)
	93,663	137,672
Less : Deposit held as security values	(42,451)	(55,196)
Bank balance held as security values	(10,253)	-
Debt service reserves account	(3,871)	(3,871)
	37,088	78,605

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 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 2022

	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 2022									
Balance as at 1 January 2022	1,061,612	9,038	238,089	(215,482)	(9,608)	257,096	1,340,745	(39,309)	1,301,436
Total Comprehensive Income for the Period	-	-	-	-	-	53,498	53,498	(17,259)	36,239
Foreign currency translation	-	-	-	-	1,991	-	1,991	-	1,991
Share options granted under LTIP	831	2,160	-	-	-	-	2,991	-	2,991
Issuance of shares under share grant plan	11,700	-	-	-	-	-	11,700	-	11,700
Balance as at 31 December 2022	1,074,143	11,198	238,089	(215,482)	(7,617)	310,594	1,410,925	(56,568)	1,354,357
Preceding 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	-	-	-	-	-	51,759	51,759	(22,010)	29,749
Foreign currency translation	-	-	-	-	6,899	-	6,899	-	6,899
Issuance of ordinary shares Private Placement	129,517	-	-	-	-	-	129,517	-	129,517
LTIP option expenses	-	-	-	-	-	(5,821)	(5,821)	-	(5,821)
Exercise of warrant	7,097	-	(5,938)	5,938	-	-	7,097	-	7,097
Share options granted under LTIP	-	6,462	-	-	-	-	6,462	-	6,462
Acquisition of equity interest of NCI	-	-	-	-	-	883	883	(883)	-
Balance as at 31 December 2021	1,061,612	9,038	238,089	(215,482)	(9,609)	257,097	1,340,745	(39,309)	1,301,436

(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 2021 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 2021.

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 2021.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 December 2021 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.

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 20 February 2023, save as listed below:

Long Term Incentive Plan (“LTIP”)

On 14 September 2022, the Company granted 45,000,000 ordinary shares (“LTIP Shares”) under the Restricted Share Plan (“RSP”) of the Company’s Long-Term Incentive Plan (“LTIP”) to eligible directors and employees of the Group.

From 1 December 2022 to 9 December 2022, 3,000,000 of the LTIP share options granted were exercised by the employees of the Group.

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

7. Dividend.

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

8. Segmental Information for the Financial Year Ended 31 December 2022.

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	79,544	10,250	-	-	89,794
Inter-Company	-	-	78,019	(78,019)	-
	79,544	10,250	78,019	(78,019)	89,794
Segment Results	(59,504)	(15,733)	(23,143)		(98,380)
Other Income					3,709
Loss Before Finance Cost					(94,671)
Finance Cost					(24,383)
Loss After Finance cost					(119,054)
Share of Profit in Joint Venture					156,190
Profit Before Taxation					37,136
Taxation					(897)
Profit After Taxation					36,239
<u>Attributable to:</u>					
Owners of the Company					53,498
Non-Controlling Interests					(17,259)
					36,239

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

The Group's revenue for the financial year ended 31 December 2022 based on geographical location is presented as follows:

	RM'000
Malaysia	51,822
Vietnam	37,972

Total	89,794
	=====

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 2021.

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.

12. Changes in Contingent Liabilities.

The changes in contingent liabilities of the Group since 31 December 2021 until 31 December 2022 were as follows: -

	As at 31 Dec 2022 RM'000	As at 31 Dec 2021 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	90,914	57,219
	=====	=====

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.

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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 31/12/2022 RM'000	Preceding Year Quarter Ended 31/12/2021 RM'000	Changes %	Current Year To-date Ended 31/12/2022 RM'000	Preceding Year To-date Ended 31/12/2021 RM'000	Changes %
Construction	41,804	17,068	145	79,544	100,976	(21)
Property Investment	4,046	1,477	174	10,250	7,154	43
Investment Holding & Others	-	-	-	-	15	(100)
Total	45,850	18,545	147	89,794	108,145	(17)

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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 31/12/2022 RM'000	Preceding Year Quarter Ended 31/12/2021 RM'000	Changes %	Current Year To-date Ended 31/12/2022 RM'000	Preceding Year To-date Ended 31/12/2021 RM'000	Changes %
Construction	(40,827)	(39,300)	4	(59,956)	(40,263)	(49)
Property Investment	(5,448)	(20,913)	74	(35,057)	(49,879)	30
Investment Holding & Others	(5,502)	(6,204)	11	(24,041)	(20,277)	(19)
Share of Profit in Joint Venture	46,173	30,012	54	156,190	140,713	11
	40,671	23,808	71	132,149	120,436	10
Total	(5,604)	(36,405)	85	37,136	30,294	23

The Group achieved revenue of RM45.8 million in the current quarter ended 31 December 2022, substantially higher by 147% or RM27.3 million as compared to the revenue of RM18.5 million in the same quarter of the previous year. The increase was mainly due higher revenue recognised from the Vietnam EPC construction works in the current quarter as compared to RM0.1 million 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)

With the higher revenue achieved, the Group incurred a lower loss before tax of RM5.6 million in the current fourth quarter compared to a loss before tax of RM36.4 million in the previous year's corresponding quarter. The higher share of profit in the Vietnam joint venture of RM46.2 million (Q4 2021: RM30.0 million) also contributed to the higher profitability.

The Construction division achieved a higher revenue of RM41.8 million in the fourth quarter of 2022, an increase of RM24.7 million from the previous year's corresponding quarter. The higher revenue was mainly contributed from the Vietnam EPC construction works of RM38.0 million as some of the local construction works are near completion and has also been adversely affected by the delays in work progress. The loss incurred in the current quarter was mainly attributed to higher operating expense and impairment of goodwill from the local construction works.

The Property Investment division contributed RM4.0 million in revenue as compared to RM1.5 million in the previous year's corresponding quarter as there was additional revenue recognised from the utilities charged to tenants in the quarter under review. This division recorded a lower loss before tax of RM5.4 million as compared to a loss before tax of RM20.9 million in the fourth quarter of 2021 on the account of overall lower impairment loss on property values during the quarter.

The Investment Holding & Others division recorded a higher profit before tax of RM40.7 million in the quarter under review as compared to a profit before tax of RM23.8 million achieved in the preceding year's corresponding quarter. The higher profitability was mainly from the RM46.2 million share of profit in the Vietnam joint venture as compared to RM30.0 million achieved in the previous year's corresponding quarter.

For the financial year ended 31 December 2022, the Group achieved a profit before tax of RM37.1 million, an increase of 23% from the profit before tax of RM30.3 million in the previous year. This was despite a lower revenue achieved of RM89.8 million in 2022 as compared to RM108.1 million in the previous year. The increase in profitability arose from the higher share of profit in the Vietnam joint venture of RM156.2 million in the current year as compared to RM140.7 million in the previous year.

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

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/10/22-31/12/22 <u>RM'000</u>	Immediate Preceding Quarter 1/7/22 – 30/9/22 <u>RM'000</u>	Changes %
Revenue	45,850	16,380	180
Profit/(Loss) before tax	(5,604)	15,789	(135)

The Group recorded a higher revenue of RM45.8 million in the current quarter, compared to a revenue of RM16.4 million in the preceding quarter ended 30 September 2022. The increase was mainly due to the recognition of the Vietnam EPC construction works in the current quarter. However, the Group recorded a loss before tax of RM5.6 million in the current quarter as compared to a profit before tax of RM15.8 million achieved in the preceding quarter ended 30 September 2022 after impairment of goodwill and receivables provided in the current quarter.

3. Prospects.

With the global shift towards more sustainable development, the Group is strategically aligned to capture more opportunities in the Environmental Social and Governance (“ESG”) related business, particularly in the Renewable Energy space. The large scale solar photovoltaic plants (“LSS4”) renewable energy project in Seberang Prai, Penang is proceeding as scheduled for completion in the second quarter of 2023, after which this project will start contributing to the Group. Meanwhile, the recurring share of profits from the JAKS Hai Duong Vietnam joint venture will continue to contribute to the Group’s earnings.

The Construction division is faced with competitive bidding for new construction projects in Malaysia. The rising prices of construction material and labour shortages have put this division on the alert to look out for projects that has sufficient margins and that accommodates inflationary pressures. This division is working on various plans to replenish its order book.

Footfall at shopping malls across the country has picked up since Covid-19 restrictions were eased last year. This augurs well for the Group’s investment properties and this division has been able to attract new tenants. This division will continue 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.

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

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 2022 RM'000	Year-to-date Ended 31 Dec 2022 RM'000
Taxation	393	897
	=====	=====

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 which has low tax rate of 1% to 2%.

6. Group Borrowings.

Group borrowings as at 31 December 2022 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	57,854	-	57,854
Overdraft	10,881	-	10,881
Long term borrowings	432,940	-	432,940
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Total	501,675	-	501,675
	=====	=====	=====

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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:

	Year-to-date Ended 31 Dec 2022 RM'000
<u>Expenses</u>	
Depreciation and Amortisation	15,650
Interest Expense	24,383
Impairment Loss on Goodwill	29,000
Allowance for Impairment of Receivables	22,833
Unrealised Loss on foreign exchange	2,811
Long Term Incentive Plan expenses	13,980
<u>Income</u>	
Interest Income	1,966
Gain on disposal of plant & equipment	205
Share of Profit in Joint Venture	156,190
Reversal Impairment on Investment Property	5,125

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.

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

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.

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.

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

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).

On 7 October 2021, 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 was 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 was fixed for Hearing on 17 May 2022. On 17 May 2022, the Hearing of the three (3) motions for leave to appeal to the Federal Court filed by STAR was further adjourned and fixed for Case Management on 15 June 2022. The hearing of the three (3) motions for leave to appeal to the Federal Court filed by STAR fixed on 8 November 2022 was vacated and is now fixed for Hearing on 23 February 2023. The matters were called up for final Case Management before Hearing on 8 February 2023. On 23 February 2023, the Federal Court has granted leave to STAR to appeal against the decision of the Court of Appeal dated 27 July 2021.

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

(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. 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.

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

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 where the Company and JAKS Island Circle Sdn Bhd has claimed against STAR where the trial dates initially fixed on 17 October 2022, 18 October 2022 and 19 October 2022 for update on the STAR Suit have been vacated. The Court has fixed 23 May 2022 for further Case Management on the Company's claim against STAR for the update on the outcome of the Application for Leave to Appeal to the Federal Court by STAR following dismissal of their appeal at the Court of Appeal against dismissal of their Order 14A application.

On 23 May 2022, the Company announced that the Court has fixed 23 August 2022 for further Case Management pending outcome of the Federal Court Application for Leave to Appeal to the Federal Court by STAR following dismissal of their appeal at the Court of Appeal against dismissal of their Order 14A application. The Court had also fixed the trial dates on 4 March 2024, 5 March 2024, 6 March 2024, 7 March 2024 and 8 March 2024. Further to the announcement on 23 May 2022, the Court has fixed 9 December 2022 for further Case Management pending outcome of the Federal Court Application for Leave to Appeal to the Federal Court by STAR following dismissal of their appeal at the Court of Appeal against dismissal of their Order 14A application.

(c) Teknoserv Engineering Sdn Bhd ("TESB") Claim

On 19 August 2022, the Company announced that on 17 August 2022, its wholly-owned subsidiary, JAKS Sdn Bhd was served with a Notice of Adjudication by Teknoserv Engineering Sdn Bhd ("TESB") as a member of the unincorporated joint venture known as JAKS-KACC JV ("JKJV"), of which JAKS Sdn Bhd had 50% share in the joint venture. JKJV was formed to undertake the project known as "PAKEJ D43 – Pembinaan Rangkaian Paip Pembedungan dan Rationalisasi Loji Rawatan Kumbahan Kawasan Di Batu, Jinjang-Kepong, Kuala Lumpur (Reka & Bina) ("Works") and JKJV had in July 2014 sub-contracted a portion of the Works to TESB ("Sub-Contract Works") with original sub-contract sum of RM63.5 million for the initial contract period up to 31 December 2017.

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

However, on 5 July 2021, TESB issued to JKJV a “Notice of Repudiation for Fundamental Breaches and Notice that Subcontract is at an End” to unilaterally terminate the sub-contract. JKJV had at no time accepted this unilateral termination.

On 15 July 2022, TESB submitted a wholesome claim for RM22,627,881.84 for the Sub-Contract Works (“Payment Claim”). JKJV is disputing the claim as it includes uncertified amounts to be verified and “Loss and Expenses” (LAE) claims which TESB is not entitled to make under the sub-contract terms for LAE arising out of an EOT which was extended until 2 August 2021. Furthermore, the final claim amount would only be processed upon completion of the Sub-Contract Works.

As there was no unilateral termination of the sub-contract, TESB is still considered as the Sub-Contractor that has yet to complete the Sub-Contract Works. JKJV has disputed the Payment Claim as it’s in breach of the Sub-Contract Agreement with TESB. TESB chose to use the Construction Industry Payment & Adjudication Act 2012 (“CIPAA”) to seek reliefs and remedies.

On 29 December 2022, the Company announced that on 23 December 2022, TESB’s adjudication claim in the sum of RM11,491,322.00 was awarded against JKJV and JKJV is in the midst of filing an appeal against the adjudication decision to protect its interests.

Notwithstanding the above, JKJV has on 23 December 2022 served a Notice of Arbitration to commence arbitration proceedings against TESB and the reliefs sought by JKJV, *inter alia* include a declaration that TESB’s self-determination of its employment is wrong and unlawful, general damages arising from the above, loss and damage amounting to RM11,773,250.00 and other costs and reliefs the learned arbitrator deems just and appropriate. The Registration Request pursuant to Rule 7 of the AIAC Arbitration Rules 2021 and the Arbitration Act 2005 was submitted on 15 February 2023.

JKJV is in the midst of filing an application for stay and an application to set aside the Adjudication Decision dated 23 December 2022, in the Kuala Lumpur High Court soonest in order to further safeguard its interests whereby an Originating Summons was received to enforce the same.

An announcement was made by the Company on 27 January 2023 with regards to the above whereby the High Court had directed parties to exhaust their respective affidavits before the next Case Management on 24 March 2023.

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 Year Quarter Ended 31/12/22 RM'000	Preceding Year Quarter Ended 31/12/21 RM'000	Current Year To-date Ended 31/12/22 RM'000	Preceding Year To-date Ended 31/12/21 RM'000
a) <u>Basic Earnings/(Loss) Per Share</u>				
Profit/(Loss) for the period attributable to owners of the Company	(3,245)	(28,645)	53,498	51,759
Weighted average Number of Share in issue (RM1.00 each)	2,055,317	1,897,304	2,055,317	1,897,304
Basic Earnings / (Loss) Per Share (sen)	(0.16)	(1.51)	2.60	2.73
b) <u>Diluted Earnings/(Loss) Per Share</u>				
Profit/(Loss) for the period attributable to owners of the Company	(3,245)	(28,645)	53,498	51,759
Weighted average Number of Share in issue (RM1.00 each)	2,055,317	1,897,304	2,055,317	1,897,304
Effect of dilution due to issuance of shares	1,261	-	1,261	-
Adjusted weighted average Number of Share in issue applicable to diluted				
Earnings/(Loss) per share (RM1.00 each)	2,056,578	1,897,304	2,056,578	1,897,304
Diluted Earnings/(Loss) Per Share (sen)	(0.16)	(1.51)	2.60	2.73

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

a) Proposed Private Placement

On 20 December 2022, the Company announced to undertake the proposed private placement of up to 292,884,436 new ordinary shares in JAKS (“Placement Share(s)”), representing up to approximately 10% of the total number of issued JAKS Shares at an issue price to be determined and announced at a later date after receipt of all relevant approvals for the Proposed Private Placement and shareholders’ approval will be sought at an Extraordinary General Meeting (“EGM”) to be held on 3 March 2023.

b) Dividend Reinvestment Plan

On 13 February 2023, the Company announced a proposal to establish a dividend reinvestment plan which will provide shareholders of JAKS with an option to elect to reinvest in whole or in part, their cash dividend(s) as may be declared by JAKS, which includes any interim, final, special or other types of cash dividend in new ordinary shares in JAKS.

11. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 24 February 2023.