

JAKS RESOURCES BERHAD
REGISTRATION NO. 200201017985 (585648-T)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 2nd Quarter unaudited financial results for the financial year ended 30 June 2023

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Jun-2023	Preceding Year Quarter ended 30-Jun-2022	Current Year To-date ended 30-Jun-2023	Preceding Year To-date ended 30-Jun-2022
	RM'000	RM'000	RM'000	RM'000
Revenue	3,312	9,719	17,472	27,564
Cost of Sales	(2,505)	(8,416)	(15,842)	(24,773)
Gross Profit	807	1,303	1,630	2,791
Other Operating Income	646	473	1,135	1,233
Other Operating, Administrative Expenses	(13,077)	(14,847)	(27,952)	(29,488)
Operating Loss before finance cost	(11,624)	(13,071)	(25,187)	(25,464)
Finance cost	(6,177)	(5,997)	(11,900)	(11,078)
Operating Loss after finance cost	(17,801)	(19,068)	(37,087)	(36,542)
Share of Profit in Joint Venture	32,312	29,557	60,638	63,493
Profit/(Loss) Before Taxation	14,511	10,489	23,551	26,951
Taxation	(75)	(45)	(129)	(367)
Net Profit/(Loss) For The Period	14,436	10,444	23,422	26,584
Other Comprehensive Income / (Loss)				
Foreign currency translation	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	14,436	10,444	23,422	26,584
<u>Net Profit/(Loss) For The Period Attributable to:</u>				
Owners of the Company	19,111	15,265	33,188	36,400
Non-Controlling Interests	(4,675)	(4,821)	(9,766)	(9,816)
	14,436	10,444	23,422	26,584
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	0.90	0.75	1.57	1.78
- Diluted	0.90	0.75	1.57	1.78
Weighted average number of Ordinary Shares in issue ('000)	2,113,127	2,042,318	2,113,127	2,042,318
Weighted average number of Ordinary Shares in issue (diluted) ('000)	2,113,127	2,042,318	2,113,127	2,042,318

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 2022 and the accompanying notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	(Unaudited)	(Audited)
	As At	As At
	End Of	End Of
	Financial	Financial
	Period End	Year End
	30-Jun-2023	31-Dec-2022
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	278,626	242,453
Investment properties	590,929	597,703
Investment in Joint Venture	861,417	800,779
Golf Club memberships	295	295
Goodwill on Consolidation	23,500	23,500
Right of use of Assets	244	344
	1,755,011	1,665,074
Current Assets		
Inventories	483	483
Contract assets	213,002	258,494
Trade and Other Receivables	356,616	339,893
Amount due from Joint Venture	10,282	10,282
Deposits placed with licensed banks	34,388	42,451
Cash and bank balances	21,593	62,147
	636,364	713,750
Total Assets	2,391,375	2,378,824
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	1,098,012	1,074,143
Reserves	24,909	26,188
Accumulated Profit	343,661	310,874
	1,466,582	1,411,205
Non-controlling interests	(66,333)	(56,567)
TOTAL EQUITY	1,400,249	1,354,638
Non-Current Liabilities		
Long Term Borrowings	453,569	432,932
Deferred Tax Liabilities	67	67
	453,636	432,999
Current Liabilities		
Trade and Other Payables	484,460	522,390
Bank borrowings	48,002	57,862
Bank overdraft	5,028	10,935
	537,490	591,187
TOTAL EQUITY AND LIABILITIES	2,391,375	2,378,824
No of Ordinary Shares	2,219,335	2,090,318
Net Assets Per Share attributable to Owners of the parent (RM)	0.66	0.68

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	Current Year 6 Months ended 30-Jun-2023 RM'000	Preceding Year 6 Months ended 30-Jun-2022 RM'000
Cash flows from operating activities		
Profit / (Loss) before tax for the period	23,551	26,951
Adjustment for:		
Depreciation and amortisation	7,732	7,844
Interest expense	11,900	11,078
Interest income	(347)	(332)
Gain on disposal of plant & equipment	(209)	-
Share of Profit in Joint Venture	(60,638)	(63,493)
Allowance for impairment of receivables	4,000	4,927
Operating profit/ (loss) before working capital changes	(14,011)	(13,025)
(Increase)/Decrease in working capital		
Contract assets	45,492	9,845
Trade and other receivables	(20,575)	3,390
Trade and other payables	(36,621)	(40,883)
	(11,704)	(27,648)
Net Cash generated from / (used in) Operating activities	(25,715)	(40,673)
Interest paid	(1,251)	(3,932)
Income tax paid	(1,486)	(1,970)
Net Operating Cash Flow	(28,452)	(46,575)
Cash flows from / (used in) investing activities		
Purchase of property, plant & equipment and right-of-use	(37,131)	(39,906)
Interest received	347	332
Proceeds from disposal of property, plant & equipment	209	-
Decrease / (Increase) in deposits pledged	18,293	(19,719)
Net Investing Cash Flow	(18,282)	(59,293)
Cash flows from / (used in) financing activities		
Proceeds from issuance of share capital	23,869	-
Interest paid	(10,649)	(7,146)
Drawdown / (Repayment) of short term borrowings	(9,860)	56,085
Drawdown (Repayment) of lease liabilities	-	(49)
Drawdown / (Repayment) of bank term loans	20,637	(4,000)
Share issuance expenses	(401)	-
Net Financing Cash Flow	23,596	44,890

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023. (Cont.)**

	Current Year 6 Months ended 30-Jun-2023	Preceding Year 6 Months ended 30-Jun-2022
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(23,138)	(60,978)
Cash & Cash Equivalents at beginning of the year	29,719	78,605
Translation Reserve	(1,279)	(1,123)
Cash & Cash Equivalents at end of the period.	5,302	16,504

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	34,388	43,440
Cash & bank balances	21,593	58,122
Bank overdrafts	(5,028)	(6,272)
	50,953	95,290
Less : Deposit held as security values	(34,388)	(43,440)
Bank balance held as security values	(23)	(31,475)
Debt service reserves account	(11,240)	(3,871)
	5,302	16,504

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022 and the accompanying notes attached to the interim financial statements).

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	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 30 June 2023									
Balance as at 1 January 2023	1,074,143	11,198	238,089	(215,481)	(7,618)	310,874	1,411,205	(56,567)	1,354,638
Total Comprehensive Income for the Period	-	-	-	-	-	33,188	33,188	(9,766)	23,422
Foreign currency translation	-	-	-	-	(1,279)	-	(1,279)	-	(1,279)
Issuance of ordinary shares									
Private placement expenses	-	-	-	-	-	(401)	(401)	-	(401)
Private placement	23,869	-	-	-	-	-	23,869	-	23,869
Balance as at 30 June 2023	1,098,012	11,198	238,089	(215,481)	(8,897)	343,661	1,466,582	(66,333)	1,400,249
Preceding Year Quarter ended 30 June 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	-	-	-	-	-	36,400	36,400	(9,816)	26,584
Foreign currency translation	-	-	-	-	(1,123)	-	(1,123)	-	(1,123)
Balance as at 30 June 2022	1,061,612	9,038	238,089	(215,482)	(10,731)	293,496	1,376,022	(49,125)	1,326,897

(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 2022 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 2022.

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 2022.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 December 2022 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 23 August 2023, save as listed below:

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. The shareholders’ approval was obtained at an Extraordinary General Meeting (“EGM”) held on 3 March 2023.

On 18 May 2023, the Company had fixed the issue price for its’ first tranche of Placement Shares at RM0.1850. The issue price of RM0.1850 represents a discount of RM0.0175 or approximately 8.64% to the 5-day volume weighted average price of JAKS Shares up to and including 17 May 2023, being the market day immediately preceding the price-fixing date of RM0.2025 per JAKS Share (“Price-Fixing Announcement”)

Subsequent to the Price-Fixing Announcement, a total of 129,017,000 of new Placement Shares were listed on 29 May 2023, raising approximately RM23.9 million.

The status of utilisation of proceeds as of 23 August 2023 is as follows.

Proposed utilisation of proceeds	Proceeds raised RM’000	Utilised as at 23.8.23 RM’000	Timeframe for utilisation
(i) Repayment of credit facilities	14,062	14,062	Within 12 months
(ii) Working capital requirements	9,148	9,148	Within 12 months
(iii) Estimated expenses for the Private Placement	659	659	Within 3 months
	23,869	23,869	

Long Term Incentive Plan (“LTIP”)

On 10 July 2023, the Company granted 70,500,000 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.

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 Period Ended 30 June 2023.

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	13,052	4,420	-	-	17,472
Inter-Company	-	-	3,900	(3,900)	-
	13,052	4,420	3,900	(3,900)	17,472
Segment Results	(13,181)	(9,981)	(3,160)		(26,322)
Other Income					1,135
Loss Before Finance Cost					(25,187)
Finance Cost					(11,900)
Loss After Finance cost					(37,087)
Share of Profit in Joint Venture					60,638
Profit Before Taxation					23,551
Taxation					(129)
Profit After Taxation					23,422
<u>Attributable to:</u>					
Owners of the Company					33,188
Non-Controlling Interests					(9,766)
					23,422

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

The Group's revenue for the financial period ended 30 June 2023 based on geographical location is presented as follows:

	RM'000
Malaysia	17,472
Vietnam	-

Total	17,472
	=====

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 2022.

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 2022 until 30 June 2023 were as follows: -

	As at 30 Jun 2023 RM'000	As at 31 Dec 2022 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	85,914	90,914
	=====	=====

13. Material Commitment.

There are no material commitments incurred or known to be incurred by the Group that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results/position of the Group.

JAKS RESOURCES BERHAD*REGISTRATION NO. 200201017985 (585648-T)***B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)****1. Review of Financial Performance.**

a) Revenue.

Segment	Current Year Quarter Ended 30/6/2023 RM'000	Preceding Year Quarter Ended 30/6/2022 RM'000	Changes %	Current Year To-date Ended 30/6/2023 RM'000	Preceding Year To-date Ended 30/6/2022 RM'000	Changes %
Construction	988	7,439	(87)	13,052	23,350	(44)
Property Investment	2,324	2,280	2	4,420	4,214	5
Investment Holding & Others	-	-	-	-	-	-
Total	3,312	9,719	(66)	17,472	27,564	(37)

JAKS RESOURCES BERHAD

REGISTRATION NO. 200201017985 (585648-T)

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

b) Profit / (Loss) Before Tax

Segment	Current Year Quarter Ended 30/6/2023 RM'000	Preceding Year Quarter Ended 30/6/2022 RM'000	Changes %	Current Year To-date Ended 30/6/2023 RM'000	Preceding Year To-date Ended 30/6/2022 RM'000	Changes %
Construction	(6,690)	(7,113)	6	(13,119)	(12,983)	(1)
Property Investment	(9,540)	(9,839)	3	(19,929)	(20,032)	1
Investment Holding & Others	(1,571)	(2,116)	26	(4,039)	(3,527)	(15)
Share of Profit in Joint Venture	32,312	29,557	9	60,638	63,493	(4)
	30,741	27,441	12	56,599	59,966	(6)
Total	14,511	10,489	36	23,551	26,951	(13)

In the current quarter ending on 30 June 2023, the Group achieved a revenue of RM3.3 million, indicating a decline of 66% when compared with the revenue of RM9.7 million achieved in the preceding year's corresponding quarter. This reduction primarily stems from diminished revenue recognition, attributable to the advanced completion stage of ongoing local construction works and the pending status of new projects.

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

The Group's second quarter profitability in 2023 was primarily attributed to the share recognised from the Vietnam joint venture, which helped mitigate losses incurred in other business segments. The Group achieved a profit before tax of RM14.5 million in the second quarter of 2023, an increase of RM4.0 million from the profit before tax of RM10.5 million achieved in the corresponding quarter of the previous year. This higher profitability is mainly attributed to a higher share of profit from the Vietnam joint venture, amounting to RM32.3 million in contrast to RM29.6 million reported in the second quarter of the preceding year mainly due to stronger USD.

In the second quarter of 2023, the Construction division reported a revenue of RM1.0 million, marking an 87% decrease compared to the revenue of RM7.4 million in the same quarter of the previous year. This decline was primarily attributed to revenue recognition solely from local construction works during the quarter under review. The division's ongoing projects were predominantly in their final stages. Despite these challenges, the division's loss before tax for the second quarter of the current year amounted to RM6.7 million, displaying a slight improvement from the RM7.1 million loss before tax incurred in the corresponding quarter of the previous year.

In the quarter under review, the Property Investment division sustained its revenue contribution at RM2.3 million, consistent with the previous year's corresponding quarter. This division reported a slightly reduced loss before tax of RM9.5 million, compared to a loss before tax of RM9.8 million in the second quarter of 2022.

Meanwhile, the Investment Holding & Others division posted an increased profit before tax of RM30.7 million in the quarter under review, surpassing the RM27.4 million profit before tax achieved in the corresponding quarter of the preceding year. This rise in profitability was primarily attributed to a higher share of profit from the Vietnam joint venture in the second quarter as compared to the previous year's corresponding quarter.

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/4/23-30/6/23 <u>RM'000</u>	Immediate Preceding Quarter 1/1/23-31/3/23 <u>RM'000</u>	Changes %
Revenue	3,312	14,160	(77)
Profit/(Loss) before tax	14,511	9,040	61

In the current quarter, the Group reported lower revenue amounting to RM3.3 million, a decrease from the revenue of RM14.2 million achieved in the previous quarter ended 31 March 2023. This reduction stemmed from lower revenue recognition due to the advanced completion stage of ongoing local construction works, coupled with pending new projects.

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

Despite the decline in revenue, the Group managed to achieve a profit before tax of RM14.5 million in the current quarter, compared to a profit before tax of RM9.0 million in the preceding quarter. This improved profitability was attributed to a higher share of profit from the Vietnam joint venture during the quarter under review.

3. Prospects.

The Group's shall focus on its Power-Energy division, as an anticipated rise in renewable and sustainable energy demand is on the horizon. The Group's has on 18 August 2023 successfully completed the LSS4 solar project which was approximately four months ahead of the initially planned commercial operation date of 31 December 2023. This endeavour is expected to contribute an additional stream of stable recurring income, with a concession period spanning 25 years. The Group has also recently successfully won the bid under the Energy Commission's Corporate Green Power Programme ("CGPP") to build a 29.99 mw Solar Plant and will continue to focus on this next renewable energy project.

Geopolitical tensions, heightened price pressures, and more restrictive financial conditions are expected to persist, influencing the global economic outlook. Meanwhile, domestically, the occurrence of extreme climate events like the ongoing heatwave and the anticipated onset of El Nino conditions from June 2023 are likely to impact economic activities, particularly within the agriculture and construction sectors. In this context, the Group anticipates that the profits generated by the Power-Energy division will help alleviate the current subdued construction outlook and the competitive challenges faced by retail malls in attracting foot traffic.

Within the Construction division, the landscape involves intense competition for new projects in Malaysia. Escalating costs of construction materials and labour shortages have prompted heightened vigilance in selecting projects with ample margins that can accommodate inflationary pressures. Consequently, the division is actively devising strategies to replenish its order book while navigating these challenges.

Following the relaxation of Covid-19 restrictions last year, there has been a noticeable increase in footfall at shopping malls nationwide. In light of this trend, the Property Investment division remains committed to enhancing the occupancy rate and rental yield of its properties, namely Evolve Mall in Ara Damansara and Pacific Tower Business Hub in 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 30 Jun 2023 RM'000	Year-to-date Ended 30 Jun 2023 RM'000
Taxation	75	129
	=====	=====

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 30 June 2023 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	48,002	-	48,002
Overdraft	5,028	-	5,028
Long term borrowings	453,569	-	453,569
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Total	506,599	-	506,599
	=====	=====	=====

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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 30 Jun 2023 RM'000
<u>Expenses</u>	
Depreciation and Amortisation	7,732
Interest Expense	11,900
Allowance for Impairment of Receivables	4,000
<u>Income</u>	
Interest Income	347
Gain on disposal of plant & equipment	209
Share of Profit in Joint Venture	60,638

8. Material Litigation.

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

STAR had on 30 April 2019 served a Writ of Summons and Statement of Claim dated 19 April 2019 against the Company claiming that our Company as the corporate guarantor of JAKS Island Circle Sdn Bhd (“JIC”) is liable for JIC’s purported default of obligations under the Sale and Purchase Agreement entered into on 19 August 2011 between JIC and STAR (“Sale and Purchase Agreement”) to purchase a leasehold land located at Seksyen 13, Petaling Jaya for a purchase consideration of RM135 million. The claim is for inter alia specific relief and damages for the total amount of approximately RM177.72 million.

For information purposes only, JIC is no longer an indirect subsidiary of the Company following its disposal by JAKS Sdn Bhd (“JSB”) on 29 September 2020.

On 27 May 2019, the Company filed its Defence and Counterclaim against STAR for inter alia damages arising from injury to its reputation and business.

STAR then filed its Reply and Defence to Counterclaim on 20 June 2019.

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

On 6 August 2019, the Company filed its Amended Defence and Counterclaim against STAR and on 10 September 2019, the Company filed its Reply to Defence to Counterclaim. Various litigation proceedings have been and are still ongoing between STAR and the Company.

The hearing of 3 motions for leave to appeal to the Federal Court filed by STAR was held 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. On 9 May 2023, the Court has fixed 5 July 2023 for Case Management. On 5 July 2023, the Federal Court has fixed next Case Management on 15 August 2023 for parties to obtain the Grounds of Judgment for the decision of the Court of Appeal dated 27 July 2021. The Case Management on 15 August 2023 has yet to be concluded and the parties involved are still in the midst of getting further directions from the Court.

(b) Claim against STAR at Kuala Lumpur High Court

On 30 May 2019, the Company and JIC filed a Suit against STAR for breach of the Sale and Purchase Agreement and claimed inter alia the following relief:-

- a) a declaration that the Completion Period for JIC to deliver STAR's entitlement under the Sale and Purchase Agreement is on 20 June 2020;
- b) a declaration that STAR has breached the Sale and Purchase Agreement;
- c) a declaration that STAR is unjustly enriched;
- d) the sum of RM248,242,987.62 to be paid to JIC as liquidated and ascertained damages;
- e) the sum of RM297,035,481.00 to be paid to the Company as loss of proceeds;
- f) the sum of RM50,000,000.00 together with all interests and all related costs incurred thereto pursuant to the Bank Guarantees to be refunded and/or returned to JIC within 7 days from the date of the Court order; and
- g) damages.

On 5 July 2019, STAR filed its Defence.

Various litigation proceedings have been and are still ongoing between the parties.

Currently, the main Suit is fixed for trial from 4 March 2024 to 8 March 2024.

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

(c) Adjudication by Teknoserv Engineering Sdn Bhd (“TESB”)

On 3 July 2023, JSB, KACC Construction Sdn Bhd (“KACC”) and TESB have reached a settlement out of court in relation to the dispute arisen and all the legal proceedings executed in connection to the project known as “PAKEJ D43 – Pembinaan Rangkaian Paip Pembedungan dan Rationalisasi Loji Rawatan Kumbahan Di Batu, Jinjang-Kepong, Kuala Lumpur (Reka & Bina)”. The Settlement Agreement of RM9,071,098.78 has been duly executed by all parties on 3 July 2023.

(d) Arbitration between JAKS-KACC JV and TESB

JSB and KACC served a notice of arbitration dated 23 December 2022 on TESB to claim for, inter alia, loss and damage, costs and indemnity amounting to an estimated sum of RM11,773,250.00 including costs of maintenance of the temporary treatment facilities, all costs and expenses involved and/or to be incurred in completing the outstanding sub-contract works and defects rectification works which had arisen as a result of TESB’s failure to complete the project and/or wrongful determination of the sub-contract.

On 15 February 2023, JAKS-KACC JV referred and registered the dispute between JAKS-KACC JV and TESB for arbitration at the Asian International Arbitration Centre.

However, in light of the Settlement Agreement dated 3 July 2023 as stated above, JAKS-KACC JV has discontinued and withdrawn the arbitration proceedings against TESB on 15 August 2023.

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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	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To-date	To-date
	Ended	Ended	Ended	Ended
	30/6/23	30/6/22	30/6/23	30/6/22
	RM'000	RM'000	RM'000	RM'000

a) Basic Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	19,111	15,265	33,188	36,400
Weighted average Number of Share in issue (RM1.00 each) ('000)	2,113,127	2,042,318	2,113,127	2,042,318
Basic Earnings / (Loss) Per Share (sen)	0.90	0.75	1.57	1.78

b) Diluted Earnings/(Loss) Per Share

Profit/(Loss) for the period attributable to owners of the Company	19,111	15,265	33,188	36,400
Weighted average Number of Share in issue (RM1.00 each) ('000)	2,113,127	2,042,318	2,113,127	2,042,318
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) ('000)	2,113,127	2,042,318	2,113,127	2,042,318
Diluted Earnings/(Loss) Per Share (sen)	0.90	0.75	1.57	1.78

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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

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. The shareholders’ approval was obtained at an Extraordinary General Meeting (“EGM”) held on 3 March 2023.

On 18 May 2023, the Company had fixed the issue price for its’ first tranche of Placement Shares at RM0.1850. The issue price of RM0.1850 represents a discount of RM0.0175 or approximately 8.64% to the 5-day volume weighted average price of JAKS Shares up to and including 17 May 2023, being the market day immediately preceding the price-fixing date of RM0.2025 per JAKS Share (“Price-Fixing Announcement”). Subsequent to the Price-Fixing Announcement, a total of 129,017,000 of new Placement Shares were listed on 29 May 2023, raising approximately RM23.9 million.

On 7 July 2023, pursuant to Paragraph 6.63 of the Listing Requirements, Bursa Securities had approved the Company’s application for an extension of time until 29 January 2024 to complete the implementation of the Private Placement.

b) Dividend Reinvestment Plan (“DRP”)

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.

The Proposed DRP was approved by the shareholders of the Company at the Annual General Meeting convened on 27 June 2023.

11. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 29 August 2023.