

THIS CIRCULAR TO SHAREHOLDERS OF JAKS RESOURCES BERHAD (“JAKS” OR THE “COMPANY”) (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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JAKS RESOURCES BERHAD

(Registration No. 200201017985 (585648-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF JAKS RESOURCES BERHAD

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of JAKS together with the Form of Proxy are enclosed in this Circular. The EGM will be held on a fully virtual basis at the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 3 March 2023 at 3.00 p.m., whereby shareholders are to attend, speak (including posing questions to the Board of Directors of JAKS via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the EGM via the Remote Participation and Voting facilities (“**RPV**”) provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) via its TIH Online website at <https://tjih.online>. Please follow the procedures of RPV as stated in the Administrative Details.

A member entitled to participate at the EGM is entitled to appoint a proxy or proxies to participate on his/her behalf. In such event, the Form of Proxy must be lodged at the office of the Company’s Share Registrar, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, at least 48 hours before the time and date stipulated for the EGM as indicated below. The lodging of the Form of Proxy shall not preclude you from participating in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Wednesday, 1 March 2023 at 3.00 p.m.
Day, date and time of the EGM : Friday, 3 March 2023 at 3.00 p.m.

This Circular is dated 10 February 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

| | | |
|-------------------------------|---|---|
| “Act” | : | The Companies Act 2016 |
| “Board” | : | The Board of Directors of JAKS |
| “Bursa Depository” | : | Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W)) |
| “Bursa Securities” | : | Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) |
| “Call Option Agreement” | : | The call option agreement dated 20 December 2022 entered into between JAKS and Kenanga for a structured program which involves the grant of rights to Kenanga to subscribe for up to 209,031,760 Placement Shares |
| “Circular” | : | This circular to the shareholders of JAKS dated 10 February 2023 in relation to the Proposed Private Placement |
| “Constitution” | : | The Constitution of JAKS |
| “COVID-19” | : | Coronavirus disease 2019 |
| “Director(s)” | : | The director(s) of JAKS and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007 |
| “EGM” | : | Extraordinary general meeting of JAKS |
| “EPS” | : | Earnings per Share |
| “ESOS” | : | Employee share option scheme |
| “FPE” | : | Financial period ended/ending |
| “FYE” | : | Financial year ended/ending |
| “GDP” | : | Gross domestic product |
| “Interested Person(s)” | : | The interested director, interested major shareholder or interested chief executive officer of JAKS |
| “JAKS” or the “Company” | : | JAKS Resources Berhad (Registration No. 200201017985 (585648-T)) |
| “JAKS Group” or the “Group” | : | JAKS and its subsidiaries, collectively |
| “JAKS Share(s)” or “Share(s)” | : | Ordinary share(s) in JAKS |
| “Kenanga” or the “Investor” | : | Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H)) |
| “LAT” | : | Loss after taxation |
| “LBT” | : | Loss before taxation |

DEFINITIONS (CONT'D)

| | | |
|--------------------------|---|--|
| “Listing Requirements” | : | Main Market Listing Requirements of Bursa Securities |
| “LPD” | : | 31 January 2023, being the latest practicable date prior to the printing and despatch of this Circular |
| “LTIP” | : | Long-term incentive plan |
| “LTIP Option(s)” | : | LTIP option(s) granted pursuant to the LTIP |
| “Maximum Scenario” | : | The scenario whereby 292,884,436 Placement Shares have been fully issued pursuant to the Proposed Private Placement on the assumption that:- <ul style="list-style-type: none">(i) all the 171,488,238 outstanding Warrants B are exercised prior to the implementation of the Proposed Private Placement;(ii) all the 525,564,900 outstanding Warrants C are exercised prior to the implementation of the Proposed Private Placement; and(iii) all the 141,473,619 outstanding LTIP Options are exercised prior to the implementation of the Proposed Private Placement |
| “Minimum Scenario” | : | The scenario whereby 209,031,760 Placement Shares have been fully issued pursuant to the Proposed Private Placement on the assumption that:- <ul style="list-style-type: none">(i) none of the 171,488,238 outstanding Warrants B are exercised prior to the implementation of the Proposed Private Placement;(ii) none of the 525,564,900 outstanding Warrants C are exercised prior to the implementation of the Proposed Private Placement; and(iii) none of the 141,473,619 outstanding LTIP Options are exercised prior to the implementation of the Proposed Private Placement |
| “NA” | : | Net assets |
| “PAT” | : | Profit after taxation |
| “PBT” | : | Profit before taxation |
| “Placee(s)” | : | Third party investor(s) who qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007 |
| “Placement Share(s)” | : | Up to 292,884,436 new JAKS Shares to be issued pursuant to the Proposed Private Placement |
| “Private Placement 2017” | : | The private placement announced on 27 February 2017, which entails the issuance of 43,836,100 JAKS Shares at an issue price of RM1.36. The Private Placement 2017 was completed on 24 March 2017, raising a total gross proceeds of approximately RM59.62 million |
| “Private Placement 2018” | : | The private placement announced on 14 March 2018, which entails the issuance of 49,631,200 JAKS Shares at an issue price of RM1.38. The Private Placement 2018 was completed on 30 March 2018, raising a total gross proceeds of approximately RM68.50 million |

DEFINITIONS (CONT'D)

- “Private Placement 2019” : The private placement announced on 18 April 2019, which entails the issuance of 58,465,313 JAKS Shares at an issue price of RM0.70. The Private Placement 2019 was completed on 28 May 2019, raising a total gross proceeds of approximately RM40.92 million
- “Private Placement 2021” : The private placement announced on 31 May 2021, which entails the issuance of 272,667,000 JAKS Shares at an issue price of RM0.4750. The Private Placement 2021 was completed on 31 December 2021, raising a total gross proceeds of approximately RM129.52 million
- “Proposed Private Placement” : Proposed private placement of up to 292,884,436 Placement Shares, representing up to approximately 10.00% 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
- “RE” : Renewable energy
- “Rights Issue of Shares with Warrants C” : The rights issue of 1,080,101,412 rights shares together with free detachable Warrants C, on the basis of 8 rights shares together with 4 Warrants C for every 5 existing Shares held, which was announced on 22 May 2020. The Rights Issue of Shares with Warrants C was completed on 26 November 2020, raising a total gross proceeds of approximately RM237.62 million
- “Rights Issue of Warrants B” : The renounceable rights issue of 102,428,430 Warrants B in JAKS, on the basis of 1 Warrant B for every 2 existing Shares held in JAKS, which was announced on 6 June 2018. The Rights Issue of Warrants B was completed on 20 December 2018, raising a total gross proceeds of approximately RM25.61 million
- “SGP” : Share grant plan
- “Tricor” : Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
- “UOBKH” or the “Adviser” or the “Placement Agent” : UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
- “Vietnam Power Plant Project” : Engineering, procurement and construction works for a coal-fired thermal power plant located in Hai Duong Province, Vietnam undertaken by Golden Keen Holdings Limited (a wholly-owned subsidiary of JAKS) on 3 August 2015. The project was completed on 25 January 2021
- “VWAP” : Volume weighted average market price
- “Warrant(s) B” : The outstanding Warrants 2018/2023 issued by JAKS constituted by the deed poll dated 5 November 2018 and expiring on 13 December 2023
- “Warrant(s) C” : The outstanding Warrants 2020/2025 issued by JAKS constituted by the deed poll dated 13 October 2020 and expiring on 18 November 2025

Currency and Units

- “GW” : Gigawatts
- “MW” : Megawatts
- “RM” and “sen” : Ringgit Malaysia and sen, respectively

DEFINITIONS (CONT'D)

All references to “we”, “us”, “our” and “ourselves” are to JAKS or JAKS Group. All references to “you” in this Circular are to the shareholders of JAKS.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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JAKS RESOURCES BERHAD
(Registration No. 200201017985 (585648-T))
(Incorporated in Malaysia)

Registered Office
802, 8th Floor Block C
Kelana Square 17
Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

10 February 2023

Board of Directors

Tan Sri Datuk Hussin Bin Haji Ismail
Ang Lam Poah
Dato' Razali Merican Bin Naina Merican
Ang Lam Aik
Dato' Azman Bin Mahmood
Liew Jee Min @ Chong Jee Min
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar
Khor Hun Nee

Chairman/Independent Non-Executive Director
Chief Executive Officer
Executive Director
Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

To: The shareholders of JAKS

Dear Sir/Madam,

PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

On 20 December 2022, UOBKH had, on behalf of our Board, announced that our Company proposes to undertake the proposed private placement of up to 292,884,436 new JAKS Shares, 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.

Subsequently, on 31 January 2023, UOBKH had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 30 January 2023, approved the listing of and quotation for up to 292,884,436 Placement Shares to be issued under the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 13** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED PRIVATE PLACEMENT AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Placement size

The Proposed Private Placement entails an issuance of up to 292,884,436 Placement Shares, representing up to approximately 10% of our Company's total number of issued shares.

The maximum number of up to 292,884,436 Placement Shares to be issued pursuant to the Proposed Private Placement was arrived at after taking into consideration the following:-

- (i) our Company's existing issued share capital comprising 2,090,317,607 Shares as at the LPD;
- (ii) assuming all the 171,488,238 outstanding Warrant(s) B⁽¹⁾⁽²⁾ are exercised prior to the implementation of the Proposed Private Placement;
- (iii) assuming all the 525,564,900 outstanding Warrant(s) C⁽¹⁾ are exercised prior to the implementation of the Proposed Private Placement; and
- (iv) assuming all the 141,473,619 outstanding LTIP Options⁽¹⁾ are exercised prior to the implementation of the Proposed Private Placement.

For avoidance of doubt, our Company does not hold any treasury shares as at the LPD.

Both Warrants B and Warrants C are currently out-of-money given that the last transacted price of JAKS Shares as at the LPD is RM0.25 per JAKS Share whilst the exercise price of Warrants B is RM0.34 and the exercise price of Warrants C is RM0.49. Nevertheless, in view that the Warrants B and Warrants C are not significantly out-of-money and the transacted market price of JAKS Shares ranges between RM0.23 to RM0.455 for past 1 year up to the LPD, we have hence assumed that the aforementioned outstanding Warrants B and Warrants C will be exercised prior to the implementation of the Proposed Private Placement under the Maximum Scenario.

Notes:-

- (1) *The number of Warrants B, Warrants C and LTIP Options which had been exercised from the respective dates of issuances up to the LPD are as follows:-*

| Type of existing convertible securities | No. of exercised convertible securities (unit) |
|--|---|
| Warrants B | 12,000,000 |
| Warrants C | 14,485,750 |
| LTIP Options | 17,115,000 |

- (2) *The number of Warrants B in issue had been adjusted in 2020 pursuant to the provisions of the deed poll dated 5 November 2018 and expiring on 13 December 2023 ("Deed Poll B") as a result of a rights issue proposal (i.e. Rights Issue of Shares with Warrants C). The adjustments to the number of Warrants B from their date of issuance up to the LPD are set out below:-*

| | No. of Warrants B (unit) |
|---|---------------------------------|
| Before Rights Issue of Shares with Warrants C | 102,428,430 |
| Exercised | (12,000,000) |
| Adjusted for Rights Issue of Shares with Warrants C | 90,428,430 |
| As at the LPD | 171,488,238 |

The actual number of Placement Shares to be issued in relation to the Proposed Private Placement would depend on the total number of issued Shares of our Company at a later date after receipt of all relevant approvals.

Subject to market conditions and the timing of identification of the Placees, the Proposed Private Placement may be implemented in 1 or more tranches within 6 months from the date of approval from Bursa Securities for the listing of and quotation for the Placement Shares or any extended period as may be approved by Bursa Securities. The implementation of the Proposed Private Placement in multiple tranches would provide flexibility to our Company to procure interested investors to subscribe for the Placement Shares within the period as approved by Bursa Securities.

2.2 Placement arrangement

The Placement Shares are intended to be placed out to the Placees to be identified at a later date. In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Shares will not be placed to the following parties:-

- (i) the Interested Persons;
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

For the purposes of facilitating the Proposed Private Placement, our Company had, on 20 December 2022, entered into the Call Option Agreement with Kenanga for a structured program which involves the grant of rights to Kenanga to subscribe for up to 209,031,760 Placement Shares. The call options are exercisable in tranches and the grant of the call options is conditional on our Company obtaining the approvals set out in **Section 13** of this Circular.

For information purposes, our Board had taken into consideration, amongst others, the following advantages and benefits of the Call Option Agreement to our Company prior to entering into the Call Option Agreement with Kenanga:-

- (a) the Call Option Agreement serves as an alternative option and flexibility route for our Company to raise the targeted equity funding whilst enabling our Company to prioritise the placement to third party investors as the primary choice for the Proposed Private Placement;
- (b) the Call Option Agreement has been structured to provide our Company with the flexibility and option to cease or terminate the Call Option Agreement at any time at the discretion of our Company (in the event our Board deems such alternative option does not bode well with our Company or not beneficial at the point of the placement implementation) without incurring any termination penalties; and
- (c) having the Call Option Agreement in place, our Company has the option to shorten the timeframe to implement the Proposed Private Placement and raise the proceeds promptly, if such need arises, by having a readily available placee for the Placement Shares (i.e. Kenanga) as opposed to the need for the Company and the Placement Agent to undertake a lengthy and time-consuming investor roadshow/book building exercise to identify placees (such as institutional investors) to subscribe for the Placement Shares.

Further details of the salient terms of the Call Option Agreement are set out in **Appendix I** of this Circular.

2.3 Basis of determining and justification for the issue price of the Placement Shares

The issue price of each tranche of the Placement Shares to be issued will be determined and fixed by our Board after receipt of all relevant approvals and after taking into consideration the prevailing market conditions. In any event, the issue price shall not be priced at a discount of more than 10.0% to the 5-day VWAP of JAKS Shares up to and including the last trading day immediately prior to the price-fixing date for each tranche.

For illustration purposes, the indicative issue price for the Placement Shares is assumed to be RM0.2540, which presently represents a premium of approximately 1.28% to the 5-day VWAP of JAKS Shares up to and including the LPD of RM0.2508 per JAKS Share.

In the event the Proposed Private Placement is implemented in multiple tranches, there could potentially be several price-fixing dates and issue prices. As such, the issue price for each tranche of the Placement Shares will be fixed and announced separately.

2.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing JAKS Shares, save and except that the holders of the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other form of distributions that may be declared, made or paid where the entitlement date precedes or on the date of allotment and issuance of the said Placement Shares.

2.5 Listing of and quotation for the Placement Shares

Bursa Securities had, via its letter dated 30 January 2023, approved the listing of and quotation for up to 292,884,436 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 13** of this Circular.

2.6 Utilisation of proceeds

For illustration purposes, assuming up to 292,884,436 Placement Shares are issued at an indicative issue price of RM0.2540 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM74.39 million. However, the exact amount of the gross proceeds to be raised from the Proposed Private Placement would depend on the actual issue price and number of Placement Shares to be issued under each tranche.

The gross proceeds to be raised from the Proposed Private Placement are expected to be utilised by our Group in the following manner:-

| Details of utilisation | Minimum Scenario | | Maximum Scenario | | Timeframe for the utilisation of proceeds |
|---|------------------|---------------|------------------|---------------|---|
| | RM'000 | % | RM'000 | % | |
| Repayment of credit facilities ⁽¹⁾ | 43,000 | 80.99 | 43,000 | 57.80 | Within 12 months |
| Working capital purposes ⁽²⁾ | 9,544 | 17.97 | 30,743 | 41.33 | Within 12 months |
| Estimated expenses in relation to the Proposed Private Placement ⁽³⁾ | 550 | 1.04 | 650 | 0.87 | Within 3 months |
| Total | 53,094 | 100.00 | 74,393 | 100.00 | |

Notes:-

(1) **Repayment of credit facilities**

As at the LPD, the total bank borrowings of our Group stood at approximately RM500.03 million, of which RM324.77 million are long term borrowings and RM175.26 million are short term borrowings. The borrowings comprise of amongst others, term loans, trade commodity financing, bill payables, revolving credits facilities, bank overdrafts and factoring payables.

Our Group has earmarked up to approximately RM43.00 million for the partial repayment of its existing facility, in the manner set out as follows:-

| Facility | Bank | Total amount outstanding as at the LPD (RM'000) | Proposed repayment (RM'000) | Interest rate (% per annum) | Purpose of borrowing |
|----------------|--|---|-----------------------------|-----------------------------|--|
| Term Loan | Great Eastern Life Assurance (Malaysia) Berhad | 226,418 | 23,000 | 6.0 | Term loan provided to part finance the development cost of a 4-storey shopping mall known as Evolve Concept Mall |
| Term Loan | Malayan Banking Berhad | 87,532 | 15,000 | 7.4 | Term loan provided to part finance the acquisition of a 4-storey commercial property known as Pacific Towers |
| Bank Overdraft | AmBank (M) Berhad | 5,000 | 5,000 | 5.5 | Drawdown for working capital requirements |

For illustration purposes, assuming an average borrowing cost of approximately 6.5% per annum, the repayment of credit facilities amounting to up to RM43.00 million is expected to result in interest savings of approximately RM2.8 million per annum.

In the event the amount required for the abovementioned repayment of credit facilities is higher than budgeted, any deficit will be funded through our Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be utilised for the general working capital requirements of our Group, which include, but are not limited to, payment to trade creditors/suppliers and administrative expenses such as utilities, quit rent and assessment on properties owned by JAKS Group, general overheads as well as office expenses such as upkeep of office.

(2) **Working capital purposes**

The proceeds earmarked for working capital of JAKS Group are intended to be utilised, amongst others, for payment to trade creditors/suppliers and administrative expenses such as utilities, quit rent and assessment on properties owned by JAKS Group, general overheads as well as office expenses such as upkeep of office. Nevertheless, the amount of proceeds to be allocated for each component of the working capital of our Group cannot be ascertained at this juncture as it is dependent upon the operating requirements of our Group at that point in time.

Notwithstanding that, and on a best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital are as follows:-

| | Estimated allocation of proceeds | | | |
|--|----------------------------------|--------------|------------------|--------------|
| | Minimum Scenario | | Maximum Scenario | |
| | RM'000 | % | RM'000 | % |
| Payment to trade creditors/suppliers | 6,681 | 70.0 | 21,520 | 70.0 |
| Administrative expenses such as utilities, quit rent and assessment on properties owned by JAKS Group, general overheads as well as office expenses such as upkeep of office | 2,863 | 30.0 | 9,223 | 30.0 |
| Total | 9,544 | 100.0 | 30,743 | 100.0 |

(3) **Estimated expenses in relation to the Proposed Private Placement**

The proceeds earmarked for estimated expenses in relation to the Proposed Private Placement will be utilised in the following manner:-

| | Minimum Scenario (RM'000) | Maximum Scenario (RM'000) |
|---|----------------------------------|----------------------------------|
| <i>Professional and transactional fees (i.e. principal adviser, solicitors, company secretary, share registrar and others)</i> | 450 | 550 |
| <i>Regulatory fees</i> | 30 | 30 |
| <i>Contingencies and other incidental expenses in relation to the Proposed Private Placement (i.e. convening of the EGM, printing and advertisement expenses)</i> | 70 | 70 |
| Total | 550 | 650 |

If the actual expenses in relation to the Proposed Private Placement are higher than estimated, the deficit will be funded out of the portion allocated for working capital. However, if the actual expenses in relation to the Proposed Private Placement are lower than estimated, the excess will be used for the general working capital requirements of our Group.

The actual gross proceeds to be raised from the Proposed Private Placement are dependent on the issue price and the number of Placement Shares to be issued. In the event the actual proceeds raised from the Proposed Private Placement is less than RM53.09 million, the shortfall between actual expenditure to be incurred and total gross proceeds raised will be funded via internally generated funds and/or bank borrowings from financial institution(s), the exact proportion of which will be determined later and will be dependent on the operating and funding requirements at the time of funding.

Conversely, assuming JAKS is able to issue the Placement Shares at a higher issue price than the indicative issue price of RM0.2540 per Placement Share, the additional proceeds raised will be channelled towards the working capital of our Group. The breakdown of such proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation.

Pending the utilisation of proceeds from the Proposed Private Placement for the above purposes, the proceeds (including accrued interest, if any) may be placed as deposits with licensed financial institutions or short-term money market instruments, as our Board may deem fit. Any interest income and/or gains earned from such deposits or instruments will be utilised as additional working capital for our Group, the breakdown of which has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will enable our Group to raise additional funds primarily for the repayment of credit facilities and its working capital requirements, details of which are as set out in **Section 2.6** of this Circular.

After due consideration of the various options available, our Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for our Group due to the following reasons:-

- (i) the Proposed Private Placement will improve the liquidity and financial flexibility of our Group by strengthening its financial position and reducing our Group's gearing levels;
- (ii) the Proposed Private Placement will serve as additional source of funding for our Group whilst minimising finance cost for which interest rates are expected to move on an upward trend;

- (iii) the Proposed Private Placement will enable our Group to raise funds more expeditiously and in a cost-effective manner as opposed to other equity fundraising options such as a rights issue, which has been previously explored by our Board (i.e. Rights Issue of Warrants B undertaken in the FYE 31 December 2018 and Rights Issue of Shares with Warrants C undertaken in the audited FYE 31 December 2020 (“**FYE 2020**”)), whereby such fund raising exercises require a longer timeframe for implementation and the certainty of meeting the targeted fundraising objectives is dependent on the subscription rate by our shareholders.

Further, it should also be noted that the Proposed Private Placement does not require any underwriting or to procure any undertaking from our shareholders to guarantee a minimum amount of funds to be raised, which is typically required for a rights issue exercise.

The Call Option Agreement also serves as an additional avenue and is a flexible program designed to support our Group’s fund raising objectives; and

- (iv) the Proposed Private Placement is expected to strengthen the shareholders’ value and capital base of our Group with the aim to place our Group on a stronger financial footing as the proceeds raised will primarily pare down our borrowings and gearing level.

For information purposes, since 2017, our Company had undertaken several fund raising exercises primarily for investment in the Vietnam Power Plant Project, the LSS4 Solar Project, debt servicing and working capital. A summary of the proceeds raised from the fund raising exercises is set out below:-

| Past fund-raising exercises | Total proceeds raised (RM'000) |
|--|--------------------------------|
| Private Placement 2017 | (1)59,617 |
| Private Placement 2018 | (1)68,491 |
| Rights Issue of Warrants B | (2)25,607 |
| Private Placement 2019 | (2)40,926 |
| Rights Issue of Shares with Warrants C | (3)237,622 |
| Private Placement 2021 | (4)129,517 |
| Total | 561,780 |

Notes:-

- (1) *The utilisation of proceeds was mainly for the payment to contractors for Project Pacific 63 and Project Pacific Star.*
- (2) *The utilisation of proceeds was mainly for the payment to contractors for the Vietnam Power Plant Project.*
- (3) *The utilisation of proceeds was mainly for the subscription of additional equity shares amounting to USD30.0 million in our 30%-owned joint venture entity in Vietnam, JAKS Hai Duong Power Company Limited (“**JHDP**”) via our wholly-owned subsidiary, JAKS Pacific Power Limited (“**JPP**”). For informational purposes, JHDP has been generating healthy profits to our Group i.e. RM140.7 million as at the audited FYE 31 December 2021 (“**FYE 2021**”) and RM110.0 million as at the unaudited 9-month FPE 30 September 2022 (“**FPE 2022**”) and is expected to continue to contribute to our Group throughout its 25-year concession period up to 2046.*
- (4) *The bulk of the proceeds raised were channeled towards the development of a large scale solar photovoltaic plant of 50MW at Seberang Perai Selatan, Pulau Pinang (“**LSSPV Plant**”) under the fourth cycle of the large scale solar scheme (“**LSS4**”) to the Energy Commission of Malaysia (“**Solar Project**”). The Solar Project is expected to be completed in the second quarter of 2023 (which is approximately 6 months ahead of the scheduled commercial operation date, 31 December 2023) and expect to commence operations in the second quarter of 2023. Our management envisages that the earnings from the Solar Project will strengthen the shareholders’ value following commencement of its operations.*

Further details of the past fund-raising exercises undertaken by our Company and the proposed utilisation of proceeds are set out in **Section 4** of this Circular.

4. DETAILS OF PAST FUND-RAISING EXERCISES UNDERTAKEN BY OUR COMPANY

Our Company had undertaken the following fund-raising exercises since 2017 preceding the LPD:-

(i) Private Placement 2017

Our Company, had on 27 February 2017, announced to undertake the proposed private placement of up to 43,836,100 new ordinary shares in JAKS, representing up to 10% of the total number of JAKS Shares. Our Company had placed out 43,836,100 JAKS Shares at an issue price at RM1.36, raising a total gross proceeds of approximately RM59.62 million. The Private Placement 2017 was completed on 24 March 2017.

The status of the utilisation of the said gross proceeds from the Private Placement 2017 is set out below:-

| Details of utilisation | Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|---|---|--------------------------|---------------------------------|---------------------------|
| On-going projects undertaken by JAKS Group | 34,000 | 34,000 | ⁽¹⁾ 34,000 | Within 12 months |
| Working capital | 17,312 | 24,326 | ⁽²⁾ 24,326 | Within 6 months |
| Estimated expenses relating to the Private Placement 2017 | 1,291 | 1,291 | ⁽³⁾ 1,291 | Within 3 months |
| Total | 52,603 | 59,617 | 59,617 | |

Notes:-

- (1) Our Group utilised approximately RM34.00 million to part finance the construction cost such as payments to suppliers and contractors and other general expenses. Details of the projects are as follows:-
- i. Project Pacific 63 consisting of a single block of 21-storey-office units in Section 13, Petaling Jaya which was awarded by Pacific Place Land Sdn Bhd for a contract amount of approximately RM70 million. The Project Pacific 63 was completed on 7 February 2018.
 - ii. Project Pacific Star was a mixed development project located in Section 13, Petaling Jaya consisting of 5 blocks of residential units and commercial space with a gross development value of approximately RM1.1 billion. The project was completed on 15 April 2022.
- (2) Our Group utilised approximately RM24.33 million for our Group's business operations comprising payment for our Group's general and other operating expenses such as quit rent, utilities, finance costs and other administrative and office expenses.
- (3) The expenses consist of professional fees, fees payable to authorities, placement fee and other miscellaneous expenses to be incurred in relation to the Private Placement 2017.

For clarification purposes, all the proceeds raised from the Private Placement 2017 have been fully utilised as proposed by 30 September 2017.

(ii) Private Placement 2018

Our Company, had on 14 March 2018, announced to undertake the proposed private placement of up to 50,669,717 new ordinary shares in JAKS, representing up to 10% of the total number of JAKS Shares. Our Company had placed out 49,631,200 JAKS Shares at an issue price at RM1.38, raising a total gross proceeds of approximately RM68.50 million. The Private Placement 2018 was completed on 30 March 2018.

The status of the utilisation of the said gross proceeds from the Private Placement 2018 is set out below:-

| Details of utilisation | Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|---|---|--------------------------|---------------------------------|---------------------------|
| On-going projects undertaken by JAKS Group | 45,000 | 45,000 | ⁽¹⁾ 45,000 | Within 12 months |
| Working capital for the Evolve Concept Mall | 20,000 | 20,000 | ⁽²⁾ 20,000 | Within 12 months |
| Working capital | 2,183 | 1,791 | ⁽³⁾ 1,791 | Within 6 months |
| Estimated expenses relating to the Private Placement 2018 | 1,700 | 1,700 | ⁽⁴⁾ 1,700 | Within 3 months |
| Total | 68,883 | 68,491 | 68,491 | |

Notes:-

- (1) Our Group utilised approximately RM45.00 million to part-finance construction costs such as payments to suppliers and contractors and other general expenses of its projects which include, among others, the Project Pacific Star.
- (2) Our Group utilised approximately RM20.00 million for the working capital of Evolve Concept Mall.
The Evolve Concept Mall at Ara Damansara in Petaling Jaya began operations at the end of 2015. It is connected to the Ara Damansara Light Rail Transit station and has an approved net lettable area of approximately 420,000 square feet with 2,650 car park bays. We deployed the allocated proceeds towards the Evolve Concept Mall's working capital for its operational and finance costs, marketing costs to increase its promotional activities and asset enhancement exercises.
- (3) Our Group utilised approximately RM1.80 million to support our Group's day-to-day operations, including but not limited to the payment of trade and other payables, salaries, utilities, finance costs and other administrative and operating expenses.
- (4) The expenses consist of professional fees, fees payable to authorities, placement fees and other miscellaneous expenses to be incurred in relation to the Private Placement 2018.

For clarification purposes, all the proceeds raised from the Private Placement 2018 have been fully utilised as proposed by 31 December 2018.

(iii) Rights Issue of Warrants B

Our Company, had on 6 June 2018, announced to undertake a renounceable rights issue of up to 278,164,186 Warrants B in JAKS, on the basis of 1 Warrant B for every 2 existing Shares held in our Company.

The Rights Issue of Warrants B was completed on 20 December 2018 with the issuance of 102,428,430 Warrants B that raised proceeds of RM25.61 million. The exercise period of the Warrants B is for 5 years from its date of issuance and will expire on 13 December 2023. During this period, each Warrant B entitles the registered holder to subscribe for 1 new Share in our Company at an exercise price of RM0.64 per Warrant B in accordance with the Deed Poll B.

The status of the utilisation of the said gross proceeds from the Rights Issue of Warrants B is set out below:-

| Details of utilisation | ⁽¹⁾ Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|--|--|--------------------------|---------------------------------|---|
| Payment for contractors' claims pertaining to our Company's ongoing Vietnam Power Plant Project | 46,041 | 13,405 | ⁽²⁾ 13,405 | Within 12 months |
| Partial repayment of bank borrowings | 11,502 | 11,502 | 11,502 | Within 3 months |
| Expansion of JAKS' business in the power industry by venturing into RE projects in South East Asia | 10,000 | - | - | Within 12 to 18 months |
| Estimated expenses for the Rights Issue of Warrants B | 700 | 700 | 700 | Upon completion of the Rights Issue of Warrants B |
| Total | 68,243 | 25,607 | 25,607 | |

Notes:-

- (1) Assuming the full subscription of the Rights Issue of Warrants B.
- (2) The proceeds were used for the payment for contractors' claims pertaining to the fabrication of the equipment which includes the partial payment for bridge-type grabbing unloader, physical verification system as well as electronic belt weighing scale for coal receiving and handling to be installed at the jetty.

For clarification purposes, the Rights Issue of Warrants B was undersubscribed by 62.48% and all the proceeds raised from the Rights Issue of Warrants B have been fully utilised as proposed by 30 March 2019.

(iv) Private Placement 2019

In view of the undersubscription of Rights Issue of Warrants B, our Company, had on 18 April 2019, announced to undertake the proposed private placement of up to 68,708,156 new ordinary shares in JAKS, representing up to 10% of the total number of JAKS Shares primarily to bridge the proceeds that we failed to raise from the Rights Issue of Warrants B. Our Company had placed out 58,465,313 JAKS Shares at an issue price at RM0.70, raising a total gross proceeds of approximately RM40.92 million. The Private Placement 2019 was completed on 28 May 2019.

The status of the utilisation of the said gross proceeds from the Private Placement 2019 is set out below:-

| Details of utilisation | Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|------------------------------|---|--------------------------|---------------------------------|---------------------------|
| Vietnam Power Plant Project | 39,432 | 25,491 | ⁽¹⁾ 25,491 | Within 12 months |
| Repayment of bank borrowings | 4,335 | 4,335 | ⁽²⁾ 4,335 | Within 12 months |

| Details of utilisation | Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|---|---|--------------------------|---------------------------------|---|
| RE projects | 10,000 | 10,000 | ⁽³⁾ 10,000 | Within 12 months |
| Estimated expenses relating to the Private Placement 2019 | 1,200 | 1,100 | ⁽⁴⁾ 1,100 | Upon completion of the Private Placement 2019 |
| Total | 54,967 | 40,926 | 40,926 | |

Notes:-

- (1) Our Group utilised up to RM25.49 million for the payment of additional equipment required, as well as the additional costs that have arisen from the progress of the Vietnam Power Plant Project, in particular, the contractors' progress claims, fabrication of equipment and services rendered in relation to the construction and engineering works for the jetty and administration building.
- (2) Our Group utilised approximately RM4.34 million for the partial repayment of its existing facilities.
- (3) Our Group utilised RM10.00 million from the proceeds raised for its venture into RE projects in Southeast Asia and/or the Vietnam Power Plant Project.
- (4) The expenses consist of professional fees, regulatory fees and other incidental expenses in relation to the Private Placement 2019.

For clarification purposes, all the proceeds raised from the Private Placement 2019 have been fully utilised as proposed by 31 December 2019.

(v) Rights Issue of Shares with Warrants C

On 22 May 2020, our Company announced to undertake a renounceable rights issue of new ordinary shares ("**Rights Share(s)**") together with free detachable Warrants C. 8 Rights Shares together with 4 Warrants C were offered for every 5 existing Shares held, with the issue price of RM0.22 per Rights Share and the exercise price of the new Warrants C was fixed at RM0.49 per Warrant C.

The Rights Issue of Shares with Warrants C was completed on 26 November 2020. With 1,080,101,412 Rights Shares subscribed, our Company raised proceeds of approximately RM237.6 million. 540,050,650 Warrants C and 81,059,808 additional Warrants B were listed and quoted on the Main Market of Bursa Securities on the even date.

The status of the utilisation of the said gross proceeds from the Rights Issue of Shares with Warrants C is set out below:-

| Details of utilisation | ⁽¹⁾ Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|---|--|--------------------------|---------------------------------|---------------------------|
| Subscription of additional 30.00 million ordinary shares of USD1.00 each in JPP | 130,500 | 128,400 | 128,400 | Within 6 months |
| Future business projects or investments | - | 48,366 | ⁽²⁾ 48,366 | Within 36 months |
| Partial repayment of borrowings | 15,000 | 31,581 | ⁽³⁾ 31,581 | Within 24 months |
| Preliminary expenses in relation to venture into new construction projects in Vietnam | 5,000 | 10,000 | ⁽⁴⁾ 10,000 | Within 36 months |

| Details of utilisation | ⁽¹⁾ Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|---|--|--------------------------|---------------------------------|---------------------------|
| Working capital requirements | 6,911 | 13,675 | ⁽⁵⁾ 13,675 | Within 36 months |
| Estimated expenses for the Rights Issue of Shares with Warrants C | 3,500 | 5,600 | ⁽⁶⁾ 5,600 | Immediate |
| Total | 160,911 | 237,622 | 237,622 | |

Notes:-

- (1) Assuming full subscription of the Rights Issue of Shares with Warrants C.
- (2) The proceeds were used to fund future business projects including land acquisition cost for the Solar Project and working capital purpose.
- (3) The proceeds were used to repay part of our Group's existing borrowings (including interest incurred).
- (4) The proceeds were used for the preliminary expenses relating to new construction projects in Vietnam and working capital.
- (5) The proceeds were used for the working capital requirements of the day-to-day operations of our Group for staff related cost and administrative expenses.
- (6) The expenses including professional fees, regulatory fees and other incidental expenses in relation to the Rights Issue of Shares with Warrants C.

For clarification purposes, all the proceeds raised from the Rights Issue of Shares with Warrants C have been fully utilised as proposed by 30 June 2022.

(vi) Private Placement 2021

Our Company, had on 31 May 2021, announced to undertake the proposed private placement of up to 552,787,900 new ordinary shares in JAKS, representing up to 20% of the total number of JAKS Shares. Our Company had placed out 272,667,000 JAKS Shares at an issue price at RM0.4750, raising a total gross proceeds of approximately RM129.52 million. The Private Placement 2021 was completed on 31 December 2021.

The status of the utilisation of the said gross proceeds from the Private Placement 2021 is set out below:-

| Details of utilisation | Targeted proceeds to be raised (RM'000) | Proceeds raised (RM'000) | Actual amount utilised (RM'000) | Timeframe for utilisation |
|--|---|--------------------------|---------------------------------|---------------------------|
| Solar Project | 50,000 | 50,000 | ⁽¹⁾ 50,000 | Within 24 months |
| Working capital requirements | 89,464 | 47,077 | ⁽²⁾ 47,077 | Within 12 months |
| Capital expenditure for Evolve Concept Mall | 5,000 | 5,000 | ⁽³⁾ 5,000 | Within 24 months |
| Acquisitions | 150,000 | 22,405 | ⁽⁴⁾ 22,405 | Within 24 months |
| Estimated expenses in relation to the Private Placement 2021 | 5,700 | 5,035 | ⁽⁵⁾ 5,035 | Immediate |
| Total | 300,164 | 129,517 | 129,517 | |

Notes:-

- (1) On 14 April 2021, a special purpose vehicle, namely JAKS Solar Nibong Tebal Sdn Bhd ("**JSNTSB**"), was incorporated as a wholly-owned subsidiary of our Company, to develop and operate the LSSPV Plant. On 19 August 2021, JSNTSB has entered into a solar power purchase agreement with Tenaga Nasional Berhad, for the power generated from the LSSPV Plant for 25 years, commencing after the LSSPV Plant has achieved its commercial operations.

The construction of the LSSPV Plant commenced on March 2022 and is scheduled to be completed and commence commercial operations in the second quarter of 2023.

Our Group utilised RM50.00 million to part finance amongst others, the project cost and working capital for the LSSPV Plant.

- (2) *Our Group used up to RM47.08 million for the working capital requirements of the day-to-day operations of our Group including payment to creditors, staff related cost (i.e. salaries for staff, key management personnel and Executive Directors, contributions to the Employees Provident Fund and others) and administrative expenses (e.g. utilities, professional fees, printing and stationery as well as office expenses such as general upkeep of office).*
- (3) *Our Company used RM5.00 million for capital expenditure of the Evolve Concept Mall (i.e. the refurbishment and upkeep of event hall, car park and general refurbishment as well as the upkeep of the mall including, amongst other, closed-circuit television, chillers, signage, water tank, cooling tower, flooring, lightings, fire system, walls and roofs).*
- (4) *As the acquisition of existing operating power generation assets (including, amongst others, solar farms, hydroelectric dams and liquefied natural gas facilities in Malaysia, Vietnam and/or Indonesia) did not materialise, our Group had hence utilised the earmarked amount for debt servicing and working capital in the manner as disclosed in the announcement dated 31 May 2021.*
- (5) *The expenses includes professional fees, regulatory fees and other incidental expenses in relation to the Private Placement 2021.*

For clarification purposes, all the proceeds raised from the Private Placement 2021 have been fully utilised as proposed by 30 September 2022.

Save for the Private Placement 2021 and the Proposed Private Placement, our Company has not undertaken any other fund raising exercise in the past 12 months prior to this Circular.

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5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

Malaysia's economic recovery continued its strong momentum in the first half of 2022 amid the global headwinds. The GDP grew at 6.9% during the period supported by the implementation of Budget 2022 measures, transition to the endemicity and reopening of international borders. The economy is expected to grow at 6.1% in the second half of 2022 in line with strong domestic pent-up demand from private sector, remarkable tourism activities and outstanding trade performance. Furthermore, robust performance in services and manufacturing sectors as well as improvement in the labour market conditions are envisaged to contribute significantly to the economic growth. Overall, the nation's economy is expected to grow between 6.5% – 7% in 2022.

In line with the softening global economic outlook, Malaysia's economy is expected to moderate in 2023. Strong economic fundamentals, further improvement in employment prospects, sustained consumer and business confidence as well as continuous policy support for vulnerable households are projected to stimulate domestic demand. On the supply side, all economic sectors are projected to expand, with the services and manufacturing sectors remain as the major contributors to the economy. The manufacturing sector is expected to be driven by global demand for electrical and electronics (“E&E”) and rubber based products coupled with an expansion in domestic industries such as food and construction related products.

The economy is expected to remain resilient with domestic demand continues to drive growth amid softening global environment. Private sector expenditure is forecast to grow at 5.8% in 2023 with the share to GDP at 76.2%, while public sector expenditure is projected to expand by 2% with the share to GDP at 17%. Hence, domestic demand is envisaged to further expand by 5.1%.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

5.2 Overview and outlook of the Vietnamese economy

GDP in the third quarter of 2022 was estimated to increase quite high at 13.67% compared to the same period last year because the third quarter of 2021 was the time when the COVID-19 pandemic broke out, seriously affected production and business activities. Of which, the agriculture, forestry and fishery sector increased by 3.24%; the industry and construction sector increased by 12.91%; service sector increased by 18.86%. Regarding GDP use in the third quarter of 2022, final consumption increased by 10.08% over the same period last year, contributing 38.21% to the overall growth rate of the economy; accumulated assets increased by 8.7%, contributed 21.13%; exports of goods and services increased by 9.32%; imports of goods and services increased by 2.72%; the difference between import and export of goods and services contributed 40.66%.

GDP in 9 months of 2022 increased by 8.83% compared to the same period last year, the highest increase of 9 months in the period 2011-2022, production and business activities gradually regained growth momentum, the government's policies of recovery and socio-economic development have brought into effectiveness. In the general increase of the whole economy, the agriculture, forestry and fishery sector increased by 2.99%, contributing 4.04%; the industry and construction sector increased by 9.44%, contributing 41.79%; the service sector increased by 10.57%, contributing 54.17%.

(Source: Press release socio-economic situation in the third quarter and nine months of 2022, General Statistics Office of Vietnam)

The economic rebound is expected to continue over the second half of 2022, supported by strong economic fundamentals, flexible monetary policy, and a faster than-expected recovery in manufacturing, services, and domestic consumption from July to December.

Global food shortages and restored global food supply chains will boost agriculture production this year. But the forecast for agriculture growth is revised down to 3.0% from the earlier 3.5% projection because high input costs may still constrain the sector's growth. Softening global demand has already slowed manufacturing. The manufacturing purchasing managers' index in August reduced to 52.7 from 54.0 in June. Because of this, the forecast for industry growth is lowered to 8.5% from 9.5%, but the outlook for industry remains bullish given strong foreign direct investment (FDI) disbursement in the sector. Fully normalized domestic mobility and the lifting of COVID-19 travel restrictions for foreign visitors will support a rebound in tourism in the second half that will be stronger than was expected in April. This will drive services growth, revised up to 6.6% for 2022 from the earlier 5.5% projection. The raised forecast is nevertheless below services growth of 7.3% in pre-pandemic 2019.

Risks to Vietnam's economic outlook remain elevated. The global economic slowdown could weigh more heavily on exports than forecast, which would worsen the current account balance. Although aggressive interest hikes by the central banks of major economies have helped dampen global price pressures, an intensification of global geopolitical uncertainties could push up commodity prices, worsening inflation in Vietnam. A resurgence of COVID-19 infections is possible amid lower readiness in the health care system due to the recent resignations of many health care workers and shortages of medical equipment and drugs. A labor shortage would impede the fast recovery of services and the labor-intensive export sector in 2022. A failure to deliver public investment and social spending as planned could slow growth this year and next.

(Source: Asian Development Outlook 2022 Update: Entrepreneurship in the Digital Age, September 2022, Asian Development Bank)

5.3 Overview and outlook of power sector in Malaysia

Under the Renewable Energy Transition Plan 2021-2040, Malaysia aims to increase its share of RE in its installed capacity to 31% in 2025 (from the initial 25% by 2025) and 40% in 2035.

To achieve this, the focus is on Peninsular Malaysia because it accounts for 80% of the country's electricity demand. For the 31% RE target in 2025, 26% is to come from the peninsula in 2025. For the 40% target in 2035, the peninsula is to account for 32% of RE.

These projections were shared by the Minister of Energy and Natural Resources at a virtual meeting with Association of Southeast Asian Nations ("**ASEAN**") Ministers on Energy and the Minister of Economy, Trade and Industry of Japan held on 21 June 2021. He added that the country's installed RE capacity now stands at 7,995MW, and is projected to increase to 18,000MW by 2035. Peninsular Malaysia's RE capacity, meanwhile, is projected to increase from the current 4,430MW to 10,944MW in the next 15 years.

Since solar has the highest RE potential, Malaysia plans to introduce battery energy storage systems, with a total capacity of 500MW from 2030 onwards.

With these targets in place, the Minister said carbon emission intensity from the power sector is set to decline by 45% in 2030 and a further 60% in 2035, compared to the 2005 level, in line with Malaysia's Nationally Determined Contributions targets under the Paris Climate Agreement.

Solar power is recognised as the primary source of RE in the country, and several market mechanisms have been introduced to facilitate solar power generation. For example, the Large-Scale Solar (LSS) programme has led to the establishment of large-scale solar farms. The Enhanced Net Energy Metering (NEM) scheme, in the meantime, has incentivised Small Medium Enterprises (SMEs) and prosumers to generate solar power for their own consumption and sale of excess energy to the grid.

Among the non-solar renewable energy projects is the production of ocean renewable energy (“**ORE**”). Currently, various universities, research institutes and private project developers are working with the Government to develop turbine prototypes, test-beds and pre-commercial ORE technologies. One such example is the Universiti Teknologi Malaysia Ocean Thermal Energy Conversion (UTM OTEC) Centre. In addition, the Government has established different agencies to drive ORE activities in the country through policy support, funding and research and development (“**R&D**”). The National Oceanography Directorate (NOD) is the central agency coordinating all oceanographic and marine science-related R&D initiatives. It is also spearheading efforts to include ORE in the national renewable energy roadmap.

The Government also provides various types of funding support for RE producers. These include the ScienceFund, which focuses on innovative applied science that has the potential to create high impact; and the TechnoFund, which provides financing to pioneering renewable energy projects at different levels of technological readiness – from prototype to commercial and industrial scale.

(Source: Energy Malaysia Volume 22 2022, Energy Commission of Malaysia)

5.4 Overview and prospects of construction sector in Malaysia

The construction sector contracted by 2.1% in the first half of 2022, mainly due to lower construction activities in civil engineering and residential buildings subsectors. In contrast, non-residential buildings and specialised construction activities subsectors registered a growth during the same period, in line with expansion in business activities, albeit rising prices of construction-related materials. The sector is expected to turn around in the second half with an expansion rate of 6.9%, supported by positive growth in all subsectors. Improvement in private investment and robust domestic economic activities are anticipated to increase demand for more industrial buildings. In addition, the acceleration of major infrastructure projects will continue to drive the sector’s performance.

The construction sector is vital in the development of Malaysia’s economy. In line with Vision 2020 and the Sixth Malaysia Plan, Malaysia has experienced a robust construction sector during the period from 1991 to 2000 with an average annual growth rate of 7.2%. The sector contributed to the national GDP with an annual average share of 3.9% for the period from 1991 to 2020. Although the contribution is relatively small, it provides a valuable multiplier effect to the aggregate economy attributed to its extensive backward and forward linkages with other sectors. Thus, as a developing nation, the sector’s contribution remains significant in ensuring a sustainable economic growth.

The construction sector in Malaysia has also played a major role in accumulating the nation’s capital stock such as buildings, roads, railways, ports and airports. Accordingly, the Harrod-Domar model of economic growth highlights that net investment, which is defined as the change in capital stock is necessary for economy to grow. United Nations (1990) also indicates that infrastructural development was an essential part of economic development in Asia and does appear to lead economic growth by improving the capacity as well as the efficiency of the economy.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

The construction sector recorded a higher growth of 15.3% (2Q 2022: 2.4%) as all subsectors recorded improvements in activities. Commercial real estate, mixed-development and small-scale projects continued to support activities in the non-residential and special trade subsectors.

(Source: Bank Negara Malaysia Quarterly Bulletin Vol.37 No.3; Third Quarter of 2022, Bank Negara Malaysia)

5.5 Overview and prospects of commercial property in Malaysia

The commercial subsector recorded 32,025 overhang units valued at RM26.97 billion, declined 3.6% in volume and 2.1% in value compared to the preceding half. Serviced apartments contributed the highest number of overhang commercial units at 22,674 units (70.8%) valued at RM19.32 billion. Johor held the largest market share of commercial overhang nationwide at 54.6%, followed by WP Kuala Lumpur (16.2%) and Selangor (11.9%).

Unsold commercial property under construction decreased to 49,467 units, down 8.7% compared to the preceding period. WP Kuala Lumpur dominated with 39.3% (19,457 units) market share followed by Selangor (26.6% or 13,144 units) and Johor (17.8% or 8,783 units). Majority of unsold under construction commercial was in the price range above RM500,000 (57.7%), followed by unit priced between RM300,001 and RM500,000 (32.7%).

(Source: Property Market Report H1 2022, Valuation and Property Services Department, Ministry of Finance Malaysia)

The wholesale and retail trade subsector rose by 10.4% in the first half of 2022, supported by strong performance in all segments. The robust performance of the subsector was buoyed by an increase in household spending following improvement in the labour market and consumers' confidence. In addition, the motor vehicles segment contributed significantly to the first half performance as vehicles purchase rose substantially, taking advantage from the sales tax exemption for passenger cars until the end of June 2022. The subsector is expected to expand by 7.2% in the second half following improvement in all segments especially the retail trade, in line with the increase in the number of new convenience store outlets. The motor vehicles segment is also anticipated to increase in line with the revised projection number of vehicle sales in 2022 from 600,000 to 630,000 (Malaysia Automotive Association, 2022). For the year, the subsector is projected to record a significant growth of 8.7%.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

5.6 Overview and prospects of power sector in Vietnam

The Vietnamese power sector is under rapid development. For years expansion of the sector has been based primarily on coal and hydro. The country has been self-sufficient in these resources until recently. Almost all potential for large hydro power plants has already been utilised. Expansion of coal power is challenged by difficulties of financing since an increasing number of financial institutions are refusing to finance coal-fired power plants due to increased climate awareness and increased risks. Furthermore, Vietnam has a strengthened focus on RE over the last few years facilitated by feed-in-tariffs (FIT).

Vietnam is close to fully utilising its potential for large-scale and medium-scale hydropower but there is still an untapped potential for small-scale hydro of around 11GW. While Vietnam has experienced a substantial increase in solar power plants connected to the grid in 2020, the country still houses a vast remaining potential for deployment of RE technologies.

With a coastline of 3,260 kilometers, Vietnam has large potential for offshore wind power. On land, the country has already proved to be ready to tap into the potential of solar photovoltaic ("PV"). Rooftop solar is prioritised previously to reduce peak load and grid impact.

Vietnam has a large onshore wind resource, which requires much less the land use than utility-scale PV. There is currently around 4GW of onshore wind power installed. The summary of RE (except biomass). Small hydro is defined to be no larger than 30MW and is mostly run-of-river (RoR) where large- and medium-scale hydro is larger than 30MW and mostly connected to a reservoir.

(Source: Vietnam Energy Outlook Report 2021 (2022), Electricity and Renewable Energy Authority)

5.7 Prospects of our Group

With the global shift towards more sustainable development, our Group is strategically aligned to capture more opportunities in the Environmental Social and Governance (ESG) related business, particularly in the RE space. The LSS4 RE project in Seberang Prai, Penang is expected to be completed in the first quarter of 2023, approximately 9 months ahead of the scheduled commercial operation date of 31 December 2023, after which this project will start contributing to our Group. Meanwhile, our Group's 30%-owned joint venture entity in Vietnam, JHDP is fully operational, and is expected to generate stable and recurring income to our Group throughout the concession period until 2046.

The construction industry in Malaysia is faced with several challenges like inflationary pressures and labour shortages. Nevertheless, our Group is optimistic and looking forward to the revival with roll-out of constructions jobs to replenish its order book with good and profitable infrastructure projects.

With respect to our Group's investment properties, footfall at shopping malls across the country has picked up since COVID-19 restrictions were eased. Our Group is hopeful that this will spur recovery in the retail and commercial sector, and will continue our efforts to improve the occupancy rate⁽¹⁾ and rental yield of its Evolve Mall at Ara Damansara and Pacific Tower Business Hub at Section 13, Petaling Jaya.

Note:-

(1) For information purposes, the current occupancy rates for the Evolve Mall and Pacific Tower Business Hub as at the LPD are as follows:-

| Location | Occupancy rate (%) |
|----------------------------|--------------------|
| Evolve Mall | 57 |
| Pacific Tower Business Hub | 31 |

6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

6.1 Issued share capital

The pro forma effects of the Proposed Private Placement on the issued share capital of JAKS are set out below:-

| | Minimum Scenario | | Maximum Scenario | |
|---|----------------------|---------------------------|----------------------|---------------------------|
| | No. of Shares | RM | No. of Shares | RM |
| Issued share capital of JAKS as at the LPD | 2,090,317,607 | 1,074,143,409 | 2,090,317,607 | 1,074,143,409 |
| Assuming full exercise of Warrants B ⁽¹⁾ | - | - | 171,488,238 | 58,306,001 |
| Assuming full exercise of Warrants C ⁽²⁾ | - | - | 525,564,900 | 257,526,801 |
| Assuming full exercise of the LTIP Options ⁽³⁾ | - | - | 141,473,619 | 63,181,614 |
| | 2,090,317,607 | 1,074,143,409 | 2,928,844,364 | 1,453,157,825 |
| Placement Shares to be issued pursuant to the Proposed Private Placement | 209,031,760 | ⁽⁴⁾ 53,094,067 | 292,884,436 | ⁽⁴⁾ 74,392,647 |
| Enlarged issued share capital after the Proposed Private Placement | 2,299,349,367 | 1,127,237,476 | 3,221,728,800 | 1,527,550,472 |

Notes:-

- (1) Assuming all the 171,488,238 outstanding Warrants B are fully exercised into 171,488,238 new Shares at the exercise price of RM0.34 each.
- (2) Assuming all the 525,564,900 outstanding Warrants C are fully exercised into 525,564,900 new Shares at the exercise price of RM0.49 each.
- (3) Assuming all the 141,473,619 outstanding LTIP Options are fully exercised prior to the implementation of the Proposed Private Placement at the following respective exercise prices:-

| No. of outstanding LTIP Options | Exercise price (RM) |
|--|----------------------------|
| 15,673,619 | 0.750 |
| 71,800,000 | 0.538 |
| 54,000,000 | 0.237 |

- (4) Calculated based on an indicative issue price of RM0.2540 per Placement Share, which presently represents a premium of approximately 1.28% to the 5-day VWAP of JAKS Shares up to and including the LPD of RM0.2508 per JAKS Share.

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6.2 NA, NA per Share and gearing

For illustration purposes, the pro forma effects of the Proposed Private Placement on the NA, NA per Share and gearing of our Group based on the audited consolidated statement of financial position of JAKS for the FYE 31 December 2021 are set out below:-

Minimum Scenario

| | Audited as at 31 December 2021 (RM'000) | ⁽¹⁾ After adjustment for subsequent events up to and including the LPD (RM'000) | Proforma I After the Proposed Private Placement (RM'000) |
|--------------------------------|--|---|--|
| Share capital | 1,061,612 | 1,074,143 | ⁽²⁾ 1,127,237 |
| LTIP Reserves | 9,038 | 9,038 | 9,038 |
| Translation Reserves | (9,609) | (9,609) | (9,609) |
| Warrants Reserves | 238,089 | 238,089 | 238,089 |
| Other Reserves | (215,482) | (215,482) | (215,482) |
| Retained earnings | 257,096 | 257,096 | ⁽³⁾ 256,546 |
| Shareholders' equity/NA | 1,340,744 | 1,353,275 | 1,405,819 |
| Non-controlling interests | (39,309) | (39,309) | (39,309) |
| Total equity | 1,301,435 | 1,313,966 | 1,366,510 |
| No. of Shares in issue ('000) | 2,042,318 | 2,090,318 | 2,299,349 |
| NA per Share (RM) | 0.66 | 0.65 | 0.61 |
| Total borrowings (RM'000) | 372,040 | 372,040 | ⁽⁴⁾ 329,040 |
| Gearing ratio (times) | 0.28 | 0.27 | 0.23 |

Notes:-

- (1) After adjusting for the following:-
- the allotment and issuance of 45,000,000 Shares pursuant to our Company's existing SGP under the LTIP at the issue price of RM0.2600;
 - the allotment and issuance of 1,150,000 Shares pursuant to our Company's existing ESOS under the LTIP at the exercise price of RM0.2370 as at 19 September 2022; and
 - the allotment and issuance of 1,850,000 Shares pursuant to our Company's existing ESOS under the LTIP at the exercise price of RM 0.2370 as at 12 December 2022.
- (2) Based on the indicative issue price of RM0.2540 per Placement Share.
- (3) After deducting the estimated expenses pertaining to the Proposed Private Placement amounting to approximately RM0.55 million.
- (4) After adjusting for the utilisation of proceeds pursuant to the Proposed Private Placement of which RM43.00 million is earmarked for the partial repayment of credit facilities.

Maximum Scenario

| | Audited as at 31 December 2021 (RM'000) | ⁽¹⁾ After adjustment for subsequent events up to and including the LPD (RM'000) | Proforma I Assuming all of the outstanding Warrants B as at the LPD are exercised (RM'000) | Proforma II After Proforma I and assuming all of the outstanding Warrants C as at the LPD are exercised (RM'000) | Proforma III After Proforma II and assuming all of the outstanding LTIP as at the LPD are exercised (RM'000) | Proforma IV After Proforma III and after Proposed Private Placement (RM'000) |
|--------------------------------|---|--|---|---|---|---|
| Share capital | 1,061,612 | 1,074,143 | ⁽²⁾ 1,155,056 | ⁽³⁾ 1,412,583 | ⁽⁴⁾ 1,484,803 | ⁽⁵⁾ 1,559,196 |
| LTIP Reserves | 9,038 | 9,038 | 9,038 | 9,038 | ⁽⁴⁾ - | - |
| Translation Reserves | (9,609) | (9,609) | (9,609) | (9,609) | (9,609) | (9,609) |
| Warrants Reserves | 238,089 | 238,089 | ⁽²⁾ 215,482 | ⁽³⁾ - | - | - |
| Other Reserves | (215,482) | (215,482) | (215,482) | ⁽³⁾ - | - | - |
| Retained earnings | 257,096 | 257,096 | 257,096 | 257,096 | 257,096 | ⁽⁶⁾ 256,446 |
| Shareholders' equity/NA | 1,340,744 | 1,353,275 | 1,411,581 | 1,669,108 | 1,732,290 | 1,806,033 |
| Non-controlling interests | (39,309) | (39,309) | (39,309) | (39,309) | (39,309) | (39,309) |
| Total equity | 1,301,435 | 1,313,966 | 1,372,272 | 1,629,799 | 1,692,981 | 1,766,724 |
| No. of Shares in issue ('000) | 2,042,318 | 2,090,318 | 2,261,806 | 2,787,371 | 2,928,844 | 3,221,729 |
| NA per Share (RM) | 0.66 | 0.65 | 0.62 | 0.60 | 0.59 | 0.56 |
| Total borrowings (RM'000) | 372,040 | 372,040 | 372,040 | 372,040 | 372,040 | ⁽⁷⁾ 329,040 |
| Gearing ratio (times) | 0.28 | 0.27 | 0.26 | 0.22 | 0.21 | 0.18 |

Notes:-

(1) After adjusting for the following:-

- (a) the allotment and issuance of 45,000,000 Shares pursuant to our Company's existing SGP under the LTIP at the issue price of RM0.2600;
- (b) the allotment and issuance of 1,150,000 Shares pursuant to our Company's existing ESOS under the LTIP at the exercise price of RM0.2370 as at 19 September 2022; and
- (c) the allotment and issuance of 1,850,000 Shares pursuant to our Company's existing ESOS under the LTIP at the exercise price of RM 0.2370 as at 12 December 2022.

- (2) Assuming all the 171,488,238 outstanding Warrants B are fully exercised into 171,488,238 new Shares at the exercise price of RM0.34 each and after accounting for the reversal of the warrants reserve of approximately RM22.61 million.
- (3) Assuming all the 525,564,900 outstanding Warrants C are fully exercised into 525,564,900 new Shares at the exercise price of RM0.49 each and after accounting for the reversal of the warrants reserve of approximately RM215.48 million.
- (4) Assuming all the 141,473,619 outstanding LTIP Options are fully exercised prior to the implementation of the Proposed Private Placement at the following respective exercise prices and after accounting for the consequential reversal of the aggregate LTIP reserves of approximately RM9.61 million:-

| No. of outstanding LTIP Options | Exercise price (RM) |
|---------------------------------|---------------------|
| 15,673,619 | 0.750 |
| 71,800,000 | 0.538 |
| 54,000,000 | 0.237 |

- (5) Based on the indicative issue price of RM0.2540 per Placement Share.
- (6) After deducting the estimated expenses pertaining to the Proposed Private Placement amounting to approximately RM0.65 million.
- (7) After adjusting for the utilisation of proceeds pursuant to the Proposed Private Placement of which RM43.00 million is earmarked for the partial repayment of credit facilities.

6.3 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the shareholdings of the substantial shareholders of JAKS are set out below:-

Minimum Scenario

| | As at the LPD | | | | After the Proposed Private Placement | | | |
|--------------|---------------|-------|---------------|-------|--------------------------------------|-------|---------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | (1) % | No. of Shares | (1) % | No. of Shares | (2) % | No. of Shares | (2) % |
| Ang Lam Poah | 292,065,356 | 13.97 | - | - | 292,065,356 | 12.70 | - | - |

Notes:-

- (1) Based on the existing issued share capital comprising 2,090,317,607 Shares as at the LPD.
- (2) Based on the enlarged share capital comprising 2,299,349,367 Shares after the completion of Proposed Private Placement.

Maximum Scenario

| | As at the LPD | | | | Proforma I Assuming all of the outstanding Warrants B as at the LPD are exercised | | | |
|--------------|---------------|-------|---------------|-------|--|-------|---------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | (1) % | No. of Shares | (1) % | No. of Shares | (2) % | No. of Shares | (2) % |
| Ang Lam Poah | 292,065,356 | 13.97 | - | - | ⁽⁶⁾ 339,147,374 | 14.99 | - | - |

| | Proforma II After Proforma I and assuming all of the outstanding Warrants C as at the LPD are exercised | | | | Proforma III After Proforma II and assuming all of the outstanding LTIP Options as at the LPD are exercised | | | |
|--------------|--|-------|---------------|-------|--|-------|---------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | (3) % | No. of Shares | (3) % | No. of Shares | (4) % | No. of Shares | (4) % |
| Ang Lam Poah | ⁽⁷⁾ 420,885,021 | 15.10 | - | - | ⁽⁸⁾ 452,885,021 | 15.46 | - | - |

| | After the Proposed Private Placement | | | |
|--------------|--------------------------------------|-------|---------------|-------|
| | Direct | | Indirect | |
| | No. of Shares | (5) % | No. of Shares | (5) % |
| Ang Lam Poah | 452,885,021 | 14.06 | - | - |

Notes:-

- (1) Based on the existing issued share capital comprising 2,090,317,607 Shares as at the LPD.
- (2) Based on the issued share capital comprising 2,261,805,845 Shares assuming the full exercise of Warrants B.
- (3) Based on the issued share capital comprising 2,787,370,745 Shares assuming the full exercise of Warrants C.
- (4) Based on the issued share capital comprising 2,928,844,364 Shares assuming the full exercise of the LTIP Options.
- (5) Based on the enlarged share capital comprising 3,221,728,800 Shares after the completion of Proposed Private Placement.
- (6) Assuming all his 47,082,018 outstanding Warrants B are fully exercised.
- (7) Assuming all his 81,737,647 outstanding Warrants C are fully exercised.
- (8) Assuming all his 32,000,000 outstanding LTIP Options are fully exercised.

6.4 Earnings and EPS

The Proposed Private Placement is not expected to have any material effect on the earnings of JAKS Group for the FYE 31 December 2022. However, there will be a corresponding dilution in the EPS of JAKS Group as a result of the increase in the number of JAKS Shares issued pursuant to the Proposed Private Placement.

Nevertheless, the Proposed Private Placement is expected to contribute positively to the future earnings of our Group when the benefits arising from the proposed utilisation of proceeds as set out in **Section 2.6** of this Circular are realised.

6.5 Existing convertible securities

As at the LPD, save for the outstanding 171,488,238 Warrants B, 525,564,900 Warrants C and 141,473,619 LTIP Options, our Company does not have any outstanding convertible securities.

The Proposed Private Placement will not give rise to any adjustment to the exercise price and/or number of the outstanding Warrants B, Warrants C and LTIP Options pursuant to the relevant deed polls and by-laws.

7. THE CURRENT FINANCIAL POSITION OF OUR GROUP

The financial performance of JAKS Group and its share of profits in its joint venture (i.e. JHDP) for the past 3 financial years up to the FYE 2021 and the FPE 2022 are as follows:-

| | Audited FYE 31 December | | | Unaudited 9-month FPE 30 September | |
|---|-------------------------|------------------|------------------|------------------------------------|------------------|
| | 2019 (RM'000) | 2020 (RM'000) | 2021 (RM'000) | 2021 (RM'000) | 2022 (RM'000) |
| Revenue | 1,051,737 | 250,970 | 108,145 | 89,600 | 43,944 |
| Share of profits in JHDP | (37) | 3,763 | 140,713 | 110,017 | 110,701 |
| PBT/(LBT) | 52,630 | (110,306) | 30,294 | 66,699 | 42,740 |
| PAT/(LAT) attributable to the owners of our Company | 108,050 | (84,561) | 51,759 | 80,404 | 56,743 |
| Retained earnings | 301,674 | 210,276 | 257,096 | 284,859 | 313,945 |
| NA | 919,855 | 1,127,533 | 1,301,436 | 1,330,304 | 1,355,401 |
| Total borrowings | 421,454 | 387,092 | 372,040 | 350,570 | 477,421 |
| Gearing (times) | 0.46 | 0.34 | 0.29 | 0.26 | 0.35 |
| No. of Shares in issue ('000) | 643,118 | 1,755,167 | 2,042,318 | 2,042,318 | 2,087,318 |
| Basic earnings/(loss) per share (sen) | 13.96 | (10.79) | 2.73 | 4.34 | 2.78 |
| NA per share (sen) | 1.52 | 0.65 | 0.66 | 0.67 | 0.68 |
| Current ratio (times) | 1.69 | 2.13 | 2.47 | 2.48 | 2.40 |

Commentary on past performance

(a) Audited FYE 31 December 2019 ("FYE 2019") to the FYE 2020

For the FYE 2020, our Group recorded a decrease of RM800.77 million or 76.14% in revenue to RM250.97 million (FYE 2019: RM1,051.74 million). The decrease was mainly attributed to the lower revenue recognised from the construction division and property development and investment division as they both dropped by 74% and 72% respectively due to the disruption to the local and global economy and business operations as well as changes to working arrangements made necessary to adhere to new regulatory requirements brought about by the COVID-19 pandemic.

In view of the factors above, our Group recorded LBT of RM110.31 million in the FYE 2020 compared to PBT of RM52.63 million in the FYE 2019, mainly due to the decrease in revenue by RM800.77 million coupled with impairments of goodwill and receivables and liquidated ascertained damages. However, the recognition of RM89.1 million gain arising from the disposal of a subsidiary buffered some of the losses for the year. Further, our Group recorded LAT attributable to owners of our Company of RM84.56 million in the FYE 2020, as compared to a PAT attributable to owners of our Company of RM108.05 million in the FYE 2019.

(b) FYE 2020 to the FYE 2021

For the FYE 2021, our Group recorded a decrease of RM142.82 million or 56.91% in revenue to RM108.15 million (FYE 2020: RM250.97 million). The decrease was mainly attributed to the lower revenue recognised from the construction division. Revenue from the domestic construction works reduced to RM54.5 million in the FYE 2021 as compared to RM114.6 million in the previous year due to lockdown and works delay. The Vietnam Engineering, Procurement and Construction (“EPC”) construction works nearing the tail end contributed a lower revenue of RM46.4 million in the FYE 2021 as compared to RM159.1 million in the previous year.

Our Group recorded PBT of RM30.29 million in the FYE 2021 compared to LBT of RM110.31 million in the FYE 2020, mainly due to the share of profit from the Vietnam joint venture of RM140.7 million in the FYE 2021 as compared to RM3.8 million in the previous year. In addition, our Group incurred a lower operating and administration expenses of RM90.7 million, offset by the one-off gain on disposal of RM89.1 million recognised in the previous year. Further, our Group recorded PAT attributable to owners of our Company of RM51.76 million in the FYE 2021, as compared to a LAT attributable to owners of our Company of RM84.56 million in the FYE 2020.

(c) Unaudited 9-month FPE 30 September 2021 (“FPE 2021”) to the FPE 2022

For the FPE 2022, our Group recorded a decrease of RM45.66 million or 50.96% in revenue to RM43.94 million (FPE 2021: RM89.60 million), mainly attributed to the reduced billing amount due to various construction works at the tail end.

Our Group recorded PBT of RM42.74 million in the FPE 2022 compared to PBT of RM66.70 million in the FPE 2021, mainly due to the lower revenue and the higher operating expense for local construction works. Further, our Group recorded PAT attributable to owners of our Company of RM56.74 million in the FPE 2022, as compared to a PAT attributable to owners of our Company of RM80.40 million in the FPE 2021.

8. VALUE CREATION FROM THE PROPOSED PRIVATE PLACEMENT TO OUR GROUP AND SHAREHOLDERS

Our Company, after considering various financing options, is of the view that the Proposed Private Placement is the most appropriate and expedient avenue to raise funds for the purposes set out in **Section 2.6** of this Circular. Further, as set out in **Section 3** of this Circular, our Board considers the Proposed Private Placement to be more expedient as compared to other larger-scale equity fundraising exercises such as a rights issue, given that the placement exercise may be implemented within a shorter time period (as opposed to the implementation time period of a rights issue). In respect thereof, our Group will be able to raise necessary funds for the intended purposes on an expedient basis via the placement route.

The Proposed Private Placement will also serve as an additional source of funding for the working capital of our Group without incurring interest expenses as compared to conventional means of debt financing, in addition to strengthening the capital structure of our Group by increasing the capital base of our Company. The Proposed Private Placement will enable our Group to raise up to RM74.39 million (based on the indicative issue price of RM0.2540 per Placement Share) to be channelled towards, amongst others, repayment of credit facilities and working capital purposes.

For illustration purposes only, should the requisite funds of up to approximately RM73.74 million be raised (after deducting estimated expenses of RM0.65 million in relation to the Proposed Private Placement) through bank borrowings, JAKS would benefit from interest cost savings of approximately RM4.79 million per annum (based on JAKS' assumed average borrowing cost of 6.5% per annum). Therefore, the Proposed Private Placement will allow JAKS to preserve funds for its business operation as opposed to incurring additional finance costs.

In addition, the Proposed Private Placement will provide an opportunity for the introduction of new investors to participate in the equity of our Company, its future prospects and growth as well as broadening the shareholding base of our Company.

9. IMPACT OF THE PROPOSED PRIVATE PLACEMENT TO OUR GROUP AND SHAREHOLDERS

The Proposed Private Placement is expected to increase the NA of our Group from approximately RM1,353.28 million to approximately RM1,806.03 million under the Maximum Scenario. The increase in our Group's NA position will strengthen the capital base of our Group as well as result in a lower gearing ratio.

The enlarged issued share capital of our Group will increase shareholders' equity and enhance the overall financial position of our Group. Nevertheless, the increase in the total number of issued Shares arising from the Proposed Private Placement will have a dilutive impact on the EPS of our Group, in the event the earnings of our Group does not increase in line with the increased number of JAKS Shares to be issued pursuant to the Proposed Private Placement. Further details of the impact of the Proposed Private Placement to the financial position of our Group is set out in **Section 6.2** of this Circular.

10. THE ADEQUACY OF THE PROPOSED PRIVATE PLACEMENT IN ADDRESSING OUR COMPANY'S FINANCIAL CONCERNS

Our Board is of the view that the Proposed Private Placement serves as a means to meet JAKS Group's immediate cashflow needs in the short-term without relying on conventional debt financing (which will result in higher finance costs to be incurred). Premised on the above, our Board believes that the Proposed Private Placement will be beneficial to our Group and its shareholders, and is deemed adequate in addressing our Group's current financial requirements for our present business expansion plans. The proceeds raised from the Proposed Private Placement will also serve to support our Company in improving its financial position. Moving forward, our Group intends to continue with our long term business expansion plans as part of our ongoing efforts to continuously enhance our business performance, maximise shareholders' value and improve our Group's financial position.

11. STEPS UNDERTAKEN OR TO BE UNDERTAKEN TO IMPROVE THE FINANCIAL CONDITION OF OUR GROUP

JAKS Group is principally involved in power, utilities, RE, infrastructure construction and property investment sector. While the business environment remains challenging arising amidst the micro and macro environment, our Group has adopted the following strategies to improve its financial performance and strengthen its financial position:-

- (i) as current interest rate environment is not conducive for debt funding, the Proposed Private Placement is intended to provide headroom for debt funding opportunities in future (i.e. the gearing ratio of 0.18 based on Maximum Scenario). With a stronger balance sheet, this will put our Group in a stronger position to tender for new projects, particularly in the construction and RE space;
- (ii) JHDP, the joint venture company of our Group in Vietnam has begun to yield positive results for our Group, recording a full year profit of RM140.7 million for the FYE 2021 and is expected to deliver similar, if not better results throughout the 25 years tenure of the power purchase agreement;
- (iii) secured the Solar Project which is expected to be completed in the 1st quarter of 2023 and will start contributing stable and recurring profits to our Group;
- (iv) streamlined our Group's business to focus on its power and construction division, emphasis on RE projects where our Group is positioned to secure EPC roles, thereby generating income from both construction and power production; and
- (v) undertake rigorous efforts to improve the yields and occupancy rate at our Group's property assets, primarily Evolve Concept Mall and Pacific Tower Business Hub.

In view of the above, our Board is of the opinion that our Group's expansion plans, growth strategies and continuous improvements in operating efficiency are expected to improve the financial performance and financial position of our Group.

12. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of JAKS Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular from February 2022 to January 2023 are as follows:-

| | High (RM) | Low (RM) |
|--|--------------|-------------|
| <u>2022</u> | | |
| February | 0.455 | 0.370 |
| March | 0.375 | 0.295 |
| April | 0.360 | 0.320 |
| May | 0.335 | 0.265 |
| June | 0.305 | 0.260 |
| July | 0.290 | 0.245 |
| August | 0.340 | 0.255 |
| September | 0.280 | 0.240 |
| October | 0.265 | 0.240 |
| November | 0.295 | 0.250 |
| December | 0.305 | 0.230 |
| <u>2023</u> | | |
| January | 0.260 | 0.230 |
| Last transacted market price of JAKS Shares as at 19 December 2022, being the last trading date prior to the announcement of the Proposed Private Placement (RM) | | 0.275 |
| Last transacted market price of JAKS Shares as at the LPD (RM) | | 0.250 |

(Source: Bloomberg)

13. APPROVALS REQUIRED/OBTAINED AND INTER-CONDITIONALITY OF THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement is subject to and conditional upon the following approvals being obtained:-

- (a) Bursa Securities, for the listing of and quotation for up to 292,884,436 Placement Shares on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained vide its letter dated 30 January 2023 and is subject to the following conditions:-

| Condition(s) | Status of compliance |
|--|-----------------------|
| (i) UOBKH and JAKS must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement; | To be complied |
| (ii) UOBKH to furnish Bursa Securities with the certified true copy of the resolution passed by the shareholders at extraordinary general meeting approving the Proposed Private Placement; | To be complied |
| (iii) UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement; | To be complied |
| (iv) UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and | To be complied |
| (v) Payment of additional listing fee, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable. | Noted, to be complied |

- (b) shareholders of JAKS at the forthcoming EGM⁽¹⁾; and
(c) any other relevant authorities, if required.

Note:-

- (1) Pursuant to Section 85 of the Act, our shareholders shall have statutory pre-emptive rights to be offered any new Shares to be issued by JAKS which rank equally to the existing Shares. The said statutory pre-emptive rights are however, subject to the Article 65 of the Constitution.

Article 65 of the Constitution states that:-

"Subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

The approval of the shareholders for the Proposed Private Placement at the forthcoming EGM shall mean that shareholders will be waiving their statutory pre-emptive rights under the Act, in connection with the Proposed Private Placement. Accordingly, passing the resolution in respect of the Proposed Private Placement will exclude the said statutory pre-emptive rights of the shareholders to be offered new Placement Shares to be issued pursuant to the Proposed Private Placement.

The Proposed Private Placement is not conditional upon any other corporate exercises undertaken or to be undertaken by JAKS.

14. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Private Placement, there are no other outstanding proposals announced by us but not yet completed prior to the date of this Circular.

15. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders, chief executive of JAKS and/or persons connected to them has any interest, direct or indirect, in the Proposed Private Placement.

16. DIRECTORS' STATEMENT/RECOMMENDATION

After considering all aspects including, the rationale and benefits as well as the utilisation of proceeds from the Proposed Private Placement, our Board is of the opinion that the Proposed Private Placement is in the best interest of our Company.

Our Board recommends that you vote in favour of the resolution pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM.

17. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to obtaining all the required approvals, the Proposed Private Placement is expected to be completed by the 3rd quarter of 2023.

18. EGM

The Notice of EGM of JAKS together with the Form of Proxy are enclosed in this Circular. The EGM will be held on a fully virtual basis at the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 3 March 2023 at 3.00 p.m., whereby shareholders are to attend, speak (including posing questions to our Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the EGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor via its TIIH Online website at <https://tiih.online>. Please follow the procedures of RPV as stated in the Administrative Details.

A member entitled to participate at the EGM is entitled to appoint a proxy or proxies to participate on his/her behalf. In such event, the Form of Proxy must be lodged at the office of our Company's Share Registrar, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, at least 48 hours before the time and date stipulated for the EGM. The lodging of the Form of Proxy shall not preclude you from participating in person at the EGM should you subsequently wish to do so.

19. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board
JAKS RESOURCES BERHAD

TAN SRI DATUK HUSSIN BIN HAJI ISMAIL
Chairman/Independent Non-Executive Director

SALIENT TERMS OF THE CALL OPTION AGREEMENT

The terms used herein shall have the same meaning as those defined in the Call Option Agreement unless otherwise stated.

The salient terms of the Call Option Agreement are as follows:-

1 DEFINITIONS AND INTERPRETATION

The definitions and rules of interpretation set out in **Schedule 1** shall apply to the salient terms of the Call Option Agreement.

2 GRANT OF CALL OPTIONS**2.1 Call Options**

In consideration of the sum of Ringgit Malaysia One (RM1.00) paid by the Investor to the Company upon the execution of the Call Option Agreement (the receipt and sufficiency of which is hereby acknowledged by the Company), the Company hereby grants to the Investor 209,031,760 Call Options in accordance with the terms and conditions of the Call Option Agreement provided always that the aggregate number of Exercised Option Shares shall not exceed ten per cent (10%) of the prevailing issued share capital of the Company.

2.2 Options Expiry Date

Each Call Option shall expire on the date which is twelve (12) months after the Call Options Closing Date ("**Options Expiry Date**"). On the Options Expiry Date, any Call Option remaining unexercised shall lapse and cease to be of any further effect (provided that the Company's obligations to issue Exercised Option Shares in respect of any Exercise Notice issued to the Company prior to the Options Expiry Date shall remain even if the Exercise Completion Date occurs after the Options Expiry Date).

For clarification purposes, a duration of twelve (12) months (i.e. subject to necessary regulatory and shareholders' approvals, which takes into consideration, the extension of time by Bursa Securities to implement the Proposed Private Placement being duly obtained by the Company and in force during the relevant period) was proposed by both parties for expediency to avoid having the Company entering into a separate call option agreement with Kenanga should the Company decides to continue with such option after the expiry of the 6 months implementation period from the date of approval of the application submitted to Bursa Securities and after having obtained the approval for the extension of additional 6 months implementation period for the Proposed Private Placement.

Further, we also wish to highlight that the validity of the Bursa Securities' approval is stated as a condition precedent for any exercise of a Call Option.

2.3 Conditions precedent to the grant of Call Options

Without limiting the generality of **Clause 5**, the grant of the Call Options shall be conditional upon fulfilment of the conditions precedent as set out in **Clause 5.1** ("**Conditions Precedent**"). Further, on the Call Options Closing Date the Company shall deliver to the Investor the documents listed in Schedule 3 as part of the satisfaction of the Conditions Precedent.

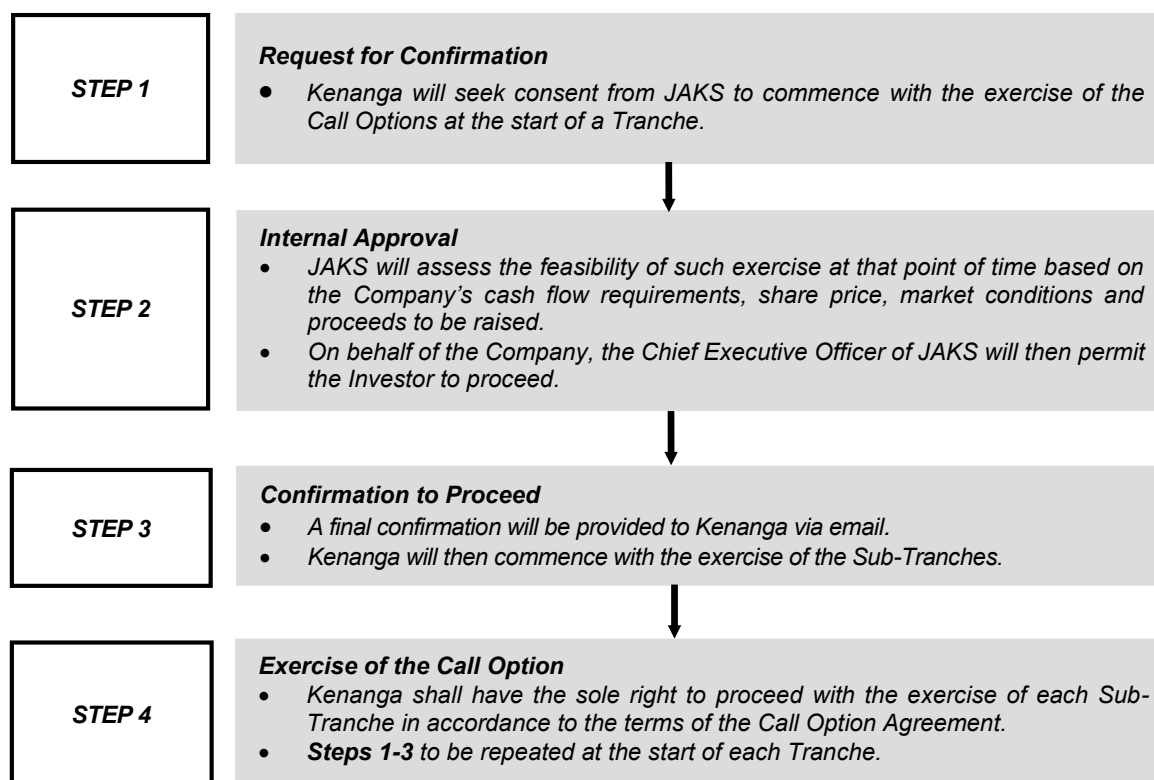
SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

3 EXERCISE OF THE CALL OPTIONS**3.1 Options Exercise Period**

Subject to the terms of the Call Option Agreement, each Call Option may be exercised by the Investor at any time during the Options Exercise Period and it is acknowledged and agreed between the Parties that any time during the Options Exercise Period, there may be more than one Exercise Notice issued by the Investor to the Company.

For clarification purposes, at the start of each Tranche, the Investor will seek consent from the Company to exercise the Sub-Tranches, whereby there is no specific timeframe imposed or required for the exercise of the said option. The Company will then assess the feasibility of such exercise at that point in time based on cash flow requirements, share price, market conditions and proceeds to be raised. If the Company approves such exercise, the Investor will then commence with the exercise of the Sub-Tranches, whereby a final confirmation will be provided to the Investor via email, and the Investor shall have the sole right to proceed with the exercise of each Sub-Tranche in accordance to the terms of the Call Option Agreement. The Options Exercise Period will last for twelve (12) months, commencing from the date that all conditions precedents are fulfilled.

For illustrative purposes, the process flow for the implementation of the Call Option Agreement is set out as below:-



SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

For information purposes, the time frame for the exercise of the Call Options is illustrated below:-

| Date | Events |
|--------------------------------|--|
| <i>Exercise Notice Date, T</i> | <ul style="list-style-type: none"> • <i>An Exercise Notice will be delivered by Kenanga.</i> • <i>Announcement on the price fixing of the Exercised Option Shares on Bursa Securities.</i> • <i>Kenanga to make payment of the Exercise Payment Amount.</i> |
| <i>T+2</i> | <ul style="list-style-type: none"> • <i>Exercise Completion Date (subject to verification of Exercise Payment Amount).</i> |
| <i>T+4</i> | <ul style="list-style-type: none"> • <i>Additional listing announcement made in accordance to Paragraph 13.2 of Practice Note 28 of Listing Requirements.</i> |
| <i>T+5</i> | <ul style="list-style-type: none"> • <i>Listing of and quotation for the Exercised Option Shares.</i> • <i>Exercised Option Shares will be credited into CDS account of Kenanga as stipulated in Call Option Agreement.</i> |

3.2 Exercise Price

3.2.1 Subject to **Clause 3.2.2**, the Exercise Price in respect of each Exercised Option Share shall be an amount equal to ninety per cent (90%) of the VWAPs of the Ordinary Shares as traded on Bursa Securities during the five (5) consecutive Market Days immediately preceding the Exercise Notice Date, as reported by Bloomberg LP. The Exercise Price shall be rounded to the fifth decimal point.

3.2.2 For the avoidance of doubt, off-market trades of the Ordinary Shares shall be disregarded when calculating the VWAP for the purposes of this Clause.

3.3 Payment for each Exercise

The Exercise Payment Amount for each Exercise shall be an amount equal to the Exercise Price multiplied by the number of Exercised Call Options, and shall be indicated in the Exercise Notice to be delivered by the Investor to the Company in connection with such Exercise and shall be paid on the Exercise Notice Date. The Company agrees that it shall be bound by and shall, in the absence of manifest error, accept the determination of the Exercise Payment Amount by the Investor except as provided otherwise.

For clarification purposes, the Company will pay the Investor a fee of 1.00% of the total Exercise Payment Amount, payable when the Exercise Payment Amount is successfully drawn. The said fee will be fully borne by the Company. The Investor fee of 1.00% was negotiated with Kenanga on commercial terms, after taking into consideration, the administrative fee charged for the exercise of the Call Options and being a readily available place for the Placement Shares.

4 MINIMUM EXERCISE OF CALL OPTIONS

4.1 Tranching and Sub-Tranching

The Call Options shall be segregated into 10 Tranches and each Tranche shall comprise of 20 Sub-Tranches. Each Sub-Tranche shall comprise of 1,000,000 Call Options, which is the minimum amount for the exercise of the Call Options save and except for the last Sub-Tranche which shall comprise of 1,031,760 Call Options, being the minimum amount for Exercise of the Call Options in respect of the last Sub-Tranche.

SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

For clarification purposes, there is no retention period imposed on the Investor and as such, the Investor may exit via on-market trades at any point in time after the exercise of each Sub-Tranche of the Call Options. In relation thereto, a fair and equitable manner on the trading of the Shares can be maintained given the following:-

- (i) each Sub-Tranche is deliberately sized to be fairly small (i.e. relative to the number of Shares and its general trading volume). Therefore, the sale of each Sub-Tranche via an on-market trade is not expected to cause undue downward pressure on the share price; and*
- (ii) the Investor will sell the issued Placement Shares via on-market trades and will not undertake any back to back share sales. As such, the traded price of the Shares are reflective to market price discovery.*

4.2 Right to Exercise each Tranche and Sub-Tranche

The Investor hereby agrees to provide the Company with the right to determine whether to permit the Investor to commence with the exercise of the Call Options at the start of each Tranche upon the fulfilment of all Conditions Precedent.

For information purposes, Tranching is hence introduced to allow the Company to have the aforementioned right at the start of each Tranche in order to ensure that the Company has the ability to stop or delay further issuances under unusual market conditions.

In the event and consequent upon the Company not permitting the Investor to commence with the exercise of the Call Options at the start of each Tranche, the Company shall be entitled to allot and issue new Ordinary Shares to other third party investors at its discretion from time to time in accordance with the prevailing law.

For information purposes, the following circumstances will cause the Company to prohibit the Investor to commence with the exercise of the Call Options at the start of each Tranche:-

- (i) when there may be positive news or market sentiment on industry in which the Company operates in and resulting thereof, there may be strong institutional demand for the Placement Shares. The Company may hence command a better value in placing the Placement Shares to institutional investors;*
- (ii) when the Company adopts a new strategy in the future in order to minimise the outstanding number of Shares in the Company;*
- (iii) when the Company decides to terminate the Call Option Agreement; or*
- (iv) when cost of debt financing may be lower than cost of equity financing, whereby the Company is able to secure debt financing which is on favourable terms.*

Once the Company has elected to permit the Investor to proceed with each Tranche, the Investor shall have the sole right to proceed with the exercise of each Sub-Tranche in the manner as set out in the Call Option Agreement.

For information purposes, Sub-Tranching is hence introduced to allow the Investor to have the aforementioned right with the aim that the Investor is not under any undue pressure to sell down each exercised Sub-Tranche when there is low trading liquidity (which will negatively affect the market price of the Company). The Investor has the right to proceed with the exercise of Sub-Tranche only when there is sufficient trading liquidity in the Shares to allow the Investor to trade its way out of the position in an orderly manner.

SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

For avoidance of doubt, the Company does not have the flexibility to make partial decisions for each Sub-Tranche of the Call Options. The minimum number of exercisable Call Option for each Sub Tranche is 1,000,000 Shares as per the terms of the Call Option Agreement.

5 CONDITIONS

5.1 Conditions Repeated

The Exercise and the Completion of each Exercise is subject to the conditions (“**Conditions**”) that, as at the Call Options Closing Date, the Exercise Notice Date and each Exercise Completion Date respectively, the Investor is reasonably satisfied that:-

- 5.1.1 each representation and warranty made by the Company in the Transaction Documents is true in all material respects as though it had been made at that date in respect of the facts and circumstances then subsisting;
- 5.1.2 no Event of Default subsists or will result from the relevant Exercise;
- 5.1.3 shareholders resolution(s) necessary to authorise the directors of the Company to allot and issue the Exercised Option Shares have been obtained and remain valid;
- 5.1.4 all Authorisations in relation to the approval from Bursa Securities and the shareholders of the Company which are necessary:-
 - (a) for the issue, Delivery and Listing of the Exercised Option Shares; and
 - (b) to approve, implement and effect the transactions contemplated by the Transaction Documents,
 have been obtained or made and are all in full force and effect;
- 5.1.5 no facts, matters or circumstances exist which are required to be announced by the Company pursuant to the Listing Requirements, the Takeover Code, any Practice Notes or otherwise required by law or any Government Agency and which have not been so announced;
- 5.1.6 no admission document or prospectus is required under the Listing Requirements, the CMSA, the Companies Act or otherwise by law or any Government Agency in respect of the Exercised Option Shares other than those documents required in connection with the Authorisations referred to in paragraph 4 of Schedule 3;
- 5.1.7 no statute, rule, regulation, order, decree, ruling or injunction has been enacted, entered, promulgated or endorsed by any Government Agency of competent jurisdiction that prohibits or directly and adversely affects any of the transactions contemplated by the Transaction Documents;
- 5.1.8 the trading of the Ordinary Shares is not suspended by Bursa Securities and the Company has not received any notice threatening the continued trading and Tradability of the Ordinary Shares on Bursa Securities;
- 5.1.9 the Company has no knowledge of any event which will cause the trading of the Ordinary Shares on Bursa Securities to be suspended or otherwise restricted or terminated;
- 5.1.10 no other event or series of events has occurred which will have a Material Adverse Effect; and

SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

5.1.11 it does not reasonably believe that it is in possession of Non-Public Information and the Company has not disclosed any such information to the Investor.

The Exercise complies with the Listing Requirements and other relevant guidelines/rules issued by the Securities Commission Malaysia.

6 TERMINATION**6.1 Automatic Termination**

The Call Option Agreement shall terminate on the Options Expiry Date, save that if an Exercise Notice is issued prior to the Options Expiry Date but the Exercise Completion Date for such Exercise falls after the Options Expiry Date, then the Call Option Agreement shall only terminate on the Completion of such Exercise.

6.2 Termination by Investor and Company

Subject to the Call Option Agreement becoming unconditional pursuant to **Clause 2.3** and there being no Call Option that has been Exercised but pending completion of such Exercise, either Party may immediately terminate the Call Option Agreement by written notice to the other Party whereupon the Call Option Agreement shall be of no further effect without prejudice to remedies or actions that may be available to either Party at law for any antecedent breaches by either Party.

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SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

SCHEDULE 1**Interpretation****1. Definitions**

In the Call Option Agreement, unless the context otherwise requires:-

Admission means the admission of securities to the Official List of Bursa Securities (Main Market) and **Admitted** has a corresponding meaning;

Authorisation means:-

- (a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Government Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action;

Bursa Securities means Bursa Malaysia Securities Berhad;

Call Option means a right (but not the obligation) to direct the Company to allot and issue one (1) Ordinary Share of every one (1) Call Option exercised on the terms and subject to the conditions of the Call Option Agreement;

Call Options Closing Date means the date on which the Company delivers to the Investor the documents listed in Schedule 3 towards satisfaction of the conditions precedent in Schedule 3, provided that such a date shall not be later than three (3) months from the date of the Call Option Agreement;

CMSA means the Capital Markets and Services Act 2007 of Malaysia;

CDS means the central depository system that is fully owned and operated by Bursa Malaysia Depository Sdn Bhd;

Companies Act means the Companies Act 2016 of Malaysia;

Completion means in relation to an Exercise, the completion of the issue, Delivery and Listing of the Exercised Option Shares;

Conditions has the meaning given to it in **Clause 5.1**;

Delivery means, in relation to an Ordinary Share, the completion of all of the following:-

- (a) the allotment and issue of the Ordinary Share to CDS for the account of the Investor (or its nominee(s));
- (b) the delivery to CDS of the share certificates registered in the name of CDS for the Ordinary Share; and
- (c) the instructing of CDS to credit the Investor's Account with the Ordinary Share,

and **Deliver** has a corresponding meaning;

Event of Default means any event or circumstance specified as such in the Call Option Agreement;

SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

Exercise means an exercise of one or more Call Options in accordance with the terms of the Call Option Agreement and, if the context so requires, includes the issue, Listing and Delivery of the Exercised Option Shares pursuant to such exercise;

Exercise Completion Date has the meaning given to it in the Call Option Agreement;

Exercise Notice means a notice from the Investor to the Company substantially in the form in the Call Option Agreement;

Exercise Notice Date means, in relation to an Exercise, the date on which the Company receives the relevant Exercise Notice from the Investor;

Exercise Payment Amount means the gross cash amount payable by the Investor pursuant to an Exercise;

Exercise Price means the price at which the Investor shall subscribe for each Ordinary Share upon the exercise of a Call Option which shall be the price as determined in accordance with **Clause 3.3**;

Exercised Option Shares means in relation to each Exercise, the Ordinary Shares to be issued by the Company as specified in the relevant Exercise Notice;

Government Agency means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute or any stock exchange (including Bursa Securities);

Kenanga or the Investor means Kenanga Investment Bank Berhad, the sole investor and/or placee pursuant to the Call Option Agreement, which is a company incorporated in Malaysia and having its registered office at Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia. *For clarification purposes, Kenanga will not act as the adviser and/or placement agent for the Call Option Agreement;*

Listed means Admitted and listed and quoted on the Main Market of Bursa Securities and not removed and **Listing** shall have a corresponding meaning;

Listing Requirements means the Main Market and /or ACE Market listing requirements of Bursa Securities (as applicable) as may be amended or supplemented from time to time;

Market Day means a day on which Bursa Securities is open for securities trading;

Material Adverse Effect means a material adverse effect on the validity or enforceability of any Transaction Document, and/or the ability of the Company to perform its obligations under a Transaction Document;

Non-Public Information means information not generally available and for this purpose, information is generally available if:-

- (a) it consists of readily observable matter in the public domain other than through the fault of a Party;
- (b) without limiting the generality of paragraph (a):-
 - (i) it has been made known other than through the fault of a Party in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities whose price or value might be affected by the information; and

SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

- (ii) since it was so made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraph (a) and/or information made known as referred to in paragraph (b);

Options Exercise Period means the period commencing on the date of the Call Options Closing Date and ending on the Options Expiry Date;

Options Expiry Date has the meaning given to it in **Clause 2.2**;

Ordinary Share means a Listed ordinary share in the capital of the Company which is Tradeable;

Placement Agent means such placement agent(s) as may be appointed by the Company from time to time to perform the relevant contemplated role for purposes of the Call Option Agreement (to the necessary extent). *For information purposes, UOB Kay Hian Securities (M) Sdn Bhd has been appointed as the sole Placement Agent for the implementation of the Call Option Agreement;*

Takeover Code means the Malaysian Code on Take-overs and Mergers 2010;

Tradeable means at any time in relation to an Ordinary Share, an Ordinary Share that is capable of being traded on Bursa Securities without limitation or restriction at that time and **Tradability** has a corresponding meaning;

Trading Day means a Market Day on which the Ordinary Shares are freely Tradeable;

Transaction Document means:-

- (a) the Call Option Agreement;
- (b) where applicable, the placement agreement/letter and Investor representation letter between the Placement Agent and the Investor; and any other document which the Parties agree in writing is a Transaction Document for the purposes of the Call Option Agreement;

VWAP means, in relation to a Trading Day, the volume weighted average price of the Ordinary Shares traded on Bursa Securities on that Trading Day, as reported by Bloomberg LP for the period commencing at 9.00 a.m. and ending at 5.00 p.m. (Malaysia time) or such earlier time announced by Bursa Securities of that Trading Day.

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SALIENT TERMS OF THE CALL OPTION AGREEMENT (Cont'd)

SCHEDULE 3**Conditions Precedent to Grant of Call Options**

The conditions precedent to be delivered by the Company to the Investor for the purposes of **Clause 2.3** are as follows:-

1. Transaction Documents

Duly executed counterparts by the Company of each Transaction Document.

2. Stamping

Evidence that each Transaction Document has been duly stamped, where necessary.

3. Verification Certificate

A verification certificate substantially in the form in the Call Option Agreement with all attachments.

4. Approvals and Authorisations

Evidence that the Company has:-

- (a) obtained all Authorisations and approvals (and that such Authorisations and approvals are in full force and effect); and
- (b) done all other acts, matters or things necessary,

for the execution, delivery and performance by it of the Transaction Documents and the transactions contemplated by them including:-

- (i) shareholders' approval(s) pursuant to the Listing Requirements and Companies Act for the issue of the Ordinary Shares in accordance with the Transaction Documents; and
- (ii) Bursa Securities' approval for the Listing of the Exercised Option Shares and any relevant waivers obtained,

provided that where any Authorisation is subject to any conditions, such conditions being mutually acceptable to the Parties.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT

UOBKH, being the Adviser and Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Adviser and Placement Agent to our Company for the Proposed Private Placement.

4. MATERIAL CONTRACTS

As at the LPD, neither our Company nor our Group has entered into any contracts which are or may be material (not being contracts entered into the ordinary course of business of our Group) within 2 years immediately preceding the date of this Circular.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge or any proceeding pending or threatened against our Group, or of any fact likely to give rise to any such proceedings:-

**(i) In the High Court of Malaya at Kuala Lumpur
Suit No. WA-22NCvC-258-04/2019
Star Media Group Berhad ("STAR") v. JAKS**

STAR had on 30 April 2019 served a Writ of Summons and Statement of Claim dated 19 April 2019 against our 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 RM135.00 million. The claim is for *inter alia* specific relief and damages for the total amount of approximately RM177.72 million.

On 27 May 2019, our 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.

On 6 August 2019, our Company filed its Amended Defence and Counterclaim against STAR and on 10 September 2019, our Company filed its Reply to Defence to Counterclaim.

FURTHER INFORMATION (Cont'd)

Various litigation proceedings have been and are still ongoing between STAR and our Company.

Currently, the hearing of 3 motions for leave to appeal to the Federal Court filed by STAR is fixed for 23 February 2023.

Our Directors are of the opinion that our Company's Amended Defence and Counterclaim are meritorious.

For information purposes only, JIC is no longer an indirect subsidiary of our Company following its disposal by JAKS Sdn Bhd on 29 September 2020.

**(ii) In the High Court of Malaya at Kuala Lumpur
Suit No. WA-22NCvC-374-05/2019
JAKS and JIC v. STAR**

On 30 May 2019, our 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 our 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.

Our Directors are of the opinion that the claims filed by JRB and JIC are substantiated.

6. MATERIAL COMMITMENTS

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the profits or net asset position of our Group.

FURTHER INFORMATION (Cont'd)

7. CONTINGENT LIABILITIES

As at the LPD, save as disclosed below, there are no contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profits or net asset position of our Group:-

| | RM'000 |
|--|---------------|
| Bank guarantees issued for execution of contracts of our Group | 90,914 |

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 802, 8th Floor Block C, Kelana Square 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) our Constitution;
- (ii) the certified true copy of the Call Option Agreement;
- (iii) the audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 31 December 2021;
- (iv) the unaudited consolidated financial statements of our Group for the 9-month FPE 30 September 2022;
- (v) the cause papers in relation to the material litigation referred to in **Section 5** of this **Appendix II**; and
- (vi) the letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this **Appendix II**.

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JAKS RESOURCES BERHAD

(Registration No. 200201017985 (585648-T))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of JAKS Resources Berhad (“**JAKS**” or the “**Company**”) will be held on a fully virtual basis at the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, on Friday, 3 March 2023 at 3.00 p.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolution:-

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF JAKS (“PROPOSED PRIVATE PLACEMENT”)

“**THAT**, subject to all approvals being obtained from the relevant authorities and/or parties, if applicable, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to grant subscription rights and to allot and issue up to 292,884,436 new ordinary shares in JAKS (“**JAKS Share(s)**” or “**Share(s)**”) (“**Placement Share(s)**”), representing up to approximately 10% of the existing total number of issued JAKS Shares without first offering the Placement Shares to the holders of existing issued JAKS Shares pursuant to Article 65 of the Constitution of the Company (“**Constitution**”);

THAT, approval be and is hereby given to the Board to determine the issue price for each tranche of the Placement Shares at a later date based on a discount of not more than 10.0% to the 5-day volume-weighted average market price (“**VWAP**”) of JAKS Shares up to and including the last trading day immediately prior to the price-fixing date for each tranche;

THAT, the Placement Shares shall, upon allotment and issuance, rank equally in all respects with the existing JAKS Shares, save and except that the holders of the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the said Placement Shares;

THAT, the Board be and is hereby authorised to utilise the proceeds to be raised from the Proposed Private Placement for such purposes and in such manner as set out in **Section 2.6** of the circular to shareholders dated 10 February 2023 (“**Circular**”) and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board deems fit, necessary and/or expedient, or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

AND THAT, the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Private Placement with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they deem fit, necessary and/or expedient to implement, finalise and give full effect to the Proposed Private Placement.”

By Order of the Board,
JAKS RESOURCES BERHAD

LEONG OI WAH (MAICSA 7023802)
SSM PRACTICING CERTIFICATE NO. 201908000717
Company Secretary

Petaling Jaya
10 February 2023

EXPLANATORY NOTE:-

The approval of the allotment and issuance of the new JAKS Shares pursuant to the Proposed Private Placement shall have the effect of the existing shareholders of the Company having agreed to waive their statutory pre-emptive rights pursuant to Article 65 of the Constitution read together with Section 85 of the Companies Act 2016 ("**Act**"), which will result in a dilution of their shareholdings in the Company.

IMPORTANT NOTICE ON REMOTE PARTICIPATION AND VOTING:-

1. The EGM will be conducted through live streaming and online voting using Remote Participation and Voting ("**RPV**") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tiih.online>. Please refer to Administrative Details for the EGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue. No Members/Proxy(ies) will be allowed to be physically present at the Broadcast Venue.
3. Shareholders/Proxy(ies) who wish to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") may do so remotely via the RPV facilities. Please follow the procedures provided in the Administrative Details for the EGM in order to register, participate and vote remotely.

PROXY NOTES:-

1. A Member of the Company who is entitled to participate at this meeting via RPV is entitled to appoint a proxy or in the case of a corporation, to appoint a duly authorised representative to participate and to vote in his stead. A proxy need not to be a member of the Company.
2. When a Member appoints two or more proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if such appointer is a corporation under its common seal, or the hand of its attorney.
4. A Member who has appointed a proxy or attorney or authorized representative to participate at this EGM via RPV facilities must request his/her proxy to register himself/herself at TIH Online website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Details for Shareholders on EGM.

The instrument appointing a proxy together with the power of attorney (as the case may be) must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur at least 48 hours before the time appointed for holding the meeting or adjourned meeting.

5. Depositors who appear in the Record of Depositors as at 24 February 2023 shall be regarded as Member of the Company entitled to attend the EGM or appoint a proxy to attend and vote on his behalf.



JAKS RESOURCES BERHAD
(Registration No. 200201017985 (585648-T))
(Incorporated in Malaysia)

ADMINISTRATIVE DETAILS FOR THE EXTRAORDINARY GENERAL MEETING OF JAKS RESOURCES BERHAD (THE “COMPANY”) (“EGM”)

Date : Friday, 3 March 2023
Time : 3.00 p.m.
Broadcast Venue : Tricor Leadership Room,
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to attend the EGM in person at the Broadcast Venue on the day of the meeting.

Kindly check the Company’s website or announcements for the latest updates on the status of the EGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the EGM using RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its **TIIH Online** website at <https://tiih.online>. Please refer to Procedure for RPV.

A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to participate at this EGM via RPV must request his/her proxy(ies) or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please refer to Procedure for RPV.

As the EGM is a fully virtual EGM, shareholders who are unable to participate in this EGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

PROCEDURES FOR RPV

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate the EGM remotely using the RPV are to follow the requirements and procedures as summarized below:-

| | Procedure | Action |
|---------------------------|-------------------------------------|---|
| BEFORE THE EGM DAY | | |
| (a) | Register as a user with TIIH Online | <ul style="list-style-type: none">Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services”. Refer to the tutorial guide posted on the homepage for assistance.Registration as a user will be approved within one working day and you will be notified via email.If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online. |

| | | |
|------------------------------|------------------------------------|--|
| (b) | Submit your registration for RPV | <ul style="list-style-type: none"> • Registration is open from Friday, 10 February 2023 until the day of EGM on Friday, 3 March 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate the EGM using the RPV. • Login with your user ID and password and select the corporate event: “(REGISTRATION) JAKS RESOURCES BERHAD EGM” • Read and agree to the Terms & Conditions and confirm the Declaration. • Select “Register for Remote Participation and Voting”. • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the EGM Record of Depositors dated 24 February 2023, the system will send you an e-mail to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. <i>(Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order that you can login to TIIH Online and participate the EGM remotely).</i> |
| ON THE DAY OF THE EGM | | |
| (c) | Login to TIIH Online | <ul style="list-style-type: none"> • Login with your user ID and password for remote participation at the EGM at any time from 2.30 p.m. i.e. 30 minutes before the commencement of the EGM on Friday, 3 March 2023 at 3.00 p.m. |
| (d) | Participate through Live Streaming | <ul style="list-style-type: none"> • Select the corporate event: “(LIVE STREAM MEETING) JAKS RESOURCES BERHAD EGM” to engage in the proceedings of the EGM remotely. • If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavor to respond to questions submitted by you during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting. |
| (e) | Online Remote Voting | <ul style="list-style-type: none"> • Voting session commences from 3.00 p.m. on Friday, 3 March 2023 until a time when the Chairman announces the end of the session. Select the corporate event: “(REMOTE VOTING) JAKS RESOURCES BERHAD EGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolution that are tabled for voting. • Confirm and submit your votes. |
| (f) | End of remote participation | <ul style="list-style-type: none"> • Upon the announcement by the Chairman on the closure of the EGM, the live streaming will end. |

Note to users of the RPV facilities:-

1. Should your registration for RPV be approved we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate via RPV at the EGM must ensure that the duly executed proxy forms are deposited in a hard copy form to Tricor no later than **Wednesday, 1 March 2023 at 3.00 p.m.**

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Wednesday, 1 March 2023 at 3.00 p.m.** to participate via RPV in the EGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Wednesday, 1 March 2023 at 3.00 p.m.** to participate via RPV in the EGM. The certificate of appointment should be executed in the following manner:-

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(es) or corporate representative(s) or attorney(s) can proceed to vote on the resolution at any time from **3.00 p.m.** on **Friday, 3 March 2023** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from TIIH Online website at <https://tiih.online>.

Upon completion of the voting session for the EGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolution are duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the EGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Wednesday, 1 March 2023 at 3.00 p.m.** The Board will endeavor to answer the questions received at the EGM.

DOOR GIFT/FOOD VOUCHER

There will be no door gifts or food vouchers for attending the EGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorized recording and photography are strictly prohibited at the EGM

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):-

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

Contact persons : Ms. Esther Loo +603 2783 9293 /Email: Esther.Loo@my.tricorglobal.com

: En. [Muhammad Ashraff](#) +603 27839276

/Email: Muhammad.Ashraff@my.tricorglobal.com

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JAKS RESOURCES BERHAD

(Registration No. 200201017985 (585648-T))

PROXY FORM

| | |
|------------------------|--|
| CDS Account No.: | |
| Number of Shares Held: | |

*I/We _____ (Full Name in Block Letters) _____

(NRIC (New)/Registration No.:.) of _____

_____ (Address) being *a member / members of JAKS Resources Berhad, hereby appoint

| Full Name and Address (in Block Letters) | NRIC/Passport No. | Contact No. | No. of Shares and % of shareholdings |
|--|-------------------|-------------|--------------------------------------|
| | | | |

*and

| Full Name and Address (in Block Letters) | NRIC/Passport No. | Contact No. | No. of Shares and % of shareholdings |
|--|-------------------|-------------|--------------------------------------|
| | | | |

or failing *him/*her/*them, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf, and if necessary, to demand a poll, at the Extraordinary General Meeting (“EGM”) of the Company to be held on a fully virtual basis at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Friday, 3 March 2023 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolution to be proposed at the meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, *my/our *proxy/proxies may vote or abstain from voting at his/her discretion.

| NO. | ORDINARY RESOLUTION | FOR# | AGAINST# |
|-----|----------------------------|------|----------|
| 1. | PROPOSED PRIVATE PLACEMENT | | |

Please indicate your vote “For” or “Against” with an “X” within the box provided.

* Delete if not applicable.

Signed this _____ day of _____ 2023

Signature/Common Seal of
Shareholder(s)

PROXY NOTES:-

1. A Member of the Company who is entitled to participate at this meeting via RPV is entitled to appoint a proxy or in the case of a corporation, to appoint a duly authorised representative to participate and to vote in his stead. A proxy need not to be a member of the Company.
2. When a Member appoints two or more proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if such appointer is a corporation under its common seal, or the hand of its attorney.
4. A Member who has appointed a proxy or attorney or authorised representative to participate at this EGM via RPV facilities must request his/her proxy to register himself/herself at TIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Details for Shareholders on EGM.
The instrument appointing a proxy together with the power of attorney (as the case may be) must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur at least 48 hours before the time appointed for holding the meeting or adjourned meeting.
5. Depositors who appear in the Record of Depositors as at 24 February 2023 shall be regarded as Member of the Company entitled to attend the EGM or appoint a proxy to attend and vote on his behalf.



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AFFIX
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JAKS RESOURCES BERHAD

Registration No. 200201017985 (585648-T)

c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Unit 32-01, Level 32, Tower A,

Vertical Business Suite, Avenue 3,

Bangsar South, No. 8, Jalan Kerinchi,

59200 Kuala Lumpur

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