**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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



# JAKS RESOURCES BERHAD

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

## CIRCULAR TO SHAREHOLDERS

**IN RELATION TO THE**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN JAKS RESOURCES BERHAD ("JRB" OR THE "COMPANY") TOGETHER WITH FREE DETACHABLE WARRANTS IN JRB TO RAISE PROCEEDS OF UP TO RM289.64 MILLION ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser**

**Kenanga Investment Bank Berhad**
Registration No. 197301002193 (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of JRB together with the Form of Proxy are enclosed with 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 at 10.00 a.m., whereby shareholders are to attend, speak (including posing questions to the Board of Directors of JRB 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. 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 attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Form of Proxy must be lodged at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, 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 attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

| | | |
|---|---|---|
| Last day, date and time for lodging the Form of Proxy............ | : | Tuesday, 22 September 2020 at 10.00 a.m. |
| Day, date and time of the EGM………………………………… | : | Thursday, 24 September 2020 at 10.00 a.m. |

This Circular is dated 9 September 2020

## DEFINITIONS

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

| | | |
|---|---|---|
| "Act" | : | The Companies Act 2016 |
| "Additional Warrants B" | : | Additional Warrants B to be issued pursuant to the adjustment as may be made to the number of outstanding Warrants B pursuant to the Proposed Rights Issue with Warrants |
| "Board" | : | The Board of Directors of JRB |
| "Bursa Depository" | : | Bursa Malaysia Depository Sdn Bhd |
| "Bursa Securities" | : | Bursa Malaysia Securities Berhad |
| "Circular" | : | This circular to the shareholders of JRB dated 9 September 2020 in relation to the Proposed Rights Issue with Warrants |
| "COVID-19" | : | Coronavirus disease |
| "Deed Poll" | : | The deed poll constituting the Warrants to be executed by the Company |
| "Director" | : | A natural person who holds directorship in JRB and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 |
| "EGM" | : | Extraordinary General Meeting |
| "Entitled Shareholders" | : | The shareholders of JRB who are registered as a member and whose names appear in the Record of Depositors of the Company on the Entitlement Date |
| "Entitlement Date" | : | A date to be determined and announced later by the Board, on which the names of shareholders of the Company must appear in the Record of Depositors of the Company in order to participate in the Proposed Rights Issue with Warrants |
| "EPC Contract" | : | An engineering, procurement and construction contract entered into between JAKS Hai Duong Power Company Limited (a wholly-owned subsidiary of JPP) and Golden Keen dated 3 August 2015 setting out the terms and conditions in respect of the services and work to be provided by Golden Keen to JAKS Hai Duong Power Company Limited in relation to the Project (Package 2) |
| "Golden Keen" | : | Golden Keen Holdings Limited, a company incorporated in British Virgin Islands pursuant to the BVI Business Companies Act, 2004, a wholly-owned subsidiary of JRB |
| "JPH" | : | JAKS Power Holding Limited, a company incorporated in British Virgin Islands pursuant to the BVI Business Companies Act, 2004, a wholly-owned subsidiary of JRB |
| "JPP" | : | JAKS Pacific Power Limited, a company incorporated under the laws of Hong Kong |
| "JRB" or the "Company" | : | JAKS Resources Berhad |
| "JRB Group" or the "Group" | : | JRB and its subsidiary companies, collectively |

| | | |
|---|---|---|
| "JRB Share" or "Share" | : | Ordinary share in JRB |
| "Kenanga IB" or the "Principal Adviser" | : | Kenanga Investment Bank Berhad |
| "Listing Requirements" | : | Main Market Listing Requirements of Bursa Securities |
| "Loan Facility" | : | A Commodity Murabahah revolving credit-*i* facility of up to RM30.00 million extended to the Company by Kenanga IB, vide its letter of offer dated 14 August 2020, as advances to JPH for the subscription of up to 7.50 million ordinary shares of USD1.00 each in JPP |
| "LPD" | : | 28 August 2020, being the latest practicable date prior to the printing and despatch of this Circular |
| "LTIP" | : | The Company's existing long-term incentive plan of up to 15.00% of the total number of issued shares of the Company (excluding treasury shares) for the Directors and employees of JRB Group, who meet the criteria and eligibility for participation |
| "LTIP Options" | : | Options granted and/ or to be granted under the Company's LTIP. As at the LPD, there are 8,310,000 outstanding LTIP Options which are exercisable into 8,310,000 new JRB Shares at an exercise price of RM1.40 each while up to 50,697,240 additional LTIP Options may be granted under the Company's LTIP |
| "Market Day" | : | Any day between Monday and Friday (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities |
| "Maximum Scenario" | : | Assuming all of the 90,428,430 outstanding Warrants B and 8,310,000 outstanding LTIP Options as at the LPD are exercised and 50,697,240 LTIP Options are granted and exercised into a total of 149,435,670 new JRB Shares prior to the Entitlement Date and all the Entitled Shareholders and/ or their renouncees, if any, fully subscribe for their respective entitlements under the Proposed Rights Issue with Warrants |
| "MCO" | : | The 2020 Movement Control Order, commonly referred to as the MCO, which was implemented by the Federal Government of Malaysia in response to the COVID-19 pandemic in the country on 18 March 2020, and includes all its subsequent phases, being the conditional MCO which began on 4 May 2020 and the recovery MCO which began on 10 June 2020 |
| "Minimum Scenario" | : | Assuming none of the outstanding Warrants B and outstanding LTIP Options are exercised into new JRB Shares prior to the Entitlement Date and the Proposed Rights Issue with Warrants is undertaken based on the Minimum Subscription Level |
| "Minimum Subscription Level" | : | A minimum gross proceeds of RM200.00 million to be raised from the Proposed Rights Issue with Warrants vide the Undertaking and Underwriting |
| "NA" | : | Net assets |
| "Official List" | : | A list specifying all securities listed on the Main Market of Bursa Securities |

| | | |
|---|---|---|
| "Original Proposed Rights Issue with Warrants" | : | Proposed renounceable rights issue of new JRB Shares together with the Warrants to raise proceeds of up to RM160.92 million |
| "Power Plant" | : | 2 x 600 megawatt coal-fired thermal power plant located in Phuc Thanh Commune, Kinh Mon District in Hai Duong Province, Vietnam |
| "Project" | : | The design, engineering, procurement, construction, financing and operation of the Power Plant on a build-operate-transfer basis |
| "Proposed Rights Issue with Warrants" | : | Proposed renounceable rights issue of new JRB Shares together with the Warrants to raise proceeds of up to RM289.64 million |
| "Record of Depositors" | : | A record of depositors established by Bursa Depository pursuant to the Rules of Bursa Depository |
| "Rights Shares" | : | New JRB Shares to be issued pursuant to the Proposed Rights Issue with Warrants |
| "TERP" | : | Theoretical ex-rights price |
| "Undertaking" | : | An irrevocable and unconditional written undertaking letter dated 13 July 2020 provided by the Undertaking Shareholder that he will apply and subscribe in full for his Rights Shares entitlement and additional Rights Shares not taken up by other Entitled Shareholders by way of excess application up to an aggregate amount of RM50.00 million. The Undertaking Shareholder had also irrevocably and unconditionally warranted that he shall not sell or in any other way dispose of or transfer his existing interest in the Company or any part thereof during the period commencing from the Undertaking up to the Entitlement Date pursuant to the Proposed Rights Issue with Warrants |
| "Undertaking Shareholder" | : | The Company's major shareholder, namely Ang Lam Poah who has provided the Undertaking pursuant to the Proposed Rights Issue with Warrants |
| "Underwriting" | : | Underwriting arrangements for the remaining portion of RM150.00 million to achieve the Minimum Subscription Level |
| "VWAMP" | : | Volume weighted average market price |
| "Warrants" | : | Free detachable warrants in JRB to be issued pursuant to the Proposed Rights Issue with Warrants |
| "Warrants B" | : | 90,428,430 outstanding warrants 2018/2023 in JRB as at the LPD which are exercisable into 90,428,430 new JRB Shares at an exercise price of RM0.64 each and will expire on 13 December 2023 |

**CURRENCIES**

| | | |
|---|---|---|
| "RM" and "sen" | : | Ringgit Malaysia and sen, respectively |
| "USD" | : | United States Dollar |

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any references to persons shall include corporations, unless otherwise specified.

Any reference to any enactment in this Circular 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 discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding. Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

This Circular includes forward-looking statements which are subject to uncertainties and contingencies. All statements other than statements of historical facts included in this Circular including, without limitation, those regarding the JRB Group's financial position, business strategies, prospects, plans and objectives of the Group for future operations, are forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

Unless stated otherwise, the exchange rate of USD1.00:RM4.19, being the average middle rate as at 5.00 p.m. for the past 1 month up to and including the LPD as quoted by Bank Negara Malaysia, is used throughout this Circular.

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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

9 September 2020

**Board of Directors**

Tan Sri Datuk Hussin Bin Haji Ismail *(Chairman/ Independent Non-Executive Director)*
Ang Lam Poah *(Chief Executive Officer)*
Dato' Razali Merican Bin Naina Merican *(Executive Director)*
Ang Lam Aik *(Executive Director)*
Dato' Azman Bin Mahmood *(Independent Non-Executive Director)*
Liew Jee Min @ Chong Jee Min *(Independent Non-Executive Director)*
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar *(Independent Non-Executive Director)*
Khor Hun Nee *(Independent Non-Executive Director)*

**To: The shareholders of JRB**

Dear Sir/ Madam,

**PROPOSED RIGHTS ISSUE WITH WARRANTS**

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## 1. INTRODUCTION

On 22 May 2020, Kenanga IB had, on behalf of the Board, announced that the Company proposes to undertake the Original Proposed Rights Issue with Warrants.

Subsequently on 13 July 2020, Kenanga IB had, on behalf of the Board, announced that after further deliberation, the Board had resolved to revise the following key terms of the Original Proposed Rights Issue with Warrants:-

i. maximum gross proceeds to be raised to RM289.64 million from RM160.92 million; and

ii. Minimum Subscription Level to be raised to RM200.00 million from RM130.00 million.

(Collectively referred to as the "**Revisions**")

Further details on the rationale for the Revisions are set out in Section 3 of this Circular.

On 27 August 2020, Kenanga IB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 27 August 2020, resolved to approve the following:-

i. listing and quotation of up to 2,413,662,345 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;

ii. admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of up to 1,206,831,172 Warrants;

iii. listing and quotation of up to 151,906,604 Additional Warrants B; and

iv. listing and quotation of up to 1,206,831,172 and 151,906,604 new JRB Shares to be issued arising from the exercise of the Warrants and the Additional Warrants B, respectively,

on the Main Market of Bursa Securities, subject to the conditions as set out in Section 7 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF JRB WITH THE RELEVANT INFORMATION ON THE PROPOSED RIGHTS ISSUE WITH WARRANTS AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF JRB FOR THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE WITH WARRANTS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**THE SHAREHOLDERS OF JRB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENT OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE WITH WARRANTS TO BE TABLED AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS

### 2.1 Details of the Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants entails the issuance of the Rights Shares together with the Warrants to the Entitled Shareholders and/ or their renouncees, if any, on an entitlement basis and an issue price to be determined later after obtaining all relevant approvals but before the announcement of the Entitlement Date.

The Company intends to raise a minimum gross proceeds of RM200.00 million from the Proposed Rights Issue with Warrants, details of which are set out in Section 2.4 of this Circular. However, should all the Entitled Shareholders and/ or their renouncees, if any, subscribe in full for their respective entitlements under the Maximum Scenario of the Proposed Rights Issue with Warrants, the Company may potentially raise up to RM289.64 million.

The quantum of gross proceeds has been determined and fixed upfront while the entitlement basis for the Proposed Rights Issue with Warrants and the issue price of the Rights Shares have not been determined and fixed at this juncture. This is to provide flexibility to the Board in respect of the pricing of the Rights Shares and the number of Rights Shares and Warrants to be issued due to potential share price fluctuations of JRB Shares. The Board believes that pricing the Rights Shares closer to the implementation of the Proposed Rights Issue with Warrants will enable the issue price to be more reflective of the prevailing market prices of JRB Shares at that point of time.

Nevertheless, the maximum gross proceeds of RM289.64 million to be raised from the Proposed Rights Issue with Warrants has been determined and fixed upfront to provide an indication to the Entitled Shareholders and/ or their renouncees, if any, with respect to the maximum capital outlay required to fully subscribe for their respective entitlements under the Proposed Rights Issue with Warrants, based on the equation set out below:-

$$\text{Estimated capital outlay} = \frac{\text{Number of JRB Shares held}}{\text{Number of JRB Shares in issue as at the Entitlement Date}} \times \text{RM289.64 million}$$

For illustrative purposes only, based on the equation set out above, the estimated capital outlay required by an Entitled Shareholder and/ or his/ her renouncee, if any, holding 1,000 JRB Shares who wishes to fully subscribe for his/ her entitlement is approximately RM360.00 (based on the enlarged number of 804,554,115 Shares in issue under the Maximum Scenario as illustrated in Section 5.1 of this Circular).

The actual number of Rights Shares and Warrants to be issued and the actual capital outlay will depend on the final entitlement basis for the Proposed Rights Issue with Warrants as well as the final issue price of the Rights Shares. For illustrative purposes only, the Proposed Rights Issue with Warrants may entail an issuance of up to 2,413,662,345 Rights Shares together with 1,206,831,172 Warrants based on the abovementioned enlarged number of 804,554,115 Shares in issue, an illustrative entitlement basis of 3 Rights Shares for every 1 JRB Share held, together with 1 Warrant for every 2 Rights Shares subscribed for and an illustrative issue price of RM0.12 per Rights Share, details of which are set out in Section 2.3 of this Circular.

**The abovementioned illustrative entitlement basis for the Proposed Rights Issue with Warrants, the illustrative issue price of the Rights Shares and the illustrative exercise price of the Warrants are used throughout this Circular purely for illustrative purposes and should not be regarded as an indication or reference to the final entitlement basis for the Proposed Rights Issue with Warrants, the final issue price of the Rights Shares and the final exercise price of the Warrants.**

The entitlements for the Rights Shares together with the Warrants are renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/ or renounce their entitlements to the Rights Shares together with the Warrants in full or in part.

However, the Rights Shares and Warrants cannot be renounced separately and only the Entitled Shareholders who subscribe for the Rights Shares will be entitled to the Warrants. If the Entitled Shareholders renounce all of their Rights Shares entitlements, they will not be entitled to any Warrants. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they will be entitled to the Warrants in proportion to their acceptances of the Rights Shares entitlements.

Any unsubscribed Rights Shares will be made available to other Entitled Shareholders and/ or their renouncees, if any, via the excess Rights Shares application, and are intended to be allocated in a fair and equitable manner on a basis to be determined by the Board.

Fractional entitlements of the Rights Shares and/ or Warrants arising from the Proposed Rights Issue with Warrants, if any, shall be disregarded and/ or dealt with by the Board in such manner as the Board in its absolute discretion may deem fit or expedient and in the best interest of the Company.

The Warrants will be issued in registered form and constituted by a Deed Poll to be executed by the Company.

## 2.2 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out in Appendix I of this Circular.

## 2.3 Basis and justification for the entitlement basis, issue price of the Rights Shares and exercise price of the Warrants

### i. Entitlement basis

The quantum of gross proceeds has been determined and fixed upfront while the entitlement basis for the Proposed Rights Issue with Warrants has not been determined and fixed at this juncture.

The final entitlement basis for the Rights Shares shall be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date after taking into consideration the Minimum Subscription Level and the final issue price of the Rights Shares.

The final entitlement basis for the Warrants shall be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date after taking into consideration of the following:-

a) final entitlement basis for the Rights Shares;

b) dilutive effect arising from the exercise of the Warrants on the earnings or loss per Share; and

c) compliance with paragraph 6.50 of the Listing Requirements which states that the number of new Shares which will arise from all outstanding Warrants, Warrants B and Additional Warrants B, when exercised, shall not exceed 50.00% of the total number of issued Shares (excluding treasury shares, if any, and before the exercise of the said warrants) at all times.

For illustrative purposes only, the entitlement basis for the Proposed Rights Issue with Warrants is assumed at 3 Rights Shares for every 1 JRB Share held, together with 1 Warrant for every 2 Rights Shares subscribed for throughout this Circular.

### ii. Issue price of the Rights Shares

The final issue price of the Rights Shares shall be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, at a price that is deemed appropriate and after taking into consideration the TERP of the JRB Shares based on the 5-day VWAMP of JRB Shares immediately preceding the price-fixing date.

The final issue price of the Rights Shares shall also be determined by the Board after taking into consideration the following:-

a) the funding requirements of JRB Group as set out in Section 2.7 of this Circular; and

b) the final issue price of the Rights Shares shall be deemed sufficiently attractive to encourage the subscription of the Rights Shares by the Entitled Shareholders and/ or their renouncees, if any. In any event, the Board shall take into consideration the prevailing market conditions and market prices of JRB Shares subject to a discount of at least 50.00% to the TERP of JRB Shares based on the 5-day VWAMP of JRB Shares immediately preceding the price-fixing date.

For illustrative purposes only, the issue price of the Rights Shares is assumed at RM0.12 per Rights Share throughout this Circular, which represents the following discount to the respective TERP based on the respective VWAMP of JRB Shares:-

| | | **TERP* (adjusted based on VWAMP)** | **Discount (i.e. issue price – TERP)** | |
|---|---|---|---|---|
| | **RM** | **RM** | **RM** | **%** |
| 5-day VWAMP of JRB Shares up to and including the LPD | 0.76 | 0.28 | 0.16 | 57.14 |
| 1-month VWAMP of JRB Shares up to and including the LPD | 0.77 | 0.28 | 0.16 | 57.14 |
| 3-month VWAMP of JRB Shares up to and including the LPD | 0.89 | 0.31 | 0.19 | 61.29 |
| 6-month VWAMP of JRB Shares up to and including the LPD | 0.91 | 0.32 | 0.20 | 62.50 |

*(Source: Bloomberg)*

**Note:-**

* The TERP is calculated based on the formula set out below:-

$$TERP = \frac{(P \times B) + (Z \times A)}{B + A}$$

where:-

P : 5-day VWAMP of JRB Shares immediately preceding the price-fixing date
A : Number of Rights Shares
B : Number of existing JRB Shares
Z : Issue price per Rights Share

Based on the above, the illustrative issue price of RM0.12 per Rights Share represents a discount ranging from approximately 57.14% to approximately 62.50% over the TERP, computed based on 5-day VWAMP, 1-month VWAMP, 3-month VWAMP and 6-month VWAMP of JRB Shares up to and including the LPD.

The said minimum discount was determined by the Board to enhance the attractiveness of the Rights Shares to encourage the subscription by Entitled Shareholders and/ or their renouncees, if any, which will allow the Company to raise a maximum gross proceeds of RM289.64 million under the Maximum Scenario from the Proposed Rights Issue with Warrants that will be channelled towards the purposes as set out in Section 2.7 of this Circular.

iii. **Exercise price of the Warrants**

The Warrants attached to the Rights Shares will be issued at no cost to the Entitled Shareholders who successfully subscribed for the Rights Shares.

The exercise price of the Warrants shall be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date, after taking into consideration the TERP of JRB Shares based on the 5-day VWAMP of JRB Shares immediately preceding the price-fixing date. There will not be any premium or discount to the said TERP of JRB Shares in view that the Warrants will be issued at no cost to the Entitlement Shareholders who successfully subscribed for the Rights Shares.

For illustrative purposes only, the exercise price of the Warrants is assumed at RM0.28 per JRB Share throughout this Circular, which represents the TERP* of JRB Shares of RM0.28, calculated based on the 5-day VWAMP of JRB Shares up to and including the LPD of RM0.76.

**Note:-**

* The TERP is calculated based on the formula set out below:-

$$\text{TERP} = \frac{(P \times B) + (Z \times A)}{B + A}$$

where:-

| | | |
|---|---|---|
| P | : | 5-day VWAMP of JRB Shares immediately preceding the price-fixing date |
| A | : | Number of Rights Shares |
| B | : | Number of existing JRB Shares |
| Z | : | Issue price per Rights Share |

**The illustrative entitlement basis for the Proposed Rights Issue with Warrants, the illustrative issue price of the Rights Shares and the illustrative exercise price of the Warrants should not be regarded as an indication or reference to the final entitlement basis for the Proposed Rights Issue with Warrants, the final issue price of the Rights Shares and the final exercise price of the Warrants.**

### 2.4 Major shareholder's undertaking and underwriting arrangement

The Company intends to raise a minimum of RM200.00 million from the Proposed Rights Issue with Warrants which will be channelled towards the proposed use of proceeds as set out in Section 2.7 of this Circular. As such, the Proposed Rights Issue with Warrants will be undertaken on the Minimum Subscription Level basis. Based on an illustrative entitlement basis of 3 Rights Shares for every 1 JRB Share held, together with 1 Warrant for every 2 Rights Shares subscribed for and an illustrative issue price of RM0.12 per Rights Share, the Minimum Subscription Level would involve the issuance of 1,666,666,666 Rights Shares together with 833,333,333 Warrants, to arrive at RM200.00 million.

The Minimum Subscription Level will be met via the following:-

**i. Major shareholder's undertaking**

The Company has procured an irrevocable and unconditional written undertaking from the Undertaking Shareholder, to apply and subscribe in full for his Rights Shares entitlement and additional Rights Shares not taken up by other Entitled Shareholders by way of excess application up to an aggregate amount of RM50.00 million. The Undertaking Shareholder had provided confirmation that he has sufficient financial resources for the Undertaking. The said confirmation has been verified by Kenanga IB, being the Principal Adviser for the Proposed Rights Issue with Warrants.

Pursuant to the Undertaking, the Undertaking Shareholder has irrevocably and unconditionally warranted that he shall not sell or in any other way dispose of or transfer his existing interest in the Company or any part thereof during the period commencing from the Undertaking up to the Entitlement Date.

**ii. Underwriting arrangements**

The Company intends to procure underwriting arrangements for the remaining portion of RM150.00 million to achieve the Minimum Subscription Level.

The Underwriting will be finalised at a later date and shall be subject to an underwriting agreement to be executed between the Company and the underwriters for the Proposed Rights Issue with Warrants after receipt of all relevant approvals but before the announcement of the Entitlement Date. The underwriting commission payable to the underwriters and all other costs in relation to the Underwriting will be fully borne by the Company from the proceeds of the Proposed Rights Issue with Warrants.

In the event the Company is unable to achieve the Minimum Subscription Level due to the occurrence of any of the termination events stated in the underwriting agreement or for any reason whatsoever, the Proposed Rights Issue with Warrants shall be aborted and all application monies received by the Company pursuant to the Proposed Rights Issue with Warrants will be refunded without interest to the Entitled Shareholders and/ or their renouncees, if any, who have subscribed for the Rights Shares with Warrants in accordance with Section 243 of the Capital Markets and Services Act 2007. Any provision which may permit the underwriters to withdraw from obligations pursuant to the underwriting agreement and/ or terminate the underwriting agreement will be disclosed accordingly in the abridged prospectus.

For illustrative purposes only, assuming none of the other Entitled Shareholders subscribe for their Rights Shares entitlements and based on an illustrative entitlement basis of 3 Rights Shares for every 1 JRB Share held together with 1 Warrant for every 2 Rights Shares subscribed for and an illustrative issue price of RM0.12 per Rights Share, details of the Undertaking and the Underwriting are set out below:-

| | Shareholding as at the LPD | | Undertaking/ Underwriting | | | | Shareholding after the Undertaking/ Underwriting | |
|---|---|---|---|---|---|---|---|---|
| | No. of Shares | %*1 | Subscription/ Underwritten amount RM | Subscription based on entitlement No. of Rights Shares | Subscription based on excess application No. of Rights Shares | Total No. of Rights Shares | No. of Shares | %*2 |
| Undertaking Shareholder | 86,590,062 | 13.22 | 50,000,000 | 259,770,186 | 156,896,480 | 416,666,666 | 503,256,728 | 21.68 |
| Underwriters | - | - | 150,000,000 | - | 1,250,000,000 | 1,250,000,000 | 1,250,000,000 | 53.84 |
| **Total** | **86,590,062** | **13.22** | **200,000,000** | **259,770,186** | **1,406,896,480** | **1,666,666,666** | **1,753,256,728** | **75.52** |

**Notes:-**

*1 Based on 655,118,445 issued JRB Shares as at the LPD

*2 Based on the enlarged 2,321,785,111 issued JRB Shares under the Minimum Subscription Level, as illustrated in Section 5.1 of this Circular

For the avoidance of doubt, the Entitled Shareholders and/ or their renouncees, if any, (excluding the underwriters), shall be given priority and shall first be allocated with all the excess Rights Shares and Warrants applied for, if any. Upon completion of such allocation, the underwriters shall only then apply and be allocated for the remaining number of unsubscribed Rights Shares and Warrants, if any, to raise the minimum gross proceeds of RM200.00 million.

After taking into consideration the Underwriting, the Undertaking will not give rise to any mandatory general offer obligation pursuant to the Malaysian Code on Take-Overs and Mergers, 2016 ("**Code**") and the Rules on Take-Overs, Mergers and Compulsory Acquisitions ("**Rules**"). The Underwriting will not give rise to any mandatory general offer obligation pursuant to the Code and the Rules in view that more than 1 underwriter will be appointed for the Underwriting.

Pursuant to Paragraph 8.02(1) of the Listing Requirements, a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. A listed issuer which fails to maintain the said public shareholding spread requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. In respect of the breach of Paragraph 8.02(1) of the Listing Requirements, Bursa Securities may take or impose any type of action or penalty pursuant to Paragraph 16.19 of the Listing Requirements, and/ or may suspend the trading in the securities of JRB pursuant to Paragraph 16.02 of the Listing Requirements.

As at the LPD, the public shareholding spread of JRB is 83.48%. The pro forma public shareholdings of the Company would potentially be reduced to 23.56% based on the Minimum Scenario. However, the underwriters are expected to, amongst others, divest the Rights Shares via the open market on a progressive basis. In this regard, the Company expects to continue to comply with the minimum public shareholding spread of 25.00% pursuant to Paragraph 8.02(1) of the Listing Requirements upon completion of the Proposed Rights Issue with Warrants.

### 2.5 Ranking of the Rights Shares, Warrants and new Shares to be issued arising from the exercise of the Warrants

The Warrant holders are not entitled to vote in any general meeting of the Company and/ or to participate in any form of distribution other than on winding-up, liquidation, compromise or arrangement of the Company and/ or any offer of further securities in the Company unless and until the holder of Warrants becomes a shareholder of the Company by exercising his/ her Warrants into new JRB Shares or unless otherwise resolved by the Company in a general meeting.

The Rights Shares and the new Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing JRB Shares, save and except that the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or any other distributions that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares and the new Shares to be issued arising from the exercise of the Warrants.

### 2.6 Listing and quotation of the Rights Shares and Warrants

Bursa Securities had, vide its letter dated 27 August 2020, approved the following:-

i. listing and quotation of the Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;

ii. admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of the Warrants;

iii. listing and quotation of the Additional Warrants B; and

iv. listing and quotation of the new JRB Shares to be issued arising from the exercise of the Warrants and the Additional Warrants B,

on the Main Market of Bursa Securities.

### 2.7 Use of proceeds

Based on an illustrative entitlement basis of 3 Rights Shares for every 1 JRB Share held together with 1 Warrant for every 2 Rights Shares subscribed for and an illustrative issue price of RM0.12 per Rights Share, the proceeds to be raised from the Proposed Rights Issue with Warrants are intended to be used in the following manner:-

| **Description of use of proceeds** | **Minimum Scenario RM'000** | **Maximum Scenario RM'000** | **Estimated timeframe for use of proceeds from the date of listing of the Rights Shares** |
|---|---|---|---|
| Subscription of additional 30.00 million ordinary shares of USD1.00 each in JPP ("**JPP USD Shares**")[*1] | 128,400 | 128,400 | Within 6 months |
| Future business projects or investments[*2] | 20,000 | 80,000 | Within 36 months |
| Partial repayment of borrowings[*3] | 31,581 | 31,581 | Within 24 months |
| Preliminary expenses in relation to venture into new construction projects in Vietnam[*4] | 10,000 | 25,000 | Within 36 months |
| Working capital requirements[*5] | 4,419 | 19,058 | Within 36 months |
| Estimated expenses for the Proposed Rights Issue with Warrants[*6] | 5,600 | 5,600 | Immediate |
| **Total estimated proceeds** | **200,000** | **289,639** | |

**Notes:-**

*1 On 6 July 2015, JPH, a wholly-owned subsidiary of JRB, formed a joint-venture with China Power Engineering Consulting Group Co., Ltd ("**CPECC**") to invest in the Power Plant ("**Joint Venture**"). A circular to shareholders which sets out the details of the Joint Venture was issued on 28 August 2015 and the Joint Venture was approved by the Company's shareholders at its Extraordinary General Meeting convened on 15 September 2015.

Pursuant to the subscription agreement between JPH, CPECC, JPP and JRB dated 6 July 2015 ("**Subscription Agreement**") in relation to the Joint Venture:-

i. JPH to subscribe for approximately 140.14 million JPP USD Shares at the subscription price of approximately USD140.14 million; and

ii. CPECC to subscribe for:-

a) approximately 140.14 million JPP USD Shares at the subscription price of approximately USD140.14 million;

b) 186.85 million redeemable convertible preference shares in JPP ("**RCPS**") at the subscription price of USD186.85 million; and

c) 100 ordinary shares in JPP at the subscription price of Hong Kong Dollar ("**HKD**") 100 ("**JPP HKD Shares**").

The payment obligations for the above under the Subscription Agreement are as set out below:-

| | **JPH** | | **CPECC** | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **JPP USD Shares** | **JPP USD Shares** | **JPP HKD Shares** | **JPP HKD Shares** | **JPP USD Shares** | **JPP USD Shares** | **RCPS** | **RCPS** | |
| | **No. of shares ('mil)** | **USD' mil** | **No. of shares** | **HKD** | **No. of shares ('mil)** | **USD' mil** | **No. of RCPS ('mil)** | **USD' mil** | **Timeframe** |
| First call | 14.35 | 14.35 | 100 | 100 | 14.35 | 14.35 | 19.13 | 19.13 | Within 14 days from the unconditional date of the Subscription Agreement |
| Second call | 13.13 | 13.13 | - | - | 13.13 | 13.13 | 17.51 | 17.51 | Within 3 to 6 months from the unconditional date of the Subscription Agreement or such other time as the parties may mutually agree |
| Remaining | 112.66 | 112.66 | - | - | 112.66 | 112.66 | 150.21 | 150.21 | In the manner to be mutually agreed by the parties |
| **Total** | **140.14** | **140.14** | **100** | **100** | **140.14** | **140.14** | **186.85** | **186.85** | |

A total of approximately USD467.13 million arising from the progressive issuance of the abovementioned securities in JPP will be used to finance the Project. The estimated total cost for the Project is USD1,868.50 million and is intended to be financed under a capital structure of approximately 75% debt and 25% equity.

The construction of the Power Plant, which comprises two 600 megawatt generating units, commenced in the first quarter of 2016. As at the LPD, approximately 95.50% of the overall construction works at the Power Plant site have been completed and a total Project cost (including interests and other related expenses) of USD1,465.00 million have been incurred. The first 600 megawatt generating unit is expected to be completed and to commence generation of power by the fourth quarter of 2020 whilst the second 600 megawatt generating unit is expected to be completed and commence generation of power by the first quarter of 2021. Following completion of construction of the Power Plant, JPH and CPECC will jointly operate the Power Plant with a 25-year concession under the "build-operate-transfer" structure. The estimated annual output of the Power Plant is 7.5 billion kilowatt-hours, with a maximum installed capacity of 1,200 megawatt. For the avoidance of doubt, the Power Plant has not commenced operations and no revenue has been generated from the Power Plant as at the LPD.

In view of the on-going construction works, JPP intends to raise additional USD240.00 million in 2020 to partially finance the estimated remaining Project cost of USD403.50 million. In this regard, an additional borrowing of USD180.00 million is expected to be drawn down and both JPH and CPECC have mutually agreed to each subscribe for 30.00 million JPP USD Shares at the subscription price of USD30.00 million in 2020 ("**Subscription**") to maintain the intended capital structure of approximately 75% debt and 25% equity. For the year 2020, as at LPD, JPH has subscribed for 15.00 million JPP USD Shares at the subscription price of USD15.00 million while CPECC has subscribed for 30.00 million JPP USD Shares at the subscription price of USD30.00 million. For the avoidance of doubt, the additional borrowing of USD180.00 million has not been drawn down as at the LPD.

As at the LPD, JPP has raised a total of USD1,449.00 million by way of total borrowings amounting to USD1,051.50 million and via the issuance of 221.00 million JPP USD Shares for USD221.00 million, 176.50 million RCPS for USD176.50 million and 200 JPP HKD Shares for HKD200. A summary of the total securities in JPP subscribed as well as the remaining amount to be subscribed pursuant to the Subscription Agreement are as set out below:-

| | **JPH** | | **CPECC** | | | **Total** | | |
|---|---|---|---|---|---|---|---|---|
| | **JPP HKD Shares** | **JPP USD Shares** | **JPP HKD Shares** | **JPP USD Shares** | **RCPS** | **JPP HKD Shares** | **JPP USD Shares** | **RCPS** |
| | **HKD** | **USD' mil** | **HKD** | **USD' mil** | **USD' mil** | **HKD** | **USD' mil** | **USD' mil** |
| Subscribed in accordance to the terms and conditions of the Joint Venture, details of which are set out in the Company's circular to shareholders dated 28 August 2015 in relation to the Joint Venture | 100 | 103.00* | 100 | 118.00 | 176.50 | 200 | 221.00 | 176.50 |
| Remaining amount to be subscribed pursuant to the Subscription Agreement | - | 37.14 | - | 22.14 | 10.35 | - | 59.28 | 10.35 |
| **Total** | **100** | **140.14** | **100** | **140.14** | **186.85** | **200** | **280.28** | **186.85** |

**Note:-**

* Funded entirely via internally-generated funds of the Group

The remaining amount is expected to be subscribed and paid in the following manner:-

| Timeframe for subscription | JPH | CPECC | | Total | |
|---|---|---|---|---|---|
| | JPP USD Shares USD' mil | JPP USD Shares USD' mil | RCPS USD' mil | JPP USD Shares USD' mil | RCPS USD' mil |
| Fourth quarter of 2020 | 15.00[*1] | - | - | 15.00 | - |
| First half of 2021 | 22.14[*2] | 22.14 | 10.35 | 44.28 | 10.35 |
| **Total** | **37.14** | **22.14** | **10.35** | **59.28** | **10.35** |

**Notes:-**

*1 Being the remainder 50.00% for the Subscription in 2020

*2 The remaining subscription amount of approximately USD22.14 million may be funded via a combination of internally-generated funds, bank borrowings and/ or equity fundraising, the combination of which will be determined at a later stage after taking into consideration, amongst others, cost of funding and working capital requirements of the Group. In addition, the Group may also partly finance the remaining subscription amount via any surplus of proceeds not used for the future business projects or investments as set out in Note *2 below

The equity interest and effective economic interest (after taking into account both the ordinary shares in JPP and RCPS) of JPH and CPECC in JPP are as set out below:-

| | As at the LPD | | | After the Subscription | | |
|---|---|---|---|---|---|---|
| | JPH | CPECC | Total | JPH | CPECC | Total |
| Equity interest | 47% | 53% | 100% | 50% | 50% | 100% |
| Effective economic interest | 26% | 74% | 100% | 29% | 71% | 100% |

For information purposes only, pursuant to the call option agreement between JPH and CPECC dated 6 July 2015, JPH has the option to acquire from CPECC such number of RCPS or such equivalent number of JPP USD Shares upon conversion of the RCPS into JPP USD Shares or such combination of number of JPP USD Shares and/ or RCPS, whereby upon exercise of such option by JPH, JPH's effective economic interest in JPP shall be up to 40%.

As stated in the circular to shareholders dated 28 August 2015 in relation to the Joint Venture, the Group proposed to source the required financing for the financial obligation of its equity commitment under the Subscription Agreement of approximately USD140.14 million from internally-generated funds and external borrowings. As at the LPD, JPH's total subscription of 103.00 million JPP USD Shares amounting to USD103.00 million have been funded entirely via internally-generated funds of the Group.

Notwithstanding the above, after taking into consideration of the Group's negative operating cash flow position (approximately negative RM27.02 million based on the latest unaudited quarterly results for the 6-month period ended 30 June 2020) and the global and domestic economic and financial conditions caused by the outbreak of COVID-19, the Company intends to use up to RM128.40 million of the proceeds to be raised from the Proposed Rights Issue with Warrants to finance the Subscription of 30.00 million JPP USD Shares at the subscription price of USD30.00 million in 2020 (equivalent to approximately RM125.70 million as at the LPD and may be subject to change depending on the exchange rate at the point of payment). This will enable the Group to reduce its reliance on internally-generated funds and/ or bank borrowings and thus, allow the Group to ease its cash flow and/ or working capital requirements for its existing business and on-going project requirements.

As at the LPD, pending the completion of the Proposed Rights Issue with Warrants, the Company has subscribed for 15 million new JPP USD Shares at the subscription price of USD15.00 million via internally-generated funds and the Company may use internally-generated funds and/ or procure borrowings to fund the remaining Subscription. Under such circumstances, the amount of proceeds from the Proposed Rights Issue with Warrants which is earmarked for the Subscription will then be used to replenish the internally-generated funds of the Group and/ or repay the borrowings, as the case may be.

The Company has obtained the Loan Facility and intends to fully draw down RM30.00 million from the Loan Facility by the fourth quarter of 2020 to partly finance the Subscription pending completion of the Proposed Rights Issue with Warrants. Upon the completion of the Proposed Rights Issue with Warrants, the Company will fully repay the Loan Facility via the proceeds raised for the purpose of the Subscription. For information purposes only, the Loan Facility is expected to incur estimated interest of approximately RM1.92 million per annum based on the prevailing interest rate of 6.40% per annum as at the LPD.

Any surplus of proceeds not used for the Subscription will be used to fund the Group's working capital requirements. Any variation between the expected and actual proceeds for the Subscription will be adjusted against the proceeds allocated for the working capital requirements of the Group.

*2 The Group is actively identifying suitable business projects or investments. The future business projects or investments could be in the existing industries which the Group is currently operating in, or complementary industries to its existing businesses, or different industries from its existing businesses. These future business projects or investments include, amongst others, energy/ power projects, infrastructure and water-infrastructure projects.

In respect of the above, the Group's wholly-owned subsidiary, JAKS Solar Power Sdn Bhd had, on 2 September 2020, submitted a tender for the fourth cycle of the Large Scale Solar scheme ("**LSS4**") to the Energy Commission of Malaysia for the development of a solar power plant with an export capacity of 50 megawatts. The investment for the project is expected to be financed via the proceeds to be raised from the Proposed Rights Issue with Warrants, internally-generated funds and/ or borrowings. The Company intends to use the proceeds to fund the preliminary expenses of the said solar power plant project within 6 to 12 months from the completion of the Proposed Rights Issue with Warrants in the event tender is successful. The result of the tender is expected to be announced in the first quarter of 2021. Any update or development in relation to the LSS4 will be announced by the Company in accordance with the Listing Requirements.

As at the LPD, the other future business projects or investments are yet to be determined. The Company shall make the requisite announcement and/ or shall seek shareholders' approval, if required by the Listing Requirements, as and when the future business projects or investments are confirmed.

The estimated timeframe for use of proceeds of up to 36 months was determined after taking into consideration the work load and time required for, amongst others, negotiations, tendering for projects, feasibility studies, due diligence process and/ or entering into relevant project agreements. As such, sufficient fundings are catered/ planned upfront to carry out the said activities and thus, is considered reasonable.

Any surplus of proceeds not used for such business projects or investments will be used to fund the Company's future subscription in JPP USD Shares pursuant to the Subscription Agreement and/ or the Group's working capital requirements.

*3 As at the LPD, the Group's total borrowings stood at RM390.65 million. The Company intends to use approximately RM31.58 million to repay part of the Group's existing borrowings (including interest incurred) as set out below, based on a fixed repayment schedule in accordance with the terms under the respective term loan:-

| Financier | Details of borrowings | Interest rate per annum % | Outstanding amount as at the LPD RM'000 | Repayment amount Principal RM'000 | Repayment amount Interest RM'000 | Repayment amount Total RM'000 |
|---|---|---|---|---|---|---|
| Great Eastern Life Assurance (Malaysia) Berhad | Term loan provided to part finance the development cost of a 4-storey shopping mall known as Evolve Concept Mall | 6.00 | 227,500 | - | 20,475 | 20,475 |
| Malayan Banking Berhad | Term loan provided to part finance the acquisition of a 4-storey commercial property known as Pacific Star Business Hub | 6.40 | 100,000 | 6,000 | 6,106 | 11,106 |
| **Total** | | | **327,500** | **6,000** | **25,581** | **31,581** |

**(i) Evolve Concept Mall**

Evolve Concept Mall is a 4-storey shopping mall located in Ara Damansara, Selangor, with a total net lettable area ("**NLA**") of approximately 394,000 square feet. The construction of this mall was completed in 2015.

As at the LPD, approximately 81% of the NLA has been rented or occupied, with a major home furnishing store as the anchor tenant, taking up 109,542 square feet representing approximately 27.80% of the total NLA of the Evolve Concept Mall. The Group is consistently exploring various options and initiatives to revamp and rejuvenate the Evolve Concept Mall to improve its occupancy rate and rental yield.

**(ii) Pacific Star Business Hub**

Pacific Star Business Hub is a 4-storey retail and office lots building located in Section 13, Petaling Jaya, Selangor, with a total NLA of 295,000 square feet. The construction of this business hub was completed in 2019.

As at the LPD, approximately 60% of the NLA has been rented or occupied, with a car manufacturer occupying 80,824 square feet representing approximately 27.40% of the total NLA of the Pacific Star Business Hub. The Group is currently in negotiations with prospective tenants for the renting or leasing of the unoccupied NLA of the Pacific Star Business Hub.

As the proceeds are intended to be used to repay the abovementioned borrowings when they fall due, there shall not be any savings in interest payment arising from the repayment by the Group. Future servicing and repayment of the abovementioned borrowings will be funded via internally-generated funds and/ or bank borrowings.

*4 On 3 August 2015, Golden Keen was awarded the EPC Contract valued at USD454.50 million (equivalent to approximately RM1,904.36 million) for the construction of the Power Plant. In anticipation of the EPC Contract being completed by the first quarter of 2021, and leveraging on the Group's experience in undertaking the EPC Contract and various other construction projects in Malaysia, the Group intends to expand its business in the construction industry and as such, is in the midst of identifying opportunities for the Group to venture into construction projects in Vietnam. These construction projects include, amongst others, wastewater treatment plants and water supply, power and energy related infrastructures and roads, bridges and other related infrastructures.

The Group intends to use up to RM25.00 million for the preliminary expenses relating to exploring construction projects in Vietnam. The expenses will mainly comprise of, amongst others, feasibility and engineering studies (including geotechnical and topographical studies), environmental and social impact assessment, professional fees as well as legal and regulatory related expenses. The project feasibility studies comprise of financial, technical and site assessment, and will be used to determine the suitability of the construction projects to be undertaken.

The viability of the construction projects can only be reasonably determined upon completion of the detailed feasibility studies. In the event that the construction projects are undertaken, the Group intends to obtain project financing and/ or financing through joint-ventures with strategic partners.

The Group's management is having discussions with the government of Vietnam to explore potential infrastructure projects in Vietnam. Notwithstanding that the progress of such discussions has been affected due to travel restrictions imposed in Malaysia and Vietnam to contain the outbreak of COVID-19, immediate funding for this purposes is intended to be used for the preliminary expenses relating to securing such new potential projects, such as engaging advisers, feasibility studies and due diligence, where applicable.

The estimated timeframe for use of proceeds of up to 36 months was determined after taking into consideration the work load and time required for, amongst others, negotiations, tendering for projects, feasibility studies, due diligence process and/ or entering into relevant project agreements. As such, sufficient fundings are catered/ planned upfront to carry out said activities and thus, is considered reasonable.

Any surplus of proceeds not used for the preliminary expenses in relation to venture into new construction projects in Vietnam will be used to fund the Group's working capital requirements.

*5 The Company intends to use up to RM19.06 million for the working capital requirements of the day-to-day operations of the Group in the manner below:-

| | **Minimum Scenario RM'000** | **Maximum Scenario RM'000** |
|---|---|---|
| Staff related cost (i.e. salaries for staff, key management personnel and Executive Directors, contributions to the Employees Provident Fund and others) | 3,319 | 14,058 |
| Administrative expenses (e.g. utilities, professional fees, printing and stationery as well as office expenses such as general upkeep of office) | 1,000 | 5,000 |
| **Total** | **4,419** | **19,058** |

For information purposes only, the Group incurred loss after tax of RM26.45 million based on the latest unaudited quarterly results for the 6-month period ended 30 June 2020 and recorded negative operating cash flow of RM27.02 million during the said period. As at the LPD, the cash and bank balances of the Group which are available to be used for purposes including working capital requirements and repayment of borrowings (including interest incurred) of the Group stood at approximately RM16.50 million. As such, the proceeds earmarked for the working capital requirements of the Group above will help to facilitate the Group's existing day-to-day operations as a whole by providing more flexibility in terms of cash flow management.

The estimated timeframe for use of proceeds of up to 36 months was determined after taking into consideration the additional proceeds that may be channelled to the working capital requirements of the Group (if any) in the event there is surplus of proceeds not used for other purposes such as future business projects or investments and preliminary expenses in relation to venture into new construction projects in Vietnam and thus, is considered reasonable.

*6 Estimated expenses for the Proposed Rights Issue with Warrants are as set out below:-

| | RM'000 |
|---|---|
| Professional fees (e.g. advisers, reporting accountants, underwriters (including underwriting commission) and solicitors) | 5,300 |
| Regulatory fees (i.e. Bursa Securities, Securities Commission Malaysia and Companies Commission Malaysia) | 150 |
| Other incidental expenses in relation to the Proposed Rights Issue with Warrants such as printing and advertising costs and miscellaneous expenses | 150 |
| **Total** | **5,600** |

In the event the actual amount varies from the above estimated expenses for the Proposed Rights Issue with Warrants, the excess or deficit, as the case may be, will be adjusted to or from the amount earmarked for working capital requirements purposes.

The actual proceeds to be raised from the Proposed Rights Issue with Warrants under the Maximum Scenario will depend on the final entitlement basis for the Proposed Rights Issue with Warrants, the final issue price of the Rights Shares and the subscription rate for the Rights Shares. In the event the actual amount raised is lower than the intended amount of proceeds of RM289.64 million, the actual proceeds will be allocated in the following priority:-

i. Subscription of additional 30.00 million JPP USD Shares;

ii. estimated expenses in relation to the Proposed Rights Issue with Warrants;

iii. partial repayment of borrowings;

iv. future business projects or investments;

v. preliminary expenses in relation to venture into new construction projects in Vietnam; and

vi. working capital requirements.

Any surplus in the funds allocated above will be adjusted to the amount allocated for the Group's working capital requirements. In the event of a shortfall in the actual amount of proceeds raised and that such proceeds arising therefrom are not sufficient to be used for the above purposes, the Company shall seek for other source of funding such as internally-generated funds and/ or bank borrowings.

Pending the use of the proceeds raised from the Proposed Rights Issue with Warrants for the abovementioned purposes, the proceeds raised will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with the licensed financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital requirements for the Group.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants will depend on the final exercise price of the Warrants and the actual number of Warrants exercised during the tenure of the Warrants.

The proceeds arising from the exercise of the Warrants will be used to finance the partial repayment of the Group's borrowings, working capital requirements for the Group and/ or future business projects or investments. The exact breakdown cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time.

### 2.8 Fundraising exercises in the past 12 months

On 18 April 2019, the Company had announced the private placement of up to 10.00% of the total number of issued shares of JRB ("**Placement Shares**") ("**Private Placement**"). On 28 May 2019, a total of 58,465,313 Placement Shares were placed out at an issue price of RM0.70 per JRB Share, which raised gross proceeds of approximately RM40.93 million.

The Private Placement was completed on 28 May 2019 and the utilisation of proceeds raised from the Private Placement as at the LPD are as set out below:-

| **Purpose** | **Proceeds raised RM'000** | **Actual utilisation as at the LPD RM'000** | **Balance unutilised as at the LPD RM'000** | **Timeframe for the utilisation of proceeds** |
|---|---|---|---|---|
| Vietnam power plant project*1 | 25,491 | 25,491 | - | Completed within 12 months |
| Repayment of bank borrowings*2 | 4,335 | 4,335 | - | Completed within 12 months |
| Expansion of JRB's business in the power industry by venturing into renewable energy projects in Southeast Asia ("**Renewable Energy Projects**")*3 | 10,000 | 10,000 | - | Completed within 12 months |
| Estimated expenses for the Private Placement*4 | 1,100 | 1,100 | - | Upon completion of the Private Placement |
| **Total** | **40,926** | **40,926** | **-** | |

**Notes:-**

*1 The Company had utilised approximately RM25.49 million for the payment of additional equipment required, as well as the additional costs that have arisen from the progress of the 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 The Company had utilised approximately RM4.34 million for the repayment of its bank borrowings, resulting in interest savings ranging from RM0.26 million to RM0.34 million per annum, assuming an interest rate of 6.0% and 7.9% per annum

*3 The Company had utilised approximately RM10.00 million for its venture into Renewable Energy Projects. The said proceeds were utilised for the preliminary expenses relating to exploring Renewable Energy Projects which mainly comprise, amongst others, feasibility and engineering studies (inclusive of geotechnical and topographical studies), environmental and social impact assessment as well as legal and regulatory related expenses

*4 The expenses related to the Private Placement including professional fees, regulatory fees and other incidental expenses in relation to the Private Placement

Save for the abovementioned private placement exercise, the Company had not undertaken any other fundraising exercises in the past 12 months before the announcement of the Original Proposed Rights Issue with Warrants on 22 May 2020.

## 3. RATIONALE FOR THE PROPOSED RIGHTS ISSUE WITH WARRANTS

The Proposed Rights Issue with Warrants is undertaken to raise proceeds to be used in the manner as set out in Section 2.7 of this Circular. After due consideration of the various options available to the Company, the Board is of the opinion that the Proposed Rights Issue with Warrants is an appropriate option as:-

i. it will enable the Company to raise funds without incurring interest expense as compared to bank borrowings;

ii. it will involve the issuance of new JRB Shares without diluting the existing shareholders' percentage shareholdings provided that all the Entitled Shareholders subscribe in full for their respective entitlements pursuant to the Proposed Rights Issue with Warrants; and

iii. it will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company from the subscription of the Rights Shares and by exercising the Warrants into new JRB Shares.

The free Warrants which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants.

The exercise of the Warrants in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should the Company increase its borrowings in the future, the Warrants, as and when exercised, will increase shareholders' funds and lower the Company's gearing, thereby providing the Company with flexibility in terms of the options available to meet its funding requirements.

The Original Proposed Rights Issue with Warrants was announced on 22 May 2020 to raise a minimum gross proceeds of RM130.00 million under the Original Proposed Rights Issue with Warrants to finance the Subscription and estimated expenses for the fundraising exercise, without any proceeds being allocated for other funding requirements of the Group such as partial repayment of borrowings, preliminary expenses in relation to venture into new construction projects in Vietnam and working capital requirements.

Whilst the COVID-19 pandemic has affected the Group's operations especially during the MCO period, a maximum gross proceeds of RM160.92 million was proposed to be raised from the Original Proposed Rights Issue with Warrants to finance the other purposes as mentioned above after taking into consideration the expected improvement in the Group's business activities in view of the gradual resumption of the Group's operations during the conditional MCO ("**CMCO**") period which came into effect on 4 May 2020 and ended on 9 June 2020.

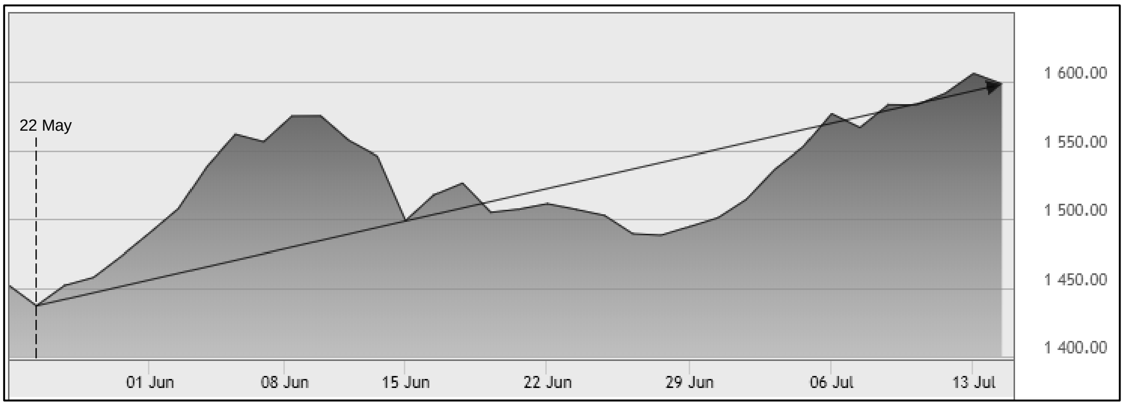
Notwithstanding the above, the Group still encountered challenges in its operations after it gradually resumed operations during the CMCO period and had been operating at reduced capacity during the said period, as set out in Section 4.6 of this Circular.

Premised on the above and after taking into consideration the following rationale for the Revisions, the Board has resolved to undertake the Revisions which was announced on 13 July 2020:-

i. in view of the improved equity market conditions subsequent to the announcement in relation to the Original Proposed Rights Issue with Warrants made on 22 May 2020, the Group intends to reduce the reliance on internally-generated funds and bank borrowings, thereby allowing the Group to ease its cash flow and/ or working capital requirements to finance its existing business and on-going project needs.

    The Group recorded negative operating cash flow of approximately RM27.02 million based on the latest unaudited quarterly results for the 6-month period ended 30 June 2020. By conserving cash flow and strengthening the Group's financial position, the Group may in turn redeploy available capital in a timely opportunity to maximise return on investments or assets, such as to fund the on-going projects and/ or to undertake new viable projects, as means to improve its overall financial performance and growth prospect in the future.

    The chart below illustrates the movement of the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) since 22 May 2020 (1,436.76 points) to 13 July 2020 (1,606.43 points), which recorded an improvement of 169.67 points or 11.81%:-




*(Source: www.bursamalaysia.com)*

ii. the revised Minimum Subscription Level of RM200.00 million will allow the Group to raise higher minimum gross proceeds from the Proposed Rights Issue with Warrants compared to the original Minimum Subscription Level of RM130.00 million to meet the Group's revised funding requirements as set out in Section 2.7 of this Circular. This includes raising the required funds for future business projects or investments, which will allow the Group to capitalise on suitable and viable business projects or investment opportunities as and when it arises, which may in turn generate positive returns to the Group, thereby increasing shareholders' value; and

iii. the Revisions will allow the Entitled Shareholders and/ or its renouncees, if any, to subscribe for more JRB Shares under the Proposed Rights Issue with Warrants pursuant to the revised maximum gross proceeds of RM289.64 million to be raised from the Proposed Rights Issue with Warrants.

    The Board believes that it is an opportune time for the Company to raise additional funds for the purposes set out in Section 2.7 of this Circular in view of the improved equity market condition as mentioned above. In addition, the attractive issue price of the Rights Shares which will be fixed at a discount of at least 50% to the TERP of JRB Shares provides an opportunity and encouragement to the shareholders of the Company to increase their equity participation in the Company.

## 4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

### 4.1 Overview and outlook of the Malaysian economy

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in the second quarter of 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (second quarter 2020: -17.1%; third quarter 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (first quarter 2020: -2.0%).

Weak growth was recorded across most economic sectors amid the imposition of the MCO, followed by the Conditional and Recovery MCO, during the second quarter of 2020.

Economic activity in Malaysia contracted sharply in the first half of the year (-8.3%) as the measures introduced to contain the pandemic globally and domestically resulted in a concurrent supply and demand shock to the economy. However, growth is expected to have troughed in the second quarter of 2020. Economic activity has resumed significantly since the economy began to reopen in early May. Monthly indicators such as wholesale and retail trade, industrial production, electricity generation, and gross exports all grew faster in June than in the period between March and May.

The improvement in growth in second half of 2020 will also be supported by the recovery in global growth and continued policy support. In particular, consumption and investment activities are expected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. While there is upside potential to growth, the pace and strength of the recovery remain susceptible to downside risks emanating from domestic and external factors. Growth could potentially be lifted by a larger-than-expected impact from stimulus measures. Nevertheless, the prospect of secondary COVID-19 outbreaks leading to the re-imposition of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth pose downside risks to growth.

*(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)*

Malaysia's gross domestic product ("**GDP**") growth is projected to be between -2.0 to +0.5% in 2020 (2019: +4.3%). The domestic economy will be impacted by the necessary global and domestic actions taken to contain the COVID-19 outbreak. Of significance, tourism-related sectors are expected to be affected by broad-based travel restrictions and travel risk aversion, while production disruptions in the global supply chain will weigh on the manufacturing sector and exports. The implementation and subsequent extension of the MCO, while critical, will dampen economic activity following the suspension of operations by non-essential service providers and lower operating capacity of manufacturing firms. Beyond the MCO period, reduced social and recreational activities until the pandemic is fully controlled globally and domestically will continue to dampen consumption and investment activity. Apart from the pandemic, the domestic economy will also be affected by the sharp decline and volatile shifts in crude oil prices and continued supply disruption in the commodities sector. Unfavourable weather conditions and maintenance works will weigh on the production of oil palm, crude oil and natural gas.

*(Source: Economic and Monetary Review 2019, Bank Negara Malaysia)*

### 4.2 Overview and outlook of the Vietnamese economy

GDP in 2019 achieved the growth rate of 7.02%, exceeding the 6.6-6.8% target set by the National Assembly of Vietnam. This year's growth rate was lower than the growth rate of 7.08% in 2018 but it was higher than the growth of the years 2011-2017. In the overall growth of the economy, the agriculture, forestry and fishing sector, the industry and construction sector, the services sector increased by 2.01%, 8.90% and 7.3% respectively with the corresponding shares of contribution to the overall growth of 4.6%, 50.4%, and 45%. From the expenditure approach of the GDP in 2019, the final consumption increased by 7.23% over 2018; the gross capital formation rose by 7.91%; the export of goods and services went up 6.71%; and the import of goods and services surged 8.35%.

*(Source: Statistical Yearbook of Viet Nam 2019, General Statistics Office of Vietnam)*

GDP in the first 6 months of 2020 was estimated to increase by 1.81% over the same period last year, the lowest 6-month growth rate in the period of 2011-2020 (the second quarter of 2020 recorded the estimated rise of 0.36%). In the 1.81% growth rate of the whole economy in the first half of 2020, the sector of agriculture, forestry and fishery expanded by 1.19%, contributing 11.89% to the overall growth; the sector of industry and construction rose by 2.98%, contributing 73.14%; and the service sector climbed by 0.57%, contributing 14.97%. The driving force of economic growth in the first 6 months of the year was the manufacturing with an increase of 4.96% and the market services (Wholesale and retail saw a rise of 4.3%; financial, banking and insurance activities showed an expansion of 6.78%).

*(Source: General Statistics Office of Vietnam, Article entitled: "Socio-economic situation in the second quarter and the first 6 beginning months of 2020")*

The global battle against COVID-19 left Southeast Asia experiencing a broad decline in consumption, investment, and trade. All subregional economies decelerated under restrictions on movement imposed by governments to contain the outbreak. The more open economies of Malaysia, Singapore, Thailand, and Viet Nam were hit by slumping global trade and demand. In addition, tourist arrivals plunged in response to stringent travel restrictions and quarantine requirements, eviscerating the aviation, hospitality, and retail industries. Most countries in the subregion have started to relax restrictions, but weak consumer confidence may hinder economic recovery. Moreover, external demand will remain muted for the rest of this year as the global economy contracts.

Growth of agriculture, industry, and services in Viet Nam is forecast to continue to decelerate in 2020 due to sharp fall in external demand. Although domestic consumption has revived in May, it still lacks steam because corporate and individual incomes have declined. The global economic weakness is seen to inhibit growth and the growth forecast for 2020 is thus adjusted down to 4.1% in 2020. Growth is expected to bounce back to 6.8% in 2021. The global economic weakness is seen to inhibit growth and the growth forecast for 2020 is thus adjusted down to 4.1% in 2020. Growth is expected to bounce back to 6.8% in 2021.

*(Source: Asian Development Outlook Supplement June 2020, Asian Development Bank)*

### 4.3 Overview and prospects of construction sector in Malaysia

Growth in the construction sector moderated to 0.1% in 2019 (2018: 4.2%), reflecting mainly the completion and near completion of large infrastructure and mixed development projects. In the non-residential and residential subsectors, fewer and smaller new projects amid the commercial property glut and elevated level of unsold residential properties also contributed to the lower growth. While the civil engineering subsector remained the key contributor to growth, the delay in construction work for major highways, in addition to the completion of large petrochemical projects, led to a moderation in construction growth during the year.

*(Source: Economic and Monetary Review 2019, Bank Negara Malaysia)*

Activity in the construction sector declined by 44.5% in the second quarter of 2020 (first quarter of 2020: -7.9%), as almost all activities came to a standstill particularly in the month of April. Despite the partial reopening of the economy on 4 May, most construction sites faced challenges restarting due to adjustments required to comply with the strict COVID-19 Standard Operating Procedures ("**SOPs**"). Most of the construction sites were reported to remain idle as developers faced challenges to restart, including financial constraints, initial lack of clarity over the SOPs and COVID-19 testing, and disruptions in the supply of construction materials. However, the situation improved significantly towards the end of the quarter after the Government of Malaysia ("**Government**") implemented additional measures to facilitate the revival of the economy.

*(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2020, Bank Negara Malaysia)*

Real GDP for the construction sector in Malaysia is forecasted to grow by 3.7% in 2020.

*(Source: Economic Outlook 2020, Ministry of Finance Malaysia)*

### 4.4 Overview and prospects of energy sector in Malaysia

While economic interests led to the establishment of power plants, its benefits were felt by all cross sections of the population. Electrification, especially rural electrification, became a social cause in the post-independence years.

Meanwhile, Central Electricity Board (CEB), renamed National Electricity Board ("**NEB**") after independence, began to feel the heavy financial burden of being the sole power generation entity. As a result, the Government announced the privatisation of power generation in 1988. This saw the emergence of independent power producers.

There are now 14 independent power generation companies (including NEB that became Tenaga Nasional Berhad (TNB) after being public listed), who are all regulated by the Energy Commission to ensure safe, secure and affordable power supply in the country. The industry has been described as world class by many energy authorities.

From the beginning, Malaysia has followed global trends in terms of fuel mix. The early power plants used water power, followed by coal, then oil & gas, and now the focus is on renewable energy sources. The national 5-fuel policy means that the country cannot become overdependent on any single fuel source. Currently, coal dominates the fuel mix, followed closely by gas. And there is pressure to use more renewable energy for generation to realise Malaysia's 21$^{st}$ Conference of Parties (COP21) Nationally Determined Target for a 45% reduction in carbon emissions by 2030.

Since 2018, the government policy is for a fuel mix with 20% renewable energy by 2025. The focus is on solar energy, to be generated by large scale solar farms while domestic and commercial consumers are being incentivised to install rooftop solar energy installations and become consumers and producers of energy at the same time.

Other renewable energy ("**RE**") sources include hydro, wind, biomass, and biogas.

Beyond 2050, although Malaysia will still be relying on coal and natural gas for power generation, RE is expected to play a bigger role in the mix.

As at mid-2019, Malaysia has 69 power plants – 8 coal fired/combined gas coal plants, 20 hydroelectric dams, 22 gas fired plants, 5 oil-fired plants, nine biomass plants and five large scale solar farms. There are also several small-scale hybrid power stations using diesel generators, solar panels and wind turbines on the islands off the East Coast of Peninsular Malaysia.

Under construction now are two more hydroelectric plants in Hulu Terengganu and Ulu Jelai, Pahang, and a co-generation plant in Pengerang, Johor.

The 2016 Paris Agreement is shaping power generation around the world. Malaysia, which pledged to reduce carbon emissions by 45% by 2030, is rapidly rolling out large scale solar farms to meet the national target for 20% RE by 2025 in the generation mix. While Malaysia ramps up with RE generation, coal and gas fired plants will continue to play an important role in power production to meet domestic demand.

*(Source: Energy Malaysia Volume 19 2019, Energy Commission Malaysia)*

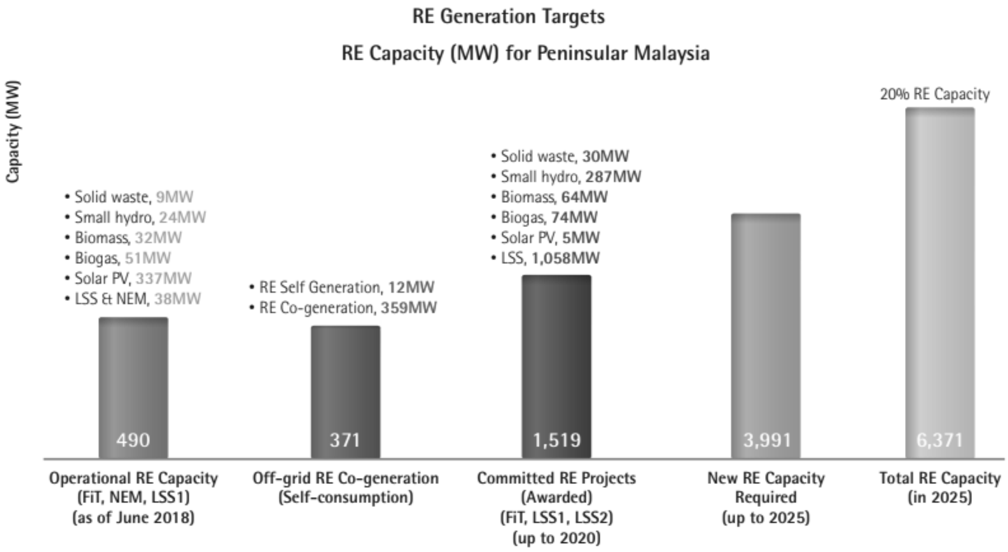
The Hybrid Load Forecasting Model predicts that the industry sector will continue to be the major energy consumer (40%) followed by the commercial (35%) and domestic (22%) sectors. It also forecasts that the electrification of the automotive industry will cause a spike in electricity consumption. According to a 2016 McKinsey study, the electric vehicle penetration rate is expected to grow from 0.1% in 2015 to 7.5% in 2035. In the commercial and domestic sector, most of the energy is consumed by air conditioning systems. With various energy efficiency (EE) initiatives across all consumer segments, it is assumed that there will be an overall 8.8% savings over 10 years time.

In addition, the model takes into account of Government policies and market trends. It has integrated the Government's 20% by 2025 RE target into the capacity mix, and estimates an LSS capacity of 200MW between 2021 and 2026. Meanwhile, NEM capacity is set to grow 100MW annually until 2020; with a 1% annual growth in solar self-generation and consumption that will address gaps in RE capacity

<u>Renewable energy</u>

RE generation in Peninsular Malaysia covers solid waste, small hydro, biomass, biogas, geothermal and solar. Large hydro plants with the capacity of more than 100MW are not considered as RE.

The 20% RE target by 2025 focuses on increasing solar energy generation capacity, and along the way create new business opportunities for big companies, small medium enterprises (SMEs), microbusinesses and households.




The above diagram shows the targeted RE capacity to be achieved by 2025 based on a preliminary analysis by the Commission, Sustainable Energy Development Authority ("**SEDA**") and the Single Buyer (SB). The final targets will be published in the Renewable Energy Transition Roadmap ("**RETR**") prepared by SEDA. As of 2018, RE capacity stood at 490MW, generated by large scale solar ("**LSS**") farms; Net Energy Metering ("**NEM**") and Feed-in Tariff ("**FiT**") developers. There was also a 371MW off-grid capacity from co-generation plants and self-generation. RE capacity must be ramped up to 6,371MW to deliver the 20% target by 2025. This plan is reviewed periodically, subject to changes in demand forecast, generation requirement, completion of committed projects and government policies.

By 2020, with a committed RE capacity of 1,519MW, Peninsular Malaysia will have nearly 40% RE in operation, with the bulk of capacity coming from LSS. The analysis also took into consideration the solar penetration limit to the grid without jeopardising the system's stability and security

The Energy Commission Malaysia's LSS programme, which covers the period of 2017 to 2020, with the aim to accelerate Malaysia's RE production capacity, was approved by the Planning and Implementation Committee of Electricity Supply and Tariff (JPPPET).

Total capacity allocated for this programme is 1,000MW by 2020, with annual capacity capped at 250MW throughout the 4-year period. The staggered inclusion of LSS into the system allows the Commission to monitor LSS' technical performance and market impact.

*(Source: Peninsular Malaysia Energy Electric Supply Industry Outlook 2019, Energy Commission Malaysia)*

## 4.5 Overview and prospects of construction sector in Vietnam

The report evaluating the performance of tasks in 2019 issued by the Ministry of Construction showed that construction activities grew by about 9 – 9.2% over the same period in 2018. The rate of urbanization nationwide reached about 39.2%, up 0.8% compared to 2018. Specifically, the total production value of the whole construction industry reached 358,684 billion Vietnamese Dong ("**VND**"), contributing 5.94% of the national GDP structure.

Residence and commerce construction

In 2019, the total housing area increased by about 50 million square metre ("**m$^2$**") of floor, of which low-price housing have 4,110 units with a total area of 205,000 m$^2$ of floor.

According to the market research report released by Batdongsan.com.vn in early December 2019, the number of posts of all types of real estate in 2019 increased by 42% compared to 2018 and the interest of Vietnamese real estate buyers also increased by about 2.8%. In particular, apartments, houses and land are currently three most interested types of real estate.

In addition to key markets such as Hanoi and Ho Chi Minh City, 2019 also witnessed an increase in interest index compared to 2018 in markets such as Hai Phong (up 38%), Quang Ninh (up 91%), Lam Dong (up 71%), especially the real estate market in Binh Thuan with people's concern rising to 153%.

According to the 2019 Census of Population and Housing, Hanoi currently has about 8 million people with an average housing area of 26.1 m$^2$/ person. Meanwhile, the population in Ho Chi Minh City is nearly 9 million people with an average housing area of 19.4 m$^2$/ person. The total area of housing needed each year in Hanoi is about 4.7 million m$^2$, in Ho Chi Minh City is about 4 million m$^2$.

With an average population growth rate of about 2.2% in both Hanoi and Ho Chi Minh City, the demand for housing construction in these two cities is assessed to be very large.

Industrial construction

2019 is also the year to witness a strong explosion of industrial construction, including industrial land, ready-built factories, warehouses and logistics.

In the context of the narrowing of inner city land fund, the competition in housing projects is getting fiercer, while Vietnam has the potential to become a new industrial center of Southeast Asia. The segment of industrial construction grew strongly because it was supported by 2 factors: stable foreign direct investment and production wave into Vietnam in the context of US-China trade war.

By December 20, 2019, the total newly registered capital, adjusted and contributed capital to purchase shares of foreign investors in Vietnam reached US $ 38.02 billion, up 7.2% over the same period last year, 2018.

Infrastructure construction

According to BMI Research, Vietnam is one of the fastest growing marginal market, in which infrastructure investment is always considered a top priority of the Government. Statistics show that the cost of capital construction accounts for about 25% of total Government expenditure from 2015 – 2018. The State Bank is expected to cut 25% of the refinancing rate to 25%. 5.75%. USD / VND exchange rate by the end of 2020 will be around VND 23,000 / USD.

Statistics show that the cost of capital construction accounts for about 25% of total Government expenditure from 2015-2018.

In 2020, the Ministry of Finance said it would continue to focus on improving the business investment environment; create favorable conditions for businesses to develop, promote high and sustainable growth, create a stable budget revenue.

Construction material

Domestic steel industry grew slowly. The reason is judged by the decline in global demand and price trends by China's economy – a market that consumes 50% of total steel worldwide declines due to trade wars and economic cycle factors. The other reason is due to competitive pressure from increasing domestic supply and foreign steel imports.

In 2020, Vietnam's steel industry will continue to face many difficulties and challenges in stemming from a number of reasons such as an increasing supply surplus in the country; The influence of international trade and protectionist policies continues to increase not only in the US market but also in many other countries. Growth in sales volume of the industry is expected to continue at a low rate of 5-7% in 2020 due to the slowdown in real estate market along with slow public investment. However, the increase in disbursement of foreign direct investment may be a supporting factor for steel demand.

Meanwhile, only cement products still saw growth. According to the Vietnam Cement Association as well as the Ministry of Construction, the whole industry consumed about 98 million tons of cement, reached the plan and increased 3 million tons compared to the same period in 2018. Report of the Import and Export Department (Ministry of Industry and Trade), in 2019, cement and clinker exports reached approximately 34 million tons, worth 1.394 billion USD, an increase of more than 148 million USD compared to 2018. Thus, the cement industry Vietnam's cement industry has recorded a record export turnover for 2 consecutive years, continuing in the top of billion-dollar export items.

In 2020, the Ministry of Construction forecasts cement demand will continue to increase at 4-5% compared to 2019, reaching about 101 – 103 million tons, of which, domestic cement consumption is about 69-70 million tons, exporting is about 32 – 34 million tons.

*(Source: Article entitled "Vietnam's Construction Industry Overview 2019 – Events and Figures", Vietnam Construction)*

In the 1.81% growth rate of the whole economy in the first half of 2020, the sector of industry and construction rose 2.98%, contributing 73.14% to the growth rate of the whole economy.

*(Source: General Statistics Office of Vietnam, Article entitled: "Socio-economic situation in the second quarter and the first 6 beginning months of 2020")*

## 4.6 Overview and prospects of the energy sector in Vietnam

The revised Power Development Plan VII (2016) anticipated an annual average growth rate in demand between 8.0-8.7 percent per year. To meet forecasted demand, generating capacity of the system was planned to increase to 60,000 Mega Watt ("**MW**") in 2020 and 129,500 in 2030. As generating capacity increased, the structure of energy sources within the system was expected to change dramatically. The share of hydropower in the energy system was expected to decrease from 38 percent in 2015 to 17 percent in 2030, and natural gas from 21 percent in 2015 to 15 percent in 2030 while coal generating capacity was expected to grow from 33 percent in 2015 to 43 percent in 2030, equivalent to an increase of 40 coal fired power plants. The total capital requirement for these investments was estimated at USD9.8 billion per year, with the majority focused on coal power development.

Vietnam has more coal thermal power capacity planned or under construction than any other country in Southeast Asia. In fact, Indonesia, which has overtaken Australia as the fifth largest exporter of thermal coal, has plans to increase coal thermal power generation by roughly 25 Giga Watt ("**GW**") while Vietnam, which imported more than 20 million tons of coal for energy generation in 2018, has plans to increase coal power generation by 36 GW by 2030. Indonesia's planned increase in coal generation is 20 GW less than planned just four years ago. In 2015, roughly at the same time Vietnam's PDP VII was approved, Indonesia planned for a 45 GW increase in coal thermal.

According to data from the Ministry of Industry and Trade in January 2019, more than 330 solar power projects with a total registered generating capacity of 26,000 MW were in various stages of approval and addition to the Power Development Plan. Among them, 121 projects, with a total generating capacity of 6,100 MW, had already been approved and added to national and provincial plans. Among these, one large private investment project located in Ninh Thuan province, with a cluster of three facilities and a capacity of 330 MW, was connected to the national grid in April 2019. This is the largest solar power facility in Southeast Asia, with a total of more than 1 million panels and a total investment of more than Vietnamese Dong 7,000 billion, more than USD 300 million in current value.

A growing number of global corporations are directly purchasing renewable energy from independent power producers. A major global trend, with implications for Vietnam, is the active procurement of renewable energy by a growing number of global corporations. There are now 174 companies, including some of the world's best known brands, that have signed the RE100 pledge to use 100% renewable energy. These members create a combined renewable energy demand of 188 Terawatt-hour. In the United States alone, corporate renewable power purchase agreements totalled 6.43 GW (as of Dec 14, 2018), a year over year increase of 131% and a 436% increase from the total in 2014.30 Global corporations represented in Vietnam have signalled their interest in procuring renewable energy via the proposed Direct Power Purchase Agreement ("**DPPA**"), particularly the Sleeved Model, where power producer and power end user can directly contract for the supply of clean energy. End users can now expect to receive long term supply contracts for renewable energy at a cost equal to or less than the cost of electricity from mixed energy sources provided by the power utilities. The DPPA proposal is a key step in providing greater market access for independent power producers and end users.

*(Source: Made in Vietnam Energy Plan 2.0; Vietnam Business Forum)*

## 4.7 Prospects of the JRB Group

The Group's revenue is primarily derived from its core business of construction. The Group has also ventured into the power generation business since 2011. The prospects of the Group's respective business segments are set out below:-

Local construction division

As at the LPD, the Group's on-going projects in Malaysia are as set out below:-

i. 4 waste water and water-related facilities projects with a total contract sum of RM679.90 million;

ii. 1 construction of roadworks project with a contract sum of RM502.50 million;

iii. 1 building construction project with a contract sum of RM90.42 million; and

iv. 1 property construction works project with a contract sum of RM440.97 million.

The Group expects the construction division to continue to contribute positively given that the Group has an outstanding order book of approximately RM287.31 million as at the LPD, which is expected to be realised over the next 2 years. The Group is actively bidding and/ or negotiating for new construction projects by selectively targeting higher margin projects to replenish its order book for the local construction division.

During the MCO imposed by the Government from 18 March 2020 to 3 May 2020 to contain the COVID-19 pandemic outbreak, the Group's construction works were halted until the Government introduced the CMCO which came into effect from 4 May 2020 to 9 June 2020. Upon obtaining the necessary approval from the Ministry of International Trade and Industry, the Group had gradually resumed its operations during the CMCO period. However, upon resumption of its construction works, the Group faced difficulties in contacting the relevant government bodies to obtain necessary approvals and/ or consent in relation to its construction works as the said government bodies have been operating at minimum capacity during the CMCO period. In view of the above, the Group expects delays in completing its on-going projects.

Further to the above, the Group had also incurred higher costs to comply with the new working standard operating procedures (SOPs) as required by the Government in view of the COVID-19 pandemic outbreak, including, amongst others, mandatory COVID-19 tests for all staffs and construction workers.

Notwithstanding the above, the Group has resumed to operate at full capacity as at the LPD.

Power division

On 6 July 2015, JPH formed a joint-venture i.e. JPP with CPECC to jointly build and operate a 2 x 600 megawatt coal-fired thermal power plant located in Phuc Thanh Commune, Kinh Mon District in Hai Duong Province, Vietnam. Further details of the Joint Venture are set out in Section 2.7 of this Circular.

On 3 August 2015, Golden Keen was awarded the EPC Contract as part of the Project. The EPC Contract sets out the terms and conditions in respect of the services and work to be provided by Golden Keen in relation to the Project. The scope of the EPC Contract covers equipment and systems engineering, manufacture, procurement of equipment, delivery of equipment and materials to the site, construction and installation, testing and commissioning, reliability run, performance tests, training, warranty, supply of spare parts and handing over of all the materials, equipment and works associated with the supporting auxiliaries and ancillaries of the Power Plant including civil works, buildings, jetty, coal and limestone storage and handling system, ash handling system, ash pond, switchyard, water intake and cooling water system.

Due to the intensive capital commitment and long gestation period of the Project, the EPC Contract enables the Group to realise returns and generate revenue from the power plant investment, prior to the commencement of operations of the Power Plant and income from the power concession of 25 years.

In Vietnam, in its effort to contain the outbreak of COVID-19, the Vietnamese Government imposed a nationwide isolation from 1 April 2020 to 15 April 2020 ("**Nationwide Isolation**"). During the Nationwide Isolation, the construction of the Power Plant continued with a limited number of manpower as most of its personnel, who are from the People's Republic of China ("**PRC**"), were unable to return to Vietnam from their Chinese New Year holidays in PRC as a result of the COVID-19 pandemic outbreak. However, since May 2020, most of the personnel from PRC have returned to Vietnam and resumed work. As at the LPD, the construction activities of the Power Plant have returned to full capacity.

As a result of the above, the commercial operation of the first unit of the Power Plant is expected to commence in the fourth quarter of 2020 compared to the initial expected commencement in the third quarter of 2020. The second unit of the Power Plant is expected to commence in the first quarter of 2021.

Upon completion of the Project and commencement of commercial operations of the Power Plant, the Group will be able to generate recurrent concession-type earnings from the generation and sale of power for a period of 25 years. Given the growth in Vietnam's economy and the prospects of the energy sector in Vietnam, as set out in Sections 4.2 and 4.6 of this Circular respectively, the Group expects the Project to contribute positively to the Group's income stream in the future.

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## 5. EFFECTS OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS

The pro forma effects of the Proposed Rights Issue with Warrants in this section are presented purely for illustrative purposes based on the following parameters:-

i. illustrated based on an illustrative entitlement basis of 3 Rights Shares for every 1 Share held, together with 2 Warrants for every 1 Rights Share subscribed for;

ii. illustrated based on an illustrative issue price of RM0.12 per Rights Share; and

iii. illustrated based on an illustrative exercise price of RM0.28 per Warrant.

The Company wishes to emphasise that the pro forma effects as set out in this section are presented purely for illustrative purposes based on the assumptions set out above and should not be regarded as an indication or reference to the final entitlement basis for the Proposed Rights Issue with Warrants, the final issue price of the Rights Shares and the final exercise price of the Warrants.

### 5.1 Issued share capital

The pro forma effects of the Proposed Rights Issue with Warrants on the issued share capital of JRB are set out below:-

| | Minimum Scenario | | Maximum Scenario | |
|---|---|---|---|---|
| | **No. of Shares** | **RM** | **No. of Shares** | **RM** |
| Issued share capital as at the LPD | 655,118,445 | 670,322,281*1 | 655,118,445 | 670,322,281*1 |
| Issuance of new Shares arising from the full exercise of the outstanding Warrants B | - | - | 90,428,430 | 80,481,303*2 |
| | **655,118,445** | **670,322,281** | **745,546,875** | **750,803,584** |
| Issuance of new Shares arising from full granting and exercise of the LTIP Options | - | - | 50,697,240 | 44,613,571*3 |
| Issuance of new Shares arising from full exercise of the outstanding LTIP Options | - | - | 8,310,000 | 14,210,100*4 |
| | **655,118,445** | **670,322,281** | **804,554,115** | **809,627,255** |
| Issuance of the Rights Shares | 1,666,666,666 | 200,000,000*5 | 2,413,662,345 | 289,639,482*5 |
| | **2,321,785,111** | **870,322,281** | **3,218,216,460** | **1,099,266,737** |
| Issuance of new Shares arising from the exercise of the Warrants | 833,333,333 | 233,333,333*6 | 1,206,831,172 | 337,912,728*6 |
| **Enlarged issued share capital** | **3,155,118,444** | **1,103,655,614** | **4,425,047,632** | **1,437,179,465** |

**Notes:-**

*1 After accounting for the reversal of the warrants reserve of RM3.00 million pursuant to the exercise of 12,000,000 Warrants B into 12,000,000 new JRB Shares at the exercise price of RM0.64 each which were issued and allotted in January 2020 and July 2020

*2 Assuming all 90,428,430 outstanding Warrants B are fully exercised into 90,428,430 new JRB Shares at the exercise price of RM0.64 each and after accounting for the reversal of the warrants reserve of approximately RM22.61 million

*3 Assuming all the 50,697,240 LTIP Options which may be granted pursuant to the maximum allowable amount under the LTIP are fully granted and exercised into 50,697,240 new JRB Shares at an illustrative exercise price of RM0.70 each, which represents a discount of approximately RM0.06 or 7.89% to the 5-day VWAMP up to the LPD of RM0.76 and after accounting for the reversal of the LTIP reserve of approximately RM9.13 million

*4 Assuming all 8,310,000 outstanding LTIP Options are fully exercised into 8,310,000 new JRB Shares at the exercise price of RM1.40 each and after accounting for the reversal of the LTIP reserve of approximately RM2.58 million

*5 Calculated based on an illustrative issue price of RM0.12 per Rights Share

*6 Calculated based on an illustrative exercise price of RM0.28 per Warrant

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### 5.2 NA and gearing

The pro forma effects of the Proposed Rights Issue with Warrants on the NA and gearing of the JRB Group based on the audited consolidated financial statements of JRB as at 31 December 2019 are set out below:-

<u>Minimum Scenario</u>

| | **Audited as at 31 December 2019 RM'000** | **(I) After subsequent events up to and including the LPD*1 RM'000** | **(II) After (I) and the Proposed Rights Issue with Warrants RM'000** | **(III) After (II) and assuming full exercise of Warrants RM'000** |
|---|---|---|---|---|
| Share capital | 659,642 | 670,322 | 870,322*2 | 1,103,655*6 |
| LTIP reserve | 2,576 | 2,576 | 2,576 | 2,576 |
| Warrants reserve | 25,607 | 22,607 | 147,607*3 | 22,607 |
| Other reserve | - | - | (125,000)*3 | - |
| Translation reserve | (11,550) | (11,550) | (11,550) | (11,550) |
| Retained earnings | 301,674 | 301,674 | 296,074*4 | 296,074 |
| **Shareholders' funds/ NA** | **977,949** | **985,629** | **1,180,029** | **1,413,362** |
| No. of JRB Shares in issue ('000) | 643,118 | 655,118 | 2,321,785 | 3,155,118 |
| NA per JRB Share (RM) | 1.52 | 1.50 | 0.51 | 0.45 |
| Total borrowings (RM'000) | 421,454 | 421,454 | 415,454*5 | 415,454 |
| Gearing (times) | 0.43 | 0.43 | 0.35 | 0.29 |

**Notes:-**

*1 After incorporating the effects of the exercise of 12,000,000 Warrants B into 12,000,000 new JRB Shares at the exercise price of RM0.64 each in January 2020 and July 2020 and the reversal of the warrants reserve of RM3.00 million pursuant to the said exercise of Warrants B

*2 Computed based on an illustrative issue price of RM0.12 per Rights Share

*3 After adjusting for the creation of warrants reserve based on the theoretical fair value of the Warrants of RM0.15 per Warrant of approximately RM125.00 million (computed based on the Trinomial option pricing valuation from Bloomberg as at the LPD)

*4 After deducting the estimated expenses in relation to the Proposed Rights Issue with Warrants amounting to RM5.60 million

*5 After taking into account the principal repayment of the Group’s existing borrowings amounting to RM6.00 million from the use of proceeds as set out in Note 3 of Section 2.7 of this Circular

*6 Computed based on an illustrative exercise price of RM0.28 per Warrant, which represents the TERP of JRB Shares of RM0.28, calculated based on the 5-day VWAMP of JRB Shares up to and including the LPD of RM0.76 as set out in Section 2.3(iii) of this Circular

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Maximum Scenario

| | Audited as at 31 December 2019 RM'000 | (I) After subsequent events up to and including the LPD*1 RM'000 | (II) After (I) and assuming full exercise of the outstanding Warrants B*2 RM'000 | (III) After (II) and assuming full granting and exercise of LTIP Options RM'000 | (IV) After (III) and the Proposed Rights Issue with Warrants RM'000 | (V) After (IV) and assuming full exercise of Warrants RM'000 |
|---|---|---|---|---|---|---|
| Share capital | 659,642 | 670,322 | 750,803 | 809,627*3(a)(b)(c) | 1,099,266*4 | 1,437,179*8 |
| LTIP reserve | 2,576 | 2,576 | 2,576 | - | - | - |
| Warrants reserve | 25,607 | 22,607 | - | - | 181,025*5 | - |
| Other reserve | - | - | - | - | (181,025)*5 | - |
| Translation reserve | (11,550) | (11,550) | (11,550) | (11,550) | (11,550) | (11,550) |
| Retained earnings | 301,674 | 301,674 | 301,674 | 292,548*3(b) | 286,949*6 | 286,949 |
| **Shareholders' funds/ NA** | **977,949** | **985,629** | **1,043,503** | **1,090,625** | **1,374,665** | **1,712,578** |
| No. of JRB Shares in issue ('000) | 643,118 | 655,118 | 745,547 | 804,554 | 3,218,216 | 4,425,048 |
| NA per JRB Share (RM) | 1.52 | 1.50 | 1.40 | 1.36 | 0.43 | 0.39 |
| Total borrowings (RM'000) | 421,454 | 421,454 | 421,454 | 421,454 | 415,454*7 | 415,454 |
| Gearing (times) | 0.43 | 0.43 | 0.40 | 0.39 | 0.30 | 0.24 |

**Notes:-**

*1 After incorporating the effects of exercise of 12,000,000 Warrants B into 12,000,000 new JRB Shares at the exercise price of RM0.64 each in January 2020 and July 2020 and reversal of the warrants reserve of RM3.00 million pursuant to the said exercise of Warrants B

*2 Assuming the 90,428,430 outstanding Warrants B are exercised at the exercise price of RM0.64 each and after reversal of warrant reserve

*3 Assuming the following:-

a) all the 50,697,240 LTIP Options which may be granted pursuant to the maximum allowable amount under the LTIP are fully granted and exercised into 50,697,240 new JRB Shares at an illustrative exercise price of RM0.70 each (which represents a discount of approximately RM0.06 or 7.89% to the 5-day VWAMP up to the LPD of RM0.76);

b) the creation and reversal of LTIP reserve pursuant to the granting and exercise of 50,697,240 LTIP Options of approximately RM9.13 million based on the theoretical fair value of the LTIP Options of RM0.18 per LTIP Option (computed based on the Black Scholes pricing valuation from Bloomberg); and

c) 8,310,000 outstanding LTIP Options are exercised at the exercise price of RM1.40 and after reversal of LTIP reserve of approximately RM2.58 million

*4 Computed based on an illustrative issue price of RM0.12 per Rights Share

*5 After adjusting for the creation of warrants reserve based on the theoretical fair value of the Warrants of RM0.15 per Warrant of approximately RM181.02 million (computed based on the Trinomial option pricing valuation from Bloomberg as at the LPD)

*6 After deducting the estimated expenses in relation to the Proposed Rights Issue with Warrants amounting to RM5.60 million

*7 After taking into account the principal repayment of the Group's existing borrowings amounting to RM6.00 million from the use of proceeds as set out in Note 3 of Section 2.7 of this Circular

*8 Computed based on an illustrative exercise price of RM0.28 per Warrant, which represents the TERP of JRB Shares of RM0.28, calculated based on the 5-day VWAMP of JRB Shares up to and including the LPD of RM0.76 as set out in Section 2.3(iii) of this Circular

### 5.3 Earnings and EPS

The Proposed Rights Issue with Warrants is not expected to have a material effect on the earnings of the JRB Group for the financial year ending 31 December 2020. However, the EPS of the Group may be diluted upon the issuance of the Rights Shares and the new Shares arising from the exercise of the Warrants.

The potential effects of the Proposed Rights Issue with Warrants on the future consolidated earnings and EPS of JRB Group will depend on, amongst others, the level of returns generated from the use of proceeds to be raised from the Proposed Rights Issue with Warrants.

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### 5.4 Substantial shareholder's shareholding

The pro forma effects of the Proposed Rights Issue with Warrants on the substantial shareholder's shareholding in JRB based on the Company's Register of Substantial Shareholders as at the LPD are as set out below:-

Minimum Scenario

| | Shareholding as at the LPD | | | | (I) After the Proposed Rights Issue with Warrants | | | | (II) After (I) and the assuming full exercise of the Warrants | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| Name | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Ang Lam Poah | 86,590,062 | 13.22 | - | - | 503,256,728 | 21.68 | - | - | 711,590,061 | 22.55 | - | - |
| Underwriters | - | - | - | - | 1,250,000,000 | 53.84 | - | - | 1,875,000,000 | 59.43 | - | - |

Maximum Scenario

| | Shareholding as at the LPD | | | | (I) Assuming full exercise of Warrants B | | | | (II) After (I) and assuming full granting and/ or exercise of the LTIP Options | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| Name | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Ang Lam Poah | 86,590,062 | 13.22 | - | - | 111,417,113*1 | 14.94 | - | - | 111,417,113 | 13.85 | - | - |

| | (III) After (II) and the Proposed Rights Issue with Warrants | | | | (IV) After (III) and assuming full exercise of the Warrants | | | |
|---|---|---|---|---|---|---|---|---|
| | Direct | | Indirect | | Direct | | Indirect | |
| Name | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Ang Lam Poah | 445,668,452 | 13.85 | - | - | 612,794,121 | 13.85 | - | - |

**Note:-**

*1 Ang Lam Poah holds 24,827,051 Warrants B as at the LPD

### 5.5 Convertible securities

Save as disclosed below, the Company does not have any other convertible securities as at the LPD:-

i. 90,428,430 outstanding Warrants B which are exercisable into 90,428,430 new JRB Shares at an exercise price of RM0.64 each and will expire on 13 December 2023; and

ii. 8,310,000 outstanding LTIP Options which are exercisable into 8,310,000 new JRB Shares at an exercise price of RM1.40 each.

Further, as at the LPD, there is no award of JRB Shares to the executive directors and senior management of the Group pursuant to the share grant plan under the LTIP.

The Proposed Rights Issue with Warrants may give rise to the adjustment to the exercise price and/ or additional number of LTIP Options and Warrants B pursuant to the relevant by-laws and deed poll.

Any necessary adjustments to the exercise price and additional number of LTIP Options and Warrants B to be issued arising from the Proposed Rights Issue with Warrants can only be finalised after the Entitlement Date in accordance with the provisions as contained in the relevant by-laws and deed poll. A notice will be despatched to the respective holders of the LTIP Options and Warrants B in the event of any such adjustments.

## 6. HISTORICAL SHARE PRICES

The monthly highest and lowest last transacted market prices of JRB Shares as traded on Bursa Securities for the 12 months from September 2019 to August 2020 are as set out below:-

| | **High RM** | **Low RM** |
|---|---|---|
| **<u>2019</u>** | | |
| September | 0.780 | 0.730 |
| October | 1.060 | 0.745 |
| November | 1.380 | 1.060 |
| December | 1.310 | 1.180 |
| **<u>2020</u>** | | |
| January | 1.480 | 1.180 |
| February | 1.540 | 1.240 |
| March | 1.290 | 0.675 |
| April | 1.050 | 0.790 |
| May | 1.140 | 0.875 |
| June | 1.000 | 0.860 |
| July | 0.975 | 0.770 |
| August | 0.810 | 0.750 |
| Last transacted market price on 21 May 2020 (being the date prior to the announcement dated 22 May 2020 in relation to the Original Proposed Rights Issue with Warrants) (RM) | | 1.050 |
| Last transacted market price on 10 July 2020 (being the date prior to the announcement dated 13 July 2020 in relation to the revisions to the Proposed Rights Issue with Warrants) (RM) | | 0.930 |
| Last transacted market price on the LPD (RM) | | 0.755 |

*(Source: Bloomberg)*

## 7. APPROVALS REQUIRED/ OBTAINED

The Proposed Rights Issue with Warrants is subject to the following approvals being obtained:-

i. Bursa Securities for the following, which was obtained vide its letter dated 27 August 2020:-

   a) listing and quotation of up to 2,413,662,345 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;

   b) admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of up to 1,206,831,172 Warrants;

   c) listing and quotation of up to 151,906,604 Additional Warrants B; and

   d) listing and quotation of up to 1,206,831,172 and 151,906,604 new JRB Shares to be issued arising from the exercise of the Warrants and the Additional Warrants B, respectively,

   on the Main Market of Bursa Securities, subject to the following conditions:-

| Condition | | Status of compliance |
|---|---|---|
| a) | JRB and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Rights Issue with Warrants; | Noted |
| b) | JRB and Kenanga IB to inform Bursa Securities and make immediate announcement on the entitlement basis, issue price of the Rights Shares, discount on the issue price, number of Rights Shares and Warrants to be issued and the exercise price of the Warrants, once it has been decided; | To be complied |
| c) | JRB and Kenanga IB to inform Bursa Securities upon completion of the Proposed Rights Issue with Warrants; | To be complied |
| d) | JRB and Kenanga IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue with Warrants is completed; | To be complied |
| e) | JRB to furnish Bursa Securities on a quarterly basis a summary of the total number of new ordinary shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with its detailed computation of the listing fees payable; | To be complied |
| f) | If applicable, payment of additional listing fee based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable; and | To be complied |
| g) | To incorporate Bursa Securities' comments in respect of the draft circular to shareholders. | Complied |

ii. shareholders of JRB at the forthcoming EGM of the Company; and

iii. any other relevant authorities, if required.

The voting on the resolution pertaining to the Proposed Rights Issue with Warrants at the forthcoming EGM of the Company will be taken on a poll, the results of which will be validated by an independent scrutineer to be appointed.

## 8. INTER-CONDITIONALITY OF THE PROPOSED RIGHTS ISSUE WITH WARRANTS

The Proposed Rights Issue with Warrants is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

None of the Directors major shareholder, and/ or chief executive of JRB and/ or persons connected with them (as defined in the Main Market Listing Requirements of Bursa Securities) have any interest in the Proposed Rights Issue with Warrants, except for their respective entitlements as shareholders of the Company under the Proposed Rights Issue with Warrants including the right to apply for additional Rights Shares under the excess Rights Shares application, which are also available to all existing shareholders of the Company.

## 10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Rights Issue with Warrants (being the subject matter of this Circular), there are no other corporate exercises which have been announced by JRB but yet to be completed as at the date of this Circular.

## 11. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Rights Issue with Warrants (including but not limited to the rationale and justification as well as the effects of the Proposed Rights Issue with Warrants), is of the opinion that the Proposed Rights Issue with Warrants is in the best interests of the Company. As such, the Board recommends the shareholders of JRB to vote in favour for the resolution pertaining to the Proposed Rights Issue with Warrants to be tabled at the forthcoming EGM of the Company.

## 12. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Rights Issue with Warrants is expected to be completed by the fourth quarter of 2020.

The tentative timetable in relation to the Proposed Rights Issue with Warrants is set out below:-

| Tentative date | Events |
|---|---|
| 24 September 2020 | • Convening of EGM to obtain approval for the Proposed Rights Issue with Warrants |
| Early October 2020 | • Announcement on the final entitlement basis for the Proposed Rights Issue with Warrants and price-fixing of issue price of the Rights Shares as well as the exercise price of the Warrants<br>• Announcement of the Entitlement Date for the Proposed Rights Issue with Warrants |

| Tentative date | Events |
|---|---|
| Mid October 2020 | • Entitlement Date for the Proposed Rights Issue with Warrants<br>• Issuance of abridged prospectus in relation to the Proposed Rights Issue with Warrants |
| Early November 2020 | • Closing date of acceptances and applications for the Proposed Rights Issue with Warrants |
| Mid November 2020 | • Listing and quotation of the Rights Shares and the Warrants on the Main Market of Bursa Securities |

## 13. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to 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 Thursday, 24 September 2020 at 10.00 a.m., for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Rights Issue with Warrants.

If the shareholder of JRB is unable to attend, participate, speak and vote in person at the forthcoming EGM, the shareholder of JRB is requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event, to be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the stipulated time for holding the EGM. The lodging of the Form of Proxy shall not preclude the shareholder of JRB from attending, participating, speaking and voting in person at the EGM should the shareholder of JRB subsequently wish to do so.

## 14. FURTHER INFORMATION

Shareholders of JRB are advised to refer to the Appendices as set out in this Circular for further information.

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

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

The indicative salient terms of the Warrants are as set out below:-

| | | |
|---|---|---|
| Form and denomination | : | The Warrants will be separately traded and will be issued in registered form and constituted by a Deed Poll. |
| Exercise rights | : | Warrants entitle the registered holders, at any time during the Exercise Period, to subscribe for new Shares on the basis of 1 new JRB Share for 1 Warrant at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll. |
| Tenure of Warrants | : | 5 years from the date of issuance of the Warrants. |
| Exercise Period | : | The Warrants may be exercised at any time within a period of 5 years commencing from and including the date of issuance of the Warrants and ending at 5.00 p.m. on the Expiry Date. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid. |
| Exercise Price | : | The exercise price of the Warrants will be determined and fixed by the Board at a later date after receipt of all relevant approvals but before the announcement of the Entitlement Date |
| Expiry Date | : | A date being 5 years from and including the date of issuance of the Warrants. |
| Mode of exercise | : | The registered holder of the Warrant is required to lodge a subscription form with the Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia. |
| Mode of transfer | : | The Warrants may be transferred in accordance with the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd, and traded on Bursa Securities and subject to the provisions thereof, the Warrants shall be transferable in a board lot of 100 Warrants carrying the right to subscribe for 100 new JRB Shares, or in multiples thereof or in such other denomination as may be determined by Bursa Securities. No person shall be recognised by the Company as having title to the Warrants entitling the Warrant holder thereof to subscribe for a fractional part of a JRB Share or otherwise than as the sole holder of the entirety of such JRB Share and save as provided under the Deed Poll, the Warrants shall not be transferred prior to the listing and quotation of the Warrants on the Bursa Securities. |
| Participation of Warrant holders and Voting Rights of Warrants | : | The Warrant holders are not entitled to any voting right or participation in any forms of distribution and/ or further securities in the Company until and unless such Warrant holders exercise the Warrants for the new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to the Warrant holders. Each Warrant holder shall be deemed to remain the registered holder of Warrants credited in his/ her securities account until the name of the transferee is entered in the Record of Depositors. |
| Status of new Shares arising from the exercise of the Warrants | : | The new JRB Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing JRB Shares, save and except that the new JRB Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/ or any other distributions that may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the new JRB Shares to be issued arising from the exercise of the Warrants. |

| | | |
|---|---|---|
| Listing status | : | The Warrants shall be listed and quoted on the Main Market of Bursa Securities. |
| Board lot | : | For the purpose of trading on the Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new JRB Shares at any time during the Exercise Period, or such denomination as determined by Bursa Securities. |
| Adjustments in the Exercise Price and/ or number of Warrants | : | The Exercise Price and/ or number of unexercised Warrants may be adjusted, calculated or determined by the Board from time to time, at any time during the tenure of the Warrants in consultation with its professional advisers and certified by the auditors, in the event of alteration to the share capital of the Company, whether by way of, amongst others, rights issue, bonus issue, consolidation or subdivision or conversion of shares, reduction of capital, issuance of shares to shareholders of the Company by way of capitalisation of profits or reserves or capital distribution or allotment of shares, offer or invitation to its shareholders or any other events in accordance with the provisions of the Deed Poll. |
| Modification | : | Save as expressly provided in the Deed Poll, no amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant holders.<br><br>Any modification, amendment or addition to the Deed Poll (including the form and content of the warrant certificate) may be effected only (i) by deed executed by the Company and expressed to be supplemental thereof and (ii) subject to the provisions of the Deed Poll, if the approval of the Warrant holders by way of a special resolution has been obtained. |
| Rights in the Event of Winding-up Liquidation, Compromise and/ or Arrangement | : | Where a resolution has been passed for a member's voluntary winding up of the Company, or where there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies, then for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation, arrangement or merger in which the Company is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by a special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant holders in the event a notice is given by the Company to its shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, and in any other case and subject to the provisions of the Deed Poll, every Warrant holder shall thereupon be entitled to exercise his Warrants at any time not more than 21 days prior to the proposed general meeting of the Company by submitting the subscription forms (by irrevocably surrendering his Warrants to the Company) duly completed authorising the debiting of his Warrants together with payment of the relevant Exercise Price, whereupon the Company shall as soon as possible but in any event prior to the date of the general meeting, allot the relevant new JRB Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company which would available in liquidation if he had on such date been the holder of the new JRB Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. |
| Governing Law | : | Laws and regulations of Malaysia. |

UHY

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Date: 3 September 2020

The Board of Directors
JAKS Resources Berhad
Unit B-09-28, Tower B
Pacific Towers, Jalan 13/6
Section 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

**JAKS RESOURCES BERHAD ("JAKS" OR "THE COMPANY") AND ITS SUBSIDIARIES (COLLECTIVELY KNOWN AS "JAKS GROUP" OR "THE GROUP") PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

We have completed our assurance engagement to report on the compilation of Pro forma Consolidated Statements of Financial Position of JAKS Group as at 31 December 2019, together with the accompanying notes thereto which have been prepared by the Directors of the Company ("Directors").

The Pro forma Consolidated Statements of Financial Position are prepared for the illustrative purposes only for inclusion in the circular to the shareholders of JAKS ("Circular") in connection with the proposed renounceable rights issue of new ordinary shares in JAKS ("JAKS Shares") ("Rights Shares") together with free detachable warrants in JAKS ("Warrants C") to raise proceeds of up to RM289.64 million ("Proposal" or "Proposed Rights Issue with Warrants").

The actual number of Rights Shares and Warrants to be issued and the actual capital outlay will depend on the final entitlement basis for the Proposal as well as the final issue price of the Rights Shares.

The Pro forma Consolidated Statements of Financial Position have been compiled by the Directors to illustrate the impact of the Proposal on the Consolidated Statements of Financial Position of the JAKS Group as at 31 December 2019 had the Proposal been effected on that date, set out in Appendix A and the notes set out in the accompanying Notes 3 to 9 to the Pro forma Consolidated Statements of Financial Position in this letter.

As part of this process, information about the financial position has been extracted by the Directors from the relevant financial statements as at 31 December 2019, on which an audit report has been published.

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**The Directors' Responsibility for the Pro forma Consolidated Statements of Financial Position**

The Directors are responsible for compiling the Pro forma Consolidated Statements of Financial Position on the basis set out in the accompanying notes thereto.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentially and professional behaviour.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Our Responsibilities**

Our responsibility is to express an opinion about whether the Pro forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis set out in the accompanying notes thereto.

We conducted our engagement in accordance with the International Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus* issued by the Malaysian Institute of Accountants. This standard requires us to comply with the ethical requirements and plan and perform procedures to obtain reasonable assurance on whether the Directors have compiled, in all material respects, the pro forma financial information on the basis set out in the accompanying notes thereto.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro forma Consolidated Statements of Financial Position.

The purpose of the Pro forma Consolidated Statements of Financial Position included in the Circular in relation to the Proposal is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

**Our Responsibilities (Cont'd)**

A reasonable assurance engagement to report on whether the Pro forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of Pro forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence on whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Pro forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the Pro forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro forma Consolidated Statements of Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

(i) the Pro forma Consolidated Statements of Financial Position, which have been prepared by the Directors, have been properly prepared on the basis stated in the accompanying Note 1 in Appendix A to the Pro forma Consolidated Statements of Financial Position using financial statements prepared in accordance with Malaysian Financial Reporting Standards and in a manner consistent with both the format to the financial statements and the accounting policies adopted by the Company; and

(ii) each material adjustments made to the information used in the preparation of the Pro forma Consolidated Statements of Financial Position is appropriate for the purpose of preparing the Pro forma Consolidated Statements of Financial Position.

UHY

**Other Matters**

This letter has been prepared for the purpose of inclusion in the Circular. Our work had been carried out in accordance with International Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Proposals described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Proposals.

Yours faithfully,

UHY
Firm Number: AF 1411
Chartered Accountants

TIO SHIN YOUNG
Approved Number: 03355/02/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

The Pro forma Consolidated Statement of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the audited Consolidated Statement of Financial Position of the JAKS Group as at 31 December 2019 and also based on the assumptions that the following events had been effected on that date. The Pro forma should be read in conjunction with the notes accompanying the Pro forma Statements of Financial Position of the Group.

**Minimum Scenario**

| | Note | JAKS Group Level 31 December 2019 RM | Pro forma I After the subsequent events up to the LPD RM | Pro forma IV After the Proposed Rights Issue with Warrants RM | Pro forma V Assuming full exercise of Warrants C RM |
|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | | |
| Property, plant and equipment | | 946,305 | 946,305 | 946,305 | 946,305 |
| Investment properties | | 690,010,953 | 690,010,953 | 690,010,953 | 690,010,953 |
| Right of use assets | | 2,163,171 | 2,163,171 | 2,163,171 | 2,163,171 |
| Investment in joint ventures | | 357,408,194 | 357,408,194 | 357,408,194 | 357,408,194 |
| Goodwill on consolidation | | 128,135,992 | 128,135,992 | 128,135,992 | 128,135,992 |
| Golf club memberships | | 318,420 | 318,420 | 318,420 | 318,420 |
| | | 1,178,983,035 | 1,178,983,035 | 1,178,983,035 | 1,178,983,035 |
| **CURRENT ASSETS** | | | | | |
| Inventories | | 76,572,448 | 76,572,448 | 76,572,448 | 76,572,448 |
| Trade receivables | | 295,779,409 | 295,779,409 | 295,779,409 | 295,779,409 |
| Contract assets | | 301,157,703 | 301,157,703 | 301,157,703 | 301,157,703 |
| Other receivables, deposits and prepayments | | 233,359,766 | 233,359,766 | 233,359,766 | 233,359,766 |
| Amount due from joint ventures | | 9,203,213 | 9,203,213 | 9,203,213 | 9,203,213 |
| Tax recoverable | | 2,265,665 | 2,265,665 | 2,265,665 | 2,265,665 |
| Deposits placed with licensed banks | | 49,233,523 | 49,233,523 | 49,233,523 | 49,233,523 |
| Cash and bank balances | 3 | 102,253,349 | 109,933,349 | 298,333,349 | 531,666,682 |
| | | 1,069,825,076 | 1,077,505,076 | 1,265,905,076 | 1,499,238,409 |
| **Total Assets** | | 2,248,808,111 | 2,256,488,111 | 2,444,888,111 | 2,678,221,444 |

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**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**AS AT 31 DECEMBER 2019 (CONT'D)**

**Minimum Scenario (Cont'd)**

| | Note | JAKS Group Level 31 December 2019 RM | Pro forma I After the subsequent events up to the LPD RM | Pro forma IV After the Proposed Rights Issue with Warrants RM | Pro forma V Assuming full exercise of Warrants C RM |
|---|---|---|---|---|---|
| **EQUITY** | | | | | |
| Share capital | 4 | 659,642,281 | 670,322,281 | 870,322,281 | 1,103,655,614 |
| Translation reserves | | (11,550,719) | (11,550,719) | (11,550,719) | (11,550,719) |
| LTIP reserves | 5 | 2,576,100 | 2,576,100 | 2,576,100 | 2,576,100 |
| Warrant reserves | 6 | 25,607,108 | 22,607,108 | 147,607,108 | 22,607,108 |
| Other reserves | 7 | - | - | (125,000,000) | - |
| Retained earnings | 8 | 301,674,300 | 301,674,300 | 296,074,300 | 296,074,300 |
| Equity attributable to owners of the Parent | | 977,949,070 | 985,629,070 | 1,180,029,070 | 1,413,362,403 |
| Non-controlling interests | | (58,094,184) | (58,094,184) | (58,094,184) | (58,094,184) |
| **Total Equity** | | 919,854,886 | 927,534,886 | 1,121,934,886 | 1,355,268,219 |
| **NON-CURRENT LIABILITIES** | | | | | |
| Bank borrowings | | 306,000,000 | 306,000,000 | 306,000,000 | 306,000,000 |
| Lease liabilities | | 232,101 | 232,101 | 232,101 | 232,101 |
| | | 306,232,101 | 306,232,101 | 306,232,101 | 306,232,101 |
| **CURRENT LIABILITIES** | | | | | |
| Trade payables | | 446,535,756 | 446,535,756 | 446,535,756 | 446,535,756 |
| Other payables | | 458,969,621 | 458,969,621 | 458,969,621 | 458,969,621 |
| Bank borrowings | 9 | 115,454,452 | 115,454,452 | 109,454,452 | 109,454,452 |
| Lease liabilities | | 1,279,715 | 1,279,715 | 1,279,715 | 1,279,715 |
| Tax payable | | 481,580 | 481,580 | 481,580 | 481,580 |
| | | 1,022,721,124 | 1,022,721,124 | 1,016,721,124 | 1,016,721,124 |
| **Total Liabilities** | | 1,328,953,225 | 1,328,953,225 | 1,322,953,225 | 1,322,953,225 |
| **Total Equity and Liabilities** | | 2,248,808,111 | 2,256,488,111 | 2,444,888,111 | 2,678,221,444 |
| No of shares (excluding treasury shares) | | 643,118,445 | 655,118,445 | 2,321,785,111 | 3,155,118,444 |
| Net assets | | 977,949,070 | 985,629,070 | 1,180,029,070 | 1,413,362,403 |
| NA per share (RM) | | 1.52 | 1.50 | 0.51 | 0.45 |
| Borrowings | | 421,454,452 | 421,454,452 | 415,454,452 | 415,454,452 |
| Gearing ratio (times) | | 0.43 | 0.43 | 0.35 | 0.29 |

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

The Pro forma Consolidated Statement of Financial Position as set out below have been prepared for illustrative purposes only to show the effect on the audited Consolidated Statement of Financial Position of the JAKS Group as at 31 December 2019 and also based on the assumptions that the following events had been effected on that date. The Pro forma should be read in conjunction with the notes accompanying the Pro forma Statements of Financial Position of the Group.

**Maximum Scenario**

| | Note | JAKS Group Level 31 December 2019 RM | Pro forma I After the subsequent events up to the LPD RM | Pro forma II Assuming full exercise of outstanding Warrants B RM | Pro forma III Assuming full granting and exercise of share options RM | Pro forma IV After the Proposed Rights Issue with Warrants RM | Pro forma V Assuming full exercise of Warrants C RM |
|---|---|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | | | | |
| Property, plant and equipment | | 946,305 | 946,305 | 946,305 | 946,305 | 946,305 | 946,305 |
| Investment properties | | 690,010,953 | 690,010,953 | 690,010,953 | 690,010,953 | 690,010,953 | 690,010,953 |
| Right of use assets | | 2,163,171 | 2,163,171 | 2,163,171 | 2,163,171 | 2,163,171 | 2,163,171 |
| Investment in joint ventures | | 357,408,194 | 357,408,194 | 357,408,194 | 357,408,194 | 357,408,194 | 357,408,194 |
| Goodwill on consolidation | | 128,135,992 | 128,135,992 | 128,135,992 | 128,135,992 | 128,135,992 | 128,135,992 |
| Golf club memberships | | 318,420 | 318,420 | 318,420 | 318,420 | 318,420 | 318,420 |
| | | 1,178,983,035 | 1,178,983,035 | 1,178,983,035 | 1,178,983,035 | 1,178,983,035 | 1,178,983,035 |

Appendix A

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**Maximum Scenario (Cont'd)**

| | Note | JAKS Group Level 31 December 2019 RM | Pro forma I After the subsequent events up to the LPD RM | Pro forma II Assuming full exercise of outstanding Warrants B RM | Pro forma III Assuming full granting and exercise of share options RM | Pro forma IV After the Proposed Rights Issue with Warrants RM | Pro forma V Assuming full exercise of Warrants C RM |
|---|---|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | | | |
| Inventories | | 76,572,448 | 76,572,448 | 76,572,448 | 76,572,448 | 76,572,448 | 76,572,448 |
| Trade receivables | | 295,779,409 | 295,779,409 | 295,779,409 | 295,779,409 | 295,779,409 | 295,779,409 |
| Contract assets | | 301,157,703 | 301,157,703 | 301,157,703 | 301,157,703 | 301,157,703 | 301,157,703 |
| Other receivables, deposits and prepayment | | 233,359,766 | 233,359,766 | 233,359,766 | 233,359,766 | 233,359,766 | 233,359,766 |
| Amount due from joint ventures | | 9,203,213 | 9,203,213 | 9,203,213 | 9,203,213 | 9,203,213 | 9,203,213 |
| Tax recoverable | | 2,265,665 | 2,265,665 | 2,265,665 | 2,265,665 | 2,265,665 | 2,265,665 |
| Deposits placed with licensed banks | | 49,233,523 | 49,233,523 | 49,233,523 | 49,233,523 | 49,233,523 | 49,233,523 |
| Cash and bank balances | 3 | 102,253,349 | 109,933,349 | 167,807,544 | 214,929,612 | 492,969,094 | 830,881,822 |
| | | 1,069,825,076 | 1,077,505,076 | 1,135,379,271 | 1,182,501,339 | 1,460,540,821 | 1,798,453,549 |
| **Total Assets** | | 2,248,808,111 | 2,256,488,111 | 2,314,362,306 | 2,361,484,374 | 2,639,523,856 | 2,977,436,584 |

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Appendix A

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**Maximum Scenario (Cont'd)**

| | Note | JAKS Group Level 31 December 2019 RM | Pro forma I After the subsequent events up to the LPD RM | Pro forma II Assuming full exercise of outstanding Warrants B RM | Pro forma III Assuming full granting and exercise of share options RM | Pro forma IV After the Proposed Rights Issue with Warrants RM | Pro forma V Assuming full exercise of Warrants C RM |
|---|---|---|---|---|---|---|---|
| **EQUITY** | | | | | | | |
| Share capital | 4 | 659,642,281 | 670,322,281 | 750,803,584 | 809,627,255 | 1,099,266,737 | 1,437,179,465 |
| Translation reserves | | (11,550,719) | (11,550,719) | (11,550,719) | (11,550,719) | (11,550,719) | (11,550,719) |
| LTIP reserves | 5 | 2,576,100 | 2,576,100 | 2,576,100 | - | - | - |
| Warrant reserves | 6 | 25,607,108 | 22,607,108 | - | - | 181,024,676 | - |
| Other reserves | 7 | - | - | - | - | (181,024,676) | - |
| Retained earnings | 8 | 301,674,300 | 301,674,300 | 301,674,300 | 292,548,797 | 286,948,797 | 286,948,797 |
| Equity attributable to owners of the Parent | | 977,949,070 | 985,629,070 | 1,043,503,265 | 1,090,625,333 | 1,374,664,815 | 1,712,577,543 |
| Non-controlling interests | | (58,094,184) | (58,094,184) | (58,094,184) | (58,094,184) | (58,094,184) | (58,094,184) |
| **Total Equity** | | 919,854,886 | 927,534,886 | 985,409,081 | 1,032,531,149 | 1,316,570,631 | 1,654,483,359 |
| **NON-CURRENT LIABILITIES** | | | | | | | |
| Bank borrowings | | 306,000,000 | 306,000,000 | 306,000,000 | 306,000,000 | 306,000,000 | 306,000,000 |
| Lease liabilities | | 232,101 | 232,101 | 232,101 | 232,101 | 232,101 | 232,101 |
| | | 306,232,101 | 306,232,101 | 306,232,101 | 306,232,101 | 306,232,101 | 306,232,101 |

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UHY CHARTERED ACCOUNTANTS (AF 1411)

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**Maximum Scenario (Cont'd)**

| | Note | JAKS Group Level 31 December 2019 RM | Pro forma I After the subsequent events up to the LPD RM | Pro forma II Assuming full exercise of outstanding Warrants B RM | Pro forma III Assuming full granting and exercise of share options RM | Pro forma IV After the Proposed Rights Issue with Warrants RM | Pro forma V Assuming full exercise of Warrants C RM |
|---|---|---|---|---|---|---|---|
| **CURRENT LIABILITIES** | | | | | | | |
| Trade payables | | 446,535,756 | 446,535,756 | 446,535,756 | 446,535,756 | 446,535,756 | 446,535,756 |
| Other payables | | 458,969,621 | 458,969,621 | 458,969,621 | 458,969,621 | 458,969,621 | 458,969,621 |
| Bank borrowings | 9 | 115,454,452 | 115,454,452 | 115,454,452 | 115,454,452 | 109,454,452 | 109,454,452 |
| Lease liabilities | | 1,279,715 | 1,279,715 | 1,279,715 | 1,279,715 | 1,279,715 | 1,279,715 |
| Tax payable | | 481,580 | 481,580 | 481,580 | 481,580 | 481,580 | 481,580 |
| | | 1,022,721,124 | 1,022,721,124 | 1,022,721,124 | 1,022,721,124 | 1,016,721,124 | 1,016,721,124 |
| **Total Liabilities** | | 1,328,953,225 | 1,328,953,225 | 1,328,953,225 | 1,328,953,225 | 1,322,953,225 | 1,322,953,225 |
| **Total Equity and Liabilities** | | 2,248,808,111 | 2,256,488,111 | 2,314,362,306 | 2,361,484,374 | 2,639,523,856 | 2,977,436,584 |
| No of shares (excluding treasury shares) | | 643,118,445 | 655,118,445 | 745,546,875 | 804,554,115 | 3,218,216,460 | 4,425,047,632 |
| Net assets | | 977,949,070 | 985,629,070 | 1,043,503,265 | 1,090,625,333 | 1,374,664,815 | 1,712,577,543 |
| NA per share (RM) | | 1.52 | 1.50 | 1.40 | 1.36 | 0.43 | 0.39 |
| Borrowings | | 421,454,452 | 421,454,452 | 421,454,452 | 421,454,452 | 415,454,452 | 415,454,452 |
| Gearing ratio (times) | | 0.43 | 0.43 | 0.40 | 0.39 | 0.30 | 0.24 |

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UHY CHARTERED ACCOUNTANTS (AF 1411)

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**1. Basis of Preparation**

The Pro forma Consolidated Statements of Financial Position of JAKS Group as at 31 December 2019 of which the Directors of JAKS Group are solely responsible, has been prepared for illustration purposes only, to show the effects on the audited Consolidated Statements of Financial Position of JAKS Group had the Proposed Rights Issue with Warrants been effected on that date, and should be read in conjunction with the notes accompanying thereto.

The Pro forma Consolidated Statements of Financial Position of JAKS Group as at 31 December 2019 has been prepared based on the audited Consolidated Statements of Financial Position of JAKS Group as at 31 December 2019.

The Pro forma Consolidated Statements of Financial Position of JAKS Group has been prepared in a manner consistent with both the format of the financial statements and the accounting policies of JAKS as disclosed in the JAKS's audited consolidated financial statements for the financial year ended 31 December 2019, which have been prepared by the Directors in accordance with the Malaysian Financial Reporting Standards in Malaysia.

**2. Proposed Rights Issue with Warrants**

The Proposed Rights Issue with Warrants entails the issuance of the Rights Shares together with the Warrants C to the entitled shareholders and/or their renouncees, if any, on an entitlement basis and an issue price to be determined later after obtaining all relevant approvals but before the announcement of the entitlement date of the Proposed Rights Issue with Warrants ("Entitlement Date").

The Company intends to raise a minimum gross proceeds of RM200.00 million from the Proposed Rights Issue with Warrants ("Minimum Subscription Level"). However, should all the entitled shareholders and/or their renounces, if any, subscribe in full for their respective entitlement under the Maximum Scenario (as defined herein) of the Proposed Rights Issue with Warrants, the Company may potentially raise up to RM289.64 million.

For illustrative purposes only, the pro forma effects of the Proposed Rights Issue with Warrants are presented based on the following parameters:

(i) An illustrative entitlement basis for the Proposed Rights Issue with Warrants of 3 Rights Shares for every 1 JAKS Share held, together with 1 Warrant C for every 2 Right Shares subscribed for;
(ii) An illustrative issue price of RM0.12 per Rights Share; and
(iii) An illustrative exercise price of RM0.28 per Warrant C.

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**2. Proposed Rights Issue with Warrants (Cont'd)**

The Pro forma consolidated statements of financial position of JAKS are presented into two (2) scenarios as follows:

**Minimum Scenario** : Assuming that none of the 90,428,430 outstanding warrants 2018/2023 in JAKS ("Warrants B") and 8,310,000 outstanding share options granted under the Company's existing Long Term Incentive Plan ("LTIP") are exercised into new JAKS Shares prior to the Entitlement Date and the Proposed Right Issue with Warrants is undertaken based on the Minimum Subscription Level

**Maximum Scenario** : Assuming all of the 90,428,430 outstanding Warrants B and 8,310,000 outstanding share options under the Company's existing LTIP are exercised, and 59,007,240 share options are granted and exercised into a total of 149,435,670 new JAKS Shares prior to the Entitlement Date and all the Entitled Shareholders and/or their renouncee(s), if any, fully subscribe for their respective entitlements under the Proposed Rights Issue with Warrants.

The Pro forma Consolidated Statements of Financial Position of JAKS Group has been prepared assuming the following Proposed Rights Issue with Warrants are effected as at 31 December 2019. The Proposed Right Issue with Warrants to be undertaken by JAKS Group comprise the following:-

**Pro forma I**

The Pro forma I incorporates the effect of subsequent adjustments up to and including 28 August 2020, being the latest practicable date prior to the printing of the Circular ("LPD"), that have a financial impact to the consolidated statement of financial position of JAKS after 31 December 2019 as below:

**Exercise of Warrants B**

As at the LPD, the Company has 90,428,430 outstanding Warrants B which are exercisable into 90,428,430 JAKS Shares at an exercise price of RM0.64 each and will expire on 13 December 2023. On 23 January 2020, the Company completed the issuance of 8,000,000 new JAKS Shares pursuant to the exercise of 8,000,000 Warrants B at an issue price of RM0.64 each for total cash consideration of RM5,120,000. On 23 July 2020, the Company completed the issuance of 4,000,000 new JAKS Shares pursuant to the exercise of 4,000,000 Warrants B at an issue price of RM0.64 each for total cash consideration of RM2,560,000.

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**2. Proposed Rights Issue with Warrants (Cont'd)**

**Pro forma II (Applicable to Maximum Scenario Only)**

The Pro forma II incorporates the effect of Pro forma I and assuming all the outstanding Warrants B are exercised as below:

**Exercise of outstanding Warrants B**

The issuance of 90,428,430 new JAKS Shares arising from the exercise of 90,428,430 outstanding Warrants B at the exercise price of RM0.64 per Warrant B which raises gross proceed of RM57,874,195 gives rise to an increase in the issued share capital by RM57,874,195.

The reversal of warrant reserve of a total of RM22,607,108 to the share capital account.

**Pro forma III (Applicable to Maximum Scenario Only)**

The Pro forma III incorporates the effect of Pro forma II and assuming the full granting and exercise of share options as below:

**(a) Full exercise of share options under first grant plan**

The issuance of 8,310,000 new JAKS Shares arising from the exercise of 8,310,000 outstanding share options under first grant plan at the exercise price of RM1.40 per share option which raises gross proceed of RM11,634,000 gives rise to an increase in the issued share capital by RM11,634,000.

The reversal of LTIP reserves of a total of RM2,576,100 to the share capital account.

**(b) Grant and full exercise of share options under second grant plan**

The issuance of 50,697,240 new JAKS Shares arising from the granting and exercise of 50,697,240 share options under second grant plan at the exercise price of RM0.70 per share option which raises gross proceed of RM35,488,068 gives rise to an increase in the issued share capital by RM35,488,068.

The reversal of retained earnings of a total of RM9,125,503 to the share capital account.



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UHY CHARTERED ACCOUNTANTS (AF 1411)

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**2. Proposed Rights Issue with Warrants (Cont'd)**

**Pro forma III (Applicable to Maximum Scenario Only) (Cont'd)**

**(b) Grant and Full Exercise of Share Options under second grant plan (Cont'd)**

The fair value of share options that may be granted is estimated using the Black-Scholes pricing valuation from Bloomberg based on the following key assumption:

| | | |
|---|---|---|
| a) | Fair value | RM0.18 per Option |
| b) | Exercise price | RM0.70 per Option |
| c) | Volatility rate | 61.90% |
| d) | Risk free interest rate | 3.09% per annum |
| e) | Expected dividend yield | Nil |

**Pro forma IV (Minimum Scenario)**

The Pro forma IV incorporates the effect of Pro forma I and Proposed Right Issue with Warrants as below:

**Proposed Rights Issue with Warrants**

The issuance and subscription of 2,413,662,345 Rights Shares together with 1,206,831,172 Warrants C at an illustrative issue price of RM0.12 per Rights Share which raise gross proceeds of RM200,000,000 and give rise to an increase of RM200,000,000 in the issued share capital account.

The gross proceeds are intended to be utilised in the following manners:

| | RM'000 |
|---|---|
| Subscription of additional 30.00 million ordinary shares of USD 1.00 each in JAKS Pacific Power Limited ("JPP USD Shares") | 128,400 |
| Future business projects or investments | 20,000 |
| Partial repayment of borrowings | 31,581 |
| Preliminary expenses in relation to venture into new construction projects in Vietnam | 10,000 |
| Working capital requirements | 4,419 |
| Estimated expenses for the Proposed Rights Issue with Warrants | 5,600 |
| | **200,000** |

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**2. Proposed Rights Issue with Warrants (Cont'd)**

**Pro forma IV (Minimum Scenario) (Cont'd)**

**Proposed Rights Issue with Warrants (Cont'd)**

The fair value of Warrants C is estimated using the Trinomial option pricing valuation from Bloomberg based on the following key assumption:

| | | |
|---|---|---|
| a) | Fair value | RM0.15 per Warrant |
| b) | Exercise price | RM0.28 per Warrant |
| c) | Theoretical ex-right price | RM0.28 per JAKS Share |
| d) | Volatility rate | 61.90% |
| e) | Risk free interest rate | 3.78% per annum |
| f) | Expected dividend yield | Nil |
| g) | Tenure of Warrants C | 5 years from date of issuance of Warrants C |

**Pro forma IV (Maximum Scenario)**

The Pro forma IV incorporates the effect of Pro forma III and the Proposed Rights Issue with Warrants as below:

**Proposed Rights Issue with Warrants**

The issuance and subscription of 2,413,662,345 Rights Shares together with 1,206,831,172 Warrants C at an illustrative issue price of RM0.12 per Right Share to raise a gross proceeds of RM289,639,482 and give rise to an increase of RM289,639,482 in the issued share capital account.

The gross proceeds are intended to be utilised in the following manners:

| | RM'000 |
|---|---|
| Subscription of additional 30.00 million JPP USD Shares | 128,400 |
| Future business projects or investments | 80,000 |
| Partial repayment of bank borrowings | 31,581 |
| Preliminary expenses for venture into construction projects in Vietnam | 25,000 |
| Working capital requirement | 19,058 |
| Estimated expenses for the Proposed Right Issue with Warrants | 5,600 |
| | **289,639** |

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**2. Proposed Rights Issue with Warrants (Cont'd)**

**<u>Pro forma IV (Maximum Scenario)</u>**

**Proposed Rights Issue with Warrants (Cont'd)**

The fair value of Warrants C is estimated using the Trinomial option pricing valuation from Bloomberg based on the following key assumption:

| | | |
|---|---|---|
| a) | Fair value | RM0.15 per Warrant |
| b) | Exercise price | RM0.28 per Warrant |
| c) | Theoretical ex-right price | RM0.28 per JAKS Share |
| d) | Volatility rate | 61.90% |
| e) | Risk free interest rate | 3.78% per annum |
| f) | Expected dividend yield | Nil |
| g) | Tenure of Warrants C | 5 years from date of issuance of Warrants C |

**<u>Pro forma V (Minimum Scenario)</u>**

The Pro forma V incorporates the effect of Pro forma IV and the effect of assuming full exercise of Warrants C as below:

**Exercise of Warrants C**

The issuance of 833,333,333 new JAKS shares arising from the exercise of 833,333,333 Warrants C at an illustrative exercise price of RM0.28 per Warrant C to raise a gross proceed of RM233,333,333 and gives rise to an increase in the issued share capital by RM233,333,333.

**<u>Pro forma V (Maximum Scenario)</u>**

The Pro forma V incorporates the effect of Pro forma IV and the effect of assuming full exercise of Warrants C as below:

**Exercise of Warrants C**

The issuance of 1,206,831,173 new JAKS shares arising from the exercise of 1,206,831,173 Warrants C at an illustrative exercise price of RM0.28 per Warrant C to raise a gross proceeds of RM337,912,728 and gives rise to an increase in the issued share capital by RM337,912,728.

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**3. Cash and bank balances**

| | Minimum Scenario RM | Maximum Scenario RM |
|---|---|---|
| As at 31 December 2019 | 102,253,349 | 102,253,349 |
| Proceeds from Warrant B | 7,680,000 | 7,680,000 |
| As per Pro forma I | 109,933,349 | 109,933,349 |
| Assuming full exercise of outstanding Warrants B | - | 57,874,195 |
| As per Pro forma II | 109,933,349 | 167,807,544 |
| Assuming full granting and exercise of share options | - | 47,122,068 |
| As per Pro forma III | 109,933,349 | 214,929,612 |
| Proposed Right Issue with Warrants | 200,000,000 | 289,639,482 |
| Repayment of bank borrowings from proceeds arising from the Proposed Rights Issue with Warrants | (6,000,000) | (6,000,000) |
| Estimated expenses in relation to Proposed Rights Issue with Warrants | (5,600,000) | (5,600,000) |
| As per Pro forma IV | 298,333,349 | 492,969,094 |
| Assuming full exercise of Warrants C | 233,333,333 | 337,912,728 |
| As per Pro forma V | 531,666,682 | 830,881,822 |



STAMPED FOR IDENTIFICATION PURPOSES ONLY
UHY CHARTERED ACCOUNTANTS (AF 1411)

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**4. Share capital**

| | Minimum Scenario RM | Maximum Scenario RM |
|---|---|---|
| As at 31 December 2019 | 659,642,281 | 659,642,281 |
| Issuance of new ordinary shares by way of exercise Warrants B | 10,680,000 | 10,680,000 |
| As per Pro forma I | 670,322,281 | 670,322,281 |
| Assuming full exercise of outstanding Warrants B | - | 80,481,303 |
| As per Pro forma II | 670,322,281 | 750,803,584 |
| Assuming full granting and exercise of share options | - | 58,823,671 |
| As per Pro forma III | 670,322,281 | 809,627,255 |
| Proposed Right Issue with Warrants | 200,000,000 | 289,639,482 |
| As per Pro forma IV | 870,322,281 | 1,099,266,737 |
| Assuming full exercise of Warrants C | 233,333,333 | 337,912,728 |
| As per Pro forma V | 1,103,655,614 | 1,437,179,465 |

**5. LTIP reserves**

| | Minimum Scenario RM | Maximum Scenario RM |
|---|---|---|
| As at 31 December 2019/ As per Pro forma I and II | 2,576,100 | 2,576,100 |
| Assuming full granting and exercise of share options | - | (2,576,100) |
| As per Pro forma III, IV and V | 2,576,100 | - |

- 14 -

STAMPED FOR IDENTIFICATION PURPOSES ONLY UHY CHARTERED ACCOUNTANTS (AF 1411)

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**6. Warrant reserves**

| | Minimum Scenario RM | Maximum Scenario RM |
|---|---|---|
| As at 31 December 2019 | 25,607,108 | 25,607,108 |
| Exercise of Warrants B | (3,000,000) | (3,000,000) |
| As per Pro forma I | 22,607,108 | 22,607,108 |
| Assuming full exercise of outstanding Warrants B | - | (22,607,108) |
| As per Pro forma II and III | 22,607,108 | - |
| Proposed Right Issue with Warrants | 125,000,000 | 181,024,676 |
| As per Pro forma IV | 147,607,108 | 181,024,676 |
| Assuming full exercise of Warrants C | (125,000,000) | (181,024,676) |
| As per Pro forma V | 22,607,108 | - |

**7. Other reserves**

| | Minimum Scenario RM | Maximum Scenario RM |
|---|---|---|
| As at 31 December 2019/ As per Pro forma I, II and III | - | - |
| Proposed Rights Issue with Warrants | (125,000,000) | (181,024,676) |
| As per Pro forma IV | (125,000,000) | (181,024,676) |
| Assuming full exercise of Warrants C | 125,000,000 | 181,024,676 |
| As per Pro forma V | - | - |

**Appendix A**

**JAKS RESOURCES BERHAD AND ITS SUBSIDIARIES**
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019 (CONT'D)**

**8. Retained earnings**

| | Minimum Scenario RM | Maximum Scenario RM |
|---|---|---|
| As at 31 December 2019/ As per Pro forma I and II | 301,674,300 | 301,674,300 |
| Assuming full granting and exercise of share options | - | (9,125,503) |
| As per Pro forma III | 301,674,300 | 292,548,797 |
| Estimated expenses in relation to Proposed Rights Issue with Warrants | (5,600,000) | (5,600,000) |
| As per Pro forma IV and V | 296,074,300 | 286,948,797 |

**9. Bank borrowings – current liabilities**

| | Minimum Scenario RM | Maximum Scenario RM |
|---|---|---|
| As at 31 December 2019/ As per Pro forma I, II and III | 115,454,452 | 115,454,452 |
| Repayment of bank borrowings from proceeds arising from the Proposed Rights Issue with Warrants | (6,000,000) | (6,000,000) |
| As per Pro forma IV and V | 109,454,452 | 109,454,452 |

## 1. DIRECTORS' RESPONSIBILITY STATEMENT

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

## 2. CONSENT AND DECLARATION OF CONFLICT OF INTERESTS

### 2.1 Kenanga IB

Kenanga IB, being the Principal Adviser to the Company in respect of the Proposed Rights Issue with Warrants, 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.

As at the LPD, Kenanga IB has extended the Loan Facility of up to RM30.00 million to the Company. For the avoidance of doubt, the Loan Facility has not been drawn down as at the LPD.

The Loan Facility extended by Kenanga IB to the Company represents 7.68% of the total borrowings of the Group as at the LPD of RM390.65 million, whereas the Loan Facility extended by Kenanga IB to the Company represents 3.32% of the audited consolidated NA of Kenanga IB as at 31 December 2019 of RM904.29 million.

The Company will fully repay the Loan Facility via proceeds to be raised from the Proposed Rights Issue with Warrants.

Notwithstanding the above, Kenanga IB is of the opinion that concerns of any possible conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to the Company for the Proposed Rights Issue with Warrants are mitigated by the following:-

i. the Loan Facility was provided by Kenanga IB on an arms' length basis and in the ordinary course of its business;

ii. the Loan Facility is extended by Kenanga IB to the Company to finance the Group's immediate funding requirements in respect of the Subscription;

iii. the corporate finance division of Kenanga IB is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations. In any event, the team in-charge of the Proposed Rights Issue with Warrants in Kenanga IB is independent from the team handling the Loan Facility. Further, there is no involvement by the corporate finance division of Kenanga IB in respect of any credit application process undertaken by other departments within Kenanga IB;

iv. the appointment of Kenanga IB as Principal Adviser for the Proposed Rights Issue with Warrants is in the ordinary course of its business as a licensed investment bank; and

v. the conduct of Kenanga IB in its investment banking business is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and Kenanga IB's own internal controls and checks which include, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

**2.2 UHY**

UHY, being the reporting accountants for the Proposed Rights Issue with Warrants, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the pro forma consolidated statement of financial position of the JRB Group as at 31 December 2019 together with the reporting accountants' letter and all references thereto in the form and context in which they appear in this Circular.

UHY has given its written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the reporting accountants to JRB for the Proposed Rights Issue with Warrants.

**3. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the JRB Group:-

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

Star Media Group Berhad ("**STAR**") had on 30 April 2019 served a Writ of Summons and Statement of Claim dated 19 April 2019 against the Company claiming that the Company as the corporate guarantor of JAKS Island Circle Sdn Bhd ("**JIC**"), a 50%-owned subsidiary of JRB, 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, the Company filed its Defence and Counterclaim against STAR for *inter alia* damages arising from injury to its reputation and business.

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

On 1 August 2019, STAR filed a Notice of Application for disposal of case on point of law and/ or striking out and/ or summary judgment pursuant to Order 14A, Order 18 Rule 19 and Order 81 of the Rules of Court 2012 ("**258 Application**").

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

The 258 Application was heard by the Court on 7 August 2020. The Court partly allowed STAR's application and ordered JRB to pay damages to STAR, being late payment interest at the rate of 8% per annum on the balance purchase price of RM134,500,000.00 from 25 October 2015 to 6 July 2020.

JRB filed an appeal against the Court's order on 21 August 2020 and also applied for a stay of execution of the Court's order on 22 August 2020.

The application for stay of execution is fixed for hearing on 14 October 2020.

An interim stay of execution has been granted by the Court pending disposal of the application for stay of execution.

JRB's solicitors are of the opinion that JRB has merits in its appeal and has a good chance of succeeding in its appeal and that there are special circumstances to warrant a stay of execution of the Court's order.

**ii. In the High Court of Malaya at Kuala Lumpur**
**Suit No. WA-22NCvC-374-05/2019**
**JRB and JAKS Island Circle Sdn Bhd v. Star Media Group Berhad**

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

a) a declaration that the Completion Period for JIC to deliver STAR's entitlement under the Sale and Purchase Agreement is on 20 June 2020;

b) a declaration that STAR has breached the Sale and Purchase Agreement;

c) a declaration that STAR is unjustly enriched;

d) the sum of RM248,242,987.62 to be paid to JIC as liquidated and ascertained damages;

e) the sum of RM297,035,481.00 to be paid to JRB 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.

On 1 August 2019, STAR filed a Notice of Application for disposal of case on point of law and/ or striking out pursuant to Order 14A and Order 18 Rule 19 of the Rules of Court 2012 ("**374 Application**").

The 374 Application was heard by the Court on 19 August 2020. The Court then fixed 28 September 2020 for decision.

JRB's solicitors are confident of the Company's and JIC's chances in succeeding their claims against STAR.

## 4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

### 4.1 Material commitments

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of the JRB Group:-

| | **RM'000** |
|---|---|
| Capital contribution contracted but not provided for in respect of subscription of the remaining of approximately 37.14 million JPP USD Shares amounting to approximately USD37.14 million pursuant to the Subscription Agreement | 155,617 |

### 4.2 Contingent liabilities

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable may have a material impact on the financial results or position of the Group:-

| | **RM'000** |
|---|---|
| **Unsecured** | |
| Bank guarantees issued for the execution of contracts of the Group's subsidiaries | 46,617 |

## 6. DOCUMENTS AVAILABLE FOR INSPECTION

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

i. Constitution of JRB;

ii. audited consolidated financial statements of JRB for the past 2 financial years up to financial year ended 31 December 2019 and the latest unaudited quarterly report of the JRB Group for the 6-month period ended 30 June 2020;

iii. letter of undertaking by the Undertaking Shareholder as referred to in Section 2.4 of this Circular;

iv. draft Deed Poll;

v. pro forma consolidated statement of financial position of the JRB Group as at 31 December 2019 together with the reporting accountants' letter as attached in Appendix II of this Circular;

vi. Subscription Agreement;

vii. letters of consent and declaration of conflict of interests referred to in Section 2 of Appendix III of this Circular; and

viii. the relevant cause papers in relation to the material litigation of the JRB Group as referred to in Section 3 of Appendix III of this Circular.

**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 ("**JRB**" 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 Thursday, 24 September 2020 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications the resolution set out below:-

**ORDINARY RESOLUTION**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES IN JRB ("JRB SHARES" OR "SHARES") ("RIGHTS SHARES") TOGETHER WITH FREE DETACHABLE WARRANTS IN JRB ("WARRANTS") TO RAISE PROCEEDS OF UP TO RM289.64 MILLION ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

"**THAT** subject to the approvals granted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants, the admission of the Warrants on the Official List of Bursa Securities and the listing and quotation of the Warrants, the listing and quotation of the additional warrants 2018/2023 in JRB ("**Warrants B**") to be issued arising from such adjustment as may be made to the number of outstanding Warrants B pursuant to the Proposed Rights Issue with Warrants ("**Additional Warrants B**") and the listing and quotation of the new JRB Shares to be issued arising from the exercise of the Warrants and the Additional Warrants B, and by any other relevant authorities/ parties (if required), the Board of Directors of the Company ("**Board**") be and is hereby authorised:-

i. to provisionally allot and issue by way of renounceable rights issue of the Rights Shares together with the Warrants to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later ("**Entitlement Date**");

ii. to determine and fix the entitlement basis and issue price of the Rights Shares as well as the exercise price of the Warrants which shall be announced later by the Board on the price-fixing date to raise a minimum gross proceeds of RM200.00 million and a maximum gross proceeds of up to RM289.64 million; and

iii. to enter into and execute a deed poll constituting the Warrants ("**Deed Poll**") with full powers to assent to any condition, modification, revaluation, variation and/or amendments (if any) as the Board may deem fit, necessary and/ or expedient or as may be imposed by the relevant authorities and to take all steps as it may consider necessary and do all acts, deeds and things as it may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll and all provisions and adjustments contained therein;

**THAT** the new JRB Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing JRB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other distributions that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares;

**THAT** the Warrant holders are not entitled to vote in any general meeting of the Company and/ or to participate in any form of distribution other than on winding-up, liquidation, compromise or arrangement of the Company and/ or any offer of further securities in the Company unless and until the holder of Warrants becomes a shareholder of the Company by exercising his/ her Warrants into new JRB Shares or unless otherwise resolved by the Company in a general meeting;

**THAT** the Rights Shares together with the Warrants which are not subscribed or validly subscribed shall be made available for excess applications by other Entitled Shareholders and/ or their renouncees, if any, in such manner as the Board shall determine in a fair and equitable manner and on a basis to be determined by the Board;

**THAT** any fractional entitlements under the Proposed Rights Issue with Warrants will be disregarded and will be dealt with in such manner and on such terms and conditions as the Board shall in its sole and absolute discretion deem fit, expedient and in the best interest of the Company;

**THAT** the Board be and is hereby authorised to use the proceeds raised from the Proposed Rights Issue with Warrants for the purposes as set out in Section 2.7 of the circular to the shareholders of JRB dated 9 September 2020 ("**Circular**") and the Board be authorised to vary the manner and/ or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary or expedient, in the best interest of the Company and subject to the approvals of the relevant authorities (where applicable);

**THAT** the Company shall allot and issue such number of additional warrants pursuant to the adjustments under the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions in the Deed Poll and/ or to effect such modifications, variations and/ or amendments as may be imposed/ required/ permitted by Bursa Securities and any other relevant authorities or parties or otherwise;

**THAT** the Company shall allot and issue such appropriate number of new JRB Shares arising from the exercise by the holders of the Warrants in accordance with the provisions of the Deed Poll pursuant to the exercise of the Warrants and the exercise of the Additional Warrants, and all new JRB Shares to be issued pursuant thereto will, upon allotment and issuance, rank *pari passu* in all respects with the then existing JRB Shares, save and except that the new JRB Shares to be issued arising from the exercise of the Warrants and the Additional Warrants will not be entitled to any dividends, rights, allotments and/ or any other distributions that may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new JRB Shares to be issued arising from the exercise of the Warrants and the Additional Warrants;

**AND THAT** the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Rights Issue with Warrants with full power to assent to any condition, modification, variation and/ or amendment in any manner as may be required or imposed by the relevant authorities and to take all steps and do all acts and things in the manner as the Board may consider necessary or expedient in order to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."

By Order of the Board

**LEONG OI WAH (MAICSA 7023802)**
**SSM Practising Certificate No. 201908000717**
Company Secretary
9 September 2020

**IMPORTANT NOTICE ON REMOTE PARTICIPATION AND VOTING:-**

1. In view that the recovery phase of Malaysia's COVID-19 Movement Control Order ("**RMCO**") has been extended to 31 December 2020 and as part of the safety measures to curb the spread of COVID-19 pandemic, the EGM will be conducted through live streaming and online voting using Remote Participation and Voting ("**RPV**") facilities which are available on Tricor's TIIH 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 Companies Act 2016 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 as the Company has to comply with the RMCO social distancing requirements.

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.

***Notes:-***

*1. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or in the case of a corporation a duly authorised representative to attend and to vote in his stead. The proxy need not be a member of the Company.*

*2. Where 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. 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 at the Tricor's 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. A depositor who appears in the Record of Depositors as at 15 September 2020 shall be regarded as member of the Company entitled to attend the Extraordinary General Meeting or appoint a proxy to attend and vote on his behalf.*

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

**FORM OF PROXY**

| | |
|---|---|
| **Number of Ordinary Shares held** | |
| **CDS Account No.** | |
| **Proportion of shareholdings to be represented by proxies** | 1st Proxy: |
| | 2nd Proxy: |
| **Contact No.** | |

*I/We..…………………………………...........(Full Name in Block Letter), NRIC (New)/ Company No. ....................................................of ……………………………………………………….…………………………………..(Address) being (a) member(s) of JAKS Resources Berhad hereby appoint *Mr/Mrs…………………………………...........(Full Name in Block Letter), NRIC (New)/ Company No. ........................................ of …………………………………………………….………………………………………………..(Address) and *Mr/Mrs…………………………........................(Full Name in Block Letter), NRIC (New)/ Company No. ........................................

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 of the Company to 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 Thursday, 24 September 2020 at 10.00 a.m., and at any adjournment thereof.

I/We direct *my/our *proxy/proxies to vote for or against the Ordinary 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 summarized below, *my/our *proxy/proxies may vote or abstain from voting at his/her discretion.

(Please indicate with an "X" in the spaces provided below on how you wish your vote to be cast. If no specific instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

| ORDINARY RESOLUTION | FOR (#) | AGAINST (#) |
|---|---|---|
| PROPOSED RIGHTS ISSUE WITH WARRANTS | | |

\# Please indicate your vote "For" or "Against" with an "X" within the box provided.
* Strike out whichever not applicable

Dated this ……………. day of ……………… 2020.

………………………………...…………….
Signature/ Common Seal of Member(s)

***Notes:-***

1. *A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or in the case of a corporation a duly authorised representative to attend and to vote in his stead. The proxy need not be a member of the Company.*
2. *Where 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. *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 at the Tricor's 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. *A depositor who appears in the Record of Depositors as at 15 September 2020 shall be regarded as member of the Company entitled to attend the Extraordinary General Meeting or appoint a proxy to attend and vote on his behalf.*

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AFFIX
STAMP

**JAKS RESOURCES BERHAD**
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