

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your JRB Shares, you should at once hand this Abridged Prospectus, and the accompanying NPA and RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All inquiries concerning the Rights Issue of Warrants should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Company No. 11324-H) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. This Abridged Prospectus, and the accompanying NPA and RSF, have also been lodged with the Registrar of Companies who takes no responsibility for the contents.

The approval from our shareholders for the Rights Issue of Warrants was obtained at our EGM held on 18 October 2018. The approval from Bursa Securities had also been obtained vide its letter dated 19 September 2018 for the admission of the Warrants to the Official List and the listing of and quotation for the Warrants and the new JRB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of Warrants. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Warrants. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Directors have seen and approved all the documentation relating to this Rights Issue of Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus, and the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Wednesday, 21 November 2018. This Abridged Prospectus, and the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, UOBKH nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of the entitlements to the Warrants made by our Entitled Shareholders and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

UOBKH, being our Principal Adviser for this Rights Issue of Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



JAKS RESOURCES BERHAD

(Company No. 585648-T)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 278,164,186 WARRANTS ("WARRANT(S)") IN JAKS RESOURCES BERHAD ("JRB") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN JRB HELD AS AT 5.00 P.M. ON WEDNESDAY, 21 NOVEMBER 2018, AT AN ISSUE PRICE OF RM0.25 PER WARRANT

Principal Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Company No. 194990-K)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Wednesday, 21 November 2018 at 5.00 p.m.
Last date and time for:		
Sale of Provisional Rights Warrants	:	Wednesday, 28 November 2018 at 5.00 p.m.
Transfer of Provisional Rights Warrants	:	Monday, 3 December 2018 at 4.00 p.m.
Acceptance and Payment for the Provisional Rights Warrants	:	Thursday, 6 December 2018 at 5.00 p.m.
Application and Payment for the Excess Rights Warrants	:	Thursday, 6 December 2018 at 5.00 p.m.

This Abridged Prospectus is dated 21 November 2018

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THE SECURITIES COMMISSION MALAYSIA IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE CORPORATION AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE ABRIDGED PROSPECTUS TOGETHER WITH THE NPA AND RSF HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

DEFINITIONS

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

“Abridged Prospectus”	: This abridged prospectus dated 21 November 2018
“Act”	: Companies Act 2016
“Board”	: The Board of Directors of JRB
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
“CDS”	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
“CDS Account(s)”	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
“CMSA”	: Capital Markets and Services Act, 2007
“Code and the Rules”	: The Malaysian Code on Take-overs and Mergers 2016 and the Rules on Take-overs, Mergers and Compulsory Acquisitions
“CPECC”	: China Power Engineering Consulting Group Co Ltd, our overseas joint-venture partner for the Vietnam Power Plant Project
“Deed Poll”	: The deed poll dated 5 November 2018 executed by JRB constituting the Warrants
“Director(s)”	: The director(s) of JRB and shall have the meaning given in Section 2(1) of the CMSA
“EGM”	: Extraordinary general meeting of the Company held on 18 October 2018 in relation to the Rights Issue of Warrants
“Entitled Shareholder(s)”	: The shareholder(s) of JRB whose name(s) appear in the Record of Depositors of the Company on the Entitlement Date pursuant to the Rights Issue of Warrants
“Entitlement Date”	: Wednesday, 21 November 2018 at 5.00 p.m. being the date and time on which our Entitled Shareholders must be registered as members whose names appear in the Record of Depositors in order to be entitled to participate in the Rights Issue of Warrants
“Entitlement Undertaking(s)”	: Irrevocable undertaking(s) from the Undertaking Shareholder(s), who has/have irrevocably undertaken to apply and subscribe in full for their respective entitlements of the Warrants based on their shareholdings as at the Entitlement Date
“EPS”	: Earnings per share
“Excess Warrants”	: Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/ or their renounees (if applicable) prior to excess application pursuant to the Rights Issue of Warrants

DEFINITIONS (Cont'd)

"Excess Warrants Application(s)"	: Application(s) for Excess Warrants as set out in Section 3.8 of this Abridged Prospectus
"Foreign Entitled Shareholders"	: Entitled shareholders who have not provided us with a registered address in Malaysia
"FPE"	: Financial period ended/ending
"FYE"	: Financial year ended/ending
"JRB" or the "Company"	: JAKS Resources Berhad (585648-T)
"JRB Group" or the "Group"	: JRB and its subsidiary companies, collectively
"JRB Share(s)" or "Share(s)"	: Ordinary share(s) in JRB
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 23 October 2018, being the latest practicable date prior to the registration of this Abridged Prospectus by the SC
"LTIP"	: The Company's long-term incentive plan of up to 15% 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 By-Laws"	: By-laws governing the LTIP
"LTIP Options"	: Up to 10,385,000 options granted as at the LPD under the Company's LTIP
"Market Day"	: Any day between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading of securities
"Minimum Subscription Level"	: Assuming that none of the outstanding LTIP Options are exercised prior to the Entitlement Date and only the Undertaking Shareholders subscribe for their Entitlement Undertakings under the Rights Issue of Warrants
"NA"	: Net assets
"NPA"	: Notice of Provisional Allotment
"Official List"	: A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities
"PAT"	: Profit after taxation
"PBT"	: Profit before taxation
"Price Fixing Date"	: 5 November 2018, being the date on which the issue price and exercise price for the Warrants had been fixed at RM0.25 and RM0.64 per Warrant, respectively

DEFINITIONS (Cont'd)

"Private Placement"	:	The private placement of 49,631,200 JRB Shares at an issue price of RM1.38 which was completed on 30 March 2018
"Provisional Warrants"	:	Warrants provisionally allotted to our Entitled Shareholders
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"Rights Issue of Warrants"	:	The renounceable rights issue of up to 278,164,186 Warrants to the Entitled Shareholders on the basis of 1 Warrant for every 2 existing JRB Shares held on the Entitlement Date at an issue price of RM0.25 per Warrant
"RSF"	:	Rights Subscription Form
"Rules of Bursa Depository"	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
"SC"	:	Securities Commission Malaysia
"Scenario 1"	:	Assuming that none of the outstanding LTIP Options are exercised prior to the Entitlement Date and all the Entitled Shareholders subscribe for their entitlements under the Rights Issue of Warrants
"Maximum Scenario"	:	Assuming that all of the outstanding LTIP Options are exercised prior to the Entitlement Date and all the Entitled Shareholders subscribe for their entitlements under the Rights Issue of Warrants
"Share Grant Scheme"	:	A share grant scheme which allows the Company to award such number of JRB Shares to the executive directors and senior management of JRB Group during the LTIP period without any cash consideration payable
"Share Option Plan"	:	A share option plan to the directors and senior management of JRB Group which allows the Company to award LTIP Options to the grantees to enable them to subscribe for new JRB Shares at a pre-determined subscription price during the LTIP period, subject to the provisions of the LTIP By-Laws
"Undertaking Shareholder(s)"	:	Certain substantial shareholder(s) who has/have provided its/their respective Entitlement Undertaking(s), the name(s) of whom is/are set out in Section 9 of this Abridged Prospectus
"UOBKH" or the "Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (194990-K)
"USD"	:	United States Dollar
"VND"	:	Vietnamese Dong
"VWAMP"	:	Volume-weighted average market price
"Warrant(s)"	:	Up to 278,164,186 new warrants to be allotted and issued pursuant to the Rights Issue of Warrants

DEFINITIONS (Cont'd)

All references to “our Company” and “JRB” in this Abridged Prospectus are made to JAKS Resources Berhad (585648-T) and references to “our Group” or “JRB Group” are made to our Company and our subsidiary companies. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to “you” in this Abridged Prospectus are made to our Entitled Shareholders.

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

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

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name / Designation	Address	Nationality	Profession
Tan Sri Datuk Hussin Bin Haji Ismail <i>(Chairman/ Independent Non-Executive Director)</i>	No. 42, Jalan Ubin U8/19 A, Seksyen U8 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Ang Lam Poah <i>(Chief Executive Officer / Executive Director)</i>	652, Lorong 20 42600 Jenjarom Selangor Darul Ehsan	Malaysian	Company Director
Dato' Razali Merican Bin Naina Merican <i>(Executive Director)</i>	5394, Jalan Sekolah 13200 Kepala Batas Pulau Pinang	Malaysian	Company Director
Ang Lam Aik <i>(Executive Director)</i>	Lot 652, Lorong 20 42600 Jenjarom Selangor Darul Ehsan	Malaysian	Company Director
Dato' Azman Bin Mahmood <i>(Independent Non-Executive Director)</i>	Lot 14, Jalan Tengah 48200 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Liew Jee Min @ Chong Jee Min <i>(Independent Non-Executive Director)</i>	5 Solok Batai Laut Off Jalan Batai Laut 41300 Klang Selangor Darul Ehsan	Malaysian	Company Director / Lawyer

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Azman Bin Mahmood	Chairman	Independent Non-Executive Director
Tan Sri Datuk Hussin Bin Haji Ismail	Member	Independent Non-Executive Director
Liew Jee Min @ Chong Jee Min	Member	Independent Non-Executive Director

COMPANY SECRETARY

: Leong Oi Wah
(MAICSA 7023802)
802, 8th Floor
Block C, Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : (03) 7803 1126
Fax : (03) 7806 1387

CORPORATE DIRECTORY (Cont'd)

- REGISTERED OFFICE** : 802, 8th Floor
Block C, Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
- Tel : (03) 7803 1126
Fax : (03) 7806 1387
Email : ir@jaks.com.my
Website : www.jaks.com.my
- HEAD/ MANAGEMENT OFFICE** : No. 9, Jalan USJ Sentral 1
USJ Sentral, Persiaran Subang 1
47600 Subang Jaya
Selangor Darul Ehsan
- Tel : (03) 8023 2767
Fax : (03) 8021 7585
Email : ir@jaks.com.my
Website : www.jaks.com.my
- SHARE REGISTRAR** : 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
- Tel : (03) 2783 9299
Fax : (03) 2783 9222
- AUDITORS AND REPORTING ACCOUNTANTS** : UHY (AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
- Tel : (03) 2279 3088
Fax : (03) 2279 3099
- PRINCIPAL BANKER** : Malayan Banking Berhad
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
- Tel : (03) 2070 8833
Fax : (03) 2070 2611
- PRINCIPAL FINANCIER** : Great Eastern Life Assurance (Malaysia) Berhad
Menara Great Eastern
303 Jalan Ampang
50450 Kuala Lumpur
- Tel : (03) 4259 8888
Fax : (03) 4259 8000

CORPORATE DIRECTORY (Cont'd)

**SOLICITORS FOR THE RIGHTS
ISSUE OF WARRANTS** : Chooi & Company + Cheang & Ariff
CCA @ Loke Mansion
39 Court @ Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur

Tel : (03) 2691 0803

Fax : (03) 2693 4475

PRINCIPAL ADVISER : UOB Kay Hian Securities (M) Sdn Bhd
Suite 19.03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur

Tel : (03) 2147 1888

Fax : (03) 2147 1950

**STOCK EXCHANGE LISTED AND
LISTING SOUGHT** : Main Market of Bursa Securities



JAKS RESOURCES BERHAD

(Company No. 585648-T)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act 2016)

Registered Office

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

21 November 2018

Board of Directors:

Tan Sri Datuk Hussin Bin Haji Ismail	<i>(Chairman/Independent Non-Executive Director)</i>
Ang Lam Poah	<i>(Chief Executive Officer / Executive Director)</i>
Dato' Razali Merican Bin Naina Merican	<i>(Executive Director)</i>
Ang Lam Aik	<i>(Executive Director)</i>
Dato' Azman Bin Mahmood	<i>(Independent Non-Executive Director)</i>
Liew Jee Min @ Chong Jee Min	<i>(Independent Non-Executive Director)</i>

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 278,164,186 WARRANTS IN JRB ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN JRB HELD AS AT 5.00 P.M. ON WEDNESDAY, 21 NOVEMBER 2018 AT AN ISSUE PRICE OF RM0.25 PER WARRANT

1. INTRODUCTION

On 6 June 2018, UOBKH, on behalf of our Board, announced that our Company had proposed to undertake the Rights Issue of Warrants on the basis of 1 Warrant for every 2 existing JRB Shares on the Entitlement Date.

On 2 August 2018, UOBKH, on behalf of our Board, announced that our Company had, on even date, submitted an application to Bursa Securities to seek an extension of time for up to 1 month from 3 August 2018 to 3 September 2018 for our Company to submit the draft circular in relation to the Rights Issue of Warrants to Bursa Securities in accordance to Paragraph 9.33(1)(a) of the Main Market Listing Requirements of Bursa Securities.

On 3 August 2018, Bursa Securities had vide its letter dated on even date approved the above application for the extension of time until 3 September 2018 for our Company to comply with Paragraph 9.33(1)(a) of the Main Market Listing Requirements of Bursa Securities.

On 28 August 2018, UOBKH, on behalf of our Board, announced that our Board had resolved to amend the exercise period of the Warrants to enable the Entitled Shareholders to exercise the Warrants into new JRB Shares at any time within a period of 5 years from the date of issuance of the Warrants. Save for the amendment to the exercise period of the Warrants, all other details and terms pertaining to the Rights Issue of Warrants as announced on Bursa Securities on 6 June 2018 remain unchanged.

On 19 September 2018, UOBKH, on behalf of our Board, announced that Bursa Securities had vide its letter dated 19 September 2018, approved the admission of the Warrants to the Official List of Bursa Securities, as well as the listing of and quotation for the Warrants and the new JRB Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities, subject to the following conditions:-

	Condition(s)	Status of compliance
(i)	JRB and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of Warrants;	To be complied
(ii)	JRB and UOBKH to inform Bursa Securities upon completion of the Rights Issue of Warrants;	To be complied
(iii)	JRB and UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Warrants is completed; and	To be complied
(iv)	JRB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detail computation of the listing fees payable.	To be complied

Our shareholders, at our EGM held on 18 October 2018, approved the Rights Issue of Warrants. A certified true extract of the ordinary resolution pertaining to the Rights Issue of Warrants which was passed at the EGM, is set out in **Appendix I** of this Abridged Prospectus.

On 5 November 2018, UOBKH, on behalf of our Board, announced the following:-

- (i) The issue price of the Warrants has been fixed at RM0.25 per Warrant;
- (ii) The exercise price of the Warrants has been fixed at RM0.64 per Warrant, after taking into consideration the 5-day VWAMP of JRB Shares up to and including 2 November 2018, being the last trading day of JRB Shares immediately preceding the Price Fixing Date, of RM0.91 per JRB Share;
- (iii) the Entitlement Date had been fixed as at the close of business at 5.00 p.m. on Wednesday, 21 November 2018; and
- (iv) the Deed Poll had been duly executed on 5 November 2018.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue of Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or UOBKH.

As you are an Entitled Shareholder, you will find enclosed in this Abridged Prospectus, a NPA notifying you of the number of Warrants which you are entitled to subscribe for under the terms of the Rights Issue of Warrants and the RSF to enable you to subscribe for the Provisional Warrants, as well as to apply for the Excess Warrants if you choose to do so. The Warrants that are not taken up or not validly taken up will be made available for Excess Warrants Application.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE OF WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE OF WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. THE RIGHTS ISSUE OF WARRANTS

2.1 Details of the Rights Issue of Warrants

The Rights Issue of Warrants involves the issuance of up to 278,164,186 Warrants on the basis of 1 Warrant for every 2 existing JRB Shares held on the Entitlement Date. The Warrants will be provisionally allotted and issued to the shareholders of JRB whose names appear in our Record of Depositors as at 5.00 p.m. on the Entitlement Date.

The actual number of Warrants to be issued will be determined based on the share capital of JRB as at the Entitlement Date, after taking into consideration the following:-

- (a) the share capital of JRB as at the LPD of RM598,974,584 comprising 545,943,372 JRB Shares;
- (b) the exercise of all the 10,385,000 outstanding options under the Share Option Plan, as set out in **Section 8.4** of this Abridged Prospectus; and
- (c) the Shares awarded to our executive directors and senior management under the Share Grant Scheme, as set out in **Section 8.4** of this Abridged Prospectus.

As at the LPD, we have not awarded any Shares to any executive directors and senior management under the Share Grant Scheme. For illustrative purposes, our Company will issue 278,164,186 Warrants under the Rights Issue of Warrants on the assumption that all the 10,385,000 outstanding LTIP Options have been fully exercised prior to the Entitlement Date.

The Rights Issue of Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Warrants in full or in part. The Warrants which are unsubscribed, not taken up or not validly taken up shall be made available for excess applications by the other Entitled Shareholders and/or their renounees. It is the intention of our Board to allocate the excess Warrants in a fair and equitable manner on a basis to be determined by our Board and announced later.

The Rights Issue of Warrants will be undertaken based on the Minimum Subscription Level via the irrevocable and unconditional undertakings provided by the Undertaking Shareholders to subscribe in full for their respective entitlements under the Rights Issue of Warrants, details of which is set out in Section 9 of this Abridged Prospectus.

Any fractional entitlements that may arise from the Rights Issue of Warrants shall be dealt with in such manner as our Board in its absolute discretion deems fit and expedient or in the best interest of our Company.

As the Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Warrants, as well as to apply for the Excess Warrants if you choose to do so.

Any dealings in our securities will be subject to, *inter-alia*, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Warrants and the new JRB Shares to be allotted and issued arising from the exercise of the Warrants will be credited directly into the respective CDS Accounts of the successful applicants and the shareholders who exercise the Warrants (as the case may be). No physical share or warrant certificates will be issued.

We will allot and issue the Warrants, despatch notices of allotment to the successful applicants and make an application for the quotation for the Warrants within 8 Market Days from the last date for acceptance of and payment for the Warrants or such other period as may be prescribed by Bursa Securities. The Warrants will then be listed and quoted on the Main Market of Bursa Securities 2 Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining the issue price of the Warrants

On 5 November 2018, UOBKH had, on behalf of our Board, announced that our Board had fixed the issue price of the Warrants at RM0.25 per Warrant. The issue price of the Warrants was determined and fixed by our Board after taking into consideration, amongst others, the following:-

- (i) the amount to be raised from the Rights Issue of Warrants of approximately RM69.54 million which will be channeled towards the proposed utilisation of proceeds as set out in **Section 5** of this Abridged Prospectus;
- (ii) the theoretical fair value of the Warrants based on the 5-day VWAMP of JRB Shares immediately preceding the Price Fixing Date; and
- (iii) a suitable issue price that is deemed attractive to encourage the subscription of Warrants by the Entitled Shareholders and/or their renounees.

For illustrative purposes, the theoretical fair value of the Warrants is RM0.41 as determined using the Black-Scholes Model for Theoretical Warrant Pricing based on the following assumptions:-

- (a) strike price of RM0.64, being the exercise price of the Warrants;
- (b) underlying price of RM0.91, being the 5-day VWAMP up to and including 2 November 2018, being the last trading day of JRB Shares immediately preceding the Price Fixing Date;
- (c) volatility of 25.0%; and
- (d) tenure of the Warrants of 5 years.

The issue price of RM0.25 per Warrant represents a discount of RM0.16 or approximately 39.02% to the theoretical fair value of the Warrants making the issue price fairly attractive to subscribers.

2.3 Basis of determining the exercise price of the Warrants

On 5 November 2018, UOBKH had, on behalf of our Board, announced that our Board has fixed the exercise price of the Warrants at RM0.64 per Warrant. The exercise price of the Warrants was determined and fixed by our Board after taking into consideration, amongst others, the following:-

- (i) prevailing market conditions and the historical trading price of JRB Shares; and
- (ii) a discount of approximately 30% to the 5-day VWAMP of JRB Shares immediately preceding the Price Fixing Date. The discount was determined by our Board after taking into consideration our Board's intention to price the exercise price of the Warrants at a discount deemed sufficiently attractive to encourage JRB's shareholders to subscribe for their respective entitlements, and accordingly enable JRB to raise funds for the purposes set out in **Section 5** of this Abridged Prospectus over the tenure of the Warrants.

The exercise price RM0.64 per Warrant represents a discount of RM0.27 or 29.67% to the 5-day VWAMP of JRB Shares and including 2 November 2018, being the last trading day of JRB Shares immediately preceding the Price Fixing Date, of RM0.91 per JRB Share.

2.4 Ranking of new Shares arising from the exercise of Warrants

The new JRB Shares arising from the exercise of the Warrants will, upon allotment and issue, rank equally in all respects with the existing JRB Shares except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to shareholders of our Company, the entitlement date of which is prior to the date of allotment of the new JRB Shares.

2.5 Salient terms of the Warrants

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

- Number of Warrants : Up to 278,164,186 new Warrants to be issued to the Entitled Shareholders on the basis of 1 Warrant for every 2 JRB Shares held as at the Entitlement Date.
- 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.
- Issue Price : RM0.25 per Warrant.
- 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 : RM0.64 per Warrant
- 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 a 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 of and quotation for 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 offer of 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 the 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 arising from the exercise of the Warrants will, upon allotment and issue, rank equally in all respects with the existing JRB Shares except that they shall not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid to shareholders of the Company, the entitlement date of which (namely, the date as at the close of business on which shareholders must be entered in the Record of Depositors with Bursa Depository in order to participate in any dividends, rights, allotment and/or other distributions) is prior to the date of allotment of the new JRB Shares.
- 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
- Listing Status : Approval has been obtained from Bursa Securities on 19 September 2018 for the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the new JRB Shares arising from the exercise of Warrants on the Main Market of 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 our 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 this deed 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.
- 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.

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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 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 be 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.

2.6 Details of other corporate exercises

As at the LPD, save for the Rights Issue of Warrants, our Board confirms that there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but pending completion.

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3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/ TRANSFER AND EXCESS APPLICATION FOR THE RIGHT ISSUE OF WARRANTS

3.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Warrants which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue of Warrants. You will find enclosed with this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for such Provisional Warrants, as well as to apply for Excess Warrants if you choose to do so.

3.2 NPA

The Provisional Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Warrants will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

3.3 Last date and time for acceptance and payment

The last date and time for acceptance of and payment for the Provisional Warrants is **5.00 p.m. on Thursday, 6 December 2018.**

3.4 Procedures for acceptance and payment

Acceptance and payment for the Provisional Warrants to you as an Entitled Shareholder or your renouncee(s) (if applicable) must be made on the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, the NPA or RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL WARRANTS, EXCESS WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.

If you or your renounee(s) (if applicable) wish to accept either in full or in part of the Provisional Warrants of your entitlement, please complete Part I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar by **ORDINARY POST, COURIER or DELIVERED BY HAND**, at the following address:-

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
Tel: (03) 2783 9299
Fax: (03) 2783 9222

OR

Tricor's Customer Service Centre

Unit G-3, Ground Floor
Vertical Podium, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

so as to arrive not later than **5.00 p.m. on Thursday, 6 December 2018**, being the last date and time for acceptance of and payment for the Provisional Warrants.

If you and/ or your renounee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/ or your renounee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our Registered Office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of Provisional Warrants standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Warrants standing to the credit of more than 1 CDS Account(s). If successful, the Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of Warrants that can be subscribed for or accepted is 1 Warrant. However, you and/ or your renounee(s) (if applicable) should take note that a trading board lot for the Warrants comprises of 100 Warrants. Fractions of Warrants, if any, shall be dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Warrants allotted to you and/ or your renounee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m. on Thursday, 6 December 2018**, being the last date and time for acceptance of and payment for the Provisional Warrants, you and/ or your renounee(s) (if applicable) will be deemed to have declined the provisional entitlement made to you and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Warrants to the applicants who have applied for the Excess Warrants in the manner as set out in **Section 3.8** of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "JAKS RIGHTS WARRANTS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE WARRANTS.

APPLICANTS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE WARRANTS.

3.5 Procedures for part acceptance by Entitled Shareholders

You are entitled to accept part of your entitlement to the Provisional Warrants provided always that the minimum number of Warrants that can be subscribed for or accepted is 1 Warrant.

You must complete both Part I(a) of the RSF by specifying the number of the Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 3.4** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Warrants that have not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the Provisional Warrants.

3.6 Procedures for sale/ transfer of Provisional Warrants

As the Provisional Warrants are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Warrants to 1 or more person(s) through your stockbroker for the period up to the last date and time for sale/ transfer of such Provisional Warrants, without first having to request for a split of the Provisional Warrants standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Warrants, you may still accept the balance of the Provisional Warrants by completing Parts I(a) and II of the RSF. Please refer to **Section 3.4** of this Abridged Prospectus for the procedures of acceptance and payment.

In selling or transferring all or part of your Provisional Warrants, you need not deliver any document including the RSF, to your stockbroker. However, you must ensure that there is sufficient Provisional Warrants standing to the credit of your CDS Account that is available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Warrants may obtain a copy of this Abridged Prospectus and the RSF from his/ her/ their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (<http://www.bursamalaysia.com>).

3.7 Procedure for acceptance by renounee(s)

Renounee(s) who wish to accept the Provisional Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (<http://www.bursamalaysia.com>), complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Section 3.4** of this Abridged Prospectus also applies to renounee(s) who wish to accept the Provisional Warrants.

RENOUNCEE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

3.8 Procedure for application of Excess Warrants

You and/ or your renounee(s) (if applicable) may apply for additional Warrants in excess of your entitlement by completing Part I(b) of the RSF (in addition to Parts I(a) and II and forwarding it with a **separate remittance made in RM** for the full amount payable for the Excess Warrants applied for, to our Share Registrar **not later than 5.00 p.m. on Thursday, 6 December 2018**, being the last date and time for application of and payment for Excess Warrants.

PAYMENT FOR THE EXCESS WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 3.4 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY", MADE PAYABLE TO "JAKS EXCESS RIGHTS WARRANTS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE OF WARRANTS.

It is the intention of our Board to allot the Excess Warrants, if any, on a fair and equitable basis and in the following priority:-

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for Excess Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for Excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants applied for; and
- (iv) Fourthly, for allocation to renouncee(s) or transferee(s) who have applied for Excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants applied for.

In the event there is any remaining balance of the Excess Warrants applied for by the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Warrants after carrying out steps (i)-(iv) as set out above, steps (ii)-(iv) will be repeated to allocate the remaining balance of the Excess Warrants to the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Warrants until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Warrants applied for under Part I of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in steps (i)-(iv) above are achieved. Our Board also reserves the right at its absolute discretion to accept in full or in part any application for the Excess Warrants without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS WARRANTS. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPACHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS WARRANTS.

WHERE AN APPLICATION FOR THE EXCESS WARRANTS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPACHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS WARRANTS.

3.9 Form of issuance

Bursa Securities has prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Warrants are prescribed securities and as such, all dealings in the Warrants will be subject to the Security Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical warrant certificates will be issued to you under the Rights Issue of Warrants. The Warrants which you have successfully subscribed for will be credited directly into your CDS account.

A notice of allotment will be despatched to you and/ or your renounee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the last date for acceptance of and payment for the Warrants.

3.9.1 Subscription for the Warrants by Entitled Shareholders

Where the Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing JRB Shares standing to the credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Warrants shall mean that you consent to receive such Provisional Warrants as prescribed or deposited securities which will be credited directly into your CDS Account.

3.9.2 Subscription for the Warrants by renounee(s)

Any person who has purchased the Provisional Warrants or whom the Provisional Warrants has been transferred and intends to subscribe for the Warrants must state his/ her CDS Account number in the space provided in the RSF. The Warrants will be credited directly as prescribed or deposited securities into his/ her CDS Account upon allotment and issuance.

3.9.3 Application for the Excess Warrants by Entitled Shareholders and/ or renounee(s)

The Excess Warrants, if allotted to the successful applicant who applies for the Excess Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Warrants will be made on a fair and equitable basis as disclosed in **Section 3.8** of this Abridged Prospectus.

3.10 Laws of foreign jurisdictions

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue of Warrants will not be made or offered for subscription in any foreign country or jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/or their renounee(s) (if applicable) who do not have a registered address in Malaysia. However, the foreign Entitled Shareholders and/ or their renounee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar for the Rights Issue of Warrants, in which event our Share Registrar for the Rights Issue of Warrants shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue of Warrants.

The foreign Entitled Shareholders and/or their renounee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Warrants only to the extent that it would be lawful to do so. UOBKH, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue of Warrants, be in breach of the laws of any country or jurisdiction to which the foreign Entitled Shareholders and/or their renounee(s) (if applicable) are or may be subject to. The foreign Entitled Shareholders and/or their renounee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/or other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. UOBKH, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renounee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

The foreign Entitled Shareholders and/ or their renounee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renounee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/or UOBKH in respect of their rights and entitlements under the Rights Issue of Warrants. Such foreign Entitled Shareholders and/or their renounee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Warrants.

By signing the RSF, the foreign Entitled Shareholders and/or their renounee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) UOBKH, our Company, our Directors and officers and other professional advisers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renounee(s) (if applicable) are or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renounee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Warrants;
- (iii) the foreign Entitled Shareholders and/or their renounee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/or their renounee(s) (if applicable) are aware that the Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renounee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Warrants; and

- (vi) the foreign Entitled Shareholders and/or their renounee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Warrants.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Warrants from any such application by foreign Entitled Shareholders and/or their renounee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserves the right, in our absolute discretion, to treat any acceptance of the Warrants as invalid if it is believed that such acceptance may violate any applicable legal or regulatory requirements.

4. RATIONALE FOR THE RIGHTS ISSUE OF WARRANTS

The rationale for the Rights Issue of Warrants is as follows:-

- (i) The Rights Issue of Warrants seeks to provide the Entitled Shareholders with an opportunity to subscribe for an equity derivative of our Company at a relatively low entry cost. In addition, the Rights Issue of Warrants will enable the Entitled Shareholders to further increase their equity participation of our Company at a pre-determined exercise price during the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation arising therefrom.

Further, as our Company had, on 30 March 2018, completed the Private Placement exercise, our Board views it is more appropriate that the next fund raising exercise would involve the issuance of securities on a pro-rata basis to reduce the dilutive impact on the existing shareholders.

- (ii) Based on the issue price of RM0.25 per Warrant, JRB will raise immediate gross proceeds of up to approximately RM69.54 million from the issuance of the Warrants which will be used for the purposes as set out in **Section 5** of this Abridged Prospectus.

JRB will also be able to raise further proceeds of up to RM178.03 million as and when the Warrants are exercised. The issuance and exercise of the Warrants will allow our Company to raise funds without incurring additional interest expense. In addition, the exercise of the Warrants will increase our shareholders' funds which will consequently improve our gearing levels.

- (iii) The Warrants will be traded separately from the existing JRB Shares which will provide the Entitled Shareholders with a separate avenue to monetise the Warrants. Further, the issuance and exercise of the Warrants will further strengthen the share capital of our Company as well as potentially improve the trading liquidity of JRB Shares.
- (iv) The Rights Issue of Warrants will not result in an immediate dilution of the EPS until the exercise of the Warrants.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.25 per Warrant, the gross proceeds to be raised from the Rights Issue of Warrants will total up to approximately RM69.54 million on the Maximum Scenario.

The gross proceeds to be raised from the Rights Issue of Warrants based on the scenarios below are expected to be utilised in the following manner:-

	Timeframe for utilisation	Minimum Subscription Level (RM'000)	Scenario 1 (RM'000)	Maximum Scenario (RM'000)
Vietnam Power Plant Project ⁽¹⁾	Within 12 months	9,397	43,840	45,138
Partial repayment of bank borrowings ⁽²⁾	Within 3 months	-	13,703	13,703
Renewable Energy Project ⁽³⁾	Within 12 to 18 months	-	10,000	10,000
Estimated expenses for the Rights Issue of Warrants ⁽⁴⁾	Upon completion of the Rights Issue of Warrants	700	700	700
Total		10,097	Up to 68,243	Up to 69,541

Notes:-

- (1) On 3 August 2015, Golden Keen Holdings Limited ("**Golden Keen**"), a wholly-owned subsidiary of JRB, was awarded an engineering, procurement and construction contract worth USD454.5 million (equivalent to approximately RM1.88 billion based on Bank Negara Malaysia's closing exchange rate as at the LPD of RM4.14 per USD) ("**EPC Contract**") for the construction of a coal-fired thermal power plant located in Hai Duong Province, Vietnam. The EPC Contract was awarded by JAKS Hai Duong Power Company Limited ("**JHDP**"), an overseas joint-venture entered into between our subsidiary, JAKS Power Holding Limited, and CPECC.

Construction works for the EPC Contract commenced in the first quarter of 2016 and is expected to be completed by the end of 2020. As at the LPD, approximately 34% of the overall construction works at the project site have been completed. The proceeds of up to RM45.14 million will be utilised by Golden Keen to expedite the progress of the EPC Contract, in particular for payment of contractors' progress claims, fabrication of equipment and services rendered, in the following manner:-

Details	(RM'000)
Payment for contractors' claims pertaining to the fabrication of equipment to be installed at the jetty for coal, estimated as follows:-	
(i) Equipment for coal receiving and handling:-	
- Partial payment for a total 8 units of bridge-type grabbing unloader	12,900
- Partial payment for a total 4 units of belt conveyor	5,300
- 1 unit of physical verification system	3,200
- 2 units of electronic belt weighing scale	3,100
- 1 unit of crane and lifting system for general operations, maintenance and overhaul purposes	3,600

Details	(RM'000)
(ii) Electrical equipment, switchboard and auxiliary equipment to facilitate the electrical supply to the motors and actuators	6,800
(iii) 1 unit of plant instrumentation and control system to operate processes for the jetty operations, including the unloader, belt conveyor and belt weighing system	4,800
(iv) Partial payment for a total 8 units of hold cleaning machines and auxiliary equipment to facilitate the unloading of coal from barges and to collect coal debris	800
Partial payment for contractors' claims pertaining to construction and engineering works for the jetty and administration building. The works done comprise earthwork excavation, foundation, and 1 st and 2 nd floor structure of the administration building, as well as piling works for 3 berths for the jetty.	1,538
Payment to consultant for services rendered, such as project coordination management as well as advisory services relating to human resources and Vietnam regulatory requirements.	3,100
Total	45,138

In the event the proceeds raised from the Rights Issue of Warrants are insufficient to fund the Vietnam Power Plant Project in the manner set out in the table above, the balance will be funded through our existing financing facilities.

- (2) As at the LPD, our Group's total bank borrowings stood at approximately RM444.2 million, of which approximately RM323.4 million are long term borrowings and RM120.8 million are short term borrowings. The borrowings comprise of term loans, bills payable, commodity financing, bankers acceptance, revolving credit facilities and overdraft facilities.

Our Company has earmarked approximately RM13.70 million for the partial repayment of its existing facilities, in the manner set out as follows:-

Facility	Bank	Total amount outstanding as at the LPD (RM'000)	Proposed repayment (RM'000)	Interest rate (% per annum)	Purpose of borrowing
Bankers acceptance	AmBank Berhad	7,183	7,183	5.11	Import and local purchases
Bankers acceptance	Alliance Bank Malaysia Berhad	6,520	6,520	5.35	Import and local purchases
		13,703	13,703		

For illustrative purposes, the repayment of the bankers acceptance amounting to RM13.70 million is expected to result in interest savings ranging from approximately RM0.70 million to RM0.73 million per annum assuming an interest rate of 5.11% to 5.35% per annum.

- (3) In line with our Group's efforts to expand its business in the power industry coupled with its experience in undertaking the Vietnam Power Plant Project, our Group intends to venture into renewable energy projects in South East Asia ("**Renewable Energy Project(s)**"). Management is currently in the midst of identifying opportunities for our Group to venture into Renewable Energy Projects, with particular focus on solar and hydro power projects in Vietnam, Indonesia and Malaysia.

Our Group is optimistic of its renewable energy prospects in these regions, given the rising energy demand as well as the regulatory policies and measures in place, details of which are set out in **Section 7.5** of this Abridged Prospectus.

As such, our Group has earmarked RM10.0 million of the proceeds to fund the preliminary expenses relating to exploring Renewable Energy Projects. The expenses will mainly comprise of, 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. The project feasibility studies comprise of financial, technical and site assessment, and will be used to determine the suitability of the renewable energy projects to undertake.

The preliminary breakdown of the expenses is set out as follows:-

Details	(RM'000)
Advisory and consultancy cost, including costs relating to conducting project feasibility studies in the following countries:-	
(a) Vietnam*	6,000
(b) Indonesia	3,000
(c) Malaysia	1,000
Total	10,000

Note:-

* *A higher amount has been allocated to Vietnam given the number and scale of projects that may potentially be undertaken. Further, as we already have a presence in the Vietnam power industry due to our involvement in the Vietnam Power Plant Project, we foresee a higher chance of securing the renewable energy project(s) in Vietnam.*

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

In the event that the management is unable to identify any suitable Renewable Energy Projects within 12 to 18 months from completion of the Rights Issue of Warrants, the Board intends to channel the remaining proceeds towards our Group's Vietnam Power Plant Project.

- (4) The proceeds earmarked for the estimated expenses relating to the Rights Issue of Warrants shall be utilised in the following manner:-

	(RM'000)
Professional fees (i.e. principal adviser, solicitors, auditors and reporting accountants, company secretary and share registrar)	602
Regulatory fees	70
Contingencies and other incidental expenses in relation to the Rights Issue of Warrants (i.e. convening of EGM, printing and advertisement expenses)	28
Total	700

If the actual expenses incurred are higher than budgeted, the deficit will be funded from the portion allocated for our Group's Vietnam Power Plant Project. Conversely, any surplus of funds following the payment of expenses will be utilised for our Group's Vietnam Power Plant Project.

In any event, the allocation of the proceeds shall be adjusted based on the actual proceeds to be raised from the Rights Issue of Warrants.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the actual number of Warrants exercised during the tenure of the Warrants. For illustrative purposes, based on the exercise price of RM0.64 per Warrant, the maximum gross proceeds that are expected to be raised from the full exercise of the Warrants are up to approximately RM178.03 million. Any proceeds arising from the exercise of the Warrants will be utilised for investment opportunities in the related businesses of our Group, repayment of borrowings and/or additional working capital to finance our Group's day-to-day operations including, amongst others, progress payments to subcontractors, payments to suppliers, labour, sales and marketing expenses and other operating expenses (i.e. staff costs, utilities, administrative overheads and office expenses), the breakdown of which have not been determined at this juncture.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/or your renouncee(s) (if applicable) should carefully consider the following risk factors which may have an impact on our future performance before subscribing for or investing in the Rights Issue of Warrants.

We are principally involved in the construction, property development and power industries, and as such, we are exposed to risks inherent to these industries.

6.1 Risks relating to our Group

(i) Dependency on the EPC Contract and Vietnam Power Plant Project

Given that the revenue contribution from the EPC Contract has been on an increasing trend and our construction division has been the only profitable business segment in our Group since the beginning of 2016, we are largely dependent on income generated from the EPC Contract.

The EPC Contract, which was awarded to our Group as part of the Vietnam Power Plant Project, has been our major revenue contributor since the FYE 31 December 2016. Revenue generated from the construction works carried out for the EPC Contract contributed approximately 23.8%, 36.7% and 40.3% to our total revenue for the FYE 31 December 2016, FYE 31 December 2017, and the 6-month FPE 30 June 2018, respectively.

As such, any adverse developments to our EPC Contract may negatively impact our operating and financial performance. These developments may include, but are not limited to the following:-

- (a) Dispute with JHDP or any non-fulfilment of the terms set out in the EPC Contract by either party may also lead to the termination of the EPC Contract or cause delays/disruptions in the construction or operation of the power plant. This will negatively impact the Vietnam Power Plant Project, and may result in our Group recording a loss given that our profitability is highly dependent on the progress of our EPC Contract; and
- (b) We may be required to incur additional costs, such as interest expense from bank borrowings, in order to fund our costs for the EPC Contract in the event of delayed or deferred payment from the project owner, JHDP, for the completed works under the EPC Contract. Any such additional costs will negatively impact our financial performance.

(ii) Our property development division has been operating at a loss for the past 2 years

Our Group has been largely affected by the declining performance of our property development and investment segment, which has been operating at a loss for the past 2 FYEs 31 December 2016 and 2017, as well as the 6-month FPE 30 June 2018. The losses were mainly attributable to the overall slowdown in the property market in Malaysia, as well as higher operating expenses, depreciation charges and financing expenses incurred for our Evolve Concept Mall project.

As at the LPD, our project, Pacific Star, is our only ongoing property development project and we do not intend to undertake any future property development projects in the near term. Following the completion of the Pacific Star project, we intend to wind down our property development division, and focus our efforts on our power division.

There is no assurance that we will be able to reverse our losses from our property development division in the future or that we will be able to undertake new property development projects going forward.

(iii) Business and operational risks

Our financial performance is largely dependent on the performance of the property development and construction sectors in Malaysia, as well as the power industry in Vietnam. Any material developments affecting these markets such as changes in demographic trends, increase in cost of operations, business and credit conditions, employment and income level, economic uncertainties, changes in government policies, the deterioration in property demand and the property rental market may have an impact on our business operations and financial performance.

(iv) Availability and cost of construction and building materials, equipment and skilled labour

Our Group's profitability may be affected by fluctuation in the cost of construction and building materials, equipment and skilled labour. In the event we are unable to secure alternative supply of contractors, building materials, equipment and skilled labour at an acceptable rate, the cost of our projects may increase. This would in turn affect our profitability if we are unable to successfully pass on the additional cost to our customers. The inability of third party suppliers to supply sufficient building materials and equipment may inevitably disrupt the progress and/or quality of our Group's operations and may have adverse effects on our financial performance.

Our Group also employs a large number of skilled and unskilled labour, and as such, any increase in the cost of labour or the shortage of skilled or unskilled labour may delay or disrupt our Group's operations. This may have an adverse effect on our profitability.

(v) Project risks

JRB is subject to project risks for its ongoing construction projects, which includes the EPC Contract and Vietnam Power Plant Project. As at the LPD, approximately 34% of the overall construction works for the EPC Contract have been completed, with full project completion expected by the end of 2020. Our ongoing projects may be subject to risks due to project complexities, which may include cost overruns and project delays. Due to complexities, there can be no assurance that the construction and operation of the power plant will materialise as intended or completed within the expected time frame.

Further, the progress of our Vietnam Power Plant Project is also subject to factors, including the following:-

- (a) availability of labour and subcontractors, as well as work permit and visa restrictions and regulations. Our operations may be adversely affected in the event that we are unable to obtain sufficient labour, subcontract construction works to reliable third-party contractors, or obtain the necessary work permits and visas;
- (b) availability, limitations and control on our import of building materials and equipment;
- (c) on-site safety and compliance regulations. As we are required to comply with the necessary regulations relating to our on-site construction work, any non-compliance on our part may disrupt our operations; and
- (d) Interest cost on our borrowings for the Vietnam Power Plant Project.

(vi) Dependence on subcontractors

Our subsidiary, Golden Keen, was appointed as the contractor for the EPC Contract pursuant to the Vietnam Power Plant Project. As such, the performance of the EPC Contract shall be the sole risk of the contractor, and Golden Keen shall be directly liable for any and all non-performance of the EPC Contract. In addition, under the terms of the EPC Contract, we have subcontracted part of the EPC works. In this regard, the timely completion of the EPC works in accordance with the contractual timeline is dependent on the performance of the subcontractors. There is no assurance that any unanticipated delay due to shortage of supplies or labour, equipment and materials and unsatisfactory performance of the appointed subcontractors may not have an adverse effect on our business, operations and financial performance. Further, under the EPC Contract, we shall be responsible for the acts or defaults of any subcontractors, as if they were acts or defaults by us.

(vii) Borrowings and financing risks and fluctuations in interest rates

Our total outstanding bank borrowings as at the LPD amounted to approximately RM444.2 million, all of which are interest-bearing and denominated in RM. Further, our finance cost relating to our bank borrowings amounted to approximately RM27.5 million and RM26.3 million, for the FYE 31 December 2016 and 2017, respectively. As such, any additional borrowings and/or increase in interest rates may result in an increase in interest expense, which may affect our profitability.

Our Group's gross gearing and net gearing stood at 0.58 times and 0.31 times, respectively, as at 30 June 2018. Any interest rate hike may affect our business and hence, we manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis.

Our credit facilities may also be subject to periodic review by our banks or financiers, and contain certain covenants which may limit our operating and financing flexibility. Any act or omission by us that breaches such covenants may give the rights to the banks or financiers to terminate the relevant credit facilities and/or enforce any security granted in relation to those credit facilities. This may in turn cause a cross default of other credit facility agreements.

There can be no assurance that current interest rates will be maintained in the future and/or that any increase in our borrowings will not have any material impact on our financial performance. Further, there can also be no assurance that our performance will not be adversely affected in the event of any breach of covenants for any of our credit facility agreements.

(viii) Risks associated with joint venture(s) (“JV(s)”)

Our Group has always sought to exercise due care and proactively nurture cooperative and close working relationships with our partners and stakeholders as part of the commitment to ensure the success of JVs entered into. In particular, our Vietnam Power Plant Project, one of our major projects with an estimated total cost of USD1.87 billion, is undertaken via a JV with CPECC which is funded via a combination of debt and equity capital. As at the LPD, our project equity commitment to be incurred for the JV amounts to approximately USD110.74 million.

Disputes may occur between our Group and the JV partner regarding the business and operations of the JV, which may not be resolved amicably. In addition, our JV partner may, amongst others:-

- (a) Have economic or business interests or goals that are not aligned with our Group;
- (b) Take actions contrary to our instructions, requests, policies or objectives;
- (c) Be unable or unwilling to fulfil their contractual obligations;
- (d) Experience financial difficulties or a decline in creditworthiness; or
- (e) Have disputes with our Group as to the scope of responsibilities and obligations.

The occurrence of any of these events may materially and adversely affect the performance of our JV entities, which may in turn materially affect the business, financial conditions, results of operations and prospects of our Group. Further, although the terms and conditions of JVs are regulated by JV agreements, there can be no assurance that the JV partners will continue their partnerships with our Group or be able to complete their committed developments under the partnerships or that disputes will not materially and adversely affect the relationships with the JV partners, JV businesses or our Group’s financial position.

(ix) Sustainability of order book

Our Group’s revenue for the construction segment is largely dependent on the sustainability of our order book, which is in turn affected by the business and economic conditions of the countries in which we operate. As at the LPD, our Group has an outstanding order book of approximately RM680.0 million, which is expected to be realised over the next 1.5 to 2 years. Depending on the business and economic environment, customers may cancel or delay their projects, which in turn, could jeopardise our Group’s revenues.

(x) Foreign exchange rate fluctuations

Our Group has investments which are exposed to currencies other than RM such as VND and USD. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposure.

The impact of foreign currency risk is mostly limited to the share of profit and losses in our investments in foreign operations and also natural hedge where revenue and risk are denominated in the same currency, particularly for our overseas projects.

(xii) Risk relating to our Group's material litigation, claim or arbitration

We may be involved from time to time in disputes with various parties such as main contractors/subcontractors, suppliers, purchasers, as well as our customers. These disputes may lead to legal and other proceedings, and may cause us to suffer additional cost and delays.

As at the LPD, we are involved in 2 litigation cases, as set out in **Section 4, Appendix VII** of this Abridged Prospectus. In particular, if there is no leave granted for our ongoing litigation case with Star Media Group Berhad, we will be required by the High Court to pay out on the bank guarantee amounting to RM50.0 million. This would result in an adverse financial impact on JRB.

(xi) Dependence on key management

The performance and success of our Group's business and operations are dependent, among others, on the skills, abilities, experience, competencies and on-going efforts of our Group's key management and personnel. The loss of and failure to recruit suitable candidates to timely replace any such key management or personnel may adversely affect our Group's business and operations.

Our Group's success also depends on our ability to hire, train and retain qualified and competent personnel. The process of identifying personnel with the combination of skills and attributes required to carry out our Group's strategies and business direction can be difficult, time consuming and expensive.

There may be a material adverse impact on our Group's business and financial performance in the event we are unable to successfully retain our key management and personnel, or recruit suitable candidates to replace any such key management or personnel in the future.

(xii) Political and economic considerations

Any adverse developments in the political, economic and regulatory conditions in Malaysia and Vietnam could materially affect the financial prospects of our Group. This may include, but are not limited to, changes in the respective government's monetary and fiscal policies, methods of taxation and licensing regulations, changes in labour law and other regulatory changes that may affect all players in the construction, property development and power industries. These factors are generally beyond our Group's control.

Political or regulatory changes may result in cancellation or deferment of certain projects, which in turn may result in the cancellation or delay in awarding our Group of existing and/or future projects. Changes in interest rates or taxes may impact our Group's business, financial conditions, results of operations and prospects. Other adverse political situations include the risks of wars / trade wars and terrorism which may also affect the financial performance of our Group.

(xiii) Changes in laws, regulations or policies of governments

Our Group's operations are governed by the laws, regulations and government policies in the countries in which we operate, namely in Malaysia and Vietnam. Any economic downturn, changes in policies in these countries, fluctuations in currency and interest rate, changes in capital controls or capital restrictions, labour laws, changes in environmental protection laws and regulations, duties, accounting policies, taxation policies and limitations on imports and exports, which are beyond our Group's control, could materially affect the business operations of our Group.

6.2 Risks relating to the Rights Issue of Warrants

(i) Investment risks

The price of the Warrants, is influenced by, among others, the market price of the underlying JRB Shares, the remaining tenure of the Warrants and the volatility of the price of JRB Shares. In view of this, there can be no assurance that the Warrants will be traded higher or above the issue price of RM0.25 per Warrant subsequent to the listing of and quotation for the Warrants on Bursa Securities. Similarly, there can be no assurance that the underlying Shares will be traded at or above the exercise price of the Warrants upon listing of the Warrants on the Main Market of Bursa Securities.

On the other hand, the market price of JRB Shares is influenced by, among others, the prevailing market sentiments, the liquidity of JRB Shares, the volatility of equity markets, the outlook of the property and construction industry and our financial performance. In view of this, there can be no assurance that the Warrants will be in-the-money during the exercise period of the Warrants.

Accordingly, there is no assurance that the market price of the JRB Shares and Warrants will be at a level that meets the investment objectives of the subscriber of the Warrants.

(ii) Market risks and no prior market for the Warrants

The price of the Warrants when traded on Bursa Securities may fluctuate due to factors such as, amongst others, the prevailing market sentiments, the volatility of the stock market, the outlook of the industry which we operate in and our financial performance. In view of this, there can be no assurance that the Warrants will trade at or above the issue price of the Warrants after the listing of and quotation for the Warrants on the Main Market of Bursa Securities.

Further, as the Warrants are a new type of security issued by our Company, there can also be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, that it will sustain.

(iii) Delay in or abortion of the implementation of the Rights Issue of Warrants

The Rights Issue of Warrants may be aborted or delayed on the occurrence of any material adverse change of events or circumstances, unfavourable changes in government policies as well as other force majeure events, which is beyond our control, arising prior to or during the implementation of the Rights Issue of Warrants.

There is no assurance that the abovementioned events will not occur or cause a delay in or abortion of the Rights Issue of Warrants.

In the event the implementation of the Rights Issue of Warrants is cancelled or aborted, our Group will repay without interest all monies received in respect of the accepted applications for the subscription of the Warrants pursuant to the Rights Issue of Warrants and if such monies are not repaid within 14 days after it becomes liable, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

6.3 Other risks

(i) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, whilst others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this section. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

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7. INDUSTRY OVERVIEW AND OUTLOOK

7.1 Overview and outlook of the Malaysian and Vietnamese economy

The global economy continued to expand in the second quarter of 2018. Following a year of strong growth among both advanced and Asian economies, gross development profit (“GDP”) outturns in the second quarter showed that global growth is becoming less synchronised. While growth in the United States of America continued to accelerate, many major countries recorded either sustained or more moderate expansions.

The Malaysian economy expanded at a slower pace of 4.5% in the second quarter of 2018 (first quarter of 2018 (“1Q 2018”): 5.4%). Growth was slower on account of supply disruptions in the mining sector and lower agriculture production. The latter is due to supply constraints and adverse weather conditions. On the demand side, growth was dampened by lower public investment and net export growth. Private sector spending remained resilient, expanding further by 7.5% (1Q 2018: 5.2%). In particular, private consumption increased strongly by 8.0% (1Q 2018: 6.9%). On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.3% (1Q 2018: 1.4%).

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2018, Bank Negara Malaysia)

Malaysia is projected to remain firmly on a steady growth path to grow by 5.5% – 6.0% (2017: 5.9%). Private sector expenditure will remain the key driver of growth, underpinned mainly by continued growth in wages and employment, business optimism and favourable demand. Public sector expenditure is expected to decline due to the contraction in public investment amid more moderate growth in public consumption. The external sector is expected to benefit from better global growth, and is likely to generate positive spillovers to domestic economic activity.

(Source: Bank Negara Malaysia Annual Report 2017)

The GDP of Vietnam in 2017 achieved an estimated growth of 6.81%. The country’s GDP grew quarterly, with 5.15% in the first quarter; 6.28% in the second quarter; 7.46% in the third quarter; and 7.65% in the fourth quarter. The agriculture, forestry and fishery sector reached a growth rate of 2.90% (contributing 0.44 percentage points to the GDP); the industrial and construction sector rose by 8.00% (contributing 2.77 percentage points to the GDP); whilst the services sector climbed by 7.44% (contributing 2.87 percentage points to the GDP).

The size of the Vietnam economy in 2017 at current prices reached VND5,007.9 trillion. GDP per capita was estimated to be VND53.5 million, equivalent to USD2,385, which represents an increase of USD170 compared to 2016. The economic structure was represented by the agriculture, forestry and fishery sector (15.34%), the industrial and construction sector (33.34%), the services sector (41.32%) and the product taxes less subsidies on production (10.00%) (2016: 16.32%; 32.72%; 40.92%; and 10.04% respectively).

(Source: General Statistics Office of Vietnam’s website as at 21 September 2018 – <https://www.gso.gov.vn>)

7.2 Overview and prospects of the Vietnam power industry

According to the draft report of National Energy Development Plan for the period 2016-2025 with the vision to 2035, which is currently in preparation by the Institute of Energy under the Ministry of Industry and Trade, the forecast on energy demand in the Business-as-usual scenario indicates that by 2035 the total final energy demand will be nearly 2.5 times higher than in 2015. In 2035 the energy consumption in the transportation sector (covering 27.5%) is projected to achieve the highest growth of 5.7% per year, while the industrial sector (covering 45.3%) has a growth of 5.0% per year in the period 2016 to 2030.

In 2000, renewal energy including biomass and hydro together contributed 53% of the total primary energy supply. However, this share dropped to 24% in 2015. In the same period, coal share grew from 15% to 35% of total supply. This trend is expected to continue far into the future as the domestic supply of hydro and biomass seems to be unable to meet the increasing demand. Power plants play a key role in domestic coal consumption, followed by cement, fertilizer and chemical sectors. The total domestic coal consumption in 2015 was about 43.8 million tons, of which the power plants consumed 23.5 million tons and the final coal consumption was 20.3 million tons (the industrial sector accounted for 87% of final coal consumption).

Electricity is taking up an increasing share in the final energy consumption mix, and electricity demand is expected to grow by 8% annually on average until 2035, corresponding to a need for additional 93 GW of power generation capacity during the period. Almost half of the new capacity is supposed to be coal fired, while almost 25% will be renewable energy.

(Source: Vietnam Energy Outlook Report 2017, Ministry of Industry and Trade Vietnam)

7.3 Overview and prospects of construction sector in Malaysia

The construction sector registered a moderate growth of 6.7% in 2017 (2016: 7.4%). Growth was supported mainly by the civil engineering sub-sector, due to steady progress of large petrochemical, transportation, and utility projects. The special trade sub-sector benefited from increased activity from projects in the early stages of construction, such as land clearing, piling and land reclamation work. Growth in the residential sub-sector moderated, consistent with the record-high number of unsold residential properties. In the non-residential sub-sector, growth was sustained by higher activity from mixed developments, industrial and social projects such as theme parks and sports complexes, which was offset by the on-going weakness in the commercial segment due to an oversupply of office space and shopping complexes.

The construction sector is expected to record a stronger growth of 7.3% in 2018. This will be driven primarily by large new and existing multi-year civil engineering projects. These projects are mainly in the transportation and utilities segment.

(Source: Bank Negara Malaysia Annual Report 2017)

Growth in the construction sector continued to moderate in the second quarter. In the civil engineering sub-sector, growth was supported by the ongoing transportation, petrochemical and power plant projects. In the residential and non-residential sub-sectors, growth continued to decline. The development partly reflected the significant number of unsold residential properties and oversupply of office spaces and shopping complexes.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2018, Bank Negara Malaysia)

7.4 Overview and outlook of the renewable energy industry in Southeast Asia

Southeast Asia is seeing rapid economic growth and development, combined with increasing populations and urbanisation, as well as improving access to basic services. Regional gross domestic product (GDP) reached USD 2.5 trillion in 2016 – triple what it was in 2005. However, this impressive growth trajectory creates staggering energy challenges and raises acute concerns about environmental sustainability.

The regional economy is growing at more than 4% per year, among the highest rates in the world, with considerable variation between countries. Countries are also undergoing structural transformations, moving from agriculture to extractive industries, manufacturing and services in different ways and at varying speeds. Backed by a strong influx of foreign direct investment, some countries have emerged as hubs for a wide variety of industries and services.

The region has also made strides over the past decade on several socio-economic indicators. Based on the USD 1.25 purchasing power parity (PPP) per day threshold, the poverty rate has fallen considerably, from 47% in 1990 to 14% in 2015. Cambodia, the Lao People's Democratic Republic (Lao PDR), Myanmar and Viet Nam have achieved the fastest reductions. Significant progress has also been made in lowering malnutrition, increasing life expectancy and improving access to education, clean water and sanitation.

Growing populations, rising incomes and rapid rate of urbanisation have combined to boost consumption levels for energy and other resources across the region. By 2050, the region's population is expected to grow by another 25%, putting pressure on national and local governments to keep pace with rising needs for housing, transportation, water and sanitation, and other infrastructure. Governments also need to ensure the creation of jobs and provision of social services.

Energy consumption in Southeast Asia nearly doubled between 1995 and 2015, growing at an average pace of 3.4% annually. This has fueled economic growth and permitted higher living standards. Over the past decade, the most rapid growth came from Brunei Darussalam, Cambodia and Viet Nam. In 2015, Indonesia, Malaysia, Thailand, and Viet Nam accounted for most of the region's total final energy consumption (TFEC).

Over the long-term, meeting growing consumption through fossil fuels alone will come at the expense of energy security, with related economic costs for both exporters and importers, in addition to damaging the environment.

The diversification of energy supply through investments in renewable energy, coupled with improvements in energy efficiency, offers a viable option to expand the energy system and simultaneously realise substantial socio-economic and environmental benefits. The costs of generating electricity from hydropower, geothermal and bioenergy are already within the estimated range of fossil-fuel costs in Southeast Asia.

Analysis by the International Renewable Energy Agency (IRENA) has shown that pursuing a renewable-driven energy transition reinforces the regional economic growth agenda. Renewable energy deployment would have a small, but positive, impact on the region's GDP. The renewable energy sector is already creating jobs across Southeast Asia, estimated at 611 000 jobs in 2016.

Countries in Southeast Asia have already taken important steps in diversifying their energy mix and have begun to reap wide-ranging socio-economic benefits as a result. All countries in the region have set national renewable energy targets. The ten Member States of the ASEAN, furthermore, have agreed to aim for the aspirational target of 23% renewables in their total primary energy supply (including largescale hydropower but excluding traditional biomass) by 2025.

Renewable energy sources accounted for 17% of the Southeast Asia's total electricity generation in 2015. Large hydropower comprised over three quarters of the renewable generation mix, although its share in total installed capacity decreased from 80% in 2000 to 75% in 2016.

Non-hydropower renewables have grown rapidly as a power source, with their installed capacity more than doubling in a decade, from 6 gigawatts in 2006 to 15 gigawatts in 2016. Despite rapid capacity additions, solar and wind power still account for a small share of the generation mix. Electricity trade, mainly of hydropower, is increasing as interconnection infrastructure is developed for the ASEAN Power Grid initiative. Lao People's Democratic Republic more than quadrupled electricity exports from 2.8 terawatt-hours ("TWh") in 2000 to 11.5 TWh in 2015, with Thailand as the main destination.

Based on current plans and policies, the share of renewables in total primary energy supply would increase to just under 17% by 2025 (compared to less than 10% in 2014). Therefore, the region must overcome a 6%-point gap to reach its goal of 23%. This requires further efforts to develop enabling policy and investment frameworks for renewable energy

(Source: IRENA (2018), 'Renewable Energy Market Analysis: Southeast Asia')

7.5 Overview and prospects of our Group

Our revenue is primarily derived from our core businesses of construction, property development and power. The prospects of our respective business segments are set out as follows:-

Local construction division

Our Group is currently undertaking on-going construction projects in Malaysia, mainly comprising construction of roadworks and property projects as well as water-related facilities projects. We expect the construction division to continue to contribute positively given that the Group has an outstanding orderbook of approximately RM680.0 million as at the LPD, which is expected to be realised over the next 1.5 to 2 years.

Power division and the EPC Contract

On 6 July 2015, JAKS Power Holding Limited ("JPH"), a wholly-owned subsidiary of JRB, formed a joint-venture with CPECC to jointly build and operate the USD1.87 billion Hai Duong BOT Thermal Power Plant. Following completion of construction of the power plant, JPH and CPECC will jointly operate the power plant under a "build-operate-transfer" 25 year concession.

The EPC Contract was awarded to Golden Keen as part of the Vietnam Power Plant Project. Due to the intensive capital commitment and long gestation period of the Vietnam Power Plant Project, the EPC Contract enables JAKS 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. The EPC Contract is expected to continue contributing positively to our future financial performance for the next 2 years.

Further, upon completion of the construction and commencement of commercial operations of the power plant, which is scheduled to be delivered by the end of 2020, we 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 increasing demand for energy and electricity consumption in Vietnam, as set out in **Section 7.2** above, we expect the Vietnam Power Plant Project to contribute to the Group's income stream for the future financial years.

The Vietnam Power Plant Project also serves as a platform for our Group to grow and develop our power division portfolio in Vietnam. In tandem with our Group's strategy, we intend to participate in new power projects in the future.

Renewable energy

In line with our efforts to expand our presence in the power industry, diversify our revenue base, and reduce our Group's reliance on its core business of construction and property, we are presently looking into potential projects and/or contracts for the construction and operation of power plants generating renewable energy in Southeast Asia. Potential income stream from new renewable energy projects will serve to offset the limited growth of our current operations in Malaysia, which are affected by market driven factors such as uncertainties in the construction sector and the slowdown in the property market.

Our Group believes that the prospects of the renewable energy sector to be positive given the growing demand and increased spending for renewable energy in Southeast Asia as well as ASEAN's target to achieve 23% of primary energy from renewable sources by 2025. In particular, we intend to focus our efforts on renewable energy projects in Vietnam, Indonesia and Malaysia due to the rising energy demand, government investments and policies into renewable energy, as well as the prospects of developing and growing renewable energy production in these regions.

In Vietnam, given the rapidly rising energy demand, high investment is required for developing the national power system over the next 20 years. Under Vietnam's Renewable Energy Development Strategy, Vietnam aims to increase power production from renewable energy from approximately 58 billion TWh in 2015 to approximately 101 billion TWh in 2020, 186 billion TWh in 2030, and 452 billion TWh in 2050*.

**(Source: Vietnam Energy Outlook Report 2017, Ministry of Industry and Trade Vietnam)*

In Indonesia, the country developed and implemented the Government Regulation number 79/2014 on National Energy Policy, which sets out the target to increase the country's share of renewable energy. Through the policy, the country has set an overall target to have modern renewables (excluding traditional uses of bioenergy) provide 23% of total primary energy supply by 2025, and 31% by 2050#.

**(Source: Government Regulation of the Republic of Indonesia (Number 79 of 2014) on National Energy Policy)*

Similarly, Malaysia has also implemented the National Renewable Energy Policy and Action Plan, to enhance the utilization of renewable energy resources to contribute towards national electricity supply security and sustainable socio-economic development. Under the policy, Malaysia aims to increase its annual renewable energy generation to 11,227 gigawatt hours ("**GWh**") in 2020, 16,512 GWh in 2030, and 25,579 GWh in 2050^.

^(Source: National Renewable Energy Policy and Action Plan (2009), Ministry of Energy, Science, Technology and Climate Change, Malaysia)

In view of the policies above, our Group has earmarked proceeds from the Rights Issue of Warrants amounting to RM10.0 million to be channelled towards exploring Renewable Energy Projects in the abovementioned countries. The proceeds will be allocated towards conducting project feasibility studies to determine the most suitable and viable projects and locations. Hence, we are optimistic that our Group will be able to participate in the growing renewable energy sector, and will be able to enjoy long-term recurrent income stream should its foray into renewable energy materialises.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE OF WARRANTS

8.1 Issued share capital

The proforma effects of the Rights Issue of Warrants on our issued share capital as at LPD are set out below:-

	Minimum Subscription Level		Scenario 1		Maximum Scenario	
	No. of JRB Shares ('000)	(RM'000)	No. of JRB Shares ('000)	(RM'000)	No. of JRB Shares ('000)	(RM'000)
Share capital as at the LPD	545,943	598,975	545,943	598,975	545,943	598,975
Assuming all the existing outstanding LTIP Options are exercised ⁽¹⁾	-	-	-	-	10,385	17,758
After exercise of outstanding LTIP Options	545,943	598,975	545,943	598,975	556,328	616,733
Assuming full exercise of Warrants ⁽²⁾	40,388	35,945	272,972	242,945	278,164	247,566
Enlarged share capital	586,331	634,920	818,915	841,920	834,492	864,299

Notes:-

- (1) Based on an indicative exercise price of RM1.40 per LTIP Option and the transfer of the LTIP reserve into the share capital at a fair value of RM0.31 per LTIP Option.
- (2) Based on the exercise price of RM0.64 per Warrant and the transfer of Warrants reserve into the share capital at the issue price of RM0.25 per Warrant.

8.2 Earnings and EPS

The Rights Issue of Warrants is not expected to have any material effect on the consolidated earnings of JRB Group for the FYE 31 December 2018. However, the Company's EPS may be diluted as a result of the increase in the number of JRB Shares in issue as and when the Warrants are exercised. Nevertheless, the Rights Issue of Warrants is expected to contribute positively to the future earnings of JRB when the benefits of the utilisation of proceeds from the Rights Issue of Warrants and conversion of the Warrants into Shares are realised.

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8.3 NA and gearing

Based on the audited consolidated financial statements of JRB as at 31 December 2017, the proforma effects of the Rights Issue of Warrants on the consolidated NA and gearing of JRB are as follows:-

Minimum Subscription Level	Audited as at 31 December 2017 RM'000	(1) After adjustments for subsequent events RM'000	Proforma I After the Rights Issue of Warrants RM'000	Proforma II After Proforma I and assuming full exercise of the Warrants RM'000
Share capital	524,387	598,975	598,975	(4)634,920
LTIIP reserve	4,325	3,219	3,219	3,219
Translation reserves	(11,071)	(11,071)	(11,071)	(11,071)
Warrants reserve	-	-	(2)10,097	-
Retained earnings	180,437	184,567	(3)183,867	183,867
Total equity	698,078	775,690	785,087	810,935
Non-controlling interests	66,032	66,032	66,032	66,032
Shareholders' equity/ NA	764,110	841,722	851,119	876,967
No. of ordinary shares in issue	492,747	545,943	545,943	586,331
NA per ordinary share (RM)	1.42	1.42	1.44	1.38
Borrowings	528,970	528,970	528,970	528,970
Gearing (times)	0.76	0.68	0.67	0.65

Notes:-

- (1) Being adjustments for the following events: -
 - (i) Private Placement of 49,631,200 JRB Shares at an issue price of RM1.38 and deducting the expenses attributable to the Private Placement of RM1,700,000;
 - (ii) The exercise of 3,565,000 LTIIP Options at the exercise price of RM1.40 per LTIIP Option and the transfer of the LTIIP reserve into the share capital at fair value of RM0.31 per LTIIP Option. The basis of the fair value is set out in Section 8.4(f) of this Abridged Prospectus; and
 - (iii) Gain on disposal amounting to RM5.83 million arising from the disposal of land held for development through the Sunway Supply SPAs as set out in Section 3, Appendix VII of this Abridged Prospectus.
- (2) Based on the issue price of RM0.25 per Warrant.
- (3) After deducting the estimated expenses of RM700,000 relating to the Rights Issue of Warrants.
- (4) Based on an exercise price of RM0.64 per Warrant and the transfer of Warrants reserve into the share capital.

Scenario 1	Audited as at 31 December 2017 RM'000	(1) After adjustments for subsequent events RM'000	Proforma I After the Rights Issue of Warrants RM'000	Proforma II After Proforma I and assuming full exercise of the Warrants RM'000
Share capital	524,387	598,975	598,975	(4)841,920
LTIP reserve	4,325	3,219	3,219	3,219
Translation reserves	(11,071)	(11,071)	(11,071)	(11,071)
Warrants reserve	-	-	(2)88,243	-
Retained earnings	180,437	184,567	(3)183,867	183,867
Total equity	698,078	775,690	843,233	1,017,935
Non-controlling interests	66,032	66,032	66,032	66,032
Shareholders' equity/ NA	764,110	841,722	909,265	1,083,967
No. of ordinary shares in issue	492,747	545,943	545,943	818,915
NA per ordinary share (RM)	1.42	1.42	1.54	1.24
Borrowings	528,970	528,970	(5)515,267	515,267
Gearing (times)	0.76	0.68	0.61	0.51

Notes:-

- (1) Being adjustments for the following events: -
- (i) Private Placement of 49,631,200 JRB Shares at an issue price of RM1.38 and deducting the expenses attributable to the Private Placement of RM1,700,000;
 - (ii) The exercise of 3,565,000 LTIP Options at the exercise price of RM1.40 per LTIP Option and the transfer of the LTIP reserve into the share capital at fair value of RM0.31 per LTIP Option. The basis of the fair value is set out in **Section 8.4(f)** of this Abridged Prospectus; and
 - (iii) Gain on disposal amounting to RM5.83 million arising from the disposal of land held for development through the Sunway Supply SPAs as set out in **Section 3, Appendix VII** of this Abridged Prospectus.
- (2) Based on the issue price of RM0.25 per Warrant.
- (3) After deducting the estimated expenses of RM700,000 relating to the Rights Issue of Warrants.
- (4) Based on an exercise price of RM0.64 per Warrant and the transfer of Warrants reserve into the share capital.
- (5) After repayment of bank borrowings amounting to approximately RM13.70 million.

Maximum Scenario	Audited as at 31 December 2017 RM'000	(1) After adjustments for subsequent events RM'000	Proforma I After the exercise of outstanding LTIP Options RM'000	Proforma II After Proforma I and the Rights Issue of Warrants RM'000	Proforma III After Proforma II and assuming full exercise of the Warrants RM'000
Share capital	524,387	598,975	(2) 616,733	616,733	(5) 864,299
LTIP reserve	4,325	3,219	-	-	-
Translation reserves	(11,071)	(11,071)	(11,071)	(11,071)	(11,071)
Warrants reserve	-	-	-	(3) 69,541	-
Retained earnings	180,437	184,567	184,567	(4) 183,867	183,867
Total equity	698,078	775,690	790,229	859,070	1,037,095
Non-controlling interests	66,032	66,032	66,032	66,032	66,032
Shareholders' equity/ NA	764,110	841,722	856,261	925,102	1,103,127
No. of ordinary shares in issue	492,747	545,943	556,328	556,328	834,492
NA per ordinary share (RM)	1.42	1.42	1.42	1.54	1.24
Borrowings	528,970	528,970	528,970	(6) 515,267	515,267
Gearing (times)	0.76	0.68	0.67	0.60	0.50

Notes:-

- (1) Being adjustments for the following events:-
- (i) Private Placement of 49,631,200 JRB Shares at an issue price of RM1.38 and deducting the expenses attributable to the Private Placement of RM1,700,000;
 - (ii) The exercise of 3,565,000 LTIP Options at the exercise price of RM1.40 per LTIP Option and the transfer of the LTIP reserve into the share capital at fair value of RM0.31 per LTIP Option. The basis of the fair value is set out in Section 8.4(f) of this Abridged Prospectus; and
 - (iii) Gain on disposal amounting to RM5.83 million arising from the disposal of land held for development through the Sunway Supply SPAs as set out in Section 3, Appendix VII of this Abridged Prospectus.
- (2) Assuming full exercise of the remaining 10,385,000 LTIP Options at the indicative exercise price of RM1.40 per LTIP Option and transfer of LTIP reserve to share capital.
- (3) Based on the issue price of RM0.25 per Warrant.
- (4) After deducting the estimated expenses of RM700,000 pertaining to the Rights Issue of Warrants.
- (5) Based on an exercise price of RM0.64 per Warrant and the transfer of Warrants reserve into the share capital.
- (6) After repayment of bank borrowings amounting to approximately RM13.70 million.

8.4 Convertible securities

Save for the following, our Company does not have any outstanding convertible securities as at the LPD:-

Our Company had, on 5 July 2016, implemented a LTIP of up to 15% of the total number of issued shares of our Company (excluding treasury shares) which comprises of the following: -

- (i) a share option plan to our directors and senior management of our Group which allows our Company to award LTIP Options to the grantees to enable them to subscribe for new JRB Shares at a pre-determined subscription price during the LTIP period, subject to the provisions of the LTIP By-Laws. On 24 May 2017, our Company granted 24,500,000 LTIP Options to our eligible Directors and employees of our Group. The corresponding fair value of the LTIP Options, as determined using the Black Scholes Option Pricing Model as at 24 May 2017 is RM0.31, based on the following input assumed by the Company:-
 - (a) strike price of RM1.40, being the exercise price of the LTIP Options;
 - (b) underlying price of RM1.39, being JRB's share price as at 24 May 2017;
 - (c) volatility of 34.38%;
 - (d) expected tenure of the LTIP Options of 1 year; and
 - (e) risk-free interest rate of 3.53%

As at the LPD, there are 10,385,000 outstanding LTIP Options under our Company's Share Option Plan; and

- (ii) a share grant scheme which allows our Company to award such number of JRB Shares to our executive directors and senior management of our Group during the LTIP period without any cash consideration payable. As at the LPD, our Company has not awarded any Shares to any executive directors and senior management under the Share Grant Scheme.

Any necessary adjustments to the exercise price of the outstanding LTIP Options arising from the Rights Issue of Warrants will be governed by the terms of the LTIP By-Laws.

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9. ENTITLEMENT UNDERTAKINGS

The following substantial shareholders have provided their respective Entitlement Undertakings to subscribe in full for their respective entitlements of the Warrants under the Rights Issue of Warrants based on their shareholding as at LPD:-

Undertaking Shareholders	As at the LPD		Entitlement Undertakings		Total Warrants to be subscribed pursuant to the Entitlement Undertakings		
	No. of Shares	(1)%	No. of Warrants	(2)%	No. of Warrants	Scenario 1 (2)%	Maximum Scenario (3)%
Ang Lam Poah	49,654,102	9.10	24,827,051	9.10	24,827,051	9.10	8.93
Original Invention Sdn Bhd	29,571,000	5.42	14,785,500	5.42	14,785,500	5.42	5.32
Dato' Razali Merican bin Naina Merican ⁽⁴⁾	1,550,000	0.28	775,000	0.28	775,000	0.28	0.28
Total	80,775,102	14.80	40,387,551	14.80	40,387,551	14.80	14.52

Notes:-

- (1) Based on the share capital of JRB as at the LPD comprising of 545,943,372 JRB Shares.
- (2) Based on 272,971,686 Warrants issued pursuant to the Rights Issue of Warrants under Scenario 1.
- (3) Based on 278,164,186 Warrants issued pursuant to the Rights Issue of Warrants under the Maximum Scenario.
- (4) Dato' Razali Merican bin Naina Merican is a major shareholder of Original Invention Sdn Bhd, which in turn is a substantial shareholder of JRB.

The abovementioned Undertaking Shareholders have also given the Entitlement Undertakings to subscribe in full for any additional entitlement of the Rights Issue of Warrants in the event that they increase their shareholdings in JRB prior to the Entitlement Date. The Entitlement Undertakings provided by the Undertaking Shareholders reflect their commitment and confidence in growing the Group's business and driving the financial performance of the Group further.

Accordingly, each of the Undertaking Shareholders has confirmed vide their respective Entitlement Undertaking that they have sufficient financial resources to subscribe for the Warrants under the Rights Issue of Warrants. UOBKH has also verified, to the extent possible, that the Undertaking Shareholders have sufficient financial resources to take up the number of Warrants as specified in their respective Entitlement Undertakings.

Based on the above Entitlement Undertakings, the Minimum Subscription Level under the Rights Issue of Warrants is 40,387,551 Warrants.

There are no takeover implications under the Code and the Rules pursuant to the Entitlement Undertakings as the Entitlement Undertakings relate to the subscription of Warrants rather than subscription of voting shares in the Company. In the event that only the Undertaking Shareholders subscribe for their entitlement to the Warrants and subsequently exercise those Warrants, there will be no takeover implications under the Code and the Rules as they, as at the LPD, collectively own approximately 14.80% of the total number of issued JRB Shares.

As the Rights Issue of Warrants will be implemented based on the Minimum Subscription Level, we have not procured any underwriting arrangement for the remaining open portion of 237,776,635 Warrants not subscribed for by the other Entitled Shareholders and/or their renounee(s).

10. WORKING CAPITAL, CONTINGENT LIABILITIES, BORROWINGS AND MATERIAL COMMITMENTS

10.1 Working capital

Our Board is of the opinion that, after taking into consideration the proceeds from the Rights Issue of Warrants, our Group's existing borrowings, the banking facilities available to our Group and the funds generated from our Group's operations, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

10.2 Contingent liabilities

Save as disclosed below, as at the LPD, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of our Group:

	(RM'000)
Unsecured	
Bank guarantees issued for the execution of contracts of the Group's subsidiaries	141,471
Liquidated and ascertained damages	32,200
Total	173,671

10.3 Borrowings

As at the LPD, our Group had total outstanding borrowings of approximately RM444.2 million, all of which are denominated in RM, interest-bearing and comprise the following:-

	Purpose of borrowings	Amount in RM'000
Short term borrowings:-		
Secured		
- Trade lines	Import and local purchases	62,408
- Revolving credit	Import, local purchases and working capital	34,700
- Overdraft	Working capital and local purchases	17,922
- Term loan	Mall financing	5,417
- Hire purchase	Motor vehicle financing	332
		120,779
Long term borrowings:-		
Secured		
- Term loans	Mall financing and business hub financing	323,083
- Hire purchase	Motor vehicle financing	299
		323,382
Total borrowings		444,161

As at the LPD, our Group does not have any non-interest bearing borrowings from local and foreign financial institutions.

There has not been any default on payments of either interest and/or principal sums in respect of any borrowings during the FYE 31 December 2017 and the subsequent financial period up to the LPD.

10.4 Material commitments

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	(RM'000)
Capital contribution contracted but not provided for in respect of subscription of shares in JAKS Pacific Power Limited, a joint venture of the Group	458,458

11. TERMS AND CONDITIONS

The issuance of the Warrants pursuant to the Rights Issue of Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, NPA and RSF.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices 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

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS PASSED AT OUR EGM HELD ON 18 OCTOBER 2018

JAKS RESOURCES BERHAD

Company No. 585648-T
(Incorporated in Malaysia)

EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF JAKS RESOURCES BERHAD (“JRB” OR THE “COMPANY”) HELD AT GRAND PACIFIC EVENT HALL, 3RD FLOOR, EVOLVE CONCEPT MALL, PACIFIC PLACE @ ARA DAMANSARA, JALAN PJU 1A/4, ARA DAMANSARA, PETALING JAYA, 47301 SELANGOR DARUL EHSAN ON THURSDAY, 18 OCTOBER 2018

ORDINARY RESOLUTION

PROPOSED RIGHTS ISSUE OF UP TO 278,164,186 WARRANTS (“WARRANT(S)”) IN JRB ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN JRB (“JRB SHARE(S)”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) (“PROPOSED RIGHTS ISSUE OF WARRANTS”)

Based on results of the poll, the Chairman declared the Ordinary Resolution as below duly carried:

“THAT, subject to the approval of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) for the admission of the Warrants to the Official List of the Main Market of Bursa Securities, as well as the listing of and quotation for the Warrants and new JRB Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities and the approval of other relevant authorities, the Board of Directors of the Company (**“Board”**) be and is hereby authorised to:-

- (i) provisionally allot, by way of a renounceable rights issue, up to 278,164,186 Warrants to the shareholders of the Company whose names appear in the Record of Depositors at the close of business on the Entitlement Date (**“Entitled Shareholders”**), on the basis of 1 Warrant for every 2 existing JRB Shares held by the Entitled Shareholders for the purpose and utilisation of proceeds as disclosed in the circular to shareholders dated 3 October 2018 (**“Circular”**); and
- (ii) enter into and execute a deed poll (**“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 Warrants and new JRB Shares to be issued pursuant to the exercise of the Warrants shall be listed on the Main Market of Bursa Securities;

THAT, the proceeds of the Proposed Rights Issue of Warrants be utilised for the purposes as set out in the Circular, and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT, the Board be and is hereby authorised to deal with any fractional entitlements that may arise from the Proposed Rights Issue of Warrants, in such manner as it shall in its absolute discretion deem fit and expedient, or in the best interest of the Company;

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS PASSED AT OUR EGM HELD ON 18 OCTOBER 2018 (Cont'd)

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 Additional Warrants, and all new JRB Shares to be issued pursuant thereto will, upon allotment and issuance, rank equally in all respects with the existing JRB Shares, except that they shall not be entitled to any dividends, rights, allotments and/or 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 of the new JRB Shares.

THAT, the Board be and is hereby authorised to take all such necessary steps and do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements (including underwriting agreements, if any) and/or documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Rights Issue of Warrants with full powers to assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue of Warrants as the Board may deem fit, necessary and/or expedient in the interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue of Warrants, including but not limited to determining and varying if deemed fit, necessary and/or expedient, the issue price and/or exercise price of the Warrants to be issued in connection with the Proposed Rights Issue of Warrants;

AND THAT, this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Warrants, Additional Warrants and new JRB Shares to be issued pursuant to or in connection with the Proposed Rights Issue of Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue of Warrants."

CERTIFIED TRUE AND CORRECT,



**TAN SRI DATUK HUSSIN BIN
HAJI ISMAIL
DIRECTOR**



**ANG LAM POAH
DIRECTOR**

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 9 July 2002 under the name JAKS Resources Sdn Bhd and subsequently converted into a public company on 30 August 2002. We were listed on the Main Board (now known as Main Market of Bursa Securities) on 1 July 2004.

Our Company's principal activities are that of investment holding and general contractor. Through our subsidiaries, our Group is also involved in investment holding, general trading, supplying of building materials, manufacturing of ductile steel pipe, general trading of building materials and other steel related products, construction, offshore drilling, oil, gas, property development, property asset management and management of mall and other properties.

Further details on our subsidiary companies are set out in **Section 6** of this Appendix.

2. SHARE CAPITAL

As at the LPD, our issued share capital is as follows:-

Type	No. of JRB Shares	Total (RM)
Issued share capital	545,943,372	598,974,584

3. CHANGES IN THE ISSUED SHARE CAPITAL

The changes in our issued share capital for the past 3 years up to and including the LPD are as follows:-

Date of allotment	No. of JRB Shares allotted	Type of issue /Consideration	Cumulative no. of shares	Cumulative issued share capital (RM)
23 March 2017	43,836,100	Private placement	482,197,172	506,346,878
2 August 2017	50,000	Exercise of LTIP Options	482,247,172	506,432,378
3 October 2017	3,600,000	Exercise of LTIP Options	485,847,172	512,588,378
12 October 2017	3,600,000	Exercise of LTIP Options	489,447,172	518,744,378
20 October 2017	2,700,000	Exercise of LTIP Options	492,147,172	523,361,378
31 October 2017	600,000	Exercise of LTIP Options	492,747,172	524,387,378
17 January 2018	100,000	Exercise of LTIP Options	492,847,172	524,558,378
29 January 2018	110,000	Exercise of LTIP Options	492,957,172	524,746,478
2 February 2018	960,000	Exercise of LTIP Options	493,917,172	526,388,078
6 February 2018	576,000	Exercise of LTIP Options	494,493,172	527,373,038
14 February 2018	484,000	Exercise of LTIP Options	494,977,172	528,200,678
26 February 2018	135,000	Exercise of LTIP Options	495,112,172	528,431,528
5 March 2018	450,000	Exercise of LTIP Options	495,562,172	529,201,028
8 March 2018	750,000	Exercise of LTIP Options	496,312,172	530,483,528
28 March 2018	49,631,200	Private placement	545,943,372	598,974,584

INFORMATION ON OUR COMPANY (Cont'd)
4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The Rights Issue of Warrants is not expected to have any immediate effect on the shareholdings of the substantial shareholders of JRB until and unless new JRB Shares are issued pursuant to the exercise of the Warrants. Notwithstanding this, the effect on the shareholdings of the substantial shareholders of JRB arising from the exercise of the Warrants will depend upon, amongst others, the subscription of their respective entitlements under the Rights Issue of Warrants, the subscription for additional Warrants as well as the number of Warrants exercised by the substantial shareholders and the other holders of the Warrants. Should all Entitled Shareholders subscribe for their respective entitlements and exercise their Warrants subsequently, the Rights Issue of Warrants will not dilute or increase the existing substantial shareholders' equity interest.

For illustration purposes, assuming all Entitled Shareholders subscribe for their respective entitlements and subsequently a full exercise of the Warrants occur, the effects of the Rights Issue of Warrants on the respective substantial shareholders of the Company are as illustrated below:-

Minimum Subscription Level

Substantial shareholder	⁽¹⁾ Shareholdings as at the LPD				Proforma After the Rights Issue of Warrants and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of Shares ('000)	(2)%	No. of Shares ('000)	(2)%
Koon Yew Yin	59,228	10.85	-	-	59,228	10.10	-	-
Ang Lam Poah	49,654	9.10	-	-	74,481	12.70	-	-
Tan Kit Pheng	34,048	6.24	-	-	34,048	5.81	-	-
Original Invention Sdn Bhd	29,571	5.42	-	-	44,357	7.57	-	-
Dato' Razali Merican bin Naina Merican	1,550	0.28	(3)29,571	5.42	2,325	0.40	(3)44,357	7.57
Total	174,051	31.89	29,571	5.42	214,439	36.58	44,357	7.57

Notes:-

- (1) Based on the share capital of JRB comprising 545,943,372 JRB Shares as at the LPD.
- (2) Based on the enlarged share capital of JRB comprising 586,330,923 JRB Shares after the full exercise of the Warrants.
- (3) Deemed interested through his shareholdings in Original Invention Sdn Bhd.

INFORMATION ON OUR COMPANY (Cont'd)

Scenario 1

Substantial shareholder	⁽¹⁾ Shareholdings as at the LPD				Proforma After the Rights Issue of Warrants and assuming full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares (^{'000})	(¹)%	No. of Shares (^{'000})	(¹)%	No. of Shares (^{'000})	(²)%	No. of Shares (^{'000})	(²)%
Koon Yew Yin	59,228	10.85	-	-	88,842	10.85	-	-
Ang Lam Poah	49,654	9.10	-	-	74,481	9.10	-	-
Tan Kit Pheng	34,048	6.24	-	-	51,072	6.24	-	-
Original Invention Sdn Bhd	29,571	5.42	-	-	44,357	5.42	-	-
Dato' Razali Merican bin Naina Merican	1,550	0.28	(³)29,571	5.42	2,325	0.28	(³)44,357	5.42
Total	174,051	31.89	29,571	5.42	261,077	31.89	44,357	5.42

Notes:-

- (1) Based on the share capital of JRB comprising 545,943,372 JRB Shares as at the LPD.
- (2) Based on the enlarged share capital of JRB comprising 818,915,058 JRB Shares after the full exercise of the Warrants.
- (3) Deemed interested through his shareholdings in Original Invention Sdn Bhd.

INFORMATION ON OUR COMPANY (Cont'd)

5. OUR BOARD OF DIRECTORS

5.1 Details of our Directors

The particulars of our Directors as at the LPD are as follows:-

Name*	Address	Age	Profession	Designation
Tan Sri Datuk Hussin Bin Haji Ismail	No. 42, Jalan Ubin U8/19 A Seksyen U8 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	65	Company Director	Chairman/ Independent Non-Executive Director
Ang Lam Poah	652, Lorong 20 42600 Jenjarom Selangor Darul Ehsan	51	Company Director	Chief Executive Officer / Executive Director
Dato' Razali Merican Bin Naina Merican	5394, Jalan Sekolah 13200 Kepala Batas Pulau Pinang	48	Company Director	Executive Director
Ang Lam Aik	Lot 652, Lorong 20 42600 Jenjarom Selangor Darul Ehsan	45	Company Director	Executive Director
Dato' Azman Bin Mahmood	Lot 14, Jalan Tengah 48200 Petaling Jaya Selangor Darul Ehsan	67	Company Director	Independent Non-Executive Director
Liew Jee Min @ Chong Jee Min	5 Solok Batai Laut Off Jalan Batai Laut 41300 Klang Selangor Darul Ehsan	59	Company Director / Lawyer	Independent Non-Executive Director

Note:-

* All Directors are Malaysian.

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INFORMATION ON OUR COMPANY (Cont'd)

5.2 Directors' shareholdings

For the purposes of illustration, assuming all Entitled Shareholders subscribe for their respective entitlements and subsequently a full exercise of the Warrants occur, the proforma effects of the Rights Issue of Warrants on the shareholdings of our Directors based on the Register of Directors' Shareholdings as at the LPD are set out as follows:-

Directors	Shareholdings as at the LPD		Proforma I After the exercise of outstanding LTIP Options		Proforma II After Proforma I, the Rights Issue of Warrants and assuming full exercise of the Warrants	
	Direct		Direct		Direct	
	No. of Shares (^{'000})	(¹)(%)	No. of Shares (^{'000})	(²)(%)	No. of Shares (^{'000})	(³)(%)
Tan Sri Datuk Hussin Bin Haji Ismail	-	-	-	-	-	-
Ang Lam Poah	49,654	9.10	49,654	8.93	74,481	8.93
Dato' Razali Merican Bin Naina Merican	1,550	0.28	1,550	0.28	2,325	0.28
Ang Lam Aik	-	-	750	0.13	1,125	0.13
Dato' Azman Bin Mahmood	-	-	-	-	-	-
Liew Jee Min @ Chong Jee Min	-	-	-	-	-	-
			(⁴)29,571	5.42	(⁴)29,571	5.32
					(⁴)44,357	5.32

Notes:-

^ Negligible

(1) Based on the share capital of JRB comprising 545,943,372 JRB Shares as at the LPD.

(2) Based on the enlarged share capital of JRB comprising 556,328,372 JRB Shares after the full exercise of outstanding LTIP Options.

(3) Based on the enlarged share capital of JRB comprising 834,492,558 JRB Shares after the full exercise of the Warrants.

(4) Deemed interested through his shareholdings in Original Invention Sdn Bhd.

INFORMATION ON OUR COMPANY (Cont'd)

6. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINTLY-CONTROLLED ENTITIES

Our subsidiaries, associate companies and jointly-controlled entities as at the LPD are set out below:-

Name	Date of incorporation	Principal activities	Issued share capital	Effective equity interest (%)
<u>Subsidiaries incorporated in Malaysia</u>				
JAKS Sdn Bhd	4 March 1987	General contractor and supplier of building materials	RM10,000,000	100.00
Pipe Technology System Sdn Bhd	8 June 1992	Pipe manufacturer. However, temporarily ceased operation	RM1,000,000	70.00
JAKS Steel Industries Sdn Bhd	11 October 1984	General trading of building materials and other steel related products	RM46,827,738	98.05
Surge System Sdn Bhd	21 September 2004	General trading and construction. However, temporarily inactive	RM500,000	100.00
Empire Deluxe Sdn Bhd	4 August 2004	Manufacturing of ductile steel pipes and investment holding. However, temporarily ceased operation	RM1,000,000	100.00
JAKS Offshore Sdn Bhd	4 May 2011	Offshore drilling, oil, gas and general trading. However, has not commenced operation	RM100,000	51.00
Harbour Town Sdn Bhd	30 January 2013	Investment holding	RM2	100.00
Premier Place Property Sdn Bhd	19 December 2013	Property development	RM250,000	100.00
Harbour Front Development Sdn Bhd	19 December 2013	Dormant	RM250,000	100.00
JAKS Island Circle Sdn Bhd	9 October 2009	Property development	RM1,000,000	51.00
JAKS-KDEB Consortium Sdn Bhd	25 August 2001	Investment holding	RM1,000,000	70.00
JAKS Marketing Sdn Bhd	14 May 1997	General trading of steel and construction related products	RM1,000,000	100.00
JAKS Power Sdn Bhd	4 August 2008	Investment holding	RM1,000	100.00
Fortress Pavilion Sdn Bhd	27 February 2017	Investment holding and property asset management	RM10,000,000	51.00
Integrated Pipe Industries Sdn Bhd	18 March 2002	Pipe manufacturer. However, temporarily ceased	RM9,000,000	70.00

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued share capital	Effective equity interest (%)
Wing Tiek Ductile Iron Pipe Sdn Bhd	22 August 1984	manufacturing operation General trading of steel and other related products. However, temporarily ceased operation	RM9,750,000	100.00
MNH Global Assets Management Sdn Bhd	8 June 2000	Investment holding, property development and management of mall and other properties	RM1,500,000	51.00
Evolve Concept Mall Sdn Bhd	4 March 2014	Management of mall and other properties	RM2	51.00
<u>Subsidiaries incorporated in British Virgin Islands</u>				
Gain World Trading Limited	15 October 2009	Investment holding	USD1	100.00
Golden Keen Holdings Limited	15 October 2009	General contractor	USD1	100.00
JAKS Power Holding Limited	12 August 2010	Investment holding	USD1	100.00
JAKS-MPC (HD) Limited	12 December 2011	Investment holding	USD1	100.00
<u>Associate company incorporated in Vietnam</u>				
JAKS Hai Duong Power Company Limited	30 June 2011	Development and operation of coal-fired thermal power plant	Ordinary shares: USD60,000,000 Convertible preference shares: USD100,000,000	30.00
<u>Associate company incorporated in Hong Kong</u>				
JAKS Pacific Power Limited	8 November 2010	Investment holding	Ordinary shares: HKD200 and USD60,000,000 Convertible preference shares: USD100,000,000	30.00
<u>Jointly controlled operations incorporated in Malaysia</u>				
KACC – JAKS Joint Venture	7 June 2012	Construction	Not applicable	50.00
JAKS – KACC Joint Venture	8 April 2014	Construction	Not applicable	50.00
JAVEL – JAKS Joint Ventures	26 November 2015	Construction	Not applicable	50.00

INFORMATION ON OUR COMPANY (Cont'd)

7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements for the past 3 financial years up to the FYE 31 December 2017 and the latest unaudited consolidated financial statements for the 6-month FPE 30 June 2018 are as follows:-

	Audited			Unaudited	
	FYE 31 December			6-month FPE 30 June	
	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2017 (RM'000)	2018 (RM'000)
Revenue	461,179	632,201	684,916	325,733	388,533
Cost of Sales	(368,203)	(541,384)	(586,887)	(277,707)	(326,740)
Gross profit	92,976	90,817	98,029	48,026	61,793
Other income	91,762	6,529	105,070	8,354	8,656
Selling and distribution expenses	(4,179)	(954)	(1,855)	(791)	(1,378)
Administrative expenses	(48,703)	(56,822)	(60,761)	(43,873)	(40,824)
Other expenses	(54,449)	(20,522)	(644)	-	-
Profit/ (Loss) from operation	77,407	19,048	139,839	11,716	28,247
Finance costs	(22,125)	(26,330)	(27,526)	(13,249)	(11,388)
Share of results of joint ventures	-	263	(102)	(68)	(50)
PBT	55,282	(7,019)	112,211	(1,601)	16,809
Taxation	(8,120)	(9,491)	(2,144)	(586)	(1,474)
Profit/ (Loss) after tax	47,162	(16,510)	110,067	(2,187)	15,335
Profit/ (Loss) attributable to:-					
Owners of the Company	41,467	698	126,640	9,523	30,579
Non-controlling interests	5,695	(17,208)	(16,573)	(11,710)	(15,244)
	47,162	(16,510)	110,067	(2,187)	15,335
Earnings before interest, tax, depreciation and amortisation	84,134	33,606	153,956	18,262	35,070
EPS (sen):-					
Basic	9.46	0.16	26.68	2.12	5.87
Diluted	9.46	0.16	26.64	2.12	5.87
Gross profit margin (%)	20.16	14.37	14.31	14.74	15.90
PBT margin (%)	11.99	N/A	16.38	N/A	4.33
PAT margin (%)	10.23	N/A	16.07	N/A	3.95
Dividends paid (RM'000)	-	-	-	-	-

INFORMATION ON OUR COMPANY (Cont'd)
Commentary on financial performance
FYE 31 December 2015 ("FYE 2015")

For the FYE 2015, our Group recorded revenue of approximately RM461.2 million, representing a decrease of approximately RM29.7 million or 6.1% as compared to the preceding FYE 31 December 2014 ("FYE 2014") of RM490.9 million. Our construction division recorded a substantial increase in revenue from approximately RM134.5 million in the FYE 2014 to approximately RM255.0 million in the FYE 2015, representing a growth of approximately 89.5%. The substantial growth in our construction revenue was mainly attributed to revenue recognised during the FYE 2015 for our ongoing infrastructure projects, namely, our pipe laying project in Puchong, road upgrading works in Penang, and property construction works for our mixed development Pacific Star project located in Section 13, Petaling Jaya. However, the substantial growth in our construction revenue was partially offset by the decrease in revenue from our property development and investment division, which recorded a lower revenue of approximately RM129.0 million in FYE 2015 as compared to RM264.9 million recorded in FYE 2014. The lower revenue recorded was mainly due to lower sales of the units at Pacific Star.

In FYE 2015, we had also began to downsize our trading and manufacturing division to rationalise the division with the sale of land in Klang, which in turn contributed to the decline in our trading and manufacturing revenue during the financial year under review.

A breakdown of our revenue by operating divisions is set out as follows:-

	FYE 2014		FYE 2015	
	Revenue (RM'000)	%	Revenue (RM'000)	%
Construction	134,554	27.4	255,011	55.3
Property development and investment	264,900	54.0	129,012	28.0
Trading and manufacturing	91,478	18.6	77,155	16.7
	490,932	100.0	461,178	100.0

Meanwhile, we generated other income of approximately RM91.8 million in the FYE 2015, representing an increase of approximately RM71.9 million as compared to other income of RM19.9 million in the preceding FYE 2014. The increase in other income was mainly attributable to the recognition of one-off gain of RM50.0 million on the disposal of 70% equity interest in the subsidiary companies, namely JAKS Power Pacific Limited and JAKS Hai Duong Power Company Limited in relation to the Vietnam Power Plant Project, as well as the one-off gain of RM35.9 million arising from the disposal of our land in Klang.

Our administrative expenses for the FYE 2015 was RM48.7 million, which represents an increase of approximately RM8.1 million or 20.0% as compared to the preceding FYE 2014 of RM40.6 million. The increase in administrative expenses was mainly attributable to the unrealised loss on foreign exchange amounting to RM6.6 million arising from our investment in the Vietnam Power Plant Project.

INFORMATION ON OUR COMPANY (Cont'd)

Our other expenses for the FYE 2015 was RM54.4 million, which represents a significant increase of approximately RM39.7 million as compared to the preceding FYE 2014 of RM14.7 million. The increase in other expenses was mainly due to the impairment on goodwill of RM30.0 million relating to impairment loss on our investment in our operating subsidiaries, namely JAKS Sdn Bhd and MNH Global Assets Management Sdn Bhd, as well as allowance for impairment of approximately RM10.5 million on our trade and other receivables.

We recorded PBT of RM55.3 million in the FYE 2015, representing a slight increase of RM1.0 million or 1.8% as compared to PBT of RM54.3 million recorded in the previous FYE 2014. However, our increase in PBT was partially offset by our increase in finance costs from RM18.8 million in the FYE 2014 to RM22.1 million in the FYE 2015, due to higher cost of financing arising from the opening of Evolve Concept Mall.

We recorded a net profit of RM47.2 million in the FYE 2015, which represents an increase of RM12.8 million or 37.2% compared to RM34.4 million recorded in FYE 2014. The increase in net profit was mainly attributable to the one-off gain on disposal of land in Klang, as well as the lower tax expense incurred during the FYE 2015 of RM8.1 million as compared to RM19.9 million incurred during the FYE 2014.

FYE 31 December 2016 ("FYE 2016")

For the FYE 2016, our Group recorded revenue of RM632.2 million, which represents an increase of approximately RM171.1 million or 37.1% as compared to the preceding FYE 2015 of RM461.2 million. The increase in revenue was mainly because we began deriving revenue from the EPC Contract for construction works for the Vietnam Power Plant Project, which contributed approximately RM150.1 million to our Group's revenue. As such, our construction division remained our highest contributor, recording a revenue of RM449.7 million. Our property development and investment division also recorded an increase in revenue of RM31.3 million or 24.2%, which was mainly due to higher revenue generated from our Pacific Star project due to ongoing sales of available units from the existing launches and progress billings. During the FYE 2016, we also continued to rationalise our trading and manufacturing operations, which resulted in a further decrease in revenue of RM54.9 million or 71.1%, from RM77.2 million in the FYE 2015 to RM22.3 million in the FYE 2016.

A breakdown of our revenue by operating divisions is set out as follows:-

	FYE 2015		FYE 2016 (Restated)	
	Revenue (RM'000)	%	Revenue (RM'000)	%
Construction	255,011	55.3	449,663	71.1
Property development and investment	129,012	28.0	160,275	25.4
Trading and manufacturing	77,155	16.7	22,263	3.5
	461,178	100.0	632,201	100.0

Meanwhile, we recorded other income of approximately RM6.5 million in the FYE 2016, which was significantly lower compared to RM91.8 million generated in the preceding FYE 2015. This was mainly because we recognised a one-off gain amounting to RM85.9 million arising from the disposal of 70% equity interest in subsidiary companies relating to the Vietnam Power Plant Project as well as our disposal of land in Klang.

Our selling and distribution expenses decreased by approximately RM3.2 million or 76.2% to RM1.0 million in the FYE 2016, as compared to RM4.2 million in the FYE 2015. This was mainly due to lower sales commission incurred from the sales of our Pacific Place project.

INFORMATION ON OUR COMPANY (Cont'd)

Our administrative expenses for the FYE 2016 was RM56.8 million, which represents an increase of approximately RM8.1 million or 16.6% as compared to the preceding FYE 2015 of RM48.7 million. The increase in administrative expenses was mainly attributable to the increase in provision of liquidated and ascertained damages amounting to RM9.4 million due to the delay of our Pacific Star project.

Our other expenses for the FYE 2016 was RM20.5 million, which represents a significant decrease of approximately RM33.9 million or 62.3% as compared to the preceding FYE 2015 of RM54.4 million. This was mainly due to the impairment loss on goodwill of RM30.0 million on our operating subsidiaries, namely, JAKS Sdn Bhd and MNH Global Assets Management Sdn Bhd during the preceding financial year.

We recorded a loss before tax of RM7.0 million for the FYE 2016, as compared to a PBT of RM55.3 million in the preceding FYE 2015. The loss incurred was due to competitive pricing and slowdown in the property market as well as higher operating expenses, depreciation, and financing cost recognised in our income statement after the opening and commencement of operations of Evolve Concept Mall. We also recorded allowance for impairment on receivables of RM8.1 million, and realised and unrealised loss on foreign exchange amounting to RM8.2 million. We recorded a loss after tax of RM16.5 million in the FYE 2016 after making a provision for taxation amounting to RM4.5 million, as well as reversal of deferred tax asset of RM5.0 million.

FYE 31 December 2017 ("FYE 2017")

For the FYE 2017, our Group recorded revenue of RM684.9 million, which represents an increase of approximately RM52.7 million or 8.3% as compared to the preceding FYE 2016 of RM632.2 million. The increase in revenue was mainly attributable to the construction revenue derived from the Vietnam EPC Contract, which contributed approximately RM251.2 million, representing 36.7%, to our total revenue. As such, our construction division remained our highest contributor, recording a revenue of RM535.5 million. The remaining revenue was contributed by our property development and investment, and trading and manufacturing divisions, which recorded RM143.0 million and RM6.4 million in revenue, respectively. A breakdown of our revenue by operating divisions is set out as follows:-

	FYE 2016 (Restated)		FYE 2017	
	Revenue (RM'000)	%	Revenue (RM'000)	%
Construction	449,663	71.1	535,459	78.2
Property development and investment	160,275	25.4	143,030	20.9
Trading and manufacturing	22,263	3.5	6,427	0.9
	632,201	100.0	684,916	100.0

Meanwhile, we recorded other income of approximately RM105.1 million in the FYE 2017, which was mainly due to the recognition of gain arising from the disposal of properties in Subang Jaya amounting to RM88.8 million.

Our administrative expenses for the FYE 2017 was RM60.8 million, which represents an increase of approximately RM4.0 million or 7.0% as compared to the preceding FYE 2016 of RM56.8 million. The increase in administrative expenses was mainly attributable to the staff cost provision of RM7.6 million in relation to share options granted under the Company's LTIP.

INFORMATION ON OUR COMPANY (Cont'd)

Our other expenses for the FYE 2017 was RM0.6 million, which represents a significant decrease of approximately RM19.9 million or 96.9% as compared to the preceding FYE 2016 of RM20.5 million. The decrease in operating expenses was mainly due to allowance on receivables in FYE 2016.

We recorded PBT and net profit attributable to shareholders of RM112.2 million and RM126.6 million, respectively, for the FYE 2017. This represents a turnaround from the loss incurred in the preceding FYE 2016, being a loss before tax and net profit attributable to shareholders of RM7.0 million and RM0.7 million respectively. The increase in profit for the FYE 2017 was mainly attributable to the gain arising from the disposal of properties of RM88.8 million, as well as RM55.1 million net profit contribution from the EPC Contract construction project.

FPE 30 June 2018 ("FPE 2018")

For the 6-month FPE 2018, our Group recorded revenue of RM388.5 million, which represents an increase of approximately RM62.8 million or 19.3% as compared to the preceding 6-month FPE 2017 of RM325.7 million. The increase in revenue was mainly attributable to the construction revenue derived from the Vietnam EPC Contract of approximately RM156.5 million. Our property development and investment division recorded a decrease in revenue of approximately RM7.5 million or 10.6% for the 6-month FPE 2018, which was mainly due to lower property sales achieved, as well as no new property development launches during the respective financial period.

A breakdown of our revenue by operating divisions is set out as follows:-

	FPE 2017		FPE 2018	
	Revenue (RM'000)	%	Revenue (RM'000)	%
Construction	251,867	77.3	323,620	83.3
Property development and investment	70,623	21.7	63,149	16.3
Investment holding and others*	3,243	1.0	1,764	0.4
	325,733	100.0	388,533	100.0

Note:-

* As our trading and manufacturing division contributed minimal revenue, this division was recategorised to investment holding and others.

Our administrative expenses for the 6-month FPE 2018 was RM40.8 million, which represents a decrease of approximately RM3.1 million or 7.1% as compared to the preceding 6-month FPE 2017 of RM43.9 million. The decrease in administrative expenses was mainly attributable to cost savings during the 6-month FPE 2018, as well as the staff cost provision in relation to share options granted under the Company's LTIP during the 6-month FPE 2017.

We recorded PBT of RM16.8 million in the 6-month FPE 2018, which represents a turnaround from the loss before tax of RM1.6 million recorded in the 6-month FPE 2017. The Vietnam EPC Contract was the main contributor, recording RM442.2 million PBT. However, the overall profitability of our Group was partially offset by our property development and investment division, which recorded a loss before tax of RM25.0 million during the 6-month FPE 2018, as compared to a loss before tax of RM23.9 million during the 6-month FPE 2017.

INFORMATION ON OUR COMPANY (Cont'd)

8. HISTORICAL PRICES

The monthly high and low transacted market prices of JRB Shares traded on Bursa Securities for the past 12 months from November 2017 to October 2018 are as follows:-

	High RM	Low RM
2017		
November	1.50	1.35
December	1.53	1.38
2018		
January	1.78	1.47
February	1.84	1.65
March	1.75	1.40
April	1.54	1.33
May	1.56	1.34
June	1.48	1.29
July	1.35	0.98
August	1.12	0.94
September	1.08	0.80
October	1.05	0.87

Last transacted price of our Shares as at the LPD 0.97

Last transacted price of our Shares on 5 June 2018
(being the date immediately before the date of announcement of the Rights Issue of Warrants) 1.47

Last transacted price of our Shares on 15 November 2018
(being the date prior to the ex-date for the Rights Issue of Warrants) 0.87

(Source: Bloomberg Finance LP)

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



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8 November 2018

The Board of Directors
JAKS RESOURCES BERHAD
802, 8th Floor
Block C, Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs/Madam,

JAKS RESOURCES BERHAD (“JRB” OR “THE COMPANY”) AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS “JRB GROUP” OR “THE GROUP”)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

We have completed our assurance engagement to report on the compilation of Pro forma Consolidated Statement of Financial Position of the JRB Group as at 31 December 2017, together with the accompanying notes thereto which have been prepared by the Directors of the Company (“Directors”).

The Pro forma Consolidated Statement of Financial Position has been prepared for illustrative purposes only and for the inclusion in the abridged prospectus to the shareholders of JRB (“Abridged Prospectus”) in connection with the rights issue of up to 278,164,186 warrants (“Warrant(s)”) in JRB on the basis of 1 warrant for every 2 existing ordinary shares in JRB held on the entitlement date (“Rights Issue of Warrants”).

The Pro forma Consolidated Statement of Financial Position has been compiled by the Directors to illustrate the impact of the Rights Issue of Warrants on the Consolidated Statement of Financial Position of the JRB Group as at 31 December 2017 on the assumption that the Rights Issue of Warrants had been effected on that date. The Pro forma Consolidated Statement of Financial Position together with the accompanying notes is set out in Appendix A of this letter.

As part of this process, information about the JRB Group’s financial position has been extracted by the Directors from the audited financial statements of the Group for the financial year ended (“FYE”) 31 December 2017, which has been published.

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PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



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JAKS RESOURCES BERHAD (“JRB” OR “THE COMPANY”) AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS “JRB GROUP” OR “THE GROUP”)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

The Directors' Responsibility for the Pro Forma Consolidated Statement of Financial Position

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

Our Responsibilities

Our responsibility is to express an opinion about whether the Pro forma Consolidated Statement of Financial Position has 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 International Auditing and Assurance Standards Board and adopted 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 Statement 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 Statement of Financial Position.

The purpose of the Pro forma Consolidated Statement of Financial Position included in the Abridged Prospectus in relation to the Rights Issue of Warrants is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 at 31 December 2017 would have been as presented.

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PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



- 3 -

JAKS RESOURCES BERHAD (“JRB” OR “THE COMPANY”) AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS “JRB GROUP” OR “THE GROUP”)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

Our Responsibilities (Cont'd)

A reasonable assurance engagement to report on whether the Pro forma Consolidated Statement of Financial Position has 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 Statement 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 Statement 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 Group, the event or transaction in respect of which the Pro forma Consolidated Statement of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro forma Consolidated Statement 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 Statement of Financial Position, which has been prepared for illustrative purposes only, has been properly prepared on the basis stated in the accompanying Note 1 in Appendix A to the Pro forma Consolidated Statement of Financial Position using financial statements prepared by the Directors in accordance with Financial Reporting Standards and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group, unless otherwise stated; and
- (ii) each material adjustment made to the information used in the preparation of the Pro forma Consolidated Statement of Financial Position is appropriate for the purpose of preparing the Pro forma Consolidated Statement of Financial Position.

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PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



- 4 -

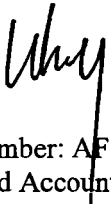
JAKS RESOURCES BERHAD (“JRB” OR “THE COMPANY”) AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS “JRB GROUP” OR “THE GROUP”)


PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

Other Matters

This letter has been prepared for the purpose of inclusion in the Abridged Prospectus. 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 Rights Issue of Warrants 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 other than the Rights Issue of Warrants.

Yours faithfully,


UHY
Firm Number: AF 1411
Chartered Accountants


TAN TIAN WOOI
Approved Number: 02969/05/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

JAKS Resources Berhad ("JRB")

Appendix A

Pro forma Consolidated Statement of Financial Position as at 31 December 2017

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 pro forma consolidated statement of financial position of the JRB Group as at 31 December 2017 and also based on the assumptions that the following events had been effected on that date.

Minimum Subscription Level

		JRB Group Level Audited as at 31 December 2017	After adjustments for subsequent events	Pro forma I After Rights Issue of Warrants	Pro forma II After full exercise of the Warrants
	Note	RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment		6,955,463	6,955,463	6,955,463	6,955,463
Investment properties		644,635,794	644,635,794	644,635,794	644,635,794
Investment in joint ventures		119,564,798	119,564,798	119,564,798	119,564,798
Goodwill on consolidation		148,500,905	148,500,905	148,500,905	148,500,905
Deferred tax assets		2,324,558	2,324,558	2,324,558	2,324,558
Golf club memberships		334,210	334,210	334,210	334,210
		<u>922,315,728</u>	<u>922,315,728</u>	<u>922,315,728</u>	<u>922,315,728</u>
CURRENT ASSETS					
Property development costs		71,449,622	71,449,622	71,449,622	71,449,622
Amount due from customers on contracts works		514,999,430	514,999,430	514,999,430	514,999,430
Inventories		1,813,137	1,813,137	1,813,137	1,813,137
Trade receivables		69,520,670	69,520,670	69,520,670	69,520,670
Other receivables, deposits and prepayments		264,764,825	264,764,825	264,764,825	264,764,825
Accrued billings		14,252,176	14,252,176	14,252,176	14,252,176
Amount due from joint ventures		10,156,809	10,156,809	10,156,809	10,156,809
Tax recoverable		3,534,758	3,534,758	3,534,758	3,534,758
Deposits placed with licensed banks		88,030,863	88,030,863	88,030,863	88,030,863
Cash and bank balances	6	129,978,653	207,590,698	216,987,586	242,835,618
		<u>1,168,500,943</u>	<u>1,246,112,988</u>	<u>1,255,509,876</u>	<u>1,281,357,908</u>
Total Assets		<u>2,090,816,671</u>	<u>2,168,428,716</u>	<u>2,177,825,604</u>	<u>2,203,673,636</u>
EQUITY					
Share capital	7	524,387,378	598,974,584	598,974,584	634,919,504
LTIP reserve	8	4,324,500	3,219,350	3,219,350	3,219,350
Translation reserves		(11,071,465)	(11,071,465)	(11,071,465)	(11,071,465)
Warrants reserve	9	-	-	10,096,888	-
Retained earnings	10	180,437,479	184,567,468	183,867,468	183,867,468
Equity attributable to owners of the parent		698,077,892	775,689,937	785,086,825	810,934,857
Non-controlling interests		66,031,616	66,031,616	66,031,616	66,031,616
Total Equity		<u>764,109,508</u>	<u>841,721,553</u>	<u>851,118,441</u>	<u>876,966,473</u>
NON-CURRENT LIABILITIES					
Bank borrowings	11	310,611,029	310,611,029	310,611,029	310,611,029
Deferred tax liabilities		152,484	152,484	152,484	152,484
		<u>310,763,513</u>	<u>310,763,513</u>	<u>310,763,513</u>	<u>310,763,513</u>
CURRENT LIABILITIES					
Trade payables		274,371,681	274,371,681	274,371,681	274,371,681
Other payables and accruals		522,351,342	522,351,342	522,351,342	522,351,342
Bank borrowings	11	218,358,993	218,358,993	218,358,993	218,358,993
Provision of taxation		861,634	861,634	861,634	861,634
		<u>1,015,943,650</u>	<u>1,015,943,650</u>	<u>1,015,943,650</u>	<u>1,015,943,650</u>
Total Liabilities		<u>1,326,707,163</u>	<u>1,326,707,163</u>	<u>1,326,707,163</u>	<u>1,326,707,163</u>
Total Equity and Liabilities		<u>2,090,816,671</u>	<u>2,168,428,716</u>	<u>2,177,825,604</u>	<u>2,203,673,636</u>
No. of ordinary shares in issue		492,747,172	545,943,372	545,943,372	586,330,922
Net assets		698,077,892	775,689,937	785,086,825	810,934,857
NA per ordinary share (RM)		1.42	1.42	1.44	1.38
Borrowings		528,970,022	528,970,022	528,970,022	528,970,022
Gearing (times)		0.76	0.68	0.67	0.65



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

JAKS Resources Berhad ("JRB")

Appendix A

Pro forma Consolidated Statement of Financial Position as at 31 December 2017

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 pro forma consolidated statement of financial position of the JRB Group as at 31 December 2017 and also based on the assumptions that the following events had been effected on that date.

Scenario 1

		JRB Group Level Audited as at 31 December 2017	After adjustments for subsequent events	After Rights Issue of Warrants	After full exercise of the Warrants
	Note	RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment		6,955,463	6,955,463	6,955,463	6,955,463
Investment properties		644,635,794	644,635,794	644,635,794	644,635,794
Investment in joint ventures		119,564,798	119,564,798	119,564,798	119,564,798
Goodwill on consolidation		148,500,905	148,500,905	148,500,905	148,500,905
Deferred tax assets		2,324,558	2,324,558	2,324,558	2,324,558
Golf club memberships		334,210	334,210	334,210	334,210
		<u>922,315,728</u>	<u>922,315,728</u>	<u>922,315,728</u>	<u>922,315,728</u>
CURRENT ASSETS					
Property development costs		71,449,622	71,449,622	71,449,622	71,449,622
Amount due from customers on contracts works		514,999,430	514,999,430	514,999,430	514,999,430
Inventories		1,813,137	1,813,137	1,813,137	1,813,137
Trade receivables		69,520,670	69,520,670	69,520,670	69,520,670
Other receivables, deposits and prepayments		264,764,825	264,764,825	264,764,825	264,764,825
Accrued billings		14,252,176	14,252,176	14,252,176	14,252,176
Amount due from joint ventures		10,156,809	10,156,809	10,156,809	10,156,809
Tax recoverable		3,534,758	3,534,758	3,534,758	3,534,758
Deposits placed with licensed banks		88,030,863	88,030,863	88,030,863	88,030,863
Cash and bank balances	6	129,978,653	207,590,698	261,430,620	436,132,499
		<u>1,168,500,943</u>	<u>1,246,112,988</u>	<u>1,299,952,910</u>	<u>1,474,654,789</u>
Total Assets		<u>2,090,816,671</u>	<u>2,168,428,716</u>	<u>2,222,268,638</u>	<u>2,396,970,517</u>
EQUITY					
Share capital	7	524,387,378	598,974,584	598,974,584	841,919,385
LTIP reserve	8	4,324,500	3,219,350	3,219,350	3,219,350
Translation reserves		(11,071,465)	(11,071,465)	(11,071,465)	(11,071,465)
Warrants reserve	9	-	-	68,242,922	-
Retained earnings	10	180,437,479	184,567,468	183,867,468	183,867,468
Equity attributable to owners of the parent		698,077,892	775,689,937	843,232,859	1,017,934,738
Non-controlling interests		66,031,616	66,031,616	66,031,616	66,031,616
Total Equity		<u>764,109,508</u>	<u>841,721,553</u>	<u>909,264,475</u>	<u>1,083,966,354</u>
NON-CURRENT LIABILITIES					
Bank borrowings	11	310,611,029	310,611,029	310,611,029	310,611,029
Deferred tax liabilities		152,484	152,484	152,484	152,484
		<u>310,763,513</u>	<u>310,763,513</u>	<u>310,763,513</u>	<u>310,763,513</u>
CURRENT LIABILITIES					
Trade payables		274,371,681	274,371,681	274,371,681	274,371,681
Other payables and accruals		522,351,342	522,351,342	522,351,342	522,351,342
Bank borrowings	11	218,358,993	218,358,993	204,655,993	204,655,993
Provision for taxation		861,634	861,634	861,634	861,634
		<u>1,015,943,650</u>	<u>1,015,943,650</u>	<u>1,002,240,650</u>	<u>1,002,240,650</u>
Total Liabilities		<u>1,326,707,163</u>	<u>1,326,707,163</u>	<u>1,313,004,163</u>	<u>1,313,004,163</u>
Total Equity and Liabilities		<u>2,090,816,671</u>	<u>2,168,428,716</u>	<u>2,222,268,638</u>	<u>2,396,970,517</u>
No. of ordinary shares in issue		492,747,172	545,943,372	545,943,372	818,915,057
Net assets		698,077,892	775,689,937	843,232,859	1,017,934,738
NA per ordinary share (RM)		1.42	1.42	1.54	1.24
Borrowings		528,970,022	528,970,022	515,267,022	515,267,022
Gearing (times)		0.76	0.68	0.61	0.51



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

JAKS Resources Berhad ("JRB")

Appendix A

Pro forma Consolidated Statement of Financial Position as at 31 December 2017

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 pro forma consolidated statement of financial position of the JRB Group as at 31 December 2017 and also based on the assumptions that the following events had been effected on that date.

Maximum Scenario

	Note	JRB Group Level Audited as at 31 December 2017 RM	After adjustments for subsequent events RM	Pro forma I After the exercise of outstanding LTIP Options RM	Pro forma II After Rights Issue of Warrants RM	Pro forma III After full exercise of the Warrants RM
NON-CURRENT ASSETS						
Property, plant and equipment		6,955,463	6,955,463	6,955,463	6,955,463	6,955,463
Investment properties		644,635,794	644,635,794	644,635,794	644,635,794	644,635,794
Investment in joint ventures		119,564,798	119,564,798	119,564,798	119,564,798	119,564,798
Goodwill on consolidation		148,500,905	148,500,905	148,500,905	148,500,905	148,500,905
Deferred tax assets		2,324,558	2,324,558	2,324,558	2,324,558	2,324,558
Golf club memberships		334,210	334,210	334,210	334,210	334,210
		<u>922,315,728</u>	<u>922,315,728</u>	<u>922,315,728</u>	<u>922,315,728</u>	<u>922,315,728</u>
CURRENT ASSETS						
Property development costs		71,449,622	71,449,622	71,449,622	71,449,622	71,449,622
Amount due from customers on contracts works		514,999,430	514,999,430	514,999,430	514,999,430	514,999,430
Inventories		1,813,137	1,813,137	1,813,137	1,813,137	1,813,137
Trade receivables		69,520,670	69,520,670	69,520,670	69,520,670	69,520,670
Other receivables, deposits and prepayments		264,764,825	264,764,825	264,764,825	264,764,825	264,764,825
Accrued billings		14,252,176	14,252,176	14,252,176	14,252,176	14,252,176
Amount due from joint ventures		10,156,809	10,156,809	10,156,809	10,156,809	10,156,809
Tax recoverable		3,534,758	3,534,758	3,534,758	3,534,758	3,534,758
Deposits placed with licensed banks		88,030,863	88,030,863	88,030,863	88,030,863	88,030,863
Cash and bank balances	6	129,978,653	207,590,698	222,129,698	277,267,745	455,292,824
		<u>1,168,500,943</u>	<u>1,246,112,988</u>	<u>1,260,651,988</u>	<u>1,315,790,035</u>	<u>1,493,815,114</u>
Total Assets		<u>2,090,816,671</u>	<u>2,168,428,716</u>	<u>2,182,967,716</u>	<u>2,238,105,763</u>	<u>2,416,130,842</u>
EQUITY						
Share capital	7	524,387,378	598,974,584	616,732,934	616,732,934	864,299,060
LTIP reserve	8	4,324,500	3,219,350	-	-	-
Translation reserves		(11,071,465)	(11,071,465)	(11,071,465)	(11,071,465)	(11,071,465)
Warrants reserve	9	-	-	-	69,541,047	-
Retained earnings	10	180,437,479	184,567,468	184,567,468	183,867,468	183,867,468
Equity attributable to owners of the parent		698,077,892	775,689,937	790,228,937	859,069,984	1,037,095,063
Non-controlling interests		66,031,616	66,031,616	66,031,616	66,031,616	66,031,616
Total Equity		<u>764,109,508</u>	<u>841,721,553</u>	<u>856,260,553</u>	<u>925,101,600</u>	<u>1,103,126,679</u>
NON-CURRENT LIABILITIES						
Bank borrowings	11	310,611,029	310,611,029	310,611,029	310,611,029	310,611,029
Deferred tax liabilities		152,484	152,484	152,484	152,484	152,484
		<u>310,763,513</u>	<u>310,763,513</u>	<u>310,763,513</u>	<u>310,763,513</u>	<u>310,763,513</u>
CURRENT LIABILITIES						
Trade payables		274,371,681	274,371,681	274,371,681	274,371,681	274,371,681
Other payables and accruals		522,351,342	522,351,342	522,351,342	522,351,342	522,351,342
Bank borrowings	11	218,358,993	218,358,993	218,358,993	204,655,993	204,655,993
Provision for taxation		861,634	861,634	861,634	861,634	861,634
		<u>1,015,943,650</u>	<u>1,015,943,650</u>	<u>1,015,943,650</u>	<u>1,002,240,650</u>	<u>1,002,240,650</u>
Total Liabilities		<u>1,326,707,163</u>	<u>1,326,707,163</u>	<u>1,326,707,163</u>	<u>1,313,004,163</u>	<u>1,313,004,163</u>
Total Equity and Liabilities		<u>2,090,816,671</u>	<u>2,168,428,716</u>	<u>2,182,967,716</u>	<u>2,238,105,763</u>	<u>2,416,130,842</u>
No. of ordinary shares in issue		<u>492,747,172</u>	<u>545,943,372</u>	<u>556,328,372</u>	<u>556,328,372</u>	<u>834,492,558</u>
Net assets		<u>698,077,892</u>	<u>775,689,937</u>	<u>790,228,937</u>	<u>859,069,984</u>	<u>1,037,095,063</u>
NA per ordinary share (RM)		<u>1.42</u>	<u>1.42</u>	<u>1.42</u>	<u>1.54</u>	<u>1.24</u>
Borrowings		<u>528,970,022</u>	<u>528,970,022</u>	<u>528,970,022</u>	<u>515,267,022</u>	<u>515,267,022</u>
Gearing (times)		<u>0.76</u>	<u>0.68</u>	<u>0.67</u>	<u>0.60</u>	<u>0.50</u>



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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

1. Basis of Preparation

The Pro forma Consolidated Statement of Financial Position of JRB Group as at 31 December 2017 has been prepared based on the audited Consolidated Statement of Financial Position of JRB Group for the financial year ended (“FYE”) 31 December 2017, which was prepared in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, in a manner consistent with both the format of the financial statements and the accounting policies adopted by JRB.

The auditors’ report of the audited financial statements of JRB Group for the FYE 31 December 2017 were not subject to any qualification, modification or disclaimer of opinion.

The Pro forma Consolidated Statement of Financial Position of JRB Group as at 31 December 2017, of which the Directors of JRB Group are solely responsible, has been prepared for illustration purposes only, to show the effects of the Rights Issue of Warrants on the audited Consolidated Statement of Financial Position of JRB Group as at 31 December 2017, on the assumption that the Rights Issue of Warrants had been effected on that date, and should be read in conjunction with the notes accompanying thereto.

The Rights Issue of Warrants to be undertaken by JRB Group are presented into three (3) scenarios as follows:

- | | |
|-----------------------------------|---|
| Minimum Subscription Level | : Assuming that none of the outstanding Long Term Incentive Plan (“LTIP”) Options are exercised prior to the Entitlement Date and only the Undertaking Shareholders subscribe for their Entitlement Undertakings under the Rights Issue of Warrants |
| Scenario 1 | : Assuming that none of the outstanding LTIP Options are exercised prior to the Entitlement Date and all the Entitled Shareholders subscribe for their entitlements under the Rights Issue of Warrants |
| Maximum Scenario | : Assuming that all of the outstanding LTIP Options are exercised prior to the Entitlement Date and all the Entitled Shareholders subscribe for their entitlements under the Rights Issue of Warrants |



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1. Basis of Preparation (Cont'd)

Utilisation of Proceeds from the Rights Issue of Warrants

Based on the issue price of RM0.25 per Warrant, the gross proceeds to be raised from the Rights Issue of Warrants will total up to approximately RM69.54 million under the Maximum Scenario.

The gross proceeds to be raised from the Rights Issue of Warrants based on the scenarios below are expected to be utilised in the following manner:

	Timeframe for utilisation	Minimum Subscription		Maximum
		Level RM'000	Scenario 1 RM'000	Scenario RM'000
Vietnam Power Plant Project ⁽¹⁾	Within 12 months	9,397	43,840	45,138
Partial repayment of bank borrowings ⁽²⁾	Within 3 months	-	13,703	13,703
Renewable Energy Project ⁽³⁾	Within 12 to 18 months	-	10,000	10,000
Estimated expenses for the Rights Issue of Warrants ⁽⁴⁾	Upon completion of Rights Issue of Warrants	700	700	700
Total			Up to 10,097	Up to 68,243
				69,541

Notes:

- (1) On 3 August 2015, Golden Keen Holdings Limited ("Golden Keen"), a wholly-owned subsidiary of JRB, was awarded an engineering, procurement and construction contract worth USD454.5 million (equivalent to approximately RM1.88 billion based on Bank Negara Malaysia's closing exchange rate as at the LPD of RM4.14 per USD) ("EPC Contract") for the construction of a coal-fired thermal power plant located in Hai Duong Province, Vietnam.

The EPC Contract was awarded by the project owner of the Vietnam Power Plant Project, namely JAKS Hai Duong Power Company Limited ("JHDP"), an overseas joint-venture entered into between JAKS Power Holding Limited, a wholly-owned subsidiary of JRB, and CPECC. The Vietnam Power Plant Project has a total estimated cost of USD1.87 billion.



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1. Basis of Preparation (Cont'd)

Utilisation of Proceeds from the Rights Issue of Warrants (Cont'd)

The gross proceeds to be raised from the Rights Issue of Warrants based on the scenarios below are expected to be utilised in the following manner: (Cont'd)

Notes:

- (1) Construction works for the EPC Contract commenced in the first quarter of 2016 and is expected to be completed by the end of 2020. As at the LPD, approximately 34% of the overall construction works at the project site have been completed. The proceeds of up to RM45.14 million will be utilised by Golden Keen to expedite the progress of the EPC Contract, in particular for payment of contractors' progress claims, fabrication of equipment and services rendered, in the following manner:

Details	RM'000
<i>Payment for contractors' claims pertaining to the fabrication of equipment to be installed at the receiving and handling jetty for coal, estimated as follows:</i>	
(i) <i>Equipment for coal receiving and handling:</i>	
- <i>Partial payment for a total 8 units of bridge-type grabbing unloader</i>	12,900
- <i>Partial payment for a total 4 units of belt conveyor</i>	5,300
- <i>1 unit of physical verification system</i>	3,200
- <i>2 units of electronic belt weighing scale</i>	3,100
- <i>1 unit of crane and lifting system for general operations, maintenance and overhaul purposes</i>	3,600
(ii) <i>Electrical equipment, switchboard and auxiliary equipment to facilitate the electrical supply to the motors and actuators</i>	6,800
(iii) <i>1 unit of plant instrumentation and control system to operate processes for the jetty operations, including the unloader, belt conveyor and belt weighing system</i>	4,800
(iv) <i>Partial payment for a total 8 units of hold cleaning machines and auxiliary equipment to facilitate the unloading of coal from barges and to collect coal debris</i>	800
<i>Partial payment for contractors' claims pertaining to construction and engineering works for the jetty and administration building. The works done comprises earthwork excavation, foundation, and 1st and 2nd floor structure of the administration building, as well as piling works for 3 berths for the jetty.</i>	1,538
<i>Payment to consultant for services rendered, such as project coordination management as well as advisory services relating to human resources and Vietnam regulatory requirements</i>	3,100
Total	45,138



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1. Basis of Preparation (Cont'd)

Utilisation of Proceeds from the Rights Issue of Warrants (Cont'd)

The gross proceeds to be raised from the Rights Issue of Warrants based on the scenarios below are expected to be utilised in the following manner: (Cont'd)

Notes:

- (1) *In the event the proceeds raised from the Rights Issue of Warrants are insufficient to fund the Vietnam Power Plant Project in the manner set out in the table above, the balance will be funded through our existing financing facilities.*
- (2) *As at the LPD, the Group's total bank borrowings stood at approximately RM444.2 million, of which approximately RM323.4 million are long term borrowings and RM120.8 million are short term borrowings. The borrowings comprise of term loans, bills payable, commodity financing, bankers acceptance, revolving credit facilities and overdraft facilities.*

The Company has earmarked approximately RM13.70 million for the partial repayment of its existing facilities, in the manner set out as follows:

Facility	Bank	Total amount outstanding as at the LPD RM'000	Proposed repayment	Interest rate (% per annum)	Purpose of borrowing
Bankers acceptance	AmBank Berhad	7,183	7,183	5.11	Import and local purchases
Bankers acceptance	Alliance Bank Malaysia Berhad	6,520	6,520	5.35	Import and local purchases
		13,703	13,703		

For illustrative purposes, the repayment of the bankers acceptance amounting to RM13.70 million is expected to result in interest savings ranging from approximately RM0.70 million to RM0.73 million per annum assuming an interest rate of 5.11% to 5.35% per annum.



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1. Basis of Preparation (Cont'd)

Utilisation of Proceeds from the Rights Issue of Warrants (Cont'd)

The gross proceeds to be raised from the Rights Issue of Warrants based on the scenarios below are expected to be utilised in the following manner: (Cont'd)

Notes:

- (3) *In line with the Group's efforts to expand its business in the power industry coupled with its experience in undertaking the Vietnam Power Plant Project, the Group intends to venture into renewable energy projects in South East Asia (“Renewable Energy Project(s)”). Management is currently in the midst of identifying opportunities for the Group to venture into Renewable Energy Projects, with particular focus on solar and hydro power projects in Vietnam, Indonesia and Malaysia.*

The Group is optimistic of its renewable energy prospects in these regions, given the rising energy demand as well as the regulatory policies and measures in place.

As such, the Group has earmarked RM10.0 million of the proceeds to fund the preliminary expenses relating to exploring Renewable Energy Projects. The expenses will mainly comprise of, 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. The project feasibility studies comprise of financial, technical and site assessment, and will be used to determine the suitability of the renewable energy projects to undertake.

The preliminary breakdown of the expenses is set out as follows:

Details	RM'000
<i>Advisory and consultancy cost, including costs relating to conducting project feasibility studies in the following countries:</i>	
<i>(a) Vietnam *</i>	<i>6,000</i>
<i>(b) Indonesia</i>	<i>3,000</i>
<i>(c) Malaysia</i>	<i>1,000</i>
Total	10,000

Note:

- * *A higher amount has been allocated to Vietnam given the number and scale of projects that may potentially be undertaken. Further, as the Group already have a presence in the Vietnam power industry due to their involvement in the Vietnam Power Plant Project, the Group foresee a higher chance of securing the renewable energy project(s) in Vietnam.*



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1. Basis of Preparation (Cont'd)

Utilisation of Proceeds from the Rights Issue of Warrants (Cont'd)

The gross proceeds to be raised from the Rights Issue of Warrants based on the scenarios below are expected to be utilised in the following manner: (Cont'd)

Notes:

- (3) *The viability of the Renewable Energy Projects can only be reasonably determined upon completion of detailed feasibility studies. In the event that the Renewable Energy Projects are undertaken, the Group intends to obtain project financing or financing through joint-ventures with strategic partners.*

In the event that the management is unable to identify any suitable Renewable Energy Projects within 12 to 18 months from completion of the Rights Issue of Warrants, the Board intends to channel the remaining proceeds towards the Group's Vietnam Power Plant Project.

- (4) *The proceeds earmarked for the estimated expenses relating to the Rights Issue of Warrants shall be utilised in the following manner:*

	RM'000
<i>Professional fees (i.e. principal adviser, solicitors, auditors and reporting accountants, company secretary and share registrar)</i>	602
<i>Regulatory fees</i>	70
<i>Contingencies and other incidental expenses in relation to the Rights Issue of Warrants (i.e. convening of EGM, printing and advertisement expenses)</i>	28
<i>Total</i>	<u>700</u>

In any event, the allocation of the proceeds shall be adjusted based on the actual proceeds to be raised from the Rights Issue of Warrants.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the actual number of Warrants exercised during the tenure of the Warrants. For illustrative purposes, based on the exercise price of RM0.64 per Warrant, the maximum gross proceeds that are expected to be raised from the full exercise of the Warrants are up to approximately RM178.03 million. Any proceeds arising from the exercise of the Warrants will be utilised for investment opportunities in the related businesses of the Group, repayment of borrowings and/or additional working capital to finance the Group's day-to-day operations including, amongst others, progress payments to subcontractors, sales and marketing expenses and other operating expenses (i.e. staff costs, utilities, administrative overheads and office expenses), the breakdown of which have not been determined at this juncture.



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2. Adjustment for Subsequent Events

The Pro forma Consolidated Statement of Financial Position of the Group has been prepared assuming the following subsequent events up to 23 October 2018, being the latest practicable date ("LPD"), are incorporated as at 31 December 2017:

(a) Issue of Private Placement

The Private Placement of 49,631,200 JRB Shares at an issue price of RM1.38 and deducting the expenses attributable to the Private Placement of RM1,700,000.

(b) Exercise of LTIP Options

The exercise of 3,565,000 LTIP Options at the exercise price of RM1.40 per LTIP Option and the transfer of the LTIP reserve into the share capital at fair value of RM0.31 per LTIP Option.

(c) Disposal of land held for development

Gain on disposal amounting to RM5.83 million arising from the disposal of land held for development through the Sunway Supply Sale and Purchase Agreements.



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3. Minimum Subscription Level

3.1 Pro Forma I - After the Rights Issue of Warrants

Pro Forma I incorporates the effect of the Rights Issue of Warrants as follows:

- (i) The issuance and subscription of 40,387,551 Warrants in JRB at the issue price of RM0.25 per Warrant, which raise gross proceeds of RM10,096,888 and gives rise to Warrants reserve amounting to RM10,096,888; and
- (ii) The estimated expenses of RM700,000 pertaining to the Rights Issue of Warrants deducted from the retained earnings.

3.2 Pro Forma II - After Pro Forma I and Assuming Full Exercise of the Warrants

Pro Forma II incorporates the full effects of Pro Forma I and the full exercise of 40,387,551 Warrants as follows:

- (i) The issuance of 40,387,551 new JRB Shares arising from the exercise of 40,387,551 Warrants at the exercise price of RM0.64 per Warrant, which raises gross proceeds of RM25,848,032 and gives rise to an increase in the issued share capital by RM25,848,032; and
- (ii) An amount of RM10,096,888 will be transferred from the Warrants reserve into the share capital.

4. Scenario 1

4.1 Pro Forma I - After the Rights Issue of Warrants

Pro Forma I incorporates the effect of the Rights Issue of Warrants as follows:

- (i) The issuance and subscription of 272,971,686 Warrants in JRB at the issue price of RM0.25 per Warrant, which raise gross proceeds of RM68,242,921 and gives rise to Warrants reserve amounting to RM68,242,921;
- (ii) The utilisation of the gross proceeds for the repayment of bank borrowings amounting to RM13,703,000; and
- (iii) The estimated expenses of RM700,000 pertaining to the Rights Issue of Warrants deducted from the retained earnings.



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4.2 Pro Forma II - After Pro Forma I and Assuming Full Exercise of the Warrants

Pro Forma II incorporates the full effects of Pro Forma I and the full exercise of 272,971,686 Warrants as follows:

- (i) The issuance of 272,971,686 new JRB Shares arising from the exercise of 272,971,686 Warrants at the exercise price of RM0.64 per Warrant, which raises gross proceeds of RM174,701,879 and gives rise to an increase in the issued share capital by RM174,701,879; and
- (ii) An amount of RM68,242,922 will be transferred from the Warrants reserve into the share capital.

5. Maximum Scenario

5.1 Pro Forma I - Exercise of Outstanding LTIP Options

Pro Forma I incorporates the effect of assuming full exercise of the remaining 10,385,000 LTIP Options at the exercise price of RM1.40 per LTIP Option and the transfer of the LTIP reserve into the share capital at fair value of RM0.31 per LTIP Option.

5.2 Pro Forma II – After Pro Forma I and the Rights Issue of Warrants

Pro Forma II incorporates the full effects of Pro Forma I and the effect of the Rights Issue of Warrants as follows:

- (i) The issuance and subscription of 278,164,186 Warrants in JRB at the issue price of RM0.25 per Warrant, which raise gross proceeds of RM69,541,046 and gives rise to Warrants reserve amounting to RM69,541,046;
- (ii) The utilisation of the gross proceeds for the repayment of bank borrowings amounting to RM13,703,000; and
- (iii) The estimated expenses of RM700,000 pertaining to the Rights Issue of Warrants deducted from the retained earnings.



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5.3 Pro Forma III – After Pro Forma I, Pro Forma II and Assuming Full Exercise of the Warrants

Pro Forma III incorporates the full effects of Pro Forma I and Pro Forma II and the full exercise of 278,164,186 Warrants as follows:

- (i) The issuance of 278,164,186 new JRB Shares arising from the exercise of 278,164,186 Warrants at the exercise price of RM0.64 per Warrant, which raises gross proceeds of RM178,025,079 and gives rise to an increase in the issued share capital by RM178,025,079; and
- (ii) An amount of RM69,541,047 will be transferred from the Warrants reserve into the share capital.

6. Cash and Bank Balances

	Minimum Subscription Level RM
As at 31 December 2017	129,978,653
Adjustments for subsequent events	77,612,045
After adjustments for subsequent events	<u>207,590,698</u>
Rights Issue of Warrants	9,396,888
As per Pro forma I	<u>216,987,586</u>
Assuming full exercise of the Warrants	25,848,032
As per Pro forma II	<u><u>242,835,618</u></u>



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6. Cash and Bank Balances (Cont'd)

	Scenario 1 RM
As at 31 December 2017	129,978,653
Adjustments for subsequent events	77,612,045
After adjustments for subsequent events	<u>207,590,698</u>
Rights Issue of Warrants	53,839,922
As per Pro forma I	<u>261,430,620</u>
Assuming full exercise of the Warrants	174,701,879
As per Pro forma II	<u>436,132,499</u>
	Maximum Scenario RM
As at 31 December 2017	129,978,653
Adjustments for subsequent events	77,612,045
After adjustments for subsequent events	<u>207,590,698</u>
Exercise of outstanding LTIP Options	14,539,000
As per Pro forma I	<u>222,129,698</u>
Rights Issue of Warrants	55,138,047
As per Pro forma II	<u>277,267,745</u>
Assuming full exercise of the Warrants	178,025,079
As per Pro forma III	<u>455,292,824</u>



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7. Share Capital

	Minimum Subscription Level RM
As at 31 December 2017	524,387,378
Adjustments for subsequent events	74,587,206
After adjustments for subsequent events/ As per Pro Forma I	598,974,584
Assuming full exercise of the Warrants	35,944,920
As per Pro forma II	<u>634,919,504</u>
	Scenario 1 RM
As at 31 December 2017	524,387,378
Adjustments for subsequent events	74,587,206
After adjustments for subsequent events/ As per Pro Forma I	598,974,584
Assuming full exercise of the Warrants	242,944,801
As per Pro forma II	<u>841,919,385</u>
	Maximum Scenario RM
As at 31 December 2017	524,387,378
Adjustments for subsequent events	74,587,206
After adjustments for subsequent events	598,974,584
Exercise of outstanding LTIP Options	17,758,350
As per Pro forma I and II	616,732,934
Assuming full exercise of the Warrants	247,566,126
As per Pro forma III	<u>864,299,060</u>



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

JAKS RESOURCES BERHAD ("JRB" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS "JRB GROUP" OR "THE GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

8. LTIP Reserve

	Minimum Subscription Level RM
As at 31 December 2017	4,324,500
Adjustments for subsequent events	<u>(1,105,150)</u>
After adjustments for subsequent events/ As per Pro Forma I and II	<u>3,219,350</u>
	Scenario 1 RM
As at 31 December 2017	4,324,500
Adjustments for subsequent events	<u>(1,105,150)</u>
After adjustments for subsequent events/ As per Pro Forma I and II	<u>3,219,350</u>
	Maximum Scenario RM
As at 31 December 2017	4,324,500
Adjustments for subsequent events	<u>(1,105,150)</u>
After adjustments for subsequent events	3,219,350
Exercise of outstanding LTIP Options	<u>(3,219,350)</u>
As per Pro forma I, II and III	<u>-</u>



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

JAKS RESOURCES BERHAD ("JRB" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS "JRB GROUP" OR "THE GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

9. Warrants Reserve

	Minimum Subscription Level RM
As at 31 December 2017	-
Rights Issue of Warrants	10,096,888
As per Pro Forma I	10,096,888
Assuming full exercise of the Warrants	(10,096,888)
As per Pro forma II	-
	Scenario 1 RM
As at 31 December 2017	-
Rights Issue of Warrants	68,242,922
As per Pro Forma I	68,242,922
Assuming full exercise of the Warrants	(68,242,922)
As per Pro forma II	-
	Maximum Scenario RM
As at 31 December 2017	-
Rights Issue of Warrants	69,541,047
As per Pro Forma I	69,541,047
Assuming full exercise of the Warrants	(69,541,047)
As per Pro forma II	-



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Appendix A

JAKS RESOURCES BERHAD ("JRB" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS "JRB GROUP" OR "THE GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

10. Retained Earnings

	Minimum Subscription Level RM
As at 31 December 2017	180,437,479
Adjustments for subsequent events	4,129,989
After adjustments for subsequent events	<u>184,567,468</u>
Rights Issue of Warrants	(700,000)
As per Pro forma I and II	<u>183,867,468</u>
	Scenario 1 RM
As at 31 December 2017	180,437,479
Adjustments for subsequent events	4,129,989
After adjustments for subsequent events	<u>184,567,468</u>
Rights Issue of Warrants	(700,000)
As per Pro forma I and II	<u>183,867,468</u>
	Maximum Scenario RM
As at 31 December 2017	180,437,479
Adjustments for subsequent events	4,129,989
After adjustments for subsequent events/ As per Pro Forma I	<u>184,567,468</u>
Rights Issue of Warrants	(700,000)
As per Pro forma II and III	<u>183,867,468</u>



PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix A

JAKS RESOURCES BERHAD ("JRB" OR "THE COMPANY") AND ITS SUBSIDIARY COMPANIES (COLLECTIVELY KNOWN AS "JRB GROUP" OR "THE GROUP")

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (CONT'D)

11. Bank Borrowings

	Bank borrowings (Non-current) RM	(Current) RM	Minimum Subscription Level RM
As at 31 December 2017/ As per Proforma I and II	310,611,029	218,358,993	528,970,022
	Bank borrowings (Non-current) RM	(Current) RM	Scenario 1 RM
As at 31 December 2017	310,611,029	218,358,993	528,970,022
Rights Issue of Warrants	-	(13,703,000)	(13,703,000)
As per Proforma I and II	310,611,029	204,655,993	515,267,022
	Bank borrowings (Non-current) RM	(Current) RM	Maximum Scenario RM
As at 31 December 2017/ As per Proforma I	310,611,029	218,358,993	528,970,022
Rights Issue of Warrants	-	(13,703,000)	(13,703,000)
As per Pro forma II and III	310,611,029	204,655,993	515,267,022

