

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 4th Quarter unaudited financial results for the financial year ended 31 December 2015.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 31-Dec-2015	Preceding Year Quarter ended 31-Dec-2014	Current Year To-date ended 31-Dec-2015	Preceding Year To-date ended 31-Dec-2014
	RM'000	RM'000	RM'000	RM'000
Revenue	135,191	189,375	449,437	491,140
Cost of Sales	(114,051)	(155,733)	(356,513)	(382,918)
Gross Profit	21,140	33,642	92,924	108,222
Other Operating Income	88,227	16,114	88,892	16,289
Other Operating, Administrative, Selling and Distribution expenses	(73,114)	(21,846)	(106,901)	(54,945)
Operating Profit before finance cost	36,253	27,910	74,915	69,566
Finance cost	(7,728)	(5,123)	(19,543)	(15,648)
Profit Before Taxation	28,525	22,787	55,372	53,918
Taxation	195	(8,775)	(8,120)	(19,800)
Net Profit For The Period	28,720	14,012	47,252	34,118
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	28,720	14,012	47,252	34,118
<u>Total Comprehensive Income for the Period</u>				
<u>Attributable to :</u>				
Owners of the Company	29,310	6,906	41,557	13,967
Non-Controlling Interests	(590)	7,106	5,695	20,151
	28,720	14,012	47,252	34,118
Earnings Per Share attributable to Owners of the Company (sen) :				
- Basic	6.69	1.58	9.48	3.19
- Diluted	N/A	N/A	N/A	N/A

Notes :

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the interim financial statements.

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER**

	(Unaudited) As At End Of Financial Year End 31-Dec-2015 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2014 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	19,855	28,026
Investment properties	450,481	291,651
Development Expenditure	-	153,359
Investment in Associate Company	62,089	-
Golf Club memberships	350	529
Goodwill on Consolidation	148,501	178,501
Deferred Tax Assets	7,422	9,277
Land held for Development	38,879	38,580
	<u>727,577</u>	<u>699,923</u>
<b>Current Assets</b>		
Inventories	9,186	25,662
Property Development Costs	302,630	272,053
Amount due from customers for contract works	73,009	63,022
Trade and Other Receivables	135,804	191,005
Amount due from associate	151,151	-
Deposits placed with licensed banks	41,370	92,082
Cash and bank balances	46,309	80,342
	<u>759,459</u>	<u>724,166</u>
Asset classified as held for sale	3,249	19,048
<b>Total Assets</b>	<u>1,490,285</u>	<u>1,443,137</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	438,361	438,361
Share Premium	8,369	8,369
Accumulated Profit / (Losses)	54,472	12,915
	<u>501,202</u>	<u>459,645</u>
<b>Non-controlling interests</b>	94,913	89,217
<b>TOTAL EQUITY</b>	<u>596,115</u>	<u>548,862</u>
<b>Non-Current Liabilities</b>		
Long Term Borrowings	326,612	343,085
Deferred Tax Liabilities	227	198
	<u>326,839</u>	<u>343,283</u>
<b>Current Liabilities</b>		
Trade and Other Payables	330,951	282,996
Tax Payable	6,057	7,338
Bank borrowings	145,147	205,886
Bank overdraft	85,176	54,772
	<u>567,331</u>	<u>550,992</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,490,285</u>	<u>1,443,137</u>
Net Assets Per Share attributable to Owners of the parent (RM)	<u>1.14</u>	<u>1.05</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015.**

	Current Year to-date ended 31-Dec-2015  RM'000	Preceding Year to-date ended 31-Dec-2014  RM'000
<b>Cash flows from operating activities</b>		
Profit for the year	41,557	13,967
Adjustment for:		
Depreciation and amortisation	6,748	4,243
Taxation	8,120	19,800
Dividend income	-	-
Interest expense	21,965	18,724
Interest income	(2,422)	(3,076)
Loss / (Gain) on disposal of property, plant & equipment	(33,245)	(11,439)
Non-Controlling interests	5,695	20,151
Allowance for impairment of receivables	8,933	-
Impairment of Plant & Equipment	-	2,849
Impairment of Inventories	3,876	3,725
Impairment on Goodwill	30,000	6,724
Gain on disposal of subsidiary	(49,538)	-
Gain on foreign exchange	6,537	-
Operating profit before working capital changes	48,226	75,668
(Increase)/Decrease in working capital		
Inventories	12,647	(10,271)
Amount due from customers for contract works	(16,508)	18,409
Trade and other receivables	77,757	(1,231)
Amount due from Associate company	-	-
Property Development Expenditure	(30,577)	(158,832)
Trade and other payables	29,469	59,211
Land held for property development	(299)	-
	72,489	(92,714)
	120,715	(17,046)
Interest paid	(21,922)	(13,932)
Interest received	1,929	-
Income tax paid	(8,266)	(19,105)
<b>Net Operating Cash Flow</b>	<b>92,456</b>	<b>(50,083)</b>
<b>Cash flows from investing activities</b>		
Net Movement in Development expenditure	(20,637)	(43,603)
Interest Received	493	-
Purchase of property, plant & equipment	(2,705)	(7,389)
Proceeds from disposal of property, plant & equipment	2,198	13,583
Addition to investment properties	(161,801)	-
Proceeds from assets held for sale	58,136	-
Cash outflow arising from disposal of subsidiary	(469)	-
<b>Net Investing Cash Flow</b>	<b>(124,785)</b>	<b>(34,333)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(4,613)	(4,792)
Drawdown / (Repayment) of short term borrowings	(4,004)	(38,930)
Drawdown (Repayment) of hire purchase liabilities	(441)	2,302
Drawdown / (Repayment) of bank term loans	(73,763)	150,645
Withdrawal / (Placement) of Fixed Deposits	50,713	(53,860)
Increase in debt service reserve account	(8,719)	-
<b>Net Financing Cash Flow</b>	<b>(40,827)</b>	<b>55,365</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015. (Cont.)**

	Current Year to-date ended 31-Dec-2015	Preceding Year to-date ended 31-Dec-2014
	RM'000	RM'000
<b>Net Change in Cash &amp; Cash Equivalents</b>	(73,156)	(29,051)
<b>Cash &amp; Cash Equivalents at beginning of the year</b>	24,424	52,622
<b>Cash &amp; Cash Equivalents at end of the year.</b>	(48,732)	23,571

**Cash and Cash Equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

Deposits placed with licensed banks	41,370	92,082
Cash & bank balances	46,309	78,998
Bank overdrafts	(85,176)	(54,293)
	2,503	116,787
Less : Deposit held as security values	(41,370)	(92,082)
Debt service reserves account	(9,865)	(1,134)
	(48,732)	23,571

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015.**

	Attributable to Equity Holders of the Company				Non-Controlling Interest	Total Equity
	Non-Distributable		Distributable			
	Share Capital RM'000	Share Premium RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Sub-Total RM'000		
<b>Current Year to-date ended 31 December 2015.</b>						
Balance as at 1 January 2015	438,361	8,369	12,915	459,589	89,218	548,619
Total Comprehensive Income for the Year	-	-	41,557	41,557	5,695	47,252
Balance as at 31 December 2015.	438,361	8,369	54,472	501,202	94,913	596,115
<b>Preceding Year to-date ended 31 December 2015.</b>						
Balance as at 1 January 2014	438,361	8,369	(1,108)	445,622	68,879	514,501
Total Comprehensive Income for the Year	-	-	13,967	13,967	20,151	34,118
Balance as at 31 December 2015.	438,361	8,369	12,859	459,589	89,030	548,619

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

**A. NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis of Preparation.**

The interim financial report is unaudited and has been prepared in compliance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014.

The accounting policies and methods of computations followed by the Group in this interim financial report are consistent with those adopted in financial statements of the Group for the year ended 31 December 2014, except for the adoption of the relevant new FRSS, amendments to FRSS and 1C Interpretations that are effective and not yet adopted. The adoption of the new FRSS, amendments to FRSS and 1C Interpretations does not have any material impact on the financial position and results of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSS Framework").

The MFRSS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and/or IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities" collectively).

On 2 September 2014, MASB announced that Transitioning Entities shall be required to adopt the MFRSS framework and prepare their first MFRSS financial statements for annual periods beginning on or after 1 January 2017.

The Company falls within the scope definition of Transitioning Entities and accordingly, will prepare its first set of MFRSS financial statements for the financial year ending 31 December 2017.

**2. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial year ended 31 December 2014 have been reported on without any audit qualification.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**3. Seasonal or Cyclical Factors.**

The business activities of the Group are not significantly affected by seasonal and cyclical factors.

**4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows.**

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period under review.

**5. Material changes in estimates.**

There are no material changes in estimates for the period under review.

**6. Issuance and Repayment of Debt and Equity Securities.**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period under review.

**7. Dividend.**

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

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**8. Segmental Information for the Financial Year Ended 31 December 2015.**

Segment information was presented in respect of the Group's business segment. Inter-segment pricing was determined based on a negotiated basis.

**Business Segments**

	Construction RM'000	Property Development RM'000	Trading RM'000	Manufacturing RM'000	Investment RM'000	Elimination RM'000	Total RM'000
<b>REVENUE</b>							
External Revenue	240,740	129,012	75,259	1,857	2,568	-	449,437
Inter-Company	223,175	-	6,998	688	3,180	(234,041)	-
	463,915	129,012	82,258	2,545	5,748	(234,041)	449,437
Segment Results	(2,460)	11,027	4,812	(8,416)	(18,941)		(13,978)
Other Income							89,477
Finance Cost							(20,127)
Profit Before Taxation							55,372
Taxation							(8,120)
Profit After Taxation							47,252
<u>Attributable to:</u>							
Owners of the Company							41,557
Non-Controlling Interests							5,695
							47,252



**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**9. Valuation of Property, Plant & Equipment.**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statement for the year ended 31 December 2014.

**10. Subsequent Events.**

There were no significant subsequent events between the date of the last financial statements used in the preparation of this report and the date of this report, which will affect materially the content of this report.

**11. Effect of Changes in the Composition of the Group.**

Save for the following, there were no changes in the composition of the Group during the period under review:

- (i) The Company had on 6 July 2015 entered into subscription and shareholders agreement to dilute its effective interest in the wholly-owned subsidiary, JAKS Pacific Power Limited (JPP) via JAKS Power Holding Limited (JPH). JPP owns the entire equity interest of JAKS Hai Duong Power Limited that has been given the Build-Operate-Transfer contract for an independent power plant in Vietnam. With the fulfilment of certain conditions of the subscription and shareholders' agreement, the effective percentage of equity interest for accounting purpose between the JRB Group and the venture party is 30% : 70% in JPP Group on 15 December 2015.

**12. Changes in Contingent Liabilities.**

The changes in contingent liabilities of the Group since 31 December 2014 until 31 December 2015 were as follows: -

	As at 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
Bank guarantees issued for - execution of contracts of the Company or Subsidiaries company	179,822	177,739
Guarantees given to suppliers Of goods for credit terms granted to subsidiaries	2,000	2,000
	<u>181,793</u>	<u>179,739</u>

**13. Capital Commitment**

There were no major material capital commitments as at the date of this report.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**1. Review of Financial Performance.**

The Group achieved revenue of RM135.2 million for the current quarter ended 31 December 2015, a decrease of approximately 28% from the previous year's corresponding quarter of RM189.4 million. The current quarter's revenue was contributed mainly by the Property Development division of RM37.8 million and Construction division of RM84.8 million following the progress billings achieved. The Trading division generated revenue of RM12.6 million in the quarter under review.

Despite the lower revenue in the fourth quarter of 2015, the Group achieved higher profit before tax of RM28.5 million, an increase of 25% as compared to the profit before tax of RM22.8 million in the preceding year's corresponding quarter. The increase arose mainly due to the following:

- (i) Gain on the deemed disposal of 70% equity interest a subsidiary company of approximately RM49 million and gain on disposal of the Property, Plant and Equipment (PPE) of approximately RM33 million;
- (ii) Offset by an impairment on goodwill of RM30 million and impairment of receivables of RM8.9 million for the Construction and property development division; and
- (iii) obsolete inventory impairment of RM3.9 million as part of the Group's strategy to rationalize the Manufacturing division.

For the year ended 31 December 2015, the Group achieved revenue of RM449.4 million, lower by RM41.7 million compared to the previous year. However due to the reasons as mentioned above, the Group achieved higher profit before tax of RM55.4 million, an increase of RM1.5 million from the profit before tax of RM53.9 million in the previous year.

The Property Development division achieved profit before tax of RM8.9 million after an impairment for Goodwill of RM7 million whilst the Trading division achieved profit before tax of RM1.7 million for the year under review. The Investment division recorded a profit before tax of RM61.8 million in 2015 mainly from the gain on the deemed disposal of 70% equity interest of a subsidiary company and gain on disposal of PPE.

The Construction division would have achieved profit before tax of RM14.3 million in 2015 if not for the provision for impairment on goodwill of RM23.0 million which resulted in the division incurring a loss before tax of RM8.7 million. The Manufacturing division incurred loss before tax of RM8.4 million mainly due to the RM2.1 million loss on disposal of old and obsolete machineries and RM3.9 million for impairment of the inventory which is obsolete as at year end.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**2. Variation of Results against Preceding Period.**

	Current Year Quarter 1/10/15-31/12/15 RM'000	Immediate Preceding Quarter 1/7/15 – 30/9/15 RM'000
Revenue	135,191	114,150
Profit before tax	28,525	10,172

The Group's achieved RM135.2 million revenue for the current quarter, an increase of 18% from the revenue of RM114.1 million in the preceding quarter ended 30 September 2015. The increase in the Profit before tax arose mainly from the gain on the deemed disposal of 70% equity interest of a subsidiary company and PPE but offset by the provisions for impairment on goodwill and receivables as well as the obsolete stocks.

**3. Prospects.**

With the existing order book in hand on jobs from the domestic market and construction jobs that would be coming on-stream from the Vietnam venture, the Group's Construction division is expected to perform satisfactorily as the progress of work moves according to schedule.

However, the property market is expected to remain challenging as the slower economic momentum, due to the weak purchaser sentiment post GST, coupled with the tighter lending from banks will impact the sales of commercial and residential units of the Property Development division. The Trading division which focus on sale of steel related products is expected to face tight margins as cost of sales have been on the increasing trend. The Manufacturing division has been dragging the Group down in the past years as the highly competitive market has made it unprofitable and despite the rationalization, this division is not expected to turnaround within the next few years.

Barring any adverse developments, the Group will endeavor to achieve a commendable performance for 2016.

**4. Profit Forecast / Guarantee.**

The Company did not issue any profit forecast or guarantees.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**5. Taxation.**

Included in the taxation are the following:

	Current Quarter Ended 31 Dec 2015 RM'000	Period-to-date Ended 31 Dec 2015 RM'000
<u>Taxation</u>		
Current Year	195	8,120

The tax provision was based on the estimated taxable amount. The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilized to set off against losses of other companies within the Group.

The deferred tax asset of the Group is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**6. Status of the Corporate Exercise.**

There were no corporate proposals announced but not completed as at the date of this report except as stated in Note B, Item 13 in relation to the Proposed Joint Venture and the development of power plant project in Vietnam.

**7. Group Borrowings.**

Group borrowings as at 31 December 2015 including interest denominated in Ringgit Malaysia are as follows: -

	Secured <u>RM'000</u>	Unsecured <u>RM'000</u>	Total <u>RM'000</u>
Short term borrowings	145,147	-	145,147
Overdraft	85,176	-	85,176
Long term borrowings	326,612	-	326,612
Total	<u>556,935</u>	<u>-</u>	<u>556,935</u>

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**8. Realised and Unrealised Profit or Loss.**

The breakdown of the Group's retained profits as at 31 December 2015 into realised and unrealised profits are as follows:

	As At 31 Dec 2015 RM'000	As At 31 Dec 2014 RM'000
Retained profits		
- Realised	47,278	3,836
- Unrealised	7,194	9,079
	<u>54,472</u>	<u>12,915</u>

**9. Notes to the statement of comprehensive income.**

The profit before taxation is derived after taking into consideration the following:

(Expense) / Income	Current Year-to-date 31 Dec 2015 RM'000
Interest Income	2,422
Gain on disposal of property, plant & equipment	33,245
Gain on disposal of subsidiary	49,538
Interest Expense	(21,965)
Depreciation and Amortisation	(6,748)
Impairment of Goodwill	(30,000)
Impairment of Inventories	(3,876)
Allowance for impairment of Receivables	(8,933)

**10. Changes in Material Litigation.**

There were no pending material litigations for the period under review.

**11. Dividend**

No dividend has been declared for the quarter under review.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

**12. Earnings Per Ordinary Share**

**a) Basic Earnings Per Share**

The earnings per share has been calculated based on the Group's profit attributable to owners of the Company for the period and the weighted average number of ordinary shares outstanding as at end of the period.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Ended 31/12/15 RM'000	Preceding Year Ended 31/12/14 RM'000	Current Year Ended 31/12/15 RM'000	Preceding Year Ended 31/12/14 RM'000
Profit for the year attributable to owners of the Company	29,310	6,906	41,557	13,967
Weighted average Number of Share in issue (RM1.00 each)	438,361	438,361	438,361	438,361
Basic Earnings Per Share (sen)	6.69	1.58	9.48	3.19

**b) Diluted Earnings Per Share**

This is not applicable, as there exists no share option, warrants or other financial instruments that will dilute or have the effect of diluting the basic earnings per share.

**13. Independent Power Plant Venture in Vietnam**

The Group was awarded the contract to undertake the design, engineering, construction, operation and maintenance of a 2 x 600 megawatt coal-fired thermal power plant project ("IPP Project") in Hai Doung Province in Vietnam pursuant to a Build-Operate-Transfer contract ("BOT Contract") for a 25-year operation term in June 2011.

The Company, JAKS Power Holding Limited ("JPH") and JAKS Pacific Power Limited ("JPP") (a wholly-owned subsidiary of JPH, which in turn is a wholly-owned subsidiary of JRB) had entered into the following agreements on 6 July 2015:-

- (a) subscription agreement between JPH, China Power Engineering Consulting Group Co. Ltd ("CPECC"), JPP and JRB ("**Subscription Agreement**") in relation to the following:-

- (i) JPH to subscribe for approximately 140.14 million ordinary shares in

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

JPP (“JPP Shares”) at the subscription price of approximately USD140.14 million; and

- (ii) CPECC to subscribe for approximately 140.14 million JPP Shares at subscription price of approximately USD140.14 million, 186.85 million redeemable convertible preference shares in JPP (“RCPS”) at subscription price of USD186.85 million and 100 ordinary shares in JPP (“JPP HKD Shares”) at subscription price of HKD100;
- (b) shareholders agreement between JPH, CPECC and JPP to regulate JPH and CPECC’s relationship inter se as shareholders of JPP (collectively, “JPP Shareholders”) (“SHA”); and
- (c) call option agreement between JPH and CPECC in which JPH shall have the option to purchase from CPECC such number of RCPS or such equivalent number of JPP Shares upon conversion of the RCPS into JPP Shares or such combination of number of JPP Shares and/or RCPS whereby upon exercise of such option by JPH, JPH’s effective economic interest in JPP (i.e. computed based on enlarged JPP Shares after conversion of RCPS) (“Effective Economic Interest”) shall be up to 40% (“Option Agreement”).

(Collectively, the Subscription Agreement, SHA and Option Agreement are hereinafter referred to as “Agreements”).

The Agreements were entered into to facilitate the entry of CPECC as equity partner for the Project. On 28 August 2015, the Company had obtained the shareholders’ approval on the Proposed Joint Venture. On 1 September 2015, CPECC had assigned and transferred all rights, title, interests, benefits and obligations in relation to the Subscription Agreement, SHA and Option Agreement to China Power Engineering Consulting Group (Hong Kong) Investment Co., Limited (“CPECHK”), an indirect wholly-owned subsidiary of CPECC. Vide a letter dated 2 October 2015 CPECHK had mutually agreed to extend the cut-off date for the fulfilment of the conditions precedent of the Subscription Agreement to 31 October 2015.

On 30 October 2015, the Company further announced that the parties to the Subscription Agreement had on 29 October 2015 mutually agreed to extend the cut-off date from 31 October 2015 to 31 January 2016 to fulfil the conditions precedent of the Subscription Agreement.

In Vietnam, JAKS Hai Duong Power Company Limited (“JHDP”), a wholly-owned subsidiary of JRB, had on 29 October 2015 informed the Ministry of Industry and Trade of the Socialist Republic of Vietnam (“MOIT”) vide a letter dated 28 October 2015, that JHDP had achieved the Financial Close of the BOT Contract, subject to amongst others, the registration of the shareholder loan agreement between China Power Engineering Consulting Group (Hong Kong) Investment Co., Limited and JHDP dated 19 September 2015 with State Bank of Vietnam and the issuance of legal opinion by the Ministry of Justice of Vietnam.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

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

On 16 December 2015, the Company announced that all the conditions precedent of the Subscription Agreement have been fulfilled and accordingly, the Subscription Agreement has become unconditional. In addition, JHDP had received an acknowledgement from the State Bank of Vietnam dated 30 November 2015 in relation to the registration of the shareholder loan agreement between China Power Engineering Consulting Group (Hong Kong) Investment Co., Limited and JHDP dated 19 September 2015. JHDP had also received the legal opinion from the Ministry of Justice of the Socialist Republic of Vietnam dated 11 December 2015.

**13. Authorisation for issue.**

The interim financial statements were authorised for issue by the Board of Directors on 29 February 2016.

**Date : 29 February 2016.**