

JAKS RESOURCES BERHAD

(Company No. 585648-T)

The Board of Directors of JAKS Resources Berhad ("JRB" or "the Company") wishes to announce that the Company has on 14 May 2019 entered into a Memorandum of Understanding ("MOU") with LICOGI 13 (the "Vendor"), a joint stock company incorporated in Vietnam to set out the expression of interest of JRB to acquire the Lig-Quang Tri Solar Power Project ("LQT Solar Power Project") from the Vendor ("Proposed Acquisition") as well as to set out the intention for the Vendor and JRB (collectively referred to as "Parties") to enter into joint venture arrangements or sale and purchase transactions in respect of other or future solar and wind energy projects in Vietnam, at the consideration and upon terms and conditions to be mutually agreed between both Parties.

LQT Solar Power Project

LQT Solar Power Plant, invested by LICOGI 13 will come into operation at the end of June 2019 in the central province of Quang Tri, Vietnam. The plant has a total capacity of 49.5 megawatts and average generation of 67.960 megawatts per year. The plant is located at Gio Linh district, Quang Tri province, Vietnam.

The Power Purchase Agreement for the LQT Solar Power Plant was executed on 23 October 2018 and this project has a life time of 50 years. Presently the plant is completed and awaiting connection to the national grid.

Salient Terms of MOU

The salient terms of the MOU are as follows:

(i) Sale & Purchase of LQT Solar Power Project

The execution of the MOU is to allow both Parties to negotiate the terms of the Sale and Purchase Agreement of the LQT Solar Power Project, that is to be entered into as soon as possible and in any event, on or before 30 June 2019 (or such later date as mutually agreed between both Parties).

The consideration for the Solar Power Project will be subject to negotiations between the Parties. The actual consideration amount and the mode of settlement of the consideration amount shall be subject to the terms and conditions of the formal Sale and Purchase Agreement in respect of the Solar Power Project to be entered into between the Parties ("**Sale and Purchase Agreement**") in the event the Parties have reached an agreement on the terms and conditions of the disposal and acquisition of the Solar Power Project.

In the event that the Sale and Purchase Agreement is not entered into between both Parties on or before the 30 June 2019 (or such later date as both Parties may mutually agree), this MOU shall lapse and neither Party shall have any rights or obligations towards the other.

(ii) Non-Exclusivity and Non-Binding Effect

The MOU is non-exclusive to each Party and the MOU does not have any legal binding effect or binding commitment in respect of the Proposed Acquisition.

(iii) Due Diligence Review

JRB shall have the right within 14 days of signing the MOU to appoint advisors and agents to conduct such review of the assets, liabilities, operations and affairs of the LQT Solar Power Project and such other matters as they may consider appropriate (“**Due Diligence Review**”) and the Vendor shall provide such assistance as JRB and its advisors and agents may require to enable the Due Diligence Review to be completed on or before the 15th day of June 2019 (or any later such date as mutually agreed between both Parties).

(iv) Costs and Expenses

All costs and expenses incurred by Vendor or JRB in connection with the MOU and continued negotiations of the Proposed Acquisition shall be borne by the incurring Party respectively.

(v) Conditions Precedent

It is intended that the Proposed Acquisition shall be conditional upon, including but not limited to, the satisfaction of the following conditions precedent:

- a. JRB being satisfied with the results of the Due Diligence Review;
- b. if necessary, the resolution of the shareholders at an extraordinary general meeting of JRB to be convened and held to approve the Sale and Purchase Agreement and the transactions contemplated thereunder;
- c. the warranties given by the Vendor under the Sale and Purchase Agreement remaining true, accurate and complete in all material respects and not misleading, and there does not exist any matter, fact or circumstance which constitutes, or may constitute a breach thereof or affect the status of the Vendor or the position of the Solar Power Project;
- d. JRB being satisfied that there is no material adverse change in the financial or trading position, business or property, and the operations of the Vendor or the Solar Power Project from the date of the Sale and Purchase Agreement until the completion date thereof; and
- e. all necessary consents and approvals required to be obtained on the part of the Vendor and JRB in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained.

Directors’ and Major Shareholders’ Interest & Directors’ Statement

None of the Directors, major shareholders of the Company and/or any of the persons connected with them, have any interest, whether direct and/or indirect, in the MOU.

Statement by Directors

The Board of Directors of JAKS views that the execution of the MOU is in the best interest of the Company.

This announcement is dated 14 May 2019.