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JAKS' EARNINGS QUANTUM LEAPS BY 1,230%

Driven by its share of the profits from JAKS Hai Duong power plant

KEY HIGHLIGHTS

- Year-on-year PBT turned profitable to RM23.9 million from a LBT of RM8.4 million.
- Year-on-year PATAMI increased exponentially by 1,230% to RM28.8 million from RM2.2 million.
- Quarter-on-quarter PBT increased by 56.5% to RM23.9 million from RM15.3 million.
- 1HFY2021 PBT turnaround to RM39.2 million from LBT of RM25.2 million in 1HFY2020
- 1HFY2021 PATAMI upturned to RM48.6 million from LATAMI of RM4.1 million in 1HFY2020.

PETALING JAYA, 7 September 2021 - JAKS Resources Berhad (“JAKS” or the “Group”), a construction and power holdings company specialising in water and other infrastructure projects, and energy development, today reported an impressive set of second quarter (Q2FY2021) and first half financial results for the financial year ending 31 December 2021.

The Group delivered a profit before tax (“PBT”) of RM23.9 million for Q2FY2021 from a loss before tax of RM8.4 million a year ago. Correspondingly, profit after tax and minority interests (“PATAMI”) surged by 1,230% to RM28.8 million, as compared to the RM2.2 million generated in the preceding year’s corresponding quarter. The substantial improvement to the earnings was supported by its 30% share of the profits, equivalent to RM37.5 million, from the 1,200-megawatts JAKS Hai Duong Power Plant, which is held jointly with China Power Engineering Consulting Group Co Ltd. Accordingly, basic earnings per share was RM1.64, against the RM0.33 recorded in the corresponding quarter last year.

Quarter-on-quarter, revenue jumped by 138.3% to RM41.6 million against Q1FY2021’s RM17.5 million. The PBT of RM23.9 million was 56.5% higher than Q1FY2021’s RM15.3 million.

For the first half of the year, recognition of the earnings from the JAKS Hai Duong Power Plant enabled JAKS to deliver a PBT and PATAMI of RM39.2 million and RM48.6 million respectively, a huge turnaround in contrast to a loss before tax of RM25.2 million and RM4.1 million respectively for the first half year of 2020.

“At this juncture, we will continue to grow our construction division, being our business roots with good track records. At the same time, our strategy to diversify our business into the power division via the JAKS Hai Huong Power Plant since 2011 has proven to be a huge success. We were able to recognize a commendable profit of RM37.5 million from our 30% equity investment in the power plant, which will continue to provide us with a stable recurring income for the next 25 years. On another note, the execution of our new 50-megawatt large scale solar photovoltaic plant (“LSS4”) is on track, where the power purchase agreement was signed on 19 August with Tenaga Nasional Berhad for a period of 21 years from the commercial operation date. The Group is currently undergoing a transformation stage to grow its power and energy division, where it will provide JAKS with a steady recurring income to counterbalance the volatility of the construction sector,” said JAKS chief executive officer Andy Ang Lam Poah.

Andy added that the on-going Covid-19 pandemic is indeed challenging for all. He is hopeful that the ramping up of the vaccination programme and re-opening of business activities will spur the stabilization and recovery of the country’s economic sector. Having said that, the Group will continue to explore new construction projects to replenish its construction order book, going forward.

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