

THIS CIRCULAR TO SHAREHOLDERS OF JAKS RESOURCES BERHAD ("JAKS" OR THE "COMPANY") ("CIRCULAR") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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JAKS RESOURCES BERHAD

(Registration No. 200201017985 (585648-T))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED ESTABLISHMENT OF A DIVIDEND REINVESTMENT PLAN WHICH WILL PROVIDE SHAREHOLDERS OF JAKS WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW ORDINARY SHARES IN JAKS ("PROPOSED DRP")

Adviser

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No. 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Proposed DRP will be tabled as a special business at the 21st Annual General Meeting ("**AGM**") of JAKS, which will be held on a fully virtual basis at the broadcast venue at Manuka 2&3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 27 June 2023 at 10.30 a.m.. The notice of the 21st AGM of the Company together with the Form of Proxy, Administrative Guide and this Circular are available online at the Company's website at <http://www.jaks.com.my/investors.php>.

Shareholders are to attend, speak (including posing questions to the Board of Directors of JAKS via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the AGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its TIIH Online website at <https://tiih.online>. Please follow the procedures of RPV as stated in the Administrative Guide.

A member entitled to participate at the 21st AGM is entitled to appoint a proxy or proxies to participate on his/her behalf. In such event, the Form of Proxy must be lodged at the office of the Company's Share Registrar, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, at least 48 hours before the time and date stipulated for the AGM as indicated below. The lodging of the Form of Proxy shall not preclude you from participating in person at the 21st AGM should you subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy : Sunday, 25 June 2023 at 10.30 a.m.

Day, date and time of the AGM : Tuesday, 27 June 2023 at 10.30 a.m.

This Circular is dated 28 April 2023

DEFINITIONS

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

“Act”	:	Companies Act 2016
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of JAKS
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Circular”	:	This circular to the Shareholders dated 28 April 2023 in relation to the Proposed DRP
“CMSA”	:	Capital Markets and Services Act 2007
“Constitution”	:	The Constitution of JAKS
“Director(s)”	:	The director(s) of JAKS and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“Dividend(s)”	:	Cash dividend(s) as may be declared by JAKS, which includes any interim, final, special or other types of cash dividend
“Dividend Payment Account”	:	The non-interest bearing account opened by our Company to facilitate the payment of Dividends
“DRF”	:	Dividend reinvestment form
“DRP”	:	Dividend reinvestment plan
“e-DRF”	:	Electronic DRF
“e-Notice of Election”	:	Electronic Notice of Election
“Electable Portion”	:	The whole or part of the Dividends to which our Board, at its absolute discretion, determines that the Reinvestment Option applies
“Entitlement Date”	:	The date as at the close of business (to be determined and announced later by our Board) on which Shareholders’ names appear in the Record of Depositors of our Company in order to participate in the Proposed DRP applicable to a Dividend
“EPS”	:	Earnings per Share
“Expiry Date”	:	The last day (which will be a date to be fixed and announced by our Board and which shall be at least 14 days from the date of Notice of Election is despatched or e-Notice of Election is sent or such date as may be prescribed by Bursa Securities) by which an election to be made by the Shareholders in relation to their Electable Portion must be received by the Share Registrar or at such address as may be determined by our Company from time to time, or by electronic means through the Share Registrar’s website
“FYE”	:	Financial year ended/ending, as the case may be

DEFINITIONS (Cont'd)

“Illustrative Dividend”	: An illustrative gross dividend of 0.5 sen per JAKS Share
“Issue Price”	: The issue price of the New Shares, to be determined and fixed by our Board on the Price-Fixing Date, and which shall be an issue price of not more than 10% discount to the 5-day VWAP of JAKS Shares immediately preceding the Price-Fixing Date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price at the material time
“JAKS” or the “Company”	: JAKS Resources Berhad (Registration No. 200201017985 (585648-T))
“JAKS Group” or the “Group”	: JAKS and its subsidiaries, collectively
“JAKS Share(s)” or “Share(s)”	: Ordinary share(s) in JAKS
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 4 April 2023, being the latest practicable date prior to the printing and despatch of this Circular
“LTIP”	: The long-term incentive plan of JAKS, which was implemented on 5 July 2016. The LTIP is effective for a period of 10 years and shall expire on 4 July 2026 in accordance with the by-laws governing the LTIP
“LTIP Option(s)”	: LTIP option(s) granted pursuant to the LTIP
“Market Day(s)”	: Any day between Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities, which may include a surprise holiday (i.e. a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year)
“Maximum Scenario”	: The scenario whereby 91,944,315 New Shares would have been fully issued pursuant to the Proposed DRP on the assumption that:- <ul style="list-style-type: none">(i) all the 171,488,238 outstanding Warrants B are exercised prior to the implementation of the Proposed DRP;(ii) all the 525,564,900 outstanding Warrants C are exercised prior to the implementation of the Proposed DRP;(iii) all the 141,473,619 outstanding LTIP Options are exercised prior to the implementation of the Proposed DRP; and(iv) all the 292,884,436 Placement Shares pursuant to the Private Placement (on the basis that all of the outstanding convertible securities and options, namely Warrants B, Warrants C and LTIP Options are fully exercised) are issued prior to the implementation of the Proposed DRP

DEFINITIONS (Cont'd)

“Minimum Scenario”	: The scenario whereby 59,655,182 New Shares would have been fully issued pursuant to the Proposed DRP on the assumption that:- <ul style="list-style-type: none">(i) none of the 171,488,238 outstanding Warrants B are exercised prior to the implementation of the Proposed DRP;(ii) none of the 525,564,900 outstanding Warrants C are exercised prior to the implementation of the Proposed DRP;(iii) none of the 141,473,619 outstanding LTIP Options are exercised prior to the implementation of the Proposed DRP; and(iv) none of the 209,031,760 Placement Shares pursuant to the Private Placement (on the basis that none of the outstanding convertible securities and options, namely Warrants B, Warrants C and LTIP Options are fully exercised) are issued prior to the implementation of the Proposed DRP
“NA”	: Net assets
“New Share(s)”	: New JAKS Shares to be issued pursuant to the Proposed DRP
“Non-Electable Portion”	: The portion of a Dividend, to which our Board, in its absolute discretion, determines that the Reinvestment Option does not apply
“Notice of Election”	: The notice of election (in such form as our Board may approve) in relation to the Reinvestment Option by which the Shareholders confirm the exercise thereof, which may be completed in writing or electronically on the Share Registrar’s website. The Notice of Election, which will stipulate amongst others, the instructions in respect of the action to be taken by Shareholders should they wish to exercise the Reinvestment Option as well as the Expiry Date, will be despatched to the Shareholders after the Entitlement Date
“Overseas Shareholder(s)”	: Shareholder(s) whose address(es) in our Company’s Record of Depositors is/are outside of Malaysia
“Placement Share(s)”	: The new JAKS Share(s) to be issued pursuant to the Private Placement which was approved by the Shareholders on 3 March 2023
“Price-Fixing Date”	: The date on which our Board determines and announces the Issue Price. For avoidance of doubt, the Price-Fixing Date shall be determined and announced by our Board, upon procuring all relevant approvals, either on the same day as or before the announcement of the Entitlement Date in relation to a Dividend to which the Reinvestment Option applies
“Private Placement”	: The private placement announced on 20 December 2022, which entails the issuance of up to 292,884,436 new JAKS Shares at an issue price to be determined and announced at a later date
“Proposed DRP”	: Proposed dividend reinvestment plan that provides the Reinvestment Option to Shareholders in accordance with the terms and conditions as set out in Appendix I of this Circular
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Reinvestment Option”	: The option given to the Shareholders pursuant to the Proposed DRP and at our Board’s discretion, to reinvest all or part of the Electable Portion of their Dividends into New Shares

DEFINITIONS (Cont'd)

“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia
“Shareholder(s)”	:	Shareholder(s) of JAKS
“Tricor” or the “Share Registrar”	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
“UOBKH” or the “Adviser”	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“VWAP”	:	Volume weighted average market price
“Warrant(s) B”	:	The outstanding warrants 2018/2023 issued by JAKS constituted by the deed poll dated 5 November 2018 and expiring on 13 December 2023
“Warrant(s) C”	:	The outstanding warrants 2020/2025 issued by JAKS constituted by the deed poll dated 13 October 2020 and expiring on 18 November 2025

All references to “we”, “us”, “our” and “ourselves” are to JAKS or JAKS Group. All references to “you” in this Circular are to the Shareholders.

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

Any reference in this Circular 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 Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed DRP. You are advised to read the Circular in its entirety for further details of the Proposed DRP and not to rely solely on this Executive Summary in forming a decision on the Proposed DRP before voting at the forthcoming EGM.

Key information	Description	Reference to Circular
Details of the Proposed DRP	<p><u>Overview</u></p> <p>The Proposed DRP will provide Shareholders with an opportunity to reinvest their Dividend in New Shares instead of receiving it in cash.</p> <p>Our Board may, at its absolute discretion, determine whether to offer the Reinvestment Option to the Shareholders as and when a Dividend is declared and announced. In the event that the Reinvestment Option is applied, our Company will declare the size of the Electable Portion. If the Reinvestment Option is not exercised by the Shareholders in whole, any remaining portion of Dividend will be paid in cash.</p> <p>In this respect, the Electable Portion may encompass the whole or part of the Dividend declared. In the event the Electable Portion is not applicable for the whole Dividend declared, the Non-Electable Portion will be paid in cash.</p> <p>Shareholders should note that our Company is not obliged to undertake the Proposed DRP for each and every Dividend declared.</p> <p>Unless our Board has determined that the Reinvestment Option will apply to a particular Dividend declared (whether in whole or in part), the Dividends as may be declared by JAKS will be paid wholly in cash to Shareholders in the usual manner.</p> <p><u>Election to reinvest Dividend in New Shares</u></p> <p>Shareholders shall have the following options in respect of a Reinvestment Option announced by our Board under the Proposed DRP:-</p> <ul style="list-style-type: none">(i) to elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion in New Shares at the Issue Price on the Price-Fixing Date and to receive the Non-Electable Portion in cash, if applicable;(ii) to elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion in New Shares at the Issue Price and to receive the balance of the Electable Portion and Non-Electable Portion in cash, if applicable; or(iii) to elect not to participate in the Reinvestment Option and thereby receive the entire Dividend entitlement (both Electable Portion and Non-Electable Portion) wholly in cash. <p><u>Pricing of New Shares</u></p> <p>The Issue Price, which will be determined and fixed by our Board at a later date after receipt of all relevant approvals on the Price-Fixing Date, shall be at an issue price of not more than a 10% discount to the 5-day VWAP of JAKS Shares immediately prior to the Price-Fixing Date. For avoidance of doubt, the VWAP shall be adjusted ex-dividend before applying the aforementioned discount.</p>	Section 2

Key information	Description	Reference to Circular
	<p><u>Ranking and listing of the New Shares</u></p> <p>Any New Shares to be issued pursuant to the Proposed DRP will rank equally in all respects with the existing JAKS Shares in issue, save and except that the holders of New Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the New Shares.</p> <p><u>Eligibility</u></p> <p>The right to participate in the Proposed DRP will be granted to all Shareholders provided that such participation will not result in a breach of any restrictions applicable to such Shareholder's holding of JAKS Shares which may be imposed by any contractual obligations, statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts).</p> <p><u>Maximum number of New Shares</u></p> <p>The maximum number of New Shares to be issued under the Proposed DRP will depend on, amongst others, the quantum of the Dividend, our Board's decision on the proportion/size of the Electable Portion, the number of Shareholders who elect to reinvest the Electable Portion at the Issue Price and any necessary downward adjustment by our Board to the final number of New Shares to be allotted and issued to any of the Shareholders.</p>	
Rationale for the Proposed DRP	<p>The establishment of the Proposed DRP is intended to:-</p> <ul style="list-style-type: none"> (i) provide our Company with flexibility in managing its capital position as well as strengthen its capital position as any cash so retained within our Company, that would otherwise be made payable by way of Dividend, will be preserved as capital to fund working capital requirements of our Group; (ii) provide the Shareholders with an opportunity to enhance and maximise the value of their shareholdings in our Company by investing in New Shares that may be issued at a discount to the prevailing market prices. Further, their subscription of such New Shares will be free from any brokerage fees and other related transaction costs (unless otherwise provided by any statute, law or regulation); and (iii) potentially improve the liquidity of JAKS Shares on the Main Market of Bursa Securities through the issuance of New Shares pursuant to the Proposed DRP resulting in an enlarged share capital base. 	Section 3
Interests of Directors, major shareholders, chief executive and/or persons connected	<p>None of the Directors, major shareholders, chief executive of JAKS and/or persons connected to them have any interest, either direct or indirect, in the Proposed DRP, beyond their respective entitlement as Shareholders under the Proposed DRP, of which all other Shareholders are similarly entitled to.</p>	Section 9

EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference to Circular
Approvals required	<p>The Proposed DRP is subject to the following approvals being obtained from:-</p> <ul style="list-style-type: none">(i) the Shareholders at the forthcoming AGM, for the establishment of the Proposed DRP and the issuance of New Shares arising from the Proposed DRP; and(ii) any other relevant authorities and/or parties, if required. <p>In respect of the implementation of the Proposed DRP for any future Dividend to which the Reinvestment Option applies, the issuance of the New Shares to be issued pursuant to the exercise of the Reinvestment Option by Shareholders is conditional upon approvals being obtained from the following:-</p> <ul style="list-style-type: none">(i) the Shareholders' approval at the AGM on an annual basis. This is in addition to any general mandate pursuant to Sections 75 and 76 of the Act;(ii) Bursa Securities for the listing of and quotation for the New Shares to be issued pursuant to the Proposed DRP on the Main Market of Bursa Securities; and(iii) any other relevant authorities and/or parties, if required.	Section 7
Directors' statement/ recommendation	<p>Our Board, having considered all aspects of the Proposed DRP, including but not limited to the rationale and effects of the Proposed DRP, is of the opinion that the Proposed DRP is in the best interest of our Company and recommends that the Shareholders vote in favour of the ordinary resolutions in relation to the Proposed DRP to be tabled at the forthcoming AGM.</p>	Section 10

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

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

28 April 2023

Board of Directors

Tan Sri Datuk Hussin Bin Haji Ismail
Ang Lam Poah
Dato' Razali Merican Bin Naina Merican
Ang Lam Aik
Dato' Azman Bin Mahmood
Liew Jee Min @ Chong Jee Min
Tan Sri Dato' Hj. Abd. Karim B. Shaikh Munisar
Khor Hun Nee

Chairman/Independent Non-Executive Director
Chief Executive Officer
Executive Director
Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

To: The Shareholders

Dear Sir/Madam,

PROPOSED ESTABLISHMENT OF A DIVIDEND REINVESTMENT PLAN WHICH WILL PROVIDE SHAREHOLDERS OF JAKS WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW ORDINARY SHARES IN JAKS ("PROPOSED DRP")

1. INTRODUCTION

On 13 February 2023, UOBKH had, on behalf of our Board, announced that our Company is proposing to undertake the establishment of a DRP which will provide our Shareholders with an option to elect to reinvest in whole or in part, their Dividend in new JAKS Shares.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED DRP AND TO SET OUT THE VIEW AND RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED DRP AND THE ISSUANCE OF NEW SHARES PURSUANT TO THE PROPOSED DRP TO BE TABLED AT THE FORTHCOMING AGM OF OUR COMPANY. THE NOTICE OF THE FORTHCOMING AGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THE ANNUAL REPORT 2022.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED DRP AND THE ISSUANCE OF NEW SHARES PURSUANT TO THE PROPOSED DRP TO BE TABLED AT THE FORTHCOMING AGM OF OUR COMPANY.

2. DETAILS OF THE PROPOSED DRP

2.1 Overview

The Proposed DRP will provide Shareholders with an opportunity to reinvest their Dividend in New Shares instead of receiving it in cash.

Our Board may, at its absolute discretion, determine whether to offer the Reinvestment Option to the Shareholders as and when a Dividend is declared and announced. In the event that the Reinvestment Option is applied, our Company will declare the size of the Electable Portion. If the Reinvestment Option is not exercised by the Shareholders in whole, any remaining portion of Dividend will be paid in cash.

In this respect, the Electable Portion may encompass the whole or part of the Dividend declared. In the event the Electable Portion is not applicable for the whole Dividend declared, the Non-Electable Portion will be paid in cash.

Shareholders should note that our Company is not obliged to undertake the Proposed DRP for each and every Dividend declared.

Unless our Board has determined that the Reinvestment Option will apply to a particular Dividend declared (whether in whole or in part), the Dividends as may be declared by JAKS will be paid wholly in cash to Shareholders in the usual manner.

2.2 Election to reinvest Dividend in New Shares

Shareholders shall have the following options in respect of a Reinvestment Option announced by our Board under the Proposed DRP:-

- (i) to elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion in New Shares at the Issue Price on the Price-Fixing Date and to receive the Non-Electable Portion in cash, if applicable;
- (ii) to elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion in New Shares at the Issue Price and to receive the balance of the Electable Portion and Non-Electable Portion in cash, if applicable; or
- (iii) to elect not to participate in the Reinvestment Option and thereby receive the entire Dividend entitlement (both Electable Portion and Non-Electable Portion) wholly in cash.

The election to reinvest the Dividend in New Shares can be made via a Notice of Election (together with the DRF attached thereto) which will be despatched to Shareholders after the Entitlement Date. The e-Notice of Election and e-DRF will also be available on the website of the Share Registrar at <https://tiih.online>. Instructions will be provided in the Notice of Election in respect of the action to be taken by Shareholders should they wish to exercise the Reinvestment Option. The Notice of Election will also state, amongst others, the Expiry Date. For further information on the administration of the Proposed DRP, please refer to **Section 2.11** and **Appendix I** of this Circular.

Shareholders will receive the entire Dividend in cash if they do not expressly elect in writing to exercise the Reinvestment Option in accordance with the instructions set out in the Notice of Election. As such, Shareholders (who wish to receive their Dividend wholly in cash) need not take any action with regards to the Notice of Election.

The percentage shareholding of a Shareholder in JAKS may be diluted should the Shareholder decides not to exercise the Reinvestment Option. However, the extent of the dilution will depend on the number of New Shares issued by JAKS pursuant to the exercise level of the Reinvestment Option by the other Shareholders, which cannot be ascertained at this juncture.

2.3 Pricing of New Shares

The Issue Price, which will be determined and fixed by our Board at a later date after receipt of all relevant approvals on the Price-Fixing Date, shall be at an issue price of not more than a 10% discount to the 5-day VWAP of JAKS Shares immediately prior to the Price-Fixing Date. For avoidance of doubt, the VWAP shall be adjusted ex-dividend before applying the aforementioned discount. An illustration of the indicative Issue Price of the New Shares for the Proposed DRP is set out in **Section 5** of this Circular.

The New Shares will be issued free of any brokerage fees and other related transaction costs to Shareholders (unless otherwise provided by any statute, law or regulation). However, the participating shareholders are required to pay RM10.00 for stamp duty.

2.4 Ranking and listing of the New Shares

Any New Shares to be issued pursuant to the Proposed DRP will rank equally in all respects with the existing JAKS Shares in issue, save and except that the holders of New Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the New Shares.

Approval will be sought from Bursa Securities for the listing of and quotation for the New Shares on the Main Market of Bursa Securities pursuant to each Dividend to which the Reinvestment Option is made available by our Board. After receipt of said approval from Bursa Securities and other relevant authorities, where applicable, an announcement of the Entitlement Date in relation to a Dividend will be made.

The New Shares will be listed on the Main Market of Bursa Securities.

2.5 Eligibility

The right to participate in the Proposed DRP will be granted to all Shareholders provided that such participation will not result in a breach of any restrictions applicable to such Shareholder's holding of JAKS Shares which may be imposed by any contractual obligations, statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts).

Overseas Shareholders should take note of the following:-

- (i) the Proposed DRP will only be offered for subscription in Malaysia. No action has been or will be taken to ensure that the Proposed DRP complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, the documents relating to the Proposed DRP including the Notice of Election will not be sent to Overseas Shareholders to avoid any violation on the part of JAKS of any securities laws applicable outside Malaysia. No Overseas Shareholders shall have any claim whatsoever against our Company as a result of the documents relating to the Proposed DRP not being sent to Overseas Shareholders;
- (ii) Overseas Shareholders who wish to participate in the Proposed DRP are strongly advised to provide the Share Registrar of our Company with an address in Malaysia no later than 3 Market Days before the relevant Entitlement Date in respect of any particular Dividend to which the Proposed DRP applies; and
- (iii) Overseas Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Overseas Shareholders in the Proposed DRP will be on the basis that they may lawfully so participate without our Company, its Directors, employees and advisers being in breach of the laws of any jurisdiction.

2.6 Odd lots and fractional Shares

Shareholders who exercise the Reinvestment Option may be allotted New Shares in odd lots depending on their entitlement of New Shares. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots may do so via the odd lots market of Bursa Securities, which allows the trading of odd lots with a minimum of 1 JAKS Share.

A Shareholder who does not wish to receive New Shares in odd lots may round down the number of New Shares elected such that the Shareholder will receive New Shares in multiples of, and not less than 100 New Shares. Where a Shareholder's entitlement of New Shares is less than 100 Shares, the Shareholder can elect to receive the entire Dividend entitlement in cash in the usual manner or New Shares in odd lots.

Fractional New Shares will not be allotted. Any amount of a Dividend payment that is insufficient for the issuance of 1 whole New Share will be received in cash by Shareholders in the usual manner together with the Non-Selectable Portion (if any).

2.7 Maximum number of New Shares

The maximum number of New Shares to be issued under the Proposed DRP will depend on, amongst others, the quantum of the Dividend, our Board's decision on the proportion/size of the Selectable Portion, the number of Shareholders who elect to reinvest the Selectable Portion at the Issue Price and any necessary downward adjustment by our Board to the final number of New Shares to be allotted and issued to any of the Shareholders as referred to in **Section 4.2** of this Circular.

2.8 Taxation

For income tax purposes, a Shareholder is regarded as having received a cash distribution equivalent to the amount of the Dividend declared, notwithstanding that the Shareholder may elect to exercise the Reinvestment Option (in whole or in part). Hence the election for the Reinvestment Option does not relieve a Shareholder from any income tax obligation (if applicable) and there is no tax advantage to be gained in exercising the Reinvestment Option or otherwise.

2.9 Use of funds

The Proposed DRP will potentially result in cash retention for our Company if Shareholders elect to reinvest their Dividend in New Shares. The amount of cash reinvested into our Company arising from the Proposed DRP can only be ascertained on or after the relevant Expiry Date. Therefore, the time frame for the use of such cash proceeds can only be determined then. Nonetheless, the net cash proceeds from the Proposed DRP (after the deduction of any related expenses) will be used for general working capital requirements of JAKS Group.

2.10 Modification, suspension and termination

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the Proposed DRP may be modified, suspended (in whole or in part) or terminated at any time by our Board as it deems fit or expedient by giving notice in such manner as our Board deems fit, notwithstanding any other provision or the terms and conditions of the Proposed DRP stating the contrary and irrespective of whether an election to exercise the Reinvestment Option has been made by a Shareholder.

In the event our Board decides to suspend (in whole or in part) or terminate the Proposed DRP in relation to the Selectable Portion, Shareholders will receive the Selectable Portion, in cash, in the usual manner.

2.11 General

Shareholders' approval for the Proposed DRP and the issuance of such number of New Shares pursuant to any Dividend to be declared which the Proposed DRP applies will be sought at the forthcoming AGM. Subsequent Shareholders' approvals for future issuances of New Shares pursuant to the Proposed DRP will be sought at the AGM of JAKS on an annual basis, where applicable.

For avoidance of doubt, the specific approval to be obtained from the Shareholders for the issuance of New Shares arising from the Proposed DRP is separate from and in addition to the general mandate to issue and allot new JAKS Shares pursuant to Sections 75 and 76 of the Act where the Shareholders' approval is sought at the AGM of JAKS on an annual basis.

Amendments to the Constitution of JAKS are not required under the Proposed DRP as neither the Constitution of JAKS nor the Act prohibits the implementation of any dividend reinvestment plan.

In addition, our Company shall transfer funds amounting to the total net Dividend (after deduction of any applicable income tax) from its account to the Dividend Payment Account held in trust for the Shareholders.

In accordance with Paragraph 6.09 of the Listing Requirements, our Company will, within 8 Market Days from the Expiry Date or such date as may be prescribed by Bursa Securities, allot and issue the New Shares and despatch notices of allotment to the Shareholders (who exercise the Reinvestment Option) ("**Allotment Date**").

Further, in accordance with Paragraphs 8.26(2) and 9.19(2)(a)(ii) of the Listing Requirements, a cash dividend must be paid within 1 month from the Entitlement Date and in any event, within 3 months from the date of the declaration of the dividend or the date on which the approval is obtained in a general meeting of our Company, whichever is applicable. For avoidance of doubt, Dividend for the Shareholders who do not exercise their Reinvestment Option will also be paid concurrently on the Allotment Date, in cash, in the usual manner.

An announcement in respect of the date on which the New Shares will be listed and quoted on the Main Market of Bursa Securities will also be released by our Company accordingly.

3. RATIONALE FOR THE PROPOSED DRP

The establishment of the Proposed DRP is intended to:-

- (i) provide our Company with flexibility in managing its capital position as well as strengthen its capital position as any cash so retained within our Company, that would otherwise be made payable by way of Dividend, will be preserved as capital to fund working capital requirements of our Group;
- (ii) provide the Shareholders with an opportunity to enhance and maximise the value of their shareholdings in our Company by investing in New Shares that may be issued at a discount to the prevailing market prices. Further, their subscription of such New Shares will be free from any brokerage fees and other related transaction costs (unless otherwise provided by any statute, law or regulation); and
- (iii) potentially improve the liquidity of JAKS Shares on the Main Market of Bursa Securities through the issuance of New Shares pursuant to the Proposed DRP resulting in an enlarged share capital base.

Nonetheless, our Company wishes to highlight that the Proposed DRP provides our Shareholders with the option, and does not impose any obligation on them, to reinvest their Dividend, in whole or in part, in New Shares.

4. IMPLICATION OF THE RULES AND OTHER SHAREHOLDING LIMITS

4.1 The Rules

Under Paragraph 4.01, Part B of the Rules and Sections 217 and 218 of the CMSA, a Shareholder may be under an obligation to extend a take-over offer for the remaining JAKS Shares not already owned by him/her and persons acting in concert with him/her (collectively, the “**Affected Party**”), if:-

- (i) by participating in the Proposed DRP in relation to the reinvestment of the Electable Portion, the Affected Party has obtained control via the acquisition or holding of, or entitlement to exercise or control the exercise of voting shares or voting rights of 33% or more of our Company or such other amount as may be prescribed in the Rules, however effected; or
- (ii) the Affected Party holds more than 33% but not more than 50% of the voting shares or voting rights of our Company and acquires, including by participating in the Proposed DRP in relation to any Electable Portion, more than 2% of the voting shares or voting rights of our Company in any 6-month period.

Thereafter, in the event an obligation to undertake a mandatory offer is expected to arise resulting from a Shareholder’s participation in the Proposed DRP, the Affected Party may wish to consult his/her professional advisers in relation to:-

- (i) any obligation to make a take-over offer under the Rules as a result of any subscription of New Shares through his/her participation in the Proposed DRP; and
- (ii) whether or not to make an application to the Securities Commission Malaysia to obtain an exemption from undertaking a mandatory offer pursuant to the Rules prior to exercising his/her Reinvestment Option.

4.2 Other shareholding limits

Shareholders are responsible for ensuring that their participation will not result in a breach of any restrictions applicable to such Shareholder’s holding of JAKS Shares which may be imposed by any contractual obligations, statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts).

Our Board shall be entitled but not obligated to reduce or limit the number of New Shares to be issued to any Shareholder should our Board be aware or be informed in writing of any expected breach of such shareholding limits as a result of the exercise of the Reinvestment Option by such Shareholder, in which case our Board reserves the right to pay the remaining portion of the Electable Portion in cash.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Rules or other relevant legislation or regulations. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Rules as a result of any subscription of New Shares through their participation in the Proposed DRP are advised to consult their professional advisers at the earliest opportunity.

5. EFFECTS OF THE PROPOSED DRP

The effects of the Proposed DRP are dependent on several factors, which include, amongst others, the quantum of the Dividend, our Board's decision on the proportion/size of the Electable Portion, the extent to which Shareholders elect to reinvest the Electable Portion, the Issue Price and any necessary downward adjustment by our Board to the final number of New Shares to be allotted and issued to any Shareholder as referred to in **Section 4.2** of this Circular.

For avoidance of doubt, our Company does not hold any treasury shares as at the LPD.

Strictly for illustrative purposes only, throughout **Section 5** of this Circular, the number of New Shares that our Company could potentially issue pursuant to the Proposed DRP is based on the following parameters/assumptions:-

- (i) the Illustrative Dividend (i.e. 0.5 sen);
- (ii) our Board determines that the Reinvestment Option applies to the entire Illustrative Dividend;
- (iii) all the Shareholders elect to participate in the Proposed DRP and choose to receive the Illustrative Dividend wholly in New Shares; and
- (iv) the Minimum Scenario and Maximum Scenario.

		Minimum Scenario	Maximum Scenario
Issued share capital as at the LPD		2,090,317,607	2,090,317,607
Add: Assuming full exercise of Warrants B ⁽¹⁾⁽³⁾⁽⁴⁾		-	171,488,238
Add: Assuming full exercise of Warrants C ⁽²⁾⁽³⁾⁽⁴⁾		-	525,564,900
Add: Assuming full exercise of the LTIP Options ⁽⁵⁾		-	141,473,619
Add: Assuming full exercise of the Placement Shares ⁽⁶⁾		-	292,884,436
	A	2,090,317,607	3,221,728,800
Illustrative Dividend per JAKS Share (RM)	B	0.005	0.005
Dividend payout (RM)	C = A x B	10,451,588	16,108,644
Indicative Issue Price per New Share (RM) ⁽⁷⁾	D	0.1752	0.1752
Indicative number of New Shares to be issued ⁽⁸⁾	E = C / D	59,655,182	91,944,315
Enlarged issued share capital after the Proposed DRP	G = A + E	2,149,972,789	3,313,673,115
Percentage of enlarged issued share capital	E / G	2.77%	2.77%

Notes:-

- (1) Assuming all the 171,488,238 outstanding Warrants B are fully exercised into 171,488,238 new Shares.
- (2) Assuming all the 525,564,900 outstanding Warrants C are fully exercised into 525,564,900 new Shares.

- (3) Both Warrants B and Warrants C are currently out-of-money given that the last transacted price of JAKS Shares as at the LPD is RM0.215 per JAKS Share whilst the exercise price of Warrants B is RM0.34 and the exercise price of Warrants C is RM0.49. Nevertheless, in view that the Warrants B and Warrants C are not significantly out-of-money and the transacted market price of JAKS Shares ranges between RM0.180 to RM0.360 for past 1 year up to the LPD, we have hence assumed that the aforementioned outstanding Warrants B and Warrants C will be exercised prior to the implementation of the Proposed DRP under the Maximum Scenario.
- (4) Paragraph 6.50 of Listing Requirements states that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times. For information purposes, JAKS complies with Paragraph 6.50 of Listing Requirements as illustrated below:-

Type of existing convertible securities	No. of new Shares arising from the exercise or conversion of all existing convertible securities (A)	Total no. of issued share capital as at the LPD (B)	A/B (%)
Warrants B	171,488,238	2,090,317,607	8.20
Warrants C	525,564,900	2,090,317,607	25.14

- (5) Assuming all the 141,473,619 outstanding LTIP Options are fully exercised prior to the implementation of the Proposed DRP.
- (6) Assuming all the 292,884,436 Placement Shares are fully issued prior to the implementation of the Proposed DRP.
- (7) Calculated based on the 5-day VWAP of JAKS Shares up to the LPD of RM0.1996, deducting the Illustrative Dividend of 0.5 sen per JAKS Share (i.e. RM0.1946) and thereafter applying the maximum allowable discount of approximately 10.00%.
- (8) The actual number of New Shares to be issued pursuant to the Proposed DRP would be dependent upon the actual issue price to be fixed at a later date after obtaining Bursa Securities' approval for the listing of and quotation for the New Shares to be issued pursuant to the Proposed DRP, as well as the approval of the Shareholders for the establishment of the Proposed DRP.

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5.1 Issued share capital

The Proposed DRP will not have an immediate material effect on the issued share capital of JAKS until such time New Shares are issued pursuant to the Proposed DRP. However, the issued share capital of JAKS will increase progressively pursuant to any exercise by Shareholders of the Reinvestment Option whenever the Reinvestment Option is made available by our Board.

For illustrative purposes, the pro forma effects of the Proposed DRP on the issued share capital of JAKS are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital of JAKS as at the LPD	2,090,317,607	1,074,143,409	2,090,317,607	1,074,143,409
Assuming full exercise of Warrants B ⁽¹⁾	-	-	171,488,238	58,306,001
Assuming full exercise of Warrants C ⁽²⁾	-	-	525,564,900	257,526,801
Assuming full exercise of the LTIP Options ⁽³⁾	-	-	141,473,619	63,181,614
Assuming full issuance of the Placement Shares ⁽⁴⁾	-	-	292,884,436	⁽⁴⁾ 52,631,333
	2,090,317,607	1,074,143,409	3,221,728,800	1,505,789,158
No. of Shares to be issued pursuant to the Proposed DRP	59,655,182	⁽⁵⁾ 10,451,588	91,944,315	⁽⁵⁾ 16,108,644
Enlarged issued share capital after the Proposed DRP	2,149,972,789	1,084,594,997	3,313,673,115	1,521,897,802

Notes:-

- (1) Assuming all the 171,488,238 outstanding Warrants B are fully exercised into 171,488,238 new Shares at the exercise price of RM0.34 each.
- (2) Assuming all the 525,564,900 outstanding Warrants C are fully exercised into 525,564,900 new Shares at the exercise price of RM0.49 each.
- (3) Assuming all the 141,473,619 outstanding LTIP Options are fully exercised prior to the implementation of the Proposed DRP at the following respective exercise prices:-

No. of outstanding LTIP Options	Exercise price (RM)
15,673,619	0.750
71,800,000	0.538
54,000,000	0.237

- (4) Assuming all the 292,884,436 Placement Shares are fully issued prior to the implementation of the Proposed DRP at the indicative issue price at RM0.1797 which represents a discount of approximately 9.97% to the 5-day VWAP of JAKS Shares up to and including the LPD of RM0.1996 per JAKS Share.
- (5) Calculated based on the indicative Issue Price of RM0.1752 per New Share.

5.2 NA and gearing

The Proposed DRP will not have any immediate effect on the consolidated NA per Share and gearing level of JAKS Group until such time when the Reinvestment Option is exercised. The exercise of the Reinvestment Option under the Proposed DRP by Shareholders will preserve cash in the JAKS Group and result in an increase of its NA and in turn improve the JAKS Group's cash position as compared to the NA and cash position that the JAKS Group would be in if the Dividend is paid wholly in cash. This is because the distributed retained profits from the payment of the Dividend are reinvested into the share capital of our Company to the extent, amongst others, the level of election by Shareholders to exercise the Reinvestment Option. The consolidated gearing position of JAKS Group is expected to improve when Reinvestment Option is exercised.

5.3 Earnings and EPS

The Proposed DRP is not expected to have any material effect on the earnings of the JAKS Group for the FYE 31 December 2023. However, purely for illustrative purpose, assuming the net earnings of the JAKS Group remain unchanged, the EPS of the JAKS Group will be proportionally diluted in consequence to any issuance of New Shares from the Proposed DRP. The quantum of such impact cannot be reliably ascertained at this point in time as such effects on the earnings of the JAKS Group are dependent on the extent of Shareholders who elect to reinvest the Electable Portion in New Shares.

5.4 Substantial shareholders' shareholding

The Proposed DRP is not expected to have any immediate effect on the substantial shareholders' shareholding until such time as and when the Reinvestment Option pursuant to the Proposed DRP is exercised. The shareholding percentage of JAKS' substantial shareholders will not be affected if all Shareholders fully exercise their respective Electable Portion. However, where substantial shareholders elect to reinvest their Electable Portion in full and some or all of the other Shareholders do not elect to reinvest their Electable Portion or elect to reinvest only part of their Electable Portion, the substantial shareholders' shareholdings in our Company will increase, and vice versa.

5.5 Convertible securities

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

- (i) 171,488,238 outstanding Warrants B which are exercisable into 171,488,238 JAKS Shares at an exercise price of RM0.34 each and will expire on 13 December 2023;
- (ii) 525,564,900 outstanding Warrants C which are exercisable into 525,564,900 JAKS Shares at an exercise price of RM0.49 each and will expire on 18 November 2025; and
- (iii) 141,473,619 outstanding LTIP Options which are exercisable into new JAKS Shares based on the following:-

No. of outstanding LTIP Options	Exercise Price (RM)
15,673,619	0.750
71,800,000	0.538
54,000,000	0.237

The Proposed DRP will not give rise to any adjustment to the exercise price and/or number of the outstanding Warrants B, Warrants C and LTIP Options pursuant to the relevant deed polls and by-laws.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of JAKS Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular from April 2022 to March 2023 are as follows:-

	High (RM)	Low (RM)
<u>2022</u>		
April	0.360	0.320
May	0.335	0.265
June	0.305	0.260
July	0.290	0.245
August	0.340	0.255
September	0.280	0.240
October	0.265	0.240
November	0.295	0.250
December	0.305	0.230
<u>2023</u>		
January	0.260	0.230
February	0.260	0.230
March	0.235	0.180
Last transacted market price of JAKS Shares as at 10 February 2023, being the last trading date prior to the announcement of the Proposed DRP (RM)		0.245
Last transacted market price of JAKS Shares as at the LPD (RM)		0.215

(Source: Bloomberg)

7. APPROVALS REQUIRED

The Proposed DRP is subject to the following approvals being obtained from:-

- (i) the Shareholders at the forthcoming AGM, for the establishment of the Proposed DRP and the issuance of New Shares arising from the Proposed DRP; and
- (ii) any other relevant authorities and/or parties, if required.

In respect of the implementation of the Proposed DRP for any future Dividends to which the Reinvestment Option applies, the issuance of the New Shares to be issued pursuant to the exercise of the Reinvestment Option by Shareholders is conditional upon approvals being obtained from the following:-

- (i) the Shareholders' approval at the AGM on an annual basis. This is in addition to any general mandate pursuant to Sections 75 and 76 of the Act;
- (ii) Bursa Securities for the listing of and quotation for the New Shares to be issued pursuant to the Proposed DRP on the Main Market of Bursa Securities; and
- (iii) any other relevant authorities and/or parties, if required.

The voting on the resolutions pertaining to the Proposed DRP at the forthcoming AGM will be taken on a poll.

8. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed DRP and as disclosed below, there are no other outstanding corporate proposals announced by us but pending completion prior to the date of this Circular:-

(i) Private Placement

On 20 December 2022, UOBKH had, on behalf of our Board, announced that our Company proposes to undertake the proposed private placement of up to 292,884,436 new JAKS Shares, representing up to approximately 10% of the total number of issued JAKS Shares.

The Shareholders have granted their approval for the Private Placement in the extraordinary general meeting of JAKS which was held on 3 March 2023. As at the LPD, the Private Placement has not been completed.

The Proposed DRP is not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

None of the Directors, major shareholders, chief executive of JAKS and/or persons connected to them have any interest, either direct or indirect, in the Proposed DRP, beyond their respective entitlement as Shareholders under the Proposed DRP, of which all other Shareholders are similarly entitled to.

10. DIRECTORS' STATEMENT/RECOMMENDATION

Our Board, having considered all aspects of the Proposed DRP, including but not limited to the rationale and effects of the Proposed DRP, is of the opinion that the Proposed DRP is in the best interest of our Company and recommends that the Shareholders vote in favour of the ordinary resolutions in relation to the Proposed DRP to be tabled at the forthcoming AGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to obtaining all the required approvals, the Proposed DRP is expected to be ready for implementation by the 3rd quarter of 2023.

12. AGM

The Proposed DRP will be tabled as a special business at the 21st AGM of JAKS, which will be held on a fully virtual basis at the broadcast venue at Manuka 2&3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 27 June 2023 at 10.30 a.m.. The notice of the 21st AGM of our Company together with the Form of Proxy, Administrative Guide and this Circular are available online at our Company's website at <http://www.jaks.com.my/investors.php>.

Shareholders are to attend, speak (including posing questions to the Board of Directors of JAKS via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the AGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor via its TIIH Online website at <https://tiih.online>. Please follow the procedures of RPV as stated in the Administrative Guide.

A member entitled to participate at the 21st AGM is entitled to appoint a proxy or proxies to participate on his/her behalf. In such event, the Form of Proxy must be lodged at the office of our Company's Share Registrar, Tricor, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, at least 48 hours before the time and date stipulated for the AGM. The lodging of the Form of Proxy shall not preclude you from participating in person at the 21st AGM should you subsequently wish to do so.

13. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

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

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

DIVIDEND REINVESTMENT PLAN STATEMENT

**JAKS RESOURCES BERHAD**

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

DIVIDEND REINVESTMENT PLAN STATEMENT

(Abbreviations and definitions, unless where the context requires otherwise, shall be as set out in Section 2 under “Definitions” governing this Statement).

This Statement contains the Terms and Conditions as may be amended from time to time of the Dividend Reinvestment Plan of JAKS under which persons appearing in the Record of Depositors of JAKS, as Shareholders on the Entitlement Date may, in relation to any Dividends, be given a Reinvestment Option as the Board may, at its absolute discretion, make available.

Irrespective of whether an election is made by a Shareholder, a tax voucher will be despatched to all Shareholders. For income tax purposes, a Shareholder shall be treated as having received cash dividend distribution equivalent to the amount of the Dividend declared, notwithstanding that the Shareholder may elect to exercise the Reinvestment Option (in whole or in part). Hence, the election for the Reinvestment Option does not relieve the Shareholder of any income tax obligation (if applicable) and there is no tax advantage to be gained in exercising the Reinvestment Option or otherwise.

SUMMARY OF THE DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan will provide Shareholders with an option to elect to reinvest their Dividends in New Shares, instead of receiving cash.

Whenever a Dividend is announced, the Board may, at its absolute discretion, determine whether to pay such Dividend in cash or to offer the Shareholders the Reinvestment Option and where applicable, the size of the Electable Portion. Shareholders should note that JAKS is not obliged to undertake the Dividend Reinvestment Plan for each and every Dividend.

In this respect, the Electable Portion may encompass the whole or part of the Dividend. In the event the Electable Portion is not applicable for the whole Dividend, the Remaining Portion will be paid in cash.

Unless the Board has determined that the Reinvestment Option will apply to a particular Dividend (whether in whole or in part), all Dividends as may be declared by JAKS will be paid wholly in cash to Shareholders in the usual manner through the Dividend Payment Account.

JAKS will issue the New Shares to Shareholders who elect to exercise the Reinvestment Option under the Dividend Reinvestment Plan. The Issue Price which will be determined and fixed by the Board on the Price-Fixing Date shall be at an issue price of not more than 10% discount to the 5-day VWAP of JAKS Shares immediately prior to the Price-Fixing Date. The VWAP of JAKS Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

Approval will be sought from Bursa Securities for the listing of and quotation for the New Shares on the Main Market of Bursa Securities pursuant to each and every Dividend to which the Dividend Reinvestment Plan applies. An announcement of the Entitlement Date in relation to a Dividend to which the Reinvestment Option applies will be made, after receipt of the approval of Bursa Securities and approval from Shareholders and other relevant authorities, where applicable. The Issue Price shall be announced either on the same day as or before the announcement of the Entitlement Date in relation to a Dividend to which the Reinvestment Option applies.

Subsequent to the Entitlement Date, a Notice of Election will be despatched to the Shareholders or an e-Notice of Election will be sent to the Shareholders. Instructions will be provided in the Notice of Election or e-Notice of Election in respect of the action to be taken by the Shareholders should they wish to exercise the Reinvestment Option. The Notice of Election or e-Notice of Election will also state, amongst others, the Expiry Date.

The Dividend Reinvestment Plan will allow Shareholders to have the following options in respect of the Reinvestment Option:-

1. to elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion at the Issue Price for New Shares and to receive the Non-Selectable Portion in cash;
2. to elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion at the Issue Price for New Shares, and to receive the balance of the Electable Portion and Non-Selectable Portion in cash; or
3. to elect not to participate in the Reinvestment Option and thereby receive their entire Dividend entitlement (both Electable Portion and Non-Selectable Portion) in cash.

There are no brokerage fees and other related transaction costs payable by the Participating Shareholders on the New Shares allotted, unless otherwise provided by any statute, law or regulation. However, the Participating Shareholders are required to pay Malaysian Revenue Stamp of RM10.00 for stamp duty.

JAKS will, within 8 Market Days from the Expiry Date or such date as may be prescribed by Bursa Securities, allot and issue the New Shares and despatch notices of allotment to Shareholders (who exercise the Reinvestment Option). The New Shares to be issued pursuant to the Dividend Reinvestment Plan will not be underwritten.

Concurrently, on the Allotment Date (which will be within 1 month from the Entitlement Date and in any event, within 3 months from the date of declaration of the Dividend or the date on which the approval is obtained in a general meeting of JAKS, whichever is applicable), the Remaining Portion and the balance of the Electable Portion not reinvested will be paid in cash to the respective Shareholders in the usual manner through a Dividend Payment Account, where applicable.

JAKS will also release an announcement on the Market Day on which the New Shares will be listed and quoted on the Main Market of Bursa Securities.

The New Shares will, upon allotment and issuance, rank equally in all respects with the existing JAKS Shares, save and except that the holders of New Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the New Shares. The New Shares are prescribed securities and will be credited directly into the respective CDS accounts of Shareholders who exercise their Reinvestment Option. No physical share certificates will be issued to the Shareholders.

All Shareholders are eligible to participate in the Dividend Reinvestment Plan subject to the restrictions described in the Terms and Conditions.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

HOW TO PARTICIPATE

Participation in the Dividend Reinvestment Plan is optional and not transferable. A Shareholder wishing to exercise the Reinvestment Option in respect of any Electable Portion to which a Notice of Election or e-Notice of Election received by him/her relates must complete the Notice of Election and return it to the office of the Share Registrar or at such address as may be determined by the Company from time to time or submit the completed e-Notice of Election electronically on the Share Registrar's website in accordance with the instructions as prescribed therein.

Shareholders who receive more than 1 Notice of Election or e-Notice of Election and wish to reinvest in New Shares in respect of all or part of his/her entitlement to the Electable Portion arising from his/her entire holding of JAKS Shares must complete all the Notices of Election or e-Notices of Election received by him/her (to the extent of the entitlement to the Electable Portion in which he/she intends to reinvest in New Shares) and return the completed Notices of Election to the office of the Share Registrar or at such address as may be determined by the Company from time to time, or submit the completed e-Notices of Election electronically on the Share Registrar's website not later than the Expiry Date. Shareholders should note that they are at liberty to decide which particular Notice of Election or e-Notice of Election they wish to elect for the reinvestment in New Shares.

Where any particular Notice of Election or e-Notice of Election is not elected upon, the Dividend relating thereto will be paid in cash by the Company to the Shareholders in the usual manner through a Dividend Payment Account.

To be effective in respect of any Electable Portion to which a Notice of Election or e-Notice of Election relates, such duly completed and signed Notice of Election must be received by the Share Registrar or at such address as may be determined by the Company from time to time, or by electronic means through the Share Registrar's website, no later than the Expiry Date (which shall be at least 14 days from the date the Notice of Election is despatched or e-Notice of Election is sent) stated in the Notice of Election or e-Notice of Election in respect of that particular Reinvestment Option.

All Shareholders are eligible to participate in the Dividend Reinvestment Plan, provided that:-

- (a) such participation will not result in a breach of any restrictions on their holding of JAKS Shares which may be imposed by any of their contractual obligations, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts); or
- (b) there are no restrictions for such participation as prescribed in the Constitution.

Shareholders should however note that the Notice of Election or e-Notice of Election will not be sent to Shareholders whose address in the Company's Record of Depositors is not in Malaysia to avoid any violation on the part of JAKS of any securities laws applicable outside Malaysia.

Shareholders who currently do not have registered addresses in Malaysia and who wish to participate in the Dividend Reinvestment Plan are strongly advised to provide the Share Registrar with an address in Malaysia not less than 3 Market Days before the relevant Entitlement Date in respect of any particular Dividend to which the Reinvestment Option is made available by the Board.

Shareholders should note that under the Dividend Reinvestment Plan:-

- (a) in exercising the Reinvestment Option, they are at their liberty to reinvest the entire Electable Portion or a part thereof to which a Notice of Election or e-Notice of Election relates; and
- (b) their right to exercise the Reinvestment Option is non-transferable.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

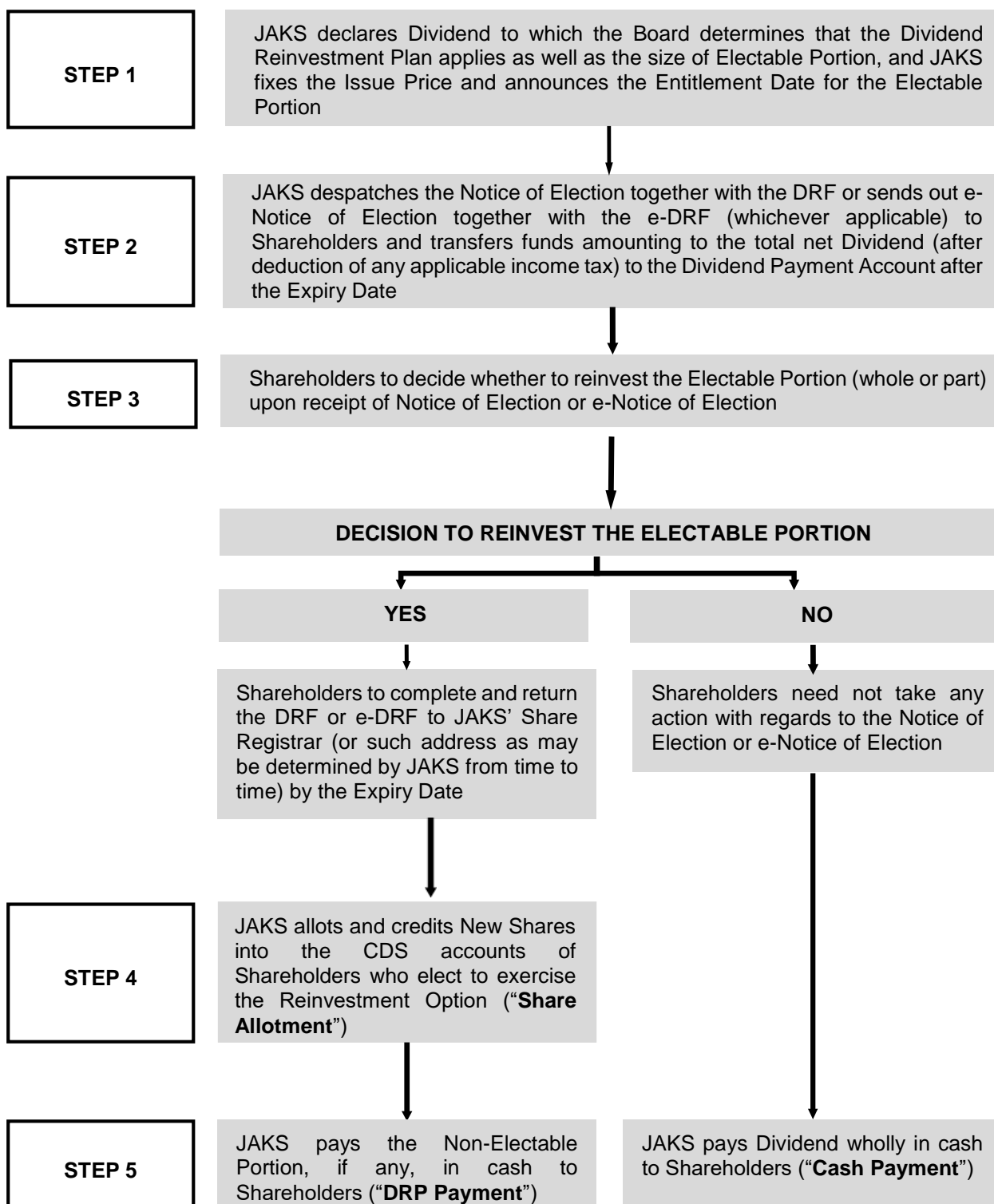
Shareholders will receive the Electable Portion in cash if they do not expressly elect in writing or by electronic means to exercise the Reinvestment Option by the Expiry Date. As such, Shareholders who wish to reject the Reinvestment Option or to receive their Dividend wholly in cash need not take any action with regards to the Notice of Election or e-Notice of Election.

The percentage shareholding of a Shareholder may be diluted should he/she decides not to exercise his/her Reinvestment Option. However, the extent of the dilution, if any, will depend on the number of New Shares issued by the Company pursuant to the level of the Reinvestment Option exercised by other Shareholders.

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DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

A brief process flow chart in relation to the administration of the Dividend Reinvestment Plan is shown below:-



In respect of Step 5, Shareholders should take note that the Cash Payment, Share Allotment and DRP Payment will occur on the same day, which will be within 1 month from the Entitlement Date and in any event, within 3 months from the date of declaration of the Dividend or the date on which the approval is obtained in a general meeting of JAKS, whichever is applicable.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT PLAN**1. Establishment**

The Dividend Reinvestment Plan will be established by the Board and the administration of the Dividend Reinvestment Plan, including the Reinvestment Option and the Electable Portion shall be determined by the Board at its absolute discretion.

2. Definitions

In these Terms and Conditions, the following definitions shall apply:-

“Allotment Date”	:	Date of the issuance of New Shares which falls within 8 Market Days from the Expiry Date or such date as may be prescribed by Bursa Securities
“Board”	:	Board of Directors of JAKS
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“CDS”	:	Central Depository System
“CMSA”	:	Capital Markets and Services Act 2007
“Constitution”	:	The Constitution of the Company
“Control”	:	The acquisition or holding of, or entitlement to exercise or control the exercise of, voting shares or voting rights of more than 33%, or such other amount as may be prescribed in the CMSA and Rules, howsoever effected
“Dividend(s)”	:	Cash dividend(s) as may be declared by the Company which includes any interim, final, special or any other cash dividend
“Dividend Payment Account”	:	The non-interest bearing account opened by JAKS to facilitate the payment of Dividends
“Dividend Reinvestment Plan”	:	Dividend reinvestment plan which was approved by the Shareholders at the annual general meeting held on 27 June 2023
“DRF”	:	Dividend Reinvestment Form
“e-DRF”	:	Electronic DRF
“e-Notice(s) of Election”	:	Electronic Notice(s) of Election
“Electable Portion”	:	The whole or part of the Dividend(s) to which the Board, at its absolute discretion, determines that the Reinvestment Option applies

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

“Entitlement Date”	:	The date as at the close of business (to be determined and announced later by the Board) on which Shareholders’ names appear in the Record of Depositors of the Company in order to participate in the Dividend Reinvestment Plan applicable to a Dividend
“Expiry Date”	:	The last day (which will be a date to be fixed and announced by the Board and which shall be at least 14 days from the date of Notice of Election is despatched or e-Notice of Election is sent or such date as may be prescribed by Bursa Securities) by which an election to be made by the Shareholders in relation to their Electable Portion must be received by the Share Registrar or at such address as may be determined by the Company from time to time, or by electronic means through the Share Registrar’s website
“Issue Price”	:	The issue price of the New Shares, to be determined and fixed by the Board on the Price-Fixing Date, which shall be an issue price of not more than 10% discount to the 5-day VWAP of JAKS Shares immediately preceding the Price-Fixing Date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price at the material time
“JAKS” “Company”	or :	JAKS Resources Berhad (Registration No. 200201017985 (585648-T))
“JAKS Share(s)”	:	Ordinary share(s) in JAKS
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“Market Day(s)”	:	Any day between Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities, which may include a surprise holiday (i.e. a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year)
“New Share(s)”	:	New JAKS Share(s) to be issued pursuant to the Dividend Reinvestment Plan
“Non-Electable Portion”	:	The portion of a Dividend, to which the Board, in its absolute discretion, determines that the Reinvestment Option does not apply
“Notice(s) Election”	of :	The notice(s) of election (in such form as the Board may approve) in relation to the Reinvestment Option by which the Shareholders confirm the exercise thereof, which may be completed in writing or electronically on the Share Registrar’s website
“Overseas Shareholder(s)”	:	Shareholder(s) whose address(es) in the Company’s Record of Depositors is/are outside of Malaysia
“Participating Shareholder(s)”	:	Shareholder(s) who elect to exercise the Reinvestment Option pursuant to the Dividend Reinvestment Plan up to the extent of the Electable Portion in respect of his/her holding of JAKS Shares as at each Entitlement Date to which each Notice of Election or e-Notice of Election received by him/her relates

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

“Price-Fixing Date”	:	The date on which the Board determines and announces the Issue Price, upon procuring all relevant approvals, either on the same day as or before the announcement of the Entitlement Date in relation to a Dividend to which the Reinvestment Option applies
“Record Depositors”	of :	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“Reinvestment Option”	:	The option given to the Shareholders pursuant to the Dividend Reinvestment Plan and at the Board's discretion, to reinvest all or part of the Electable Portion of their Dividend into New Shares
“Remaining Portion”	:	The remaining portion of the Dividend (where the Electable Portion is not applicable to the whole Dividend declared) which will be paid in cash
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia
“Shareholder(s)”	:	Shareholder(s) of JAKS
“Share Registrar” or “Tricor”	:	The share registrar of JAKS, namely Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H)) or such other person, firm or company as for the time being maintaining the share register of JAKS in Malaysia
“Statement”	:	Dividend Reinvestment Plan Statement
“Terms and Conditions”	and :	The terms and conditions of the Dividend Reinvestment Plan as may be amended, modified and supplemented from time to time
“TIIH Online”	:	Electronic services provided by Tricor
“VWAP”	:	Volume weighted average market price

3. Eligibility

All Shareholders are eligible to participate in the Dividend Reinvestment Plan, provided that:-

- (a) such participation will not result in a breach of any restrictions applicable on their holding of JAKS Shares which may be imposed by any contractual obligations, statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant statute, law or regulation from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts); or
- (b) there are no restrictions for such participation as prescribed in the Constitution.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

4. Overseas Shareholders

To avoid any violation on the part of JAKS of any securities laws applicable outside Malaysia, the Dividend Reinvestment Plan will only be offered for subscription in Malaysia. No action has been or will be taken to ensure that the Dividend Reinvestment Plan complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, documents relating to the Dividend Reinvestment Plan, including the Notice(s) of Election or e-Notice(s) of Election, will not be sent to Overseas Shareholders. No Overseas Shareholder shall have any claim whatsoever against the Company as a result of the documents relating to the Dividend Reinvestment Plan not being sent to such Overseas Shareholder. Overseas Shareholders who receive or come to have in their possession a Notice of Election or e-Notice of Election and/or any other documents relating to the Dividend Reinvestment Plan may not treat the same as being applicable to them (except where the Notice of Election and/or documents relating to the Dividend Reinvestment Plan have been collected from the Share Registrar in the manner specified below) and are, in any event, advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Dividend Reinvestment Plan as may be applicable to them.

Overseas Shareholders may collect the documents relating to the Dividend Reinvestment Plan from the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or at such address as may be announced by the Company from time to time and the Share Registrar may in such an event be entitled to satisfy itself as to the identity and authority of the person collecting the Notice of Election or alternatively, provide the Share Registrar with their respective addresses in Malaysia not later than 3 Market Days before the relevant Entitlement Date in respect of any particular Dividend to which the Dividend Reinvestment Plan shall apply.

Overseas Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Overseas Shareholders in the Dividend Reinvestment Plan will be on the basis that they may lawfully so participate without the Company and its directors, employees and advisers, as well as their relevant representatives being in breach of the laws of any jurisdiction.

Neither the Company, any of its subsidiaries, their respective directors, officers, employees, advisers, agents, affiliates and representatives and the employees of the advisers, agents, affiliates and representatives nor any other advisers shall accept any responsibility or liability in the event of any participation in the Dividend Reinvestment Plan by an Overseas Shareholder is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

5. Mode of election to participate**Participation in the Dividend Reinvestment Plan**

By electing to exercise the Reinvestment Option under the Dividend Reinvestment Plan, the Shareholder (who exercises the Reinvestment Option), unconditionally and irrevocably:-

- (a) warrants to the Company that he/she has the legal right, full power and authority to participate in the Dividend Reinvestment Plan and that his/her participation in the Dividend Reinvestment Plan will not result in a breach of any statute, law or regulation or contractual obligation by which he/she is bound;
- (b) acknowledges that the Company may at its absolute discretion determine whether the Shareholder's (who exercises the Reinvestment Option) Notice of Election or e-Notice of Election is valid, even if the Notice of Election or e-Notice of Election is incomplete, contains errors or is otherwise defective;

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

- (c) acknowledges that the Company may accept or reject the Notice(s) of Election or e-Notice(s) of Election from the Shareholders (who exercise the Reinvestment Option), and the decision of the Company is final and conclusive and agrees that the Company need not provide any reason for such decision;
- (d) acknowledges that the Company has not provided the Shareholders (who exercise the Reinvestment Option) with investment advice or any other advice;
- (e) agrees to the Terms and Conditions and agrees not to do any act or thing which would be contrary to the intention or purpose of the Dividend Reinvestment Plan;
- (f) submits to the jurisdiction of the Malaysian Courts, in each case, at all times until the termination of the Dividend Reinvestment Plan; and
- (g) agrees that notwithstanding any other provisions, the Terms and Conditions set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the Dividend Reinvestment Plan shall apply to any Dividend and before the allotment and issuance of the New Shares in respect of the Electable Portion, the Board shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Dividend Reinvestment Plan in respect of the Electable Portion, the Board may, at its absolute discretion and as they may deemed fit and expedient and without assigning any reason thereto, by giving the Shareholders notice in such manner as the Board deems fit, modify, suspend (in whole or part) or cancel the application of the Dividend Reinvestment Plan in relation to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Shareholders shall receive the Electable Portion in cash in the usual manner through a Dividend Payment Account.

JAKS will within 8 Market Days from the Expiry Date or such other date as may be prescribed by Bursa Securities, allot and issue the New Shares and despatch notices of allotment to the Shareholders (who exercise the Reinvestment Option). **Concurrently, on the Allotment Date (which will be on a date falling within 1 month from the Entitlement Date and in any event, within 3 months from the date of declaration of the Dividend or the date on which the approval is obtained in a general meeting of JAKS, whichever is applicable), the Remaining Portion and the balance of the Electable Portion will be paid in cash to the respective Shareholders in the usual manner through a Dividend Payment Account, where applicable.**

An announcement will be made on the listing of and quotation for the New Shares to be issued pursuant to the Dividend Reinvestment Plan on the Main Market of Bursa Securities.

Shareholders will receive the Electable Portion in cash if they do not expressly elect in writing to exercise the Reinvestment Option by the Expiry Date. As such, Shareholders who wish to reject the Reinvestment Option or to receive their Dividend wholly in cash need not take any action with regard to the Notice(s) of Election or e-Notice(s) of Election.

5.1 Manually through submission of the DRF

Subsequent to the Entitlement Date, the Company will, at its discretion, send to each Shareholder 1 or more Notice(s) of Election in relation to each CDS account held by the Shareholder. The Notice of Election will state the instructions in respect of the action to be taken by the Shareholders should they wish to exercise their respective Reinvestment Option. The Notice of Election will also state, amongst others, the Expiry Date. For the avoidance of doubt, the Expiry Date shall be at least 14 days from the date the Notice of Election is despatched.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

To be effective in respect of any Electable Portion, a Notice of Election must be duly completed and executed by the Shareholder as to the confirmation of his/her election to reinvest the Electable Portion and must be received by the Share Registrar or at such address as may be announced by the Company from time to time, by the Expiry Date.

Shareholders who receive more than 1 Notice of Election and wish to reinvest in New Shares in respect of all or part of his/her entitlement to the Electable Portion arising from his/her entire holding of JAKS Shares must complete all Notices of Election received by him/her and return the completed Notices of Election to the Share Registrar or at such address as may be announced by the Company from time to time, by the Expiry Date. Shareholders who receive more than 1 Notice of Election may elect to reinvest in New Shares in respect of his/her entitlement to which 1 or more Notice(s) of Election relates and may decline to reinvest in New Shares in respect of his/her entitlement to which another or any other Notice of Election relates. Shareholders should note that they are at liberty to decide which particular Notices of Election they wish to elect for the reinvestment in New Shares.

Where any particular Notice of Election is not elected upon, the Dividend relating thereto will be paid in cash by the Company in the usual manner through a Dividend Payment Account.

Notwithstanding the date of receipt of the completed Notice(s) of Election by the Share Registrar or at such address as may be announced by the Company from time to time, in accordance with Paragraph 6.09 of the Listing Requirements, the Allotment Date of the New Shares will take place within 8 Market Days from the Expiry Date or such other date as may be prescribed by Bursa Securities, provided that the completed Notice of Election has been received by the Share Registrar or at such address as may be announced by the Company from time to time, by the Expiry Date. A Notice of Election to participate in the Dividend Reinvestment Plan in any other form will not be accepted by the Company.

A Notice of Election in respect of any Electable Portion is irrevocable and shall not be withdrawn or cancelled by the Shareholders (who exercise the Reinvestment Option). The Company has the discretion and right to accept or reject any Notice of Election that is incomplete, contains errors or is otherwise defective. The Company is under no obligation to correct any invalid Notice(s) of Election on behalf of any Shareholder or to provide any reason for rejecting any Notice(s) of Election. Any Notice(s) of Election received after the Expiry Date shall be invalid.

5.2 Electronically through submission of the e-DRF via TIIH Online

Shareholders who wish to exercise their Electable Portion electronically may do so through the Share Registrar's website at <https://tiih.online>. To use the electronic services to exercise his/her Electable Portion, Shareholders are required to register as a user with Tricor. Shareholders are advised to read the instructions as well as the terms and conditions of the electronic election before making an election electronically.

Participating Shareholders who wish to opt for electronic election shall take note of the following instructions:-

- (a) any electronic election of Electable Portion received by the Share Registrar after the Expiry Date shall be regarded as null and void and of no legal effect unless the Board, in its absolute discretion, determines otherwise and such Shareholder who is entitled to the Dividend based on his/her entitlement on the Entitlement Date, as the case may be, shall be deemed to have elected to receive the Dividend entitlement in cash. An electronic election, once received by the Share Registrar from the Participating Shareholder, is irrevocable and shall be binding on him/her;

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

- (b) once the Shareholder is registered as a user with Tricor, the Shareholder will receive one (1) notification to login to Tricor in relation to each CDS account held by him/her. Accordingly, for each CDS account, the Shareholder can elect to exercise the Electable Portion in whole or part thereof as stipulated in his/her entitlement to the Dividend Reinvestment Plan or if the Registered Shareholder does not so elect, he/she will receive the Dividend entitlement wholly in cash;
- (c) multiple submissions in relation to the same CDS account, or those appearing to be, or suspected of being multiple submissions in relation to the same CDS account, may be rejected at the discretion of the Board, and such Shareholder shall be treated as having elected to receive their Electable Portion in cash;
- (d) the electronic election made must be in accordance with the notes and instructions in Tricor, this Statement and the e-Notice of Election. Any electronic election submitted that does not conform to the terms of Tricor, this Statement and the e-Notice of Election or which are illegible may not be accepted at the sole discretion of the Company. The Company reserves the right, in its absolute discretion, to reject any electronic election which is incomplete, incorrectly completed, and/or illegible, and such Shareholder shall be treated as having elected to receive their Electable Portion in cash;
- (e) the maximum number of New Shares available under the Electable Portion set out in the e-Notice of Election has been computed based on the Shareholder's shareholding as stated in the Record of Depositors as at the Entitlement Date, his/her Dividend entitlement as at the Entitlement Date and the issue price of the New Shares to be issued pursuant to the Dividend Reinvestment Plan. A Participating Shareholder is not allowed to enter a number of New Shares higher than the maximum number of New Shares available under the Electable Portion;
- (f) a handling fee of RM5.00 (for individual shareholders) or RM2.00 (for corporate shareholders) (both are not subject to sale and services tax) is payable by the Participating Shareholder to the Share Registrar for each e-DRF should a Participating Shareholder make an electronic election via TIIH Online. The Participating Shareholder will also need to pay a stamp duty of RM10.00; and
- (g) the New Shares arising from the Electable Portion will be issued and credited into the Participating Shareholder's CDS account as stated in the Record of Depositors as at the Entitlement Date.

All **Individual Registered Shareholders** who wish to exercise the Electable Portion electronically are required to follow the procedures as stated below:-

Procedure to exercise the Electable Portion electronically (PLEASE SUBSCRIBE NO LATER THAN EXPIRY DATE FOR THE DIVIDEND REINVESTMENT PLAN)	
Step 1: Login to https://tiih.online Step 2: Select the corporate exercise name: "JAKS - DIVIDEND REINVESTMENT PLAN"	Notes:

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

Procedure to exercise the Electable Portion electronically (PLEASE SUBSCRIBE NO LATER THAN EXPIRY DATE FOR THE DIVIDEND REINVESTMENT PLAN)	
Step 3: Read and agree to the Terms & Conditions and Declaration	<ul style="list-style-type: none"> You are required to read, understand, and agree to be bound by these terms and conditions in relation to the access and use of TIIH Online, which constitute a legal agreement between you and Tricor. You represent and warrant that you have full authority to accept these terms and conditions
Step 4: Enter your CDS account	<ul style="list-style-type: none"> For each CDS account, the Shareholder can elect to exercise the Electable Portion in whole or part thereof as stipulated in his/her entitlement to the Dividend Reinvestment Plan or if the Registered Shareholder does not so elect, he/she will receive the Dividend entitlement wholly in cash
Step 5: Review your election and click "Confirm"	
Step 6: Proceed to pay the stamp duty of RM10.00 and handling fee of RM5.00 for each e-Notice of Election via online payment at the specified payment methods	
Step 7: Completion of payment	<ul style="list-style-type: none"> To print the payment receipt To print your e-Notice of Election for your record

All **Corporation or Institutional Registered Shareholders** who wish to exercise the Electable Portion electronically are required to follow the procedures as stated below:-

Procedure to exercise the Electable Portion electronically (PLEASE SUBSCRIBE NO LATER THAN EXPIRY DATE FOR THE DIVIDEND REINVESTMENT PLAN)	
Step 1: Login to https://tiih.online	Notes: <ul style="list-style-type: none"> You are required to read, understand, and agree to be bound by these terms and conditions in relation to the access and use of TIIH Online, which constitute a legal agreement between you and Tricor. You represent and warrant that you have full authority to accept these terms and conditions
Step 2: Select the corporate exercise name: "JAKS - DIVIDEND REINVESTMENT PLAN"	
Step 3: Read and agree to the Terms & Conditions and Declaration	

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

Procedure to exercise the Electable Portion electronically (PLEASE SUBSCRIBE NO LATER THAN EXPIRY DATE FOR THE DIVIDEND REINVESTMENT PLAN)		
Step 4:	Proceed to download the entitlement file	
Step 5:	Preview the respective CDS account details and your Electable Portion	
Step 6:	Proceed to pay the stamp duty of RM10.00 and handling fee of RM2.00 for each e-Notice of Election via online payment at the specified payment methods	
Step 7:	Completion of payment	<ul style="list-style-type: none"> • To prepare the submission of your election by inserting the required information into the entitlement file
Step 8:	Upload the duly completed entitlement file under the JAKS - DIVIDEND REINVESTMENT PLAN corporate exercise	
Step 9:	Completion of submission	<ul style="list-style-type: none"> • Click "Submit" • To print the confirmation report of your submission for your record

If you encounter any problems during the process, please do not hesitate to contact the Share Registrar at 03-2783 9299.

Terms and Conditions for exercising the Electable Portion electronically

1. You are to abide by all cut-off dates and times for the TIIH Online based on directives issued by the entity conducting the Dividend Reinvestment Plan exercise in connection therewith, where relevant.
2. You may submit your election via completed DRF.
3. You are responsible that your election by way of electronic is subject to the risk of the hardware/device (including but limited to desktop computers, laptop computers, electronic tablet, television screens and mobile phones), the network connection to utilise the electronic election. Any fees/expenses incurred arising from such network connection shall be fully borne by you. You acknowledge that your electronic election is subject to the above risks which beyond the control of the entity of the Share Registrar and irrevocably agree that if:-
 - (i) the entity or the Share Registrar does not receive your electronic election; or
 - (ii) data relating to your electronic election application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Share Registrar, you will be deemed not to have made an electronic election and you may not make any claim whatsoever against our Company or the Share Registrar for the Provisional Allotments accepted and Excess Application for any compensation, loss or damage relating to the electronic election. The Share Registrar will not be liable for any delays, failures or inaccurate in the processing of data relating to your electronic election due to a breakdown or failure transmission or communication failure or to any cause beyond control.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

4. You are to ensure that all information provided whilst utilising the TIIH Online are true and accurate. Share Registrar and/or the entity conducting the Dividend Reinvestment Plan exercise shall not be held liable or responsible for any inaccurate and/or incomplete information provided by the shareholders.
5. In utilising the electronic election, you shall endeavour to abide at all times to all applicable laws, regulations and the Constitution/regulations governing the entity conducting the Dividend Reinvestment Plan exercise regardless of the location from where you are logging in to utilise the TIIH Online.
6. You are hereby confirming and declare that:-
 - (i) all information provided by you is true and correct;
 - (ii) all information is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of your rights may be rejected; and
 - You are 18 years of age or over and am not an undischarged bankrupt.
 - You are a resident of Malaysia.
7. You consent to our Company and Share Registrar collecting the information and personal data (collectively, "**Data**") required herein, to process and disclose such Data to any person for the purposes of implementing the Dividend Reinvestment Plan and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations. The measures have been taken to protect the confidentiality and security of the information provided.
8. You have read and understood and hereby accept all the terms and conditions set out in this Statement and further confirm compliance with all requirements for acceptance and payment as set out therein.
9. You agreed that in consideration of our Company agreeing to allow and accept your electronic election, your electronic election is irrevocable and cannot be subsequently withdrawn.
10. You have read and agreed to be bound by the terms and conditions of the electronic election.
11. You are eligible to apply for the securities in Malaysia or in jurisdiction where the securities offering is intended to be available.
12. You agree to give consent to the Share Registrar to disclose information pertaining to the investor to relevant entities involved in the application process.
13. The Share Registrar, on the authority of the entity, reserves the right to reject elections which do not conform to the above instructions.

Responsibilities and Rights of Share Registrar

1. Your eligibility to submit your election shall not be deemed as your entitlement to utilise the election. In consultation with the entity conducting the Dividend Reinvestment Plan exercise, Tricor reserves the right to reject you from the usage of the electronic election at its discretion.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

2. Tricor and/or the entity conducting the Dividend Reinvestment Plan exercise shall take reasonable measures to provide the electronic election without any significant interruption. Tricor and/or the entity conducting the Dividend Reinvestment Plan exercise shall not be held liable for any interruption, delay, or failure faced by you in assessing and/or utilising the electronic election beyond the reasonable control of Tricor and/or the entity conducting the Dividend Reinvestment Plan exercise.
3. Tricor and the entity conducting the Dividend Reinvestment Plan exercise shall comply with its obligations under the Personal Data Protection Act 2010. The personal data furnished by you may continue to be processed and used for the purpose of communicating with you in relation to the use of the electronic election. Tricor may disclose your personal data maintained by Tricor to the relevant authorities where required.
4. Tricor reserves the right to reject your electronic election if you are not conforming to Tricor's terms and conditions and if there are any anomalies or inconsistencies.
5. While Tricor will reasonably ensure that any third party application used or relied upon within the platform will be functioning as intended, Tricor does not guarantee access and non-interruption beyond the reasonable control of Tricor and you are to be bound by the respective third party application's terms of use / service and privacy policy.
6. Neither Tricor nor the Company shall be held responsible for any adjournment/postponement/deferment of a meeting or any decision to cease the utilisation of electronic election.

6. Extent of application of Dividend Reinvestment Plan to each Electable Portion

In relation to any Dividend declared, the Board may, at its absolute discretion, determine whether the Dividend Reinvestment Plan shall apply and if so, whether the Electable Portion is for the whole or a portion of the Dividend. If, in its absolute discretion, the Board has not determined that the Dividend Reinvestment Plan is to apply to a particular Dividend, such Dividend shall be paid in cash to the Shareholders in the usual manner through a Dividend Payment Account.

7. Share entitlement
Maximum share entitlement

By electing to participate in the Dividend Reinvestment Plan in respect of any Notice(s) of Election or e-Notice(s) of Election received by him/her, a Shareholder elects to reinvest the whole or part of the Electable Portion, to which such Notice of Election or e-Notice of Election relates, in New Shares.

In respect of any Electable Portion, the number of New Shares to be allotted and issued to the Shareholder (who exercises the Reinvestment Option) electing to reinvest the whole or, if applicable, part of the Electable Portion in New Shares in respect of a Notice of Election or e-Notice of Election shall be calculated in accordance with the following formula:-

$$N = \frac{S \times D}{V}$$

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

Where:-

- N : is the maximum number of New Shares to be allotted and issued as fully paid-up to the Participating Shareholder (who exercises the Reinvestment Option) in respect of such Notice(s) of Election or e-Notice(s) of Election
- S : is the number of JAKS Shares held by the Participating Shareholder (who exercises the Reinvestment Option) as at the Entitlement Date to which a Notice of Election or e-Notice of Election relates
- D : is the Electable Portion or part thereof (after deduction of applicable income tax)
- V : is the Issue Price

Any fractional entitlement of New Shares computed in accordance with the above formula will be paid in cash to the Shareholder (who exercises the Reinvestment Option) in the usual manner through a Dividend Payment Account.

The shareholdings percentage of a Shareholder in the Company will be diluted should he/she not exercise his/her Reinvestment Option. However, the extent of the dilution will depend on the number of New Shares issued by JAKS pursuant to the level of exercise of the Reinvestment Option by the other Shareholders as a whole.

Balance of the Electable Portion

In respect of any Electable Portion, the balance of the Electable Portion in respect of a Notice of Election or e-Notice of Election which is not reinvested in New Shares and/or fractional entitlements of New Shares and/or amounts yielding odd lots in relation to the Electable Portion under the Dividend Reinvestment Plan, whichever is applicable, of which will be paid to the Participating Shareholder in cash in the usual manner ("**Balance of the Electable Portion**") shall be calculated in accordance with the following formula:-

$$B = (S \times D) - (A \times V)$$

Where:-

- B : is the Balance of the Electable Portion in respect of such Notice of Election or e-Notice of Election relates
- S : is the number of JAKS Shares held by the Participating Shareholder (who exercises the Reinvestment Option) as at the Entitlement Date to which a Notice of Election or e-Notice of Election relates
- D : is the Electable Portion or part thereof (after deduction of applicable income tax)
- A : is the number of New Shares that the Participating Shareholder elects to subscribe for in respect of the Electable Portion to which such Notice of Election or e-Notice of Election relates
- V : is the Issue Price

The Balance of the Electable Portion will be paid to the Participating Shareholders in cash in the usual manner through a Dividend Payment Account.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

8. Terms of allotment

The maximum number of New Shares to be issued under the Dividend Reinvestment Plan will depend on, amongst others:-

- (i) the quantum of the Dividend;
- (ii) the Board's decision on the proportion/size of the Electable Portion;
- (iii) the number of Shareholders who elect to exercise the Reinvestment Option and the extent of their election;
- (iv) the Issue Price of the New Shares; and
- (v) any necessary downward adjustment by the Board to the final number of New Shares to be allotted and issued to any of the Shareholders as referred to in **Section 14** of this Statement.

Unless the Board otherwise determines, all New Shares allotted under the Dividend Reinvestment Plan will be issued as fully paid-up. All such New Shares shall upon allotment and issuance rank equally in all respects with the existing JAKS Shares in issue, save and except that the holders of New Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the New Shares.

It should be noted that since fractional New Shares will not be allotted, Shareholders (who exercise the Reinvestment Option) shall receive any amount of the Dividend payment that is insufficient for the issuance of 1 New Share, in cash, in the usual manner through a Dividend Payment Account.

As the New Shares to be issued pursuant to the Dividend Reinvestment Plan are prescribed securities, the New Shares will be credited directly into the respective CDS account(s) of Shareholders (who exercise the Reinvestment Option) and no physical share certificates will be issued to the Shareholders.

9. Odd lots

Shareholders who exercise the Reinvestment Option may be allotted New Shares in odd lots depending on his/her entitlement of New Shares. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots may do so via the odd lots market of Bursa Securities, which allows the trading of odd lots with a minimum of 1 JAKS Share.

A Shareholder who does not wish to receive New Shares in odd lots may round down the number of New Shares elected such that he/she will receive New Shares in multiples of, and not less than 100 New Shares. Where a Shareholder's entitlement of New Shares is less than 100 Shares, the Shareholder can elect to receive his/her entire Dividend entitlement in cash in the usual manner through a Dividend Payment Account or New Shares in odd lots.

Fractional New Shares will not be allotted. Any amount of a Dividend payment that is insufficient for the issuance of 1 whole New Share will be received in cash by Shareholders in the usual manner through a Dividend Payment Account together with the Non-Electable Portion (if any).

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

10. Cost to the Shareholders who participate in the Dividend Reinvestment Plan

There are no brokerage fees and other related transaction costs payable by the Participating Shareholders on New Shares allotted, unless otherwise provided by any statute, law or regulation. However, the Participating Shareholders are required to pay Malaysian Revenue Stamp of RM10.00 for stamp duty, and in respect of electronic applications, a handling fee is chargeable by the Share Registrar.

11. Cancellation of application of the Dividend Reinvestment Plan

Notwithstanding any other provisions, Terms and Conditions of the Dividend Reinvestment Plan set out herein and irrespective of whether an election to exercise the Reinvestment Option has been made, if at any time after the Board has determined that the Dividend Reinvestment Plan shall apply to any Dividend and before the allotment and issuance of New Shares in respect of the Electable Portion reinvested, the Board considers that by reason of any event or circumstance (whether arising before or after such determination) it is no longer expedient or appropriate to implement the Dividend Reinvestment Plan in respect of the Electable Portion, the Board may, at its absolute discretion and as it deems fit and in the interest of the Company and without assigning any reason thereof, cancel the application of the Dividend Reinvestment Plan to the Electable Portion subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, the Electable Portion shall be received in cash by the Shareholders in the usual manner through a Dividend Payment Account.

12. Modification, suspension and termination of the Dividend Reinvestment Plan

Subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be, the Dividend Reinvestment Plan (including the Terms and Conditions) may be modified, suspended (in whole or in part) or terminated at any time by the Board as it deems fit or expedient by giving notice to Shareholders in such manner as it deems fit notwithstanding any other provisions, Terms and Conditions of the Dividend Reinvestment Plan or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made.

In the case of a suspension, the Dividend Reinvestment Plan will be suspended in whole or in part, as the case may be, until such time as the Board resolves to recommence or terminate the Dividend Reinvestment Plan. If the Dividend Reinvestment Plan is recommenced, Participating Shareholders' Notices of Election or e-Notices of Election confirming their participation under the previously suspended Dividend Reinvestment Plan will be valid and have full force and effect in accordance with these Terms and Conditions and any directions, terms and conditions to Shareholders for such commencement of the Dividend Reinvestment Plan which may be notified to all Shareholders.

13. General administration of the Dividend Reinvestment Plan

The Board may implement the Dividend Reinvestment Plan in the manner as it may deem fit at its absolute discretion. The Board has the power to:-

- (a) determine procedures, rules and regulations for administration of the Dividend Reinvestment Plan which are consistent with these Terms and Conditions, as may be amended or modified from time to time;

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

- (b) settle in such manner as it thinks fit, any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Dividend Reinvestment Plan) which may arise in connection with the Dividend Reinvestment Plan, whether generally or in relation to any Participating Shareholder or any JAKS Share and the determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates without giving any reasons for its determination;
- (c) delegate to any 1 or more persons, for such period and on such conditions as the Board may determine, the exercise of any of its powers or discretion under or in respect of the Dividend Reinvestment Plan and references to a decision, opinion or determination of the Board include a reference to the decision, opinion or determination of the person or persons to whom the Board has delegated its authority to, for the purposes of administering the Dividend Reinvestment Plan; and
- (d) waive strict compliance by the Company or any Shareholder with any of these Terms and Conditions.

Any matter to be decided, determined, fixed, resolved or waived by the Board in respect of the Dividend Reinvestment Plan, shall be decided, determined, fixed and resolved or waived by the Board at its absolute discretion as it deems fit without assigning any reason.

14. Implications of the Rules and other shareholding limits
(a) The Rules

The attention of all Shareholders is drawn to Paragraph 4.01, Part B of the Rules and Sections 217 and 218 of the CMSA. In particular, a Shareholder should note that he/she may be under an obligation to extend a take-over offer for the remaining JAKS Shares in the Company not already owned by him/her and persons acting in concert with him/her (collectively, the **"Affected Party"**), if:-

- (i) by participating in the Dividend Reinvestment Plan, in relation to the reinvestment of the Electable Portion, the Affected Party has obtained control in the Company; or
- (ii) the Affected Party holds more than 33% but not more than 50% of the voting shares or voting rights of the Company and acquires, including by participating in the Dividend Reinvestment Plan in relation to any Electable Portion, more than 2% of the voting shares or voting rights of the Company in any 6-month period.

Thereafter, in the event an obligation to undertake a mandatory offer is expected to arise resulting from a Shareholder's participation in the Dividend Reinvestment Plan, the Affected Party may wish to consult his/her professional advisers in relation to:-

- (i) any obligation to make a take-over offer under the Rules as a result of any subscription of New Shares through his/her participation in the Dividend Reinvestment Plan; and
- (ii) whether or not to make an application to the Securities Commission Malaysia to obtain an exemption from undertaking a mandatory offer pursuant to the Rules prior to exercising his/her Reinvestment Option.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

(b) Other shareholding limits

Shareholders are responsible for ensuring that their participation will not result in a breach of any restrictions applicable to such Shareholder's holding of JAKS Shares which may be imposed by any contractual obligations, statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts).

In view of the other shareholding limits referred to above and notwithstanding the proportion of Electable Portion which a Shareholder may reinvest, the Board shall be entitled but not obligated to reduce or limit the number of New Shares to be issued to any Shareholder should the Board be aware or be informed in writing of any expected breach of such shareholding limits as a result of the exercise of the Reinvestment Option, in which case the Board reserves the right to pay the remaining portion of the Electable Portion in cash.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Rules or other relevant legislations or regulations. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Rules as a result of any subscription of New Shares through their participation in the Dividend Reinvestment Plan are advised to consult their professional advisers at the earliest opportunity.

15. Disclaimer

Notwithstanding anything to the contrary, the Board and the Company including any of its subsidiaries and its respective directors, officers, employees, advisers, agents, affiliates and representatives and the employees of the advisers, agents, affiliates and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising/incurred/suffered by any person including any Shareholder arising out of or in connection with the Dividend Reinvestment Plan including (but not limited to):-

- (a) any obligation of any Shareholder to undertake a mandatory offer as a result of the Dividend Reinvestment Plan;
- (b) a breach of any restrictions on any Shareholder's holding of JAKS Shares which may be imposed by the Shareholders' contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities; and
- (c) any losses suffered by any Shareholders due to changes in share prices of the JAKS Shares or the quantum of future Dividends after the implementation of the Dividend Reinvestment Plan.

16. Governing law

This Statement, the Terms and Conditions and the Dividend Reinvestment Plan shall be governed by, and construed in accordance with the laws of Malaysia.

DIVIDEND REINVESTMENT PLAN STATEMENT (Cont'd)

17. Notices and statements

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by the Company to a Participating Shareholder shall be given in accordance with the applicable provisions of the Constitution.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

UOBKH, being the Adviser for the Proposed DRP, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Adviser to our Company for the Proposed DRP.

4. MATERIAL CONTRACTS

As at the LPD, neither our Company nor our Group has entered into any contracts which are or may be material (not being contracts entered into the ordinary course of business of our Group) within 2 years immediately preceding the date of this Circular.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any such proceedings:-

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

STAR had on 30 April 2019 served a Writ of Summons and Statement of Claim dated 19 April 2019 against our Company claiming that our Company as the corporate guarantor of JAKS Island Circle Sdn Bhd ("**JIC**") is liable for JIC's purported default of obligations under the Sale and Purchase Agreement entered into on 19 August 2011 between JIC and STAR ("**Sale and Purchase Agreement**") to purchase a leasehold land located at Seksyen 13, Petaling Jaya for a purchase consideration of RM135.00 million. The claim is for *inter alia* specific relief and damages for the total amount of approximately RM177.72 million.

For information purposes only, JIC is no longer an indirect subsidiary of our Company following its disposal by JAKS Sdn Bhd ("**JSB**") on 29 September 2020.

On 27 May 2019, our Company filed its Defence and Counterclaim against STAR for *inter alia* damages arising from injury to its reputation and business.

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

FURTHER INFORMATION (Cont'd)

On 6 August 2019, our Company filed its Amended Defence and Counterclaim against STAR and on 10 September 2019, our Company filed its Reply to Defence to Counterclaim. Various litigation proceedings have been and are still ongoing between STAR and our Company.

The hearing of 3 motions for leave to appeal to the Federal Court filed by STAR was held on 23 February 2023. The Federal Court has granted leave to STAR to appeal against the decision of the Court of Appeal dated 27 July 2021.

Our Directors are of the opinion that our Company's Amended Defence and Counterclaim are meritorious.

(ii) In the High Court of Malaya at Kuala Lumpur
Suit No. WA-22NCvC-374-05/2019
JAKS and JIC v. STAR

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

- a) a declaration that the Completion Period for JIC to deliver STAR's entitlement under the Sale and Purchase Agreement is on 20 June 2020;
- b) a declaration that STAR has breached the Sale and Purchase Agreement;
- c) a declaration that STAR is unjustly enriched;
- d) the sum of RM248,242,987.62 to be paid to JIC as liquidated and ascertained damages;
- e) the sum of RM297,035,481.00 to be paid to our Company as loss of proceeds;
- f) the sum of RM50,000,000.00 together with all interests and all related costs incurred thereto pursuant to the Bank Guarantees to be refunded and/or returned to JIC within 7 days from the date of the Court order; and
- g) damages.

On 5 July 2019, STAR filed its Defence.

Various litigation proceedings have been and are still ongoing between the parties.

Currently, the main Suit is fixed for trial from 4 March 2024 to 8 March 2024.

Our Directors are of the opinion that the claims filed by JRB and JIC are substantiated.

(iii) In the High Court of Malaya at Kuala Lumpur
Suit No. WA-24C-1-01/2023
Teknoserv Engineering Sdn Bhd ("TESB") v. JSB & KACC Construction Sdn Bhd ("KACC")
("Enforcement Application")

Suit No. WA-24C-19-02/2023
JSB & KACC v. TESB
("Setting Aside of Adjudication Decision")

Suit No. WA-24C-20-02/2023
JSB & KACC v. TESB
("Stay of Adjudication Decision")

FURTHER INFORMATION (Cont'd)

TESB commenced adjudication proceedings against JSB and KACC, who are members of an unincorporated joint venture, JAKS-KACC JV, vide a notice of adjudication dated 17 August 2022 pursuant to the Construction Industry Payment and Adjudication Act 2012. The adjudicator delivered the adjudication decision dated 23 November 2022 ("**Adjudication Decision**") wherein JAKS and KACC are required to pay the following sums to TESB (collectively, "**Adjudicated Sums**"):-

- (a) the adjudicated amount of RM11,491,322.00;
- (b) simple interest as the rate of 5% per annum on the amount of RM2,221,694.23 from 10 August 2021; on the amount of RM8,994,785.07 from 23 November 2021; and on the amount of RM274,842.70 from the date of the Adjudication Decision shall be payable until full and final settlement thereof;
- (c) RM54,995.69 being the adjudicator's fees and the Asian International Arbitration Centre's fees; and
- (d) RM120,000.00 being party and party costs.

On 9 January 2023, TESB filed an application to enforce the Adjudication Decision.

On 16 February 2023, JSB and KACC filed applications to set aside and to stay the Adjudication Decision.

On 13 March 2023, on the agreement of both parties, the High Court granted an ad interim stay pending disposal of the setting aside application.

The High Court has fixed the Enforcement Application, Setting Aside of Adjudication Decision and Stay of Adjudication Decision for hearing on 25 August 2023.

The solicitors representing JAKS and KACC are of the view that JAKS and KACC stand a fairly good chance in opposing the Enforcement Application as well as succeeding in the Setting Aside of Adjudication Decision and Stay of Adjudication Decision.

(iv) Arbitration between JAKS-KACC JV and TESB

JSB and KACC served a notice of arbitration dated 23 December 2022 on TESB to claim for, inter alia, loss and damage, costs and indemnity amounting to an estimated sum of RM11,773,250.00 including costs of maintenance of the temporary treatment facilities, all costs and expenses involved and/or to be incurred in completing the outstanding sub-contract works and defects rectification works which had arisen as a result of TESB's failure to complete the project and/or wrongful determination of the sub-contract.

On 15 February 2023, JAKS-KACC JV referred and registered the dispute between JAKS-KACC JV and TESB for arbitration at the Asian International Arbitration Centre.

For information purposes, there is no material update on the status of the arbitration as at the LPD.

The solicitors representing JAKS and KACC are of the view that JAKS and KACC stand a fairly good chance in succeeding in the arbitration.

FURTHER INFORMATION (Cont'd)

6. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the profits or net asset position of our Group:-

	RM'000
Capital expenditure authorised and contracted for property, plant and equipment	43,925

7. CONTINGENT LIABILITIES

As at the LPD, save as disclosed below, there are no contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profits or net asset position of our Group:-

	RM'000
Bank guarantees issued for execution of contracts of our Group	90,914

8. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) our Constitution;
- (ii) the audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 31 December 2022;
- (iii) the cause papers in relation to the material litigation referred to in **Section 5** of this **Appendix II**; and
- (iv) the letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this **Appendix II**.

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