



JENTAYU SUSTAINABLES BERHAD GROUP

Company No. 197501000834 (22146-T)
(Incorporated in Malaysia)

QUARTERLY REPORT

FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

22 February 2023

JENTAYU SUSTAINABLES BERHAD

Company No. (197501000834 (22146-T))
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	17,955	34,281	24,055	40,398
Cost of sales	(16,016)	(33,366)	(20,191)	(38,848)
Gross profit	1,939	915	3,864	1,550
Other income	371	392	464	676
Finance income	50	279	149	562
Administration expense	(5,523)	(5,742)	(11,962)	(9,383)
Distribution expense	(198)	(907)	(427)	(1,733)
Other expenses	(396)	(268)	(791)	(530)
Impairment gain on financial assets	586	984	1,165	2,358
Gain on disposal of investment property	-	64,565	16,223	64,565
Finance costs	(538)	(562)	(1,004)	(1,052)
Profit/(loss) before taxation	(3,709)	59,656	7,681	57,013
Taxation	-	1	-	1
Profit/(loss) after tax and total comprehensive income/(loss) for the period	(3,709)	59,657	7,681	57,014
Total comprehensive income/(loss) for the period attributable to:				
Shareholders of the Company	(3,711)	59,928	7,411	57,286
Non-controlling interests	2	(271)	270	(272)
	(3,709)	59,657	7,681	57,014
Basic profit/(loss) for the period per ordinary share (sen)	(1.05)	59.07	1.08	56.46

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Annual Financial Statements for the financial year ended 30 June 2022.

JENTAYU SUSTAINABLES BERHAD

Company No. (197501000834 (22146-T))
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF QUARTER ENDED 31/12/2022 <i>Unaudited</i> RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/06/2022 <i>Audited</i> RM'000
ASSETS		
Property, plant and equipment	49,162	20,877
Right-of-use assets	10,493	11,010
Land held for property development	9,818	9,818
Investment properties	51,370	51,970
Other investments	394	599
Goodwill	11,100	11,100
Total non-current assets	132,337	105,375
Inventories	4,454	4,782
Contract assets	6,060	6,259
Trade receivables	3,940	3,882
Other Receivables	20,495	22,296
Amount due from associate	12	12
Tax recoverable	488	483
Cash and cash equivalents	1,366	2,671
Total current assets	36,815	40,386
Assets classified as held for sale	-	1,601
TOTAL ASSETS	169,152	147,362
EQUITY AND LIABILITIES		
Equity		
Share capital	151,536	135,969
Retained earnings/(accumulated losses)	(43,112)	(50,523)
Fair value reserve	51	51
Equity attributable to shareholders of the Company	108,475	85,497
Non-controlling interests	(296)	(567)
Total equity	108,179	84,931
Deferred tax liabilities	2,427	2,427
Borrowings	14,200	12,047
Lease liabilities	11,406	11,406
Total non-current liabilities	28,033	25,880
Trade payables	5,647	7,638
Other payables	12,976	20,320
Contract liabilities	5,835	1,266
Borrowings	7,972	6,642
Lease liabilities	510	644
Tax payable	-	41
Total current liabilities	32,940	36,551
TOTAL LIABILITIES	60,974	62,431
TOTAL EQUITY AND LIABILITIES	169,152	147,362
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.31	0.26

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited Annual Financial Statements for the financial year ended 30 June 2022.

JENTAYU SUSTAINABLES BERHAD

Company No. (197501000834 (22146-T))
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company			Total	Non-Controlling Interests	Total Equity
	Non-Distributable	Distributable				
	Share Capital	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cumulative quarter ended 31 December 2022						
As at 1 July 2022	135,969	51	(50,522)	85,498	(567)	84,931
Issuance of Ordinary Shares pursuant to Private Placement	15,567	-	-	15,567	-	15,567
Total transactions with shareholders	15,567	-	-	15,567	-	15,567
Profit after taxation for the financial period	-	-	7,411	7,411	270	7,681
Other comprehensive income for the financial period	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	7,411	7,411	270	7,681
At 31 December 2022	151,536	51	(43,111)	108,476	(296)	108,179
Financial year ended 30 June 2022 (Audited)						
At 1 July 2021	94,777	(38)	(49,177)	45,562	(270)	45,292
Issuance of ordinary shares pursuant to rights issue	30,437	-	-	30,437	-	30,437
Issuance of ordinary shares pursuant to acquisition of subsidiary	10,755	-	-	10,755	-	10,755
Dividend paid	-	-	(30,437)	(30,437)	-	(30,437)
Total transactions with shareholders	41,192	-	(30,437)	10,755	-	10,755
Profit/(Loss) for the financial year	-	-	29,092	29,092	(297)	28,795
Other comprehensive income for the financial year	-	89	-	89	-	89
Total comprehensive income/(loss) for the financial year	-	89	29,092	29,181	(297)	28,884
At 30 June 2022	135,969	51	(50,522)	85,498	(567)	84,931

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

JENTAYU SUSTAINABLES BERHAD

Company No. (197501000834 (22146-T))
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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	1/7/2022 to 31/12/2022 RM'000	1/7/2021 to 31/12/2021 RM'000
Cash flows from operating activities		
Profit before tax	7,682	57,013
Adjustments for:-		
Non-cash items	2	(2,037)
Non-operating items	(15,373)	(2,796)
Operating (loss)/profit before working capital changes	(7,690)	52,179
Net change in current assets	2,005	(67,996)
Net change in current liabilities	(16,217)	18,217
Cash flows (used in)/ generated from operations	(21,902)	2,400
Interest paid	(850)	-
Tax paid	(165)	(27)
Net cash (used in)/generated from operating activities	(22,916)	2,373
Cash flows from investing activities		
Property, plant & equipment	(3,969)	-
Other investments	-	13,058
Equity investments	149	1
Net cash (used in)/generated from investing activities	(3,820)	13,059
Cash flows for financing activities		
Issuance of shares	15,567	-
Interest paid	(1,000)	-
Repayment of lease liabilities	(20)	-
Term financing/loan	9,640	(21,803)
Advance to associate	-	(1)
Hire purchase financing	-	477
Short term bank borrowings	-	(1,689)
Net cash generated from/(used in) financing activities	24,187	(23,016)
Net decrease in cash and cash equivalents	(2,549)	(7,584)
Cash and cash equivalents at beginning of financial period/year	(3,970)	3,366
Cash and cash equivalents at end of financial period/year	(6,519)	(4,218)

Cash and cash equivalent at the end of the financial period/year comprise of:

	31/12/2022 RM'000	31/12/2021 RM'000
Cash and bank balances	1,366	3,638
Finance service revenue account	-	(1,237)
Bank overdrafts	(7,885)	(6,619)
	(6,519)	(4,218)

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited Annual Financial Statements for the financial year ended 30 June 2022.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The quarterly report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022 and the explanatory notes attached to the quarterly report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements of the Group for the year ended 30 June 2022.

Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group adopted new standards/amendments/ improvements to MFRSs which are mandatory for the current financial period.

Initial application of the new standards/amendments/improvements to MFRSs did not have material impact to the financial performance or position of the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2022

- *Amendments to MFRS 3, Business combinations: Reference to the conceptual framework*
- *Amendments to MFRS 116, Property, plant and equipment: Proceeds before intended use*
- *Amendments to MFRS 137, Provisions, contingent liabilities and contingent assets: Onerous contracts - cost of fulfilling a contract*
- *Annual improvements to MFRS Standards 2018 - 2020*

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**A2. SIGNIFICANT ACCOUNTING POLICIES (continued)****MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2023**

- *Amendments to MFRS 101, Presentation of financial statements: Classification of liabilities as current or non-current*
- *Amendments to MFRS 101, Presentation of financial statements: Disclosure of accounting policies*
- *Amendments to MFRS 108, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- *Amendments to MFRS 112, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to MFRSs - effective date deferred indefinitely

- *Amendments to MFRS 10 and 128, Consolidated financial statements and investments in associates and joint venture: Sale or Contribution of assets between an investor and its associate or joint venture*

The initial application of the above standards, amendments, and interpretations are not expected to have any material financial impact to the financial statements of the Group upon its first adoption.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the most recent annual financial statements was not subject to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

There was no major seasonality or cyclicity in the Group's operations.

A5. MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial year that have a material effect in the current interim period.

A6. DEBT AND EQUITY SECURITIES

There was no other share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the quarter under review.

A7. DIVIDENDS PAID

No dividend has been proposed for the period ended 31 December 2022.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A8. SEGMENTAL REPORTING

Segment information for the second quarter ended 31 December 2022 is as follows: -

Quarter ending 31 December 2022	Trading	Renewable	Property	Healthcare	Others	Total
	RM'000	Energy RM'000	Development RM'000	RM'000	RM'000	RM'000
Revenue	3,082	12,031	15	2,827	-	17,955
Gross Profit	237	287	15	1,401	-	1,940
Other income	958	-	3	46	-	1,007
Operating expenses	(3,943)	(464)	(249)	(1,433)	(28)	(6,117)
Earnings/(loss) before interest and tax	(2,748)	(177)	(231)	14	(28)	(3,170)
Financial expense	(404)	-	-	(134)	-	(538)
Profit/(loss) before tax	(3,152)	(177)	(231)	(120)	(28)	(3,708)
Tax expense	-	-	-	-	-	-
Profit after tax	(3,152)	(177)	(231)	(120)	(28)	(3,708)

Segment information for the second quarter ended 31 December 2021 is as follows: -

Quarter ending 31 December 2021	Trading	Renewable	Property	Healthcare	Others	Total
	RM'000	Energy RM'000	Development RM'000	RM'000	RM'000	RM'000
Revenue	10,233	29,886	279	-	-	40,398
Gross Profit	1,077	194	279	-	-	1,550
Other income	560	-	65,091	-	-	65,651
Operating expenses	(7,708)	(474)	(451)	-	(503)	(9,136)
Earnings/(loss) before interest and tax	(6,071)	(280)	64,919	-	(503)	58,065
Financial expense	(1,052)	-	-	-	-	(1,052)
Profit/(loss) before tax	(7,123)	(280)	64,919	-	(503)	57,013
Tax expense	1	-	-	-	-	1
Profit after tax	(7,122)	(280)	64,919	-	(503)	57,014

A9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment losses and is not depreciated.

A10. MATERIAL SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS

There was no material event subsequent to the end of the quarter under review that has not been reflected in these condensed financial statements.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

A11. CHANGES IN COMPOSITION OF THE GROUP

There was no change in composition of the Group as at the date of the report.

A12. CAPITAL COMMITMENTS

There was no material capital commitment for the current quarter under review except for Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset.

A13. CONTINGENT LIABILITIES

There was no material contingent liability for the current quarter under review.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

PART B – EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. REVIEW OF GROUP PERFORMANCE

<i>in RM'000</i>	CURRENT QUARTER ENDED	
	31/12/2022	31/12/2021
Revenue	17,955	34,281
Gross profit	1,939	915
Profit/(loss) after tax	(3,709)	59,657

<i>in RM'000</i>	CUMULATIVE QUARTER ENDED	
	31/12/2022	31/12/2021
Revenue	24,055	40,398
Gross profit	3,864	1,550
Profit/(loss) after tax	7,681	57,014

<i>in RM'000</i>	AS AT END OF	AS AT PRECEDING
	QUARTER ENDED	FINANCIAL YEAR ENDED
	31/12/2022	30/06/2022
Total assets	169,152	147,362
Shareholders' equity	108,475	85,497
Gearing ratio	17%	18%

Current Quarter and Financial Year

The Group recorded a total revenue of RM17.96 million, a decrease of RM16.32 million, compared to the corresponding quarter of the preceding year ("Q2FY22") of RM34.28 million. The main contributing factor was the revenue recognition from Coara Marang Project in Q2FY22. The plant reached its Commercial Operations Date ("COD") on 17 September 2022.

The Group recorded an improved gross profit of RM 1.94 million against RM 0.92 million in the same quarter last year, marking a significant improvement from 3% to 11%.

The Group registered a loss after tax of RM3.71 million compared a profit after tax of RM59.66 million in the same quarter last year, Q2FY22. The major difference was mainly due to the gain on the disposal of investment property of RM64.57 million in Q2FY22. The Group recorded a profit of RM 7.68 million in the current cumulative quarter.

The Group's shareholders' equity increased, resulting from the completion of the first tranche of the private placement amounting to RM15 million. Total assets have increased by RM21.79 million mainly due to the project development cost for Project Oriole.

Comparison with Preceding Quarter's Result

The Group's revenue was higher by RM 11.86 million as compared to preceding quarter ("Q1FY23") due to the final progress billing recognised from the Coara Marang Project for its completion.

B2. CURRENT YEAR PROSPECTS

In October 2022, the Ministry of Finance of Malaysia, in its publication (“Economic Outlook 2023”), has estimated that Malaysia’s full year’s economic growth for 2022 is between 6.5% and 7.0%.

In February 2023, the Ministry of Finance of Malaysia announced that Malaysia’s GDP achieved an 8.7% growth for 2022 surpassing its estimates. This has also exceeded the World Bank’s updated estimate of 7.8% in its Global Economic Prospects released in January 2023.

Since June 2020, the Group has undertaken an extensive internal restructuring exercise to align its business, people, and processes with its future goals. This includes the appointment of a new leadership team, strategic collaborations, and pursuing initiatives that will strengthen the Group's financial position.

Over the next two quarters, the Group will continue to solidify its position as a sustainable energy advocator and player, increase the capacity of its healthcare unit, and enhance the efficacy of its trading division.

Within the Energy Division, the Group has been heavily involved in two larger projects:

- a. Injection of hydro assets, Telekosang Hydro One, Telekosang Hydro Two and a solar asset, Jentayu Solar, into the Group (refer to note B7a). The combined capacity of 40MW and 5.99MW for the hydro assets and solar asset respectively are expected to propel the Group into the renewable energy sector, improving the Group’s earnings and cash flow.
- b. Development of Project Oriole, located at Sungai Padas and Sungai Maligan, with a combined capacity of 170MW. The Group has incurred a total of RM 39.87 mil in the pre-development phase, which includes constructing access roads into the said rivers. This represents the Group’s commitment towards making Project Oriole a success.

The healthcare division has shown a consistent growth trend, with an average quarterly revenue growth of 8%, surpassing its quarterly targets, a result of active online and offline marketing campaigns.

The Group recognizes that trading and supplying building materials are no longer lucrative markets. To improve profitability, the Group has initiated measures, including rightsizing manpower, new business development activities, and business process consolidation.

Overall, the Group is confident in its ability to execute its strategic objectives and believes that its diversified portfolio will position it well for future growth and success.

JENTAYU SUSTAINABLES BERHAD

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PART B – EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B2. CURRENT YEAR PROSPECTS (continued)

* Source: Ministry of Finance Malaysia portal, Press Release 10 February 2023, "Malaysia Mencatat Pertumbuhan Kuku 8.7% Untuk Tahun 2023" & 11 November 2022, "3Q 2022 GDF Grew by 14.2%: Stronger Economic Performance Amid Global Challenges, Department of Statistics Malaysia's report "Malaysia Economic Performance Fourth Quarter 2022" released 10 February 2022 and World Bank Group. Global Economic Prospects released January 2023, . Ministry of Finance Economic Outlook 2023, released 7 October 2022.

B3. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Company did not make a profit forecast and therefore comments on variances with forecast profit are not applicable.

B4. PROFIT/(LOSS) BEFORE TAX

The profit/(loss) before tax is stated after charging/(crediting):

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(50)	(279)	(149)	(562)
Other income	(473)	(392)	(907)	(676)
Interest expense	538	562	1,004	1,052
Depreciation and amortisation	396	268	791	530
Gain on fair value of investment	-	-	-	26
Gain on disposal of investment property	-	(64,565)	(16,224)	(64,565)
Net gain on impairment of trade receivables	(484)	(984)	(722)	(2,358)

B5. TAXATION

Tax comprises the following:

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Prior years	-	-	-	1
Total income tax expense	-	-	-	1

Corporate tax was provided for non-business source for the quarter under review.

**PART B – EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (continued)****B6. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

There was no purchase or disposal of quoted securities for the current quarter under review.

B7. STATUS OF CORPORATE PROPOSALS**Ongoing Corporate Proposals**

Save for the following, there were no other corporate proposals announced as at the date of this announcement.

- a. On 22 September 2021, the Company has entered into the following share sales agreement in relation to the Proposed Acquisition of Solar Asset and Proposed Acquisition of Hydro Asset:
 - i. one (1) SSA with Jentayu Capital Sdn. Bhd. and Seri Panglima Sdn. Bhd. for the acquisition of 3,000,000 ordinary shares representing the entire equity interest in Jentayu Solar Sdn. Bhd. for a total purchase consideration of RM11,107,050 to be satisfied via issuance of new Jentayu Sustainables Shares in relation to the Proposed Acquisition of Solar Asset;
 - ii. one (1) SSA with Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. for the acquisition of 200 ordinary shares representing the entire equity interest in Senja Optima, by acquiring 50% equity interest from Kasa Tuah Resources Sdn. Bhd. and Borneo Sustainable Energy Sdn. Bhd. respectively, for a total purchase consideration of RM44,600,200 to be satisfied via cash consideration of RM5,464,000 and issuance of new Jentayu Sustainables Shares amounting to RM39,136,200 in relation to the Proposed Acquisition of Hydro Asset;
 - iii. one (1) SSA with Jentayu Capital Sdn. Bhd. for the acquisition of 60,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro One Sdn. Bhd. and 40,000,000 redeemable preference shares representing 100% issued and paid-up preference shares in Telekosang Hydro Two Sdn. Bhd. for a total purchase consideration of RM93,600,000 to be satisfied via cash consideration of RM7,488,000 and issuance of new Jentayu Sustainables Shares amounting to RM86,112,000 in relation to the Proposed Acquisition of Hydro Asset;
 - iv. one (1) SSA with Jentayu Capital Sdn. Bhd. for 100% of the Junior Bonds in Telekosang Hydro One Sdn. Bhd. for a total purchase consideration of RM38,100,000 to be satisfied via cash consideration of RM3,048,000 and issuance of new Jentayu Sustainables Shares amounting to RM35,052,000 in relation to the Proposed Acquisition of Hydro Asset; and

**PART B – EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (continued)****B7. STATUS OF CORPORATE PROPOSALS (continued)****Ongoing Corporate Proposals (continued)**

- v. On 1 April 2022, the Company announced that Jentayu Sustainable and the respective vendors for the Proposed Acquisitions have mutually agreed to extend the Solar SSA CP Fulfilment Date, Hydro SSA 1 CP Fulfilment Date, Hydro SSA 2 CP Fulfilment Date and Hydro SSA 3 CP Fulfilment Date until 31 December 2022 to enable the Parties to satisfy the conditions precedent as stipulated in the respective SSAs in relation to the Proposed Acquisitions.
- b. On 3 October 2022, it was announced that the Company and the respective vendors for the Proposed Acquisitions have mutually agreed to extend the Solar SSA CP Fulfilment Date, Hydro SSA 1 CP Fulfilment Date, Hydro SSA 2 CP Fulfilment Date and Hydro SSA 3 CP Fulfilment Date until 31 March 2023 to enable the Parties to satisfy the conditions precedent as stipulated in the respective SSAs in relation to the Proposed Acquisitions.
- c. On 7 November 2022, it was announced that Telekosang Hydro One Sdn Bhd has reached its initial operation date (“IOD”) on 5 November 2022 for generating and supplying electricity to Sabah’s power grid system.
- d. On 14 June 2022, the Company announced a proposed private placement of up to 142,627,665 new ordinary shares in Jentayu Sustainable, representing not more than 30% of the total number of issued Jentayu Sustainable shares to third party investor(s) to be identified at a later date. The proposed private placement has been approved by shareholders at the Company’s Extraordinary General Meeting held on 27 July 2022.
- e. On 8 September 2022, the Company announced that first tranche of the approved private placement shares amounting to 30,000,000 shares, representing 10% of the total number of issued shares. The shares were successfully listed on 9 September 2022.
- f. The Company, on 30 November 2022, has submitted an application to Bursa Securities for an extension of time of up to 29 June 2023 for the completion of the Private Placement. Bursa Securities vide its letter dated 7 December 2022 approved the application.
- g. On 26 January 2023, the Company then announced an additional listing of 28,469,600 new ordinary shares of Jentayu Sustainable. These shares were issued at 65 sen per share, bringing the total units of Issued Ordinary Shares to 381,709,200 units. The shares were successfully listed on 27 January 2023.

The remaining balance of new ordinary shares of Jentayu Sustainable for the private placement would be up to 84,158,065 shares.

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PART B – EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B7. STATUS OF CORPORATE PROPOSALS (continued)

Ongoing Corporate Proposals (continued)

Utilisation of proceeds	Indicative amount of utilisation		Actual utilisation ¹ RM'000	Unutilised balance ² RM'000	Intended timeframe for utilisation
	Min.	Max.			
(i) Partially finance the pre-development expenditures for the Project Oriole	20,000	31,000	27,769	-	Within 12 months
(ii) Future viable investment in renewable energy projects	4,000	8,000	-	-	Within 12 months
(iii) Working Capital	13,358	17,077	1,000	3,684	Within 3 months
(iv) Expansion of healthcare division	1,000	1,000	250	-	Within 6 months
(v) Estimated expenses in relation to the private placement	1,400	1,400	803	-	Within 3 months
Total estimated proceeds	39,758	58,477	29,821	3,684	

1. Actual utilisation up until 2nd tranche of approved private placement

2. Unutilised balance up until 2nd tranche of approved private placement

The utilisation of proceeds as disclosed above should be read in conjunction with the announcement made by the Company dated 14 June 2022, 17 June 2022, 30 June 2022 and circular dated 12 July 2022.

- h. On 16 February 2023, the Company announced that Telekosang Hydro One has successfully completed all prerequisite tests for its commercial operation date, witnessed by Sabah Electricity Sdn Bhd.

JENTAYU SUSTAINABLES BERHAD

Company No. (197501000834 (22146-T))
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

PART B – EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (continued)

B8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 December 2022 are as below:

	As at 31/12/2022 RM'000	As at 30/06/2022 RM'000
Secured	7,972	6,642
Total short term borrowings	7,972	6,642
Secured	14,200	12,047
Total long term borrowings	14,200	12,047
Total borrowings	22,172	18,689

B9. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no off-balance sheet financial instrument as at the date of this report.

B10. EARNINGS PER SHARE

The basic earnings per share for the financial year have been calculated by dividing the Group's profit/(losses) by the weighted average number of ordinary shares issued.

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Profit/(Loss) attributable to shareholders of the Company (RM'000)	(3,711)	59,928	7,411	57,286
Weighted average number of shares outstanding ('000)	353,240	72,469	683,653	72,469
Basic profit/(loss) per share (sen)	(1.05)	(5.63)	1.08	(5.63)

BY ORDER OF THE BOARD

Tan Ley Theng
Chua Siew Chuan
Secretaries

Kuala Lumpur
22 February 2023