THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

JENTAYU SUSTAINABLES BERHAD
(Registration No.197501000834 (22146-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PART A

I. PROPOSED PRIVATE PLACEMENT OF UP TO 119,419,144 PLACEMENT SHARES, REPRESENTING APPROXIMATELY 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF JENTAYU SUSTAINABLES BERHAD ("JSB") TO THIRD PARTY INVESTOR(S) TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT");

II. PROPOSED ACQUISITION OF 1,530,000 ORDINARY SHARES IN JENTAYU SOLAR SDN BHD ("JENTAYU SOLAR"), REPRESENTING 51% EQUITY INTEREST IN JENTAYU SOLAR, FROM JENTAYU CAPITAL SDN BHD FOR A PURCHASE CONSIDERATION OF RM5.87 MILLION, TO BE SATISFIED ENTIRELY VIA SET-OFF ARRANGEMENT, AND A CALL OPTION DEED WITH SERI PANGLIMA HOLDINGS SDN BHD ("SERI PANGLIMA") WHEREBY SERI PANGLIMA GRANTS JSB AN EXCLUSIVE AND IRREVOCABLE CALL OPTION TO PURCHASE ALL THE REMAINING 1,470,000 ORDINARY SHARES IN JENTAYU SOLAR, REPRESENTING 49% EQUITY INTEREST IN JENTAYU SOLAR, FOR A PURCHASE CONSIDERATION OF RM5.64 MILLION ("CALL OPTION DEED"), WITHIN 12 MONTHS FROM THE DATE OF THE CALL OPTION DEED,

(COLLECTIVELY, THE "PROPOSED ACQUISITION"); AND

III. PROPOSED VARIATION TO THE UTILISATION OF THE PROCEEDS RAISED FROM THE COMPANY'S RIGHTS ISSUE EXERCISE THAT WAS COMPLETED ON 3 MARCH 2022 ("PROPOSED VARIATION")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF JSB IN RELATION TO THE PROPOSED ACQUISITION AND PROPOSED VARIATION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

UOB Kay Hian (M) Sdn Bhd
(formerly known as UOB Kay Hian Securities (M) Sdn Bhd)
Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B

QuantePhi Sdn Bhd
Registration No. 201101037439 (965573-T)

The Extraordinary General Meeting of JSB ("**EGM**") will be held at Unit 25-01, Level 25 Menara Felda, No. 11 Persiaran KLCC, Platinum Park, 50088 Kuala Lumpur on Wednesday, 22 October 2025 at 10.30 a.m. or at any adjournment thereof. The Notice of EGM together with the Proxy Form are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the completed and signed Proxy Form should be lodged at the office of the Share Registrar of JSB at Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time holding the EGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	: Monday, 20 October 2025 at 10.30 a.m.
Date and time of the EGM	: Wednesday, 22 October 2025 at 10.30 a.m.

This Circular is dated 3 September 2025

DEFINITIONS

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

"Act"	:	The Companies Act 2016
"Acquisition of Hydro Assets"	:	The proposed acquisitions by JSB (known as Ipmuda Berhad at the time), announced on 18 June 2021, of the following:- (i) 100% equity interest in Senja Optima from Kasa Tuah and Borneo Sustainable for a total purchase consideration of RM44.60 million; (ii) 100% redeemable preference shares in Telekosang One and Telekosang Two from Jentayu Capital for a total purchase consideration of RM93.60 million; and (iii) 100% ASEAN Green Junior Bonds in Telekosang One from Jentayu Capital for a total purchase consideration of RM38.10 million. The Acquisition of Hydro Assets was mutually terminated on 17 March 2025
"AER" or the "Independent Business Valuer"	:	Asia Equity Research Sdn Bhd (Registration No.: 201401027762 (1103848-M))
"Board"	:	The Board of Directors of JSB
"Borneo Sustainable"	:	Borneo Sustainable Energy Sdn Bhd (Registration No.: 201701029735 (1243904-T))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"Call Option"	:	The exclusive and irrevocable right granted to JSB under the Call Option Deed to purchase the Option Shares from Seri Panglima for the Option Price, exercisable within 12 months from the date of the Call Option Deed
"Call Option Deed"	:	The deed dated 26 June 2025 entered into between JSB and Seri Panglima, under which Seri Panglima grants JSB the Call Option to purchase all the remaining 1,470,000 ordinary shares in Jentayu Solar, representing 49% equity interest, free from all encumbrances and together with all rights attaching thereto
"Circular"	:	This circular dated 3 September 2025 in relation to the Proposals
"Datin Nurhaida"	:	Datin Nurhaida binti Abu Sahid
"Datuk Beroz" or the "Interested Director"	:	Datuk Beroz Nikmal bin Mirdin
"Director(s)"	:	The director(s) of JSB and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:- (i) a director of JSB, its subsidiaries or holding company; and (ii) a chief executive of JSB, its subsidiaries or holding company
"EGM"	:	Extraordinary general meeting
"EPCC"	:	Engineering, procurement, construction, and commissioning

"EPS"/ "(LPS)"	:	Earnings/ (Loss) per share
"FCFF"	:	Free cash flow to firm
"FPE"	:	Financial period ended/ ending
"Future Financials"	:	The projected cash flows of Jentayu Solar for the period from 1 July 2024 to 17 October 2040, as prepared by the management of Jentayu Solar and used by AER in assessing the fair equity value of Jentayu Solar
"FYE"	:	Financial year ended/ ending
"Hydro Assets"	:	Senja Optima, Telekosang One and Telekosang Two, collectively
"IAL"	:	Independent advice letter by the Independent Adviser dated 3 September 2025
"Interested Parties"	:	Datin Nurhaida and Datuk Beroz, collectively
"Jentayu Capital" or the "Vendor"	:	Jentayu Capital Sdn Bhd (Registration No.: 201401004682 (1080756-K))
"Jentayu Solar"	:	Jentayu Solar Sdn Bhd (Registration No.: 201701007538 (1221703-D))
"JSB" or the "Company"	:	Jentayu Sustainables Berhad (Registration No.: 197501000834 (22146-T))
"JSB Group" or the "Group"	:	JSB and its subsidiaries
"JSB Share(s)" or "Share(s)"	:	Ordinary shares in JSB
"Kasa Tuah"	:	Kasa Tuah Resources Sdn Bhd (Registration No.: 200401035074 (673583-T))
"kWh"	:	Kilowatt-hour
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LON"	:	Letter of notification
"LPD"	:	15 August 2025, being the latest practicable date prior to this Circular
"LTD"	:	25 June 2025, being the last trading day immediately preceding the date of the SSA
"Maximum Scenario"	:	Assuming all the outstanding Warrants B are exercised into 150,935,950 new Shares prior to the implementation of the Proposed Private Placement
"Minimum Scenario"	:	Assuming none of the outstanding Warrants B are exercised into new Shares prior to the implementation of the Proposed Private Placement
"MW"	:	Megawatt
"MWh"	:	Megawatt-hour
"NA"	:	Net assets attributable to owners of the company
"Non-Interested Shareholders"	:	Non-interested shareholders of JSB

"O&M"	:	Operations and maintenance
"Option Price"	:	The purchase consideration of RM5.64 million payable by JSB to Seri Panglima upon exercising the Call Option under the Call Option Deed
"Option Shares"	:	The remaining 1,470,000 shares in Jentayu Solar pursuant to the Call Option
"PAT"/ "(LAT)"	:	Profit/ (Loss) after taxation
"PBT"/ "(LBT)"	:	Profit/ (Loss) before taxation
"Placement Share(s)"	:	Up to 119,419,144 new JSB Shares to be issued pursuant to the Proposed Private Placement
"PPA"	:	Power purchase agreement
"Private Placement 2023"	:	Private placement of up to 57,236,765 placement shares, representing up to approximately 10% of the total number of issued JSB Shares
"Project Oriole"	:	The development of a 162 MW run-of-river hydropower plant in Sipitang, Sabah
"Proposals"	:	The Proposed Private Placement, Proposed Acquisition, and Proposed Variation, collectively
"Proposed Acquisition"	:	Proposed acquisition of 1,530,000 Sale Shares, representing 51% equity interest in Jentayu Solar, from Jentayu Capital for the Purchase Consideration to be satisfied entirely via Set-Off Arrangement, together with the entry into the Call Option Deed with Seri Panglima, granting JSB the Call Option for the remaining 49% equity interest in Jentayu Solar
"Proposed Private Placement"	:	Proposed private placement of up to 20% of the total number of issued JSB Shares to third party investor(s) to be identified later at an issue price to be determined later
"Proposed Variation"	:	Proposed variation to the utilisation of the proceeds raised from the Company's rights issue exercise that was completed on 3 March 2022
"Purchase Consideration"	:	Purchase consideration of RM5.87 million for the Sale Shares to be satisfied entirely via Set-Off Arrangement
"QuantePhi" or the "Independent Adviser"	:	QuantePhi Sdn Bhd (Registration No.: 201101037439 (965573-T))
"Rights Issue 2022"	:	The Company's rights issue exercise that was completed on 3 March 2022
"Rights Share(s)"	:	Rights issue of 101,457,300 new ordinary shares in the Company
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RPT"	:	Related party transaction
"Sabah Electricity"	:	Sabah Electricity Sdn Bhd (Registration No.: 199801006745 (462872-W))
"Sale Share(s)"	:	The 1,530,000 ordinary shares in Jentayu Solar in respect of the Proposed Acquisition, representing 51% equity interest in Jentayu Solar
"Senja Optima"	:	Senja Optima Sdn Bhd (Registration No.: 201401015849 (1091934-W))
"Seri Panglima" or the "Grantor"	:	Seri Panglima Holdings Sdn Bhd (Registration No.: 201201000545 (974069-D))

"Set-Off Arrangement"	:	Arrangement between JSB and Jentayu Capital, pursuant to which RM5.87 million, being a portion of the total refundable cash deposits previously paid by JSB to Jentayu Capital under the Acquisition of Hydro Assets, will be set off against the Purchase Consideration payable by JSB to Jentayu Capital for the Proposed Acquisition
"Settlement Agreement 1"	:	Agreement entered into between JSB and Borneo Sustainable, which governs the refund of a total of RM2.73 million previously paid by JSB to Borneo Sustainable on 3 March 2022 as a refundable cash deposit in connection with the Acquisition of Hydro Assets
"Settlement Agreement 2"	:	Agreement entered into between JSB and Kasa Tuah, which governs the refund of a total of RM2.73 million previously paid by JSB to Kasa Tuah as refundable cash deposits in connection with the Acquisition of Hydro Assets, comprising RM1.50 million paid on 22 September 2021 and RM1.23 million paid on 3 March 2022
"SSA"	:	Conditional share sale agreement dated 26 June 2025 entered into between JSB and the Vendor in respect of the Proposed Acquisition
"Telekosang One"	:	Telekosang Hydro One Sdn Bhd (Registration No.: 201701028604 (1242773-K))
"Telekosang Two"	:	Telekosang Hydro Two Sdn Bhd (Registration No.: 201701028605 (1242774-U))
"TNB"	:	Tenaga Nasional Berhad (Registration No.: 199001009294 (200866-W))
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No.: 199001003423 (194990-K))
"Valuation Certificate"	:	Independent fair value certificate to appraise the fair value of Jentayu Solar dated 21 April 2025
"VWAP"	:	Volume weighted average price
"Warrants B"	:	Outstanding warrants 2022/2032 in JSB as constituted by the deed poll dated 12 January 2022

All references to "**you**" or "**your(s)**" in this Circular are made to the shareholders of the Company, who are entitled to attend and vote at the Company's forthcoming EGM.

Unless specifically referred to, words denoting the singular shall, where applicable include the plural and vice versa and words denoting the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, 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 and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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PART A

CIRCULAR TO THE SHAREHOLDERS OF JSB IN RELATION TO THE PROPOSALS

EXECUTIVE SUMMARY

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

Key information	Description	Reference to Part A of this Circular
Summary of the Proposals	**<u>Proposed Private Placement</u>** The Proposed Private Placement entails an issuance of up to 119,419,144 Placement Shares, representing approximately 20% of the total number of issued Shares of JSB, at an issue price to be determined later.	Section 2
	<u>Proposed Acquisition</u> The Company had on 26 June 2025 entered into the following:- a. conditional SSA with Jentayu Capital for the acquisition of 1,530,000 Sale Shares in Jentayu Solar, representing 51% equity interest in Jentayu Solar, from the Vendor for a Purchase Consideration of RM5.87 million to be satisfied entirely via Set-Off Arrangement; and b. a Call Option Deed with Seri Panglima whereby Seri Panglima grants JSB the Call Option to purchase all the remaining 1,470,000 Option Shares in Jentayu Solar, representing 49% equity interest held by Seri Panglima in Jentayu Solar, for an Option price of RM5.64 million, within 12 months from the date of the Call Option Deed	Section 3
	<u>Proposed Variation</u> On 3 March 2022, 101,457,300 Rights Shares had been listed and quoted on the Main Market of Bursa Securities, raising total proceeds of approximately RM30.44 million pursuant to Rights Issue 2022. The Company had utilised RM16.00 million from the proceeds raised to fund a renewable energy project, specifically as refundable deposits for the Acquisition of Hydro Assets. However, following the mutual termination of the Acquisition of Hydro Assets as announced on 17 March 2025, the said refundable deposits shall accordingly constitute a repayment obligation by the respective vendors (which include Jentayu Capital) to refund the deposits to JSB. The Company intends to undertake the Proposed Variation to vary the utilisation of proceeds for the Rights Issue 2022 in the following manner:- i. To fund the Purchase Consideration pursuant to the Proposed Acquisition (by way of Set-Off Arrangement); and ii. To fund business expansion/ future viable investments for its renewable energy segment.	Section 4
Basis and justification of arriving at the Purchase Consideration and Option Price	The Purchase Consideration and Option Price was arrived at, on a willing-buyer willing-seller basis, after taking into consideration the future prospects of the enlarged JSB Group and the appraised value of the entire equity interest in Jentayu Solar as appraised by AER, being the Independent Business Valuer for the Proposed Acquisition.	Section 3.4

Key information	Description	Reference to Part A of this Circular
Rationale and justifications for the Proposals	**<u>Proposed Private Placement</u>** The gross proceeds to be raised from the Proposed Private Placement is mainly earmarked to finance the expenditures related to Project Oriole, which is expected to contribute positively to the Group's renewable energy segment as upon reaching the commercial operation date, and the hydropower plant is anticipated to provide a stable, long-term income stream to the Group. The Proposed Private Placement will also enable the Company to raise funds expeditiously and cost effectively as compared with conventional bank borrowings and/ or other fund-raising exercises, such as a rights issue. Additionally, the Proposed Placement is expected to strengthen the Company's financial position and capital base and may also potentially enhance its liquidity and financial flexibility	Section 5.1
	<u>Proposed Acquisition</u> The Proposed Acquisition forms part of the Group's strategy to enhance its renewable energy portfolio and accelerate its transition into a key player in the sector. Over the past five years, JSB Group has progressively shifted its focus towards renewable energy, particularly solar and hydropower, in line with its diversification away from construction trading. The acquisition of Jentayu Solar is being pursued shortly after the termination of the Previous Proposed Acquisition of Solar Asset on 2 April 2025, which lapsed due to timeline constraints rather than a change in the Company's strategy. The Company continues to view Jentayu Solar as a strategic asset with long-term value and as a cash-generating unit that can contribute positively to the Group's growth. With the acquisition structure now re-evaluated to provide greater clarity and certainty on completion, the current Proposed Acquisition reflects the Company's sustained interest and intent to capitalise on the asset's future potential. Further, the Proposed Acquisition is anticipated to reinforce JSB Group's market position in the renewable energy space and contribute positively to long-term shareholder value.	Section 5.2
	<u>Proposed Variation</u> The Board is of the view that the Proposed Variation is in the best interest of the Company as it:- i. May enable the Group to efficiently redirect previously committed capital towards its current strategic initiatives; ii. May provide the Group with flexibility to pursue suitable and viable investment opportunities or expansion initiatives in the renewable energy sector, in line with its long-term growth strategy; and iii. Ensures that the varied proceeds from the Rights Issue 2022 are applied in a manner that maximises shareholder value given the termination of the Acquisition of Hydro Assets and considering the opportunity to enhance its renewable energy portfolio through the Proposed Acquisition.	Section 5.3
Risk factors	Jentayu Solar is subject to risks inherent in the renewable energy industry, of which JSB Group is also subject to similar known business and industry risks. Therefore, such risks factors associated with the Proposed Acquisition are already known and mitigating measures would have already been implemented and will continuously be implemented given JSB Group's experience in the industry.	Section 7

Key information	Description	Reference to Part A of this Circular
	Nevertheless, the other potential risk factors that may arise from the Proposals, which may not be exhaustive, are set out below:- i. Non-completion of the Proposed Acquisition; ii. Post-acquisition risk; iii. Business and operational risks; and iv. Political, economic and regulatory risk.	
Approvals required and inter-conditionality	The Proposals are subject to the following approvals being obtained:- i. Bursa Securities, for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, the approval of which has been obtained vide Bursa Securities' letter dated 14 August 2025; ii. Shareholders of JSB for the Proposals at the Company's forthcoming EGM; iii. The following authorities and parties in respect of the proposed change to the shareholders and the shareholding structure pursuant to the Proposed Acquisition:- a. TNB; b. Energy Commission of Malaysia c. Ministry of Natural Resources and Environmental Sustainability; and d. Pejabat Pengarah Tanah dan Galian Negeri Kedah The Proposed Acquisition and Proposed Variation are inter-conditional, but are not conditional upon any other proposals undertaken or to be undertaken by the Company. The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by the Company.	Section 12
Interested Parties	**<u>Proposed Private Placement</u>** None of the Directors, major shareholders, chief executive of JSB and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.	Section 13.1
	<u>Proposed Acquisition and Proposed Variation</u> Save for the Interested Parties as mentioned below, none of the Directors, major shareholders and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition and Proposed Variation:- i. Datin Nurhaida is a major shareholder of JSB, as well as a director and major shareholder of Jentayu Capital, being the Vendor in the Proposed Acquisition. As at the LPD, she holds 97.50% direct equity interest in Jentayu Capital; and ii. Datuk Beroz is a major shareholder and the group managing director of JSB. He is the spouse of Datin Nurhaida.	Section 13.2
Board's recommendation	**<u>Proposed Private Placement</u>** The Board recommends that you vote **in favour** of the ordinary resolution pertaining to the Proposed Private Placement to be tabled at the Company's forthcoming EGM.	Section 14.1
	<u>Proposed Acquisition and Proposed Variation</u> The Board (save for the Interested Director) recommends that you vote **in favour** of the ordinary resolutions pertaining to the Proposed Acquisition and Proposed Variation to be tabled at the Company's forthcoming EGM.	Section 14.2

JENTAYU SUSTAINABLES BERHAD
Registration No.197501000834 (22146-T)
(Incorporated in Malaysia)

Registered Office

Office Suite No. 603 Block C
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Malaysia

3 September 2025

Board of Directors

Abdul Halim Bin Jantan *(Independent Non-Executive Chairman)*
Datuk Haji Beroz Nikmal Bin Mirdin *(Group Managing Director)*
Datin Noor Afzalinah Binti Mohd Afzul Khan *(Non-Independent Executive Director/ Chief Corporate Officer)*
Dato' Amiruddin Bin Abdul Satar *(Independent Non-Executive Director)*
Pamela Kung Chin Woon *(Independent Non-Executive Director)*
Tobias Hjalmar Mangelmann *(Independent Non-Executive Director)*
Ahmad Shahizam Bin Mohd Shariff (*Independent Non-Executive Director)*
Dato' Azra Bin Kamarudin (*Independent Non-Executive Director)*
Dato' Sri Mohd Kamarudin Bin Md Din (*Independent Non-Executive Director)*

To: The shareholders of JSB

Dear Sir/ Madam,

I. PROPOSED PRIVATE PLACEMENT;

II. PROPOSED ACQUISITION; AND

III. PROPOSED VARIATION

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1. INTRODUCTION

On 26 June 2025, UOBKH had, on behalf of the Board, announced that the Company proposed to undertake the Proposals.

On 15 August 2025, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 14 August 2025, approved the listing and quotation of up to 119,419,144 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the conditions set out in **Section 12, Part A** of this Circular.

The Proposed Acquisition is deemed as a related party transaction under Paragraph 10.08 of the Listing Requirements in view of the interests of a director and major shareholders of JSB as set out in **Section 13.2, Part A** of this Circular. For the avoidance of doubt, the Proposed Acquisition and Proposed Variation are conditional upon each other.

Pursuant thereto, QuantePhi has been appointed as the independent adviser on 22 April 2025 to advise the non-interested directors and non-interested shareholders of the Company in relation to the Proposed Acquisition and Proposed Variation.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Placement size

The Proposed Private Placement entails an issuance of up to 20% of the total number of issued Shares of JSB.

As at the LPD, the Company has an issued share capital of RM228.12 million comprising 446,159,770 JSB Shares. The Company does not retain any treasury shares as at the LPD.

Further, as at the LPD, the Company has 150,935,950 outstanding Warrants B. Each Warrant B carries the entitlement to subscribe for 1 new JSB Share during the 10-year exercise period up to 20 February 2032 at an exercise price of RM0.66 each.

For illustrative purposes, throughout this Circular, the effects of the Proposed Private Placement shall be based on the following scenarios:-

"Minimum Scenario"	:	Assuming none of the outstanding Warrants B are exercised into new Shares prior to the implementation of the Proposed Private Placement
"Maximum Scenario"	:	Assuming all the outstanding Warrants B are exercised into 150,935,950 new Shares prior to the implementation of the Proposed Private Placement

Assuming all Warrants B are exercised, the Company's pro forma enlarged number of issued Shares will be 597,095,720 Shares. Accordingly, a total of up to 119,419,144 Placement Shares may be issued pursuant to the Proposed Private Placement under the Maximum Scenario. For information purposes, under the Minimum Scenario a total of up to 89,231,954 Placement Shares may be issued pursuant to the Proposed Private Placement.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total issued shares of JSB on a date to be determined later upon obtaining all relevant approvals as set out in **Section 12, Part A** of this Circular, where applicable.

2.2 Basis and justification of determining the issue price(s) of the Placement Shares

The issue price of the Placement Shares will be determined and fixed by the Board at a later date after receipt of all relevant approvals for the Proposed Private Placement.

The Placement Shares will be issued at an issue price of not more than a 10% discount to the 5-day VWAP of JSB Shares immediately preceding the price-fixing date, and after taking into consideration prevailing market conditions.

For illustrative purposes, the indicative issue price is assumed at RM0.3790 per Placement Share, which represents a discount of approximately 9.93% to the 5-day VWAP of JSB Shares up to and including the LPD of RM0.4208 per Share.

2.3 Allocation to placees

The Placement Shares will be placed out to third party investor(s) to be identified at a later stage, where such investor(s) shall be person(s) who/ which qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007.

Additionally, the Placement Shares will not be placed out to the following parties:-

i. the Directors, major shareholders or chief executive of JSB or a holding company of JSB, where applicable ("**Interested Person**");

ii. a person connected with an Interested Person; and

iii. nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In the event the Board is unable to identify sufficient placees to subscribe for the entire portion of the Placement Shares at one time, the Proposed Private Placement may be implemented in tranches within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities.

2.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank *pari passu* and carry the same rights with the current existing Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution, where the entitlement date precedes the relevant date of allotment and issuance of the Placement Shares.

2.5 Listing and quotation for the Placement Shares

Bursa Securities has vide its letter dated 14 August 2025 approved the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 12, Part A** of this Circular.

2.6 Utilisation of proceeds

Based on the illustrative issue price of RM0.3790 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to RM45.26 million. The proceeds are intended to be utilised by JSB Group in the manner set out below:-

Details	Timeframe for utilisation from receipt of funds	Minimum Scenario RM'000	Maximum Scenario RM'000
Finance expenditures for Project Oriole (as defined herein)[*1]	Within 12 months	18,219	29,660
General working capital[*2]	Within 12 months	15,000	15,000
Estimated expenses[*3]	Upon completion	600	600
Total		**33,819**	**45,260**

Notes:-

[*1] *The Group intends to raise proceeds from the Proposed Private Placement to finance its operational expenses for its existing project, namely, Project Oriole. As at the LPD, Project Oriole is at the stage of securing financing for full construction of the hydropower plant, with financial close targeted for the fourth quarter of 2025. Following financial close, construction of the hydropower plant is expected to begin and will take approximately 42 months to complete.*

As at the LPD, JSB has incurred a total of RM91.7 million towards the development expenditures for Project Oriole. The breakdown of expenditures across different project phases and the utilisation of funds raised from the Private Placement 2023 for Project Oriole are set out below:-

Phase	*Purpose*	*Milestones*	*Total cost incurred as at the LPD*	*Utilisation of funds raised from Private Placement 2023*
			RM' mil	*RM' mil*
1	*Consultation with the Sabah state government, and securing land and water use rights*	*Completed pre-feasibility study* *Obtained approval in principle for the development of Project Oriole by the Sabah state government* *Formed 2 special purpose companies with the entities appointed by the Sabah state government to represent their interest in the development of Project Oriole*	*0.7*	*-*
2	*Consultation with the federal government about the feasibility and desirability of the project*	*Obtained the inclusion of the Project Oriole in the Power Development Plan for Sabah from Jawatankuasa Perancangan dan Pelaksanaan Pembekalan Elektrik dan Tarif (JPPPET)* *Obtained letter of intent from the federal government of Malaysia* *Conducted various studies related to the development of the project:* *- Detailed feasibility study;* *- Power system studies;* *- Soil investigation studies*	*23.1*	*-*
3	*The building of infrastructure such as roads and bridges to access the site, and the conducting of necessary surveying, feasibility, and verification studies*	*Completed the technical review of the feasibility of the project by the Energy Commission of Sabah* *Secured local government approvals or conditional approvals (i.e development plan, environmental impact assessment, wayleave/right of way approval and others).* *Conducted the tender process for EPCC work*	*59.9*	*9.6*
4	*Negotiating and finalising the PPA, expenses and securing financing for full construction of the hydropower plant*	*Execution of PPA* *Financial close (secure financing for full construction of the hydropower plant)*	*8.0*	*0.7*
Total			***91.7***	***10.3***

The PPA had been signed on 14 April 2025 and it formalises the sale and purchase of electricity between Oriole Hydro Padas Sdn Bhd, a 70%-owned subsidiary of JSB, and Sabah Electricity over a concession period of 40 years, on a Build-Own-Operate-Transfer (BOOT) basis, commencing from the plant's scheduled commercial operation date of 1 June 2029. The signing of the PPA follows and builds upon the issuance of the initial letter of notification (ILON) by the Energy Commission of Sabah on 26 March 2024 and the subsequent LON dated 2 September 2024. The terms of the agreement are set out below:-

- *Sabah Electricity will purchase up to 868,894 MWh annually, which is the annual firm energy quantity at RM0.315 per kWh;*

- *Any generation between the annual firm energy quantity and maximum annual allowable quantity of 950,222 MWh will also be purchased at the same rate, on a willing-buyer, willing-seller basis.*

- *Energy produced beyond the maximum annual allowable quantity may be sold at RM0.08 per kWh, also on a willing-buyer, willing-seller basis.*

The total estimated project cost, including financing costs to develop Project Oriole, is RM2.75 billion, out of which RM0.09 billion has already been incurred. In view of this, JSB is currently securing debt financing of approximately RM2.2 billion, representing 80% of the total project cost, while the remaining 20% will be funded via equity.

Financing type	***Project Cost RM'bil***	***Project Cost %***
Debt financing *The debt financing will be structured as a syndicated financing facility. As at the LPD, JSB has appointed 3 financial institutions to arrange the facility. These institutions are acting as both coordinating arrangers (managing the overall loan process) and lead arrangers and bookrunners (organizing the syndicate of lenders). JSB has also received an indicative term sheet outlining key preliminary terms and conditions of the facility, including the type of facility and amount, mode of financing, effective profit rate, facility tenure and purpose of financing. Financial close for the debt facility is targeted for the fourth quarter of 2025.*	*2.2*	*80*
Equity portion *The equity portion for Project Oriole amounts to RM550 million will be funded via the issuance of redeemable preference shares ("**RPS**").* *The Group plans to secure RM385 million of the equity portion through subscriptions by strategic and financial investors.* *The remaining equity portion will be structured through the Group's equity commitment of up to RM165 million. As at the LPD, approximately RM91.7 million has already been incurred and will be capitalized into equity. The remaining balance of RM73.3 million will be raised through a Proposed Private Placement and equity financing with related lenders.*	*0.5*	*20*

The proceeds raised from the current Proposed Private Placement are to be utilised for expenditure related to Phase 4 of Project Oriole, specifically expenses arising from the negotiation and finalisation of the PPA and activities required to achieve financial close. These expenses include legal and advisory fees, regulatory compliance costs, and any commitments required under the PPA or requirements set by lenders in preparation for the full-scale construction of the hydropower plant, with the detailed breakdown set out in the table below. For clarification purposes, the proceeds raised from Private Placement 2023 amounting to RM10.3 million has been utilised for Phase 3 (additional invoices relating to EPCC works for infrastructure development) and Phase 4 (costs relating to site and soil investigation works) of Project Oriole. The total estimated expenditure for Phase 4 of Project Oriole amounts to RM86.3 million, and for illustrative purposes, the utilisation breakdown is based on the Maximum Scenario proceeds from the Proposed Private Placement as set out below:-

Details	***Expected Expenditure RM' mil***	***Expenses incurred and paid via internally generated funds RM' mil***	***Utilisation of funds raised from Private Placement 2023 RM' mil***	***Intended utilisation of funds raised from Proposed Private Placement RM' mil***	***Balance of expenses RM' mil***
Development plan and project development services	*52.4*	*-*	*-*	*4.5*	*47.9*
Survey and soil investigation works for realigned transmission line	*7.9*	*7.2*	*0.7*	*-*	*-*

Details	Expected Expenditure	Expenses incurred and paid via internally generated funds	Utilisation of funds raised from Private Placement 2023	Intended utilisation of funds raised from Proposed Private Placement	Balance of expenses
	RM' mil	***RM' mil***	***RM' mil***	***RM' mil***	***RM' mil***
Independent technical advisor and transaction solicitor cost including for PPA and part expenses for financing	*4.3*	*0.1*	-	*4.2*	-
Land acquisition cost for Right of Way. *Consultation fees for Energy Commission of Sabah.* *No net loss fee, good behaviour bond and performance bond to Sabah Forestry Department*	*21.7*	-	-	*21.0*	*0.7*
Total	***86.3***	***7.3***	***0.7***	***29.7***	***48.6***

The balance of expenses of Phase 4 will be funded via the debt financing and/ or equity portion as stated above.

*For information purposes, JSB had on 20 July 2023, entered into a Memorandum of Understanding ("**MOU**") with Sumitomo Corporation, which was intended to facilitate a detailed discussion and due diligence process for a potential collaboration on the following:-*

i. *Joint development and investment into JSB's existing projects;*
ii. *Joint operation of company conducting business related to power plant projects; and*
iii. *Joint development and investment into other potential renewable power plant projects.*

Based on the first deed of amendment to the MOU, Sumitomo Corporation had expressed its intention to subscribe for up to 50% RPS in Oriole Power Sdn Bhd. Sumitomo Corporation's intended subscription formed part of the Group's plan to secure the remaining RM385 million of equity portion, with Sumitomo Corporation being one of the potential investors, alongside other strategic and financial investors, via the issuance of RPS.

*Subsequently, JSB together with its wholly owned subsidiary, Oriole Power Sdn Bhd ("**OPSB**") had on 2 October 2024, entered into a Project Development Collaboration Agreement ("**PDCA**") with Sumitomo Corporation to develop Project Oriole. Based on the PDCA, Sumitomo Corporation was to advance up to RM12.35 million for Project Oriole, of which RM8.59 million has been advanced to date. For the avoidance of doubt, the PDCA only provides for funding by Sumitomo Corporation and does not specify any funding obligation on the part of JSB.*

However, the MOU lapsed and was deemed terminated after Sumitomo Corporation's intention not to extend it upon its expiry. As a result, the PDCA was concurrently terminated with effect from 23 July 2025. The termination triggered the need for OPSB to refund the advance payment of RM8.59 million previously received from Sumitomo Corporation, upon the financial close of Project Oriole, which is currently anticipated to take place in the fourth quarter of 2025.

The Board does not anticipate any significant disruption to the progress of Project Oriole due to the termination of the MOU and PDCA, which also means Sumitomo Corporation will no longer be subscribing to the RPS. As a result, the Group will now seek to secure the required funding from alternative strategic and financial investors. While the initial funding plan, which included Sumitomo Corporation's commitment, has been revised, the project will continue without delays. The overall status of Project Oriole remains positive, and the termination of the MOU and PDCA will not hinder the progress.

The development of Project Oriole is part of the Group's strategy to enhance contributions to its renewable energy segment as upon reaching the commercial operation date, the hydropower plant is anticipated to provide a stable, long-term income stream to the Group.

*2 *The Group intends to raise proceeds from the Proposed Private Placement to finance the day-to-day general working capital requirements of the Group which include, but is not limited to, salaries and staff-related expenses, as well as other operating and administrative overhead expenses. The breakdown of the proceeds earmarked for working capital has not been determined at this juncture and will be dependent on the Group's operational or funding requirements at the time of intended utilisation. Notwithstanding that, and on a best estimate basis, the percentage of the allocation of proceeds to be utilised for each component of the Group's working capital are as follows, subject to the operating and funding requirements of the Group at the time of utilisation:-*

Descriptions	***Estimated allocation of proceeds***
	%
Salaries and staff-related expenses, including allowances, wages and overtime, travelling expenses, training and employee benefits expenses	*60*
Other operating and administrative overhead expenses, including utilities and office overhead	*40*
	100

*3 *The proceeds earmarked for estimated expenses in relation to the Proposals will be utilised in the following manner:-*

Descriptions	***RM'000***
Professional fees (i.e. advisers, placement agent, share registrar)	*530*
Regulatory fees	*40*
Other incidental expenses in relation to the Proposals	*30*
	600

The actual gross proceeds to be raised from the Proposed Private Placement are dependent on the eventual issue price and the number of Placement Shares to be issued. Any variation in the actual gross proceeds raised will be adjusted against the amount allocated to finance expenditures for Project Oriole.

Pending utilisation, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with licensed financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital for the Group as described in Note 2 above, the breakdown of which cannot be ascertained at this juncture but will be determined by the Board at a later stage.

2.7 Other fund raising exercises in the past 5 years

Save as disclosed below, the Company has not undertaken any other fund raising exercises in the 5 years prior to the date of this Circular.

i. Private Placement 2023

On 7 December 2023, the Company announced Private Placement 2023, which was to be undertaken pursuant to the shareholders' mandate for the issuance of Shares under Sections 75 and 76 of the Act obtained at the Company's 48th Annual General Meeting ("**AGM**") held on 5 December 2023. Subsequently, Private Placement 2023 was deemed completed on 3 December 2024.

Accordingly the Company issued a total of 24,728,070 Shares pursuant to Private Placement 2023 in the following manner:-

Listing Date	Issue price RM	No. of Shares	Actual proceeds raised RM'000
17 January 2024	1.16	18,728,070	21,725
18 July 2024	0.80	6,000,000	4,800
Total		**24,728,070**	**26,525**

As at the LPD, the total proceeds raised pursuant to Private Placement 2023 of RM26.53 million have been fully utilised, in the manner set out below:-

Purpose of utilisation	Proposed utilisation		Timeframe for utilisation from the date of listing of the placement shares	Actual proceeds raised and utilisation as at the LPD	Balance proceeds as at the LPD
	Minimum scenario RM'000	Maximum scenario RM'000		RM'000	RM'000
Partially finance the development or pre-development expenditures of Project Oriole	26,000	26,000	Within 12 months	10,250	-
Professional fees	5,000	5,000	Within 12 months	3,665	-
Working capital	12,324	28,060	Within 12 months	9,448	-
Expansion of healthcare division	1,200	1,600	Within 6 months	1,313	-
Estimated expenses in relation to Private Placement 2023	1,700	2,300	Within 3 months	1,849	-
Total	**46,224**	**62,960**		**26,525**	**-**

ii. Private Placement 2022

On 14 June 2022, the Company announced the proposed private placement of not more than 30% of the total number of issued Shares (excluding treasury shares, if any) to third party investor(s) to be identified at a later date ("**Private Placement 2022**").

On 8 December 2022, the Company announced that Bursa Securities had, vide its letter dated 7 December 2022, resolved to grant the Company an extension of time until 29 June 2023 to complete the implementation of Private Placement 2022. This was further extended to 29 December 2023, as announced on 23 June 2023. Subsequently, Private Placement 2022 was deemed completed on 28 July 2023.

Accordingly the Company issued a total of 96,942,100 Shares pursuant to Private Placement 2022 in the following manner:-

Listing Date	Issue price RM	No. of Shares	Actual proceeds raised RM'000
9 September 2022	0.50	30,000,000	15,000
27 January 2023	0.65	28,469,600	18,505
22 June 2023	0.80	12,562,500	10,050
28 July 2023	0.82	25,910,000	21,246
Total		**96,942,100**	**64,801**

As at the LPD, the total proceeds raised pursuant to Private Placement 2022 of RM64.80 million have been fully utilised, in the manner set out below:-

Purpose of utilisation	Proposed utilisation		Timeframe for utilisation from the date of listing of the placement shares	Actual proceeds raised and utilisation as at the LPD	Balance proceeds as at the LPD
	Minimum scenario	Maximum scenario			
	RM'000	RM'000		RM'000	RM'000
Partially finance the pre-development expenditures of Project Oriole	20,000	31,000	Within 12 months	46,143	-
Future viable investment in renewable energy projects	4,000	8,000	Within 12 months	512	-
Working capital	13,358	17,077	Within 3 months	13,701	-
Expansion of healthcare division	1,000	1,000	Within 6 months	2,308	-
Estimated expenses in relation to Private Placement 2022	1,400	1,400	Within 3 months	2,649	-
Total	**39,758**	**58,477**		**64,801**	-

iii. Rights Issue 2022

On 18 June 2021, the Company announced the rights issue of 101,457,300 new Shares ("**Rights Shares**") on the basis of 1 Rights Share for every 1 existing Share held by the entitled shareholders on the entitlement date at an issue price of RM0.30 per Rights Share. Subsequently, on 3 March 2022, the Company announced that 101,457,300 Rights Shares had been listed and quoted on the Main Market of Bursa Securities on even date, which also marked the completion of the Rights Issue 2022.

The RM30.44 million proceeds raised pursuant to the Rights Issue 2022 was intended to be utilised to partly fund the Acquisition of Hydro Assets, to repay bank borrowings and for estimated expenses in relation to earlier corporate exercises. However, pursuant to the Proposed Variation, the Company proposes to vary the utilisation of proceeds for the Rights Issue 2022 in the manner set out in **Section 4, Part A** of this Circular.

iv. Bonus Issue of Shares and Warrants 2021

On 18 June 2021, the Company announced the bonus issue of 101,457,300 new Shares together with 152,185,950 free detachable warrants in the Company on the basis of 2 bonus Shares together with 3 bonus warrants for every 2 existing shares held by the entitled shareholders on the entitlement date ("**Bonus Issue of Shares and Warrants 2021**"). The Board had also resolved to fix the exercise price of the bonus warrants at RM0.66 per bonus warrant.

On 3 March 2022, the Company announced that 152,185,950 bonus warrants had been listed and quoted on the Main Market of Bursa Securities on even date.

Accordingly, the Company has issued a total of 1,250,000 Shares pursuant to the exercise of Warrants in the following manner:-

Listing Date	Issue price RM	No. of Shares	Actual proceeds raised RM'000
27 July 2023	0.66	38,000	25
9 May 2025	0.66	1,212,000	800
Total		**1,250,000**	**825**

As at the LPD, the total proceeds raised pursuant to the Bonus Issue of Shares and Warrants 2021 of RM0.83 million have been fully utilised for the Group's working capital requirements.

v. Fund Raising Exercises 2020

On 4 November 2020, the Company announced the following:-

a. proposed private placement of up to 14,493,900 new Shares representing up to 20% of the existing total number of issued Shares to independent third party investor(s) to be identified at a later date ("**Private Placement 2020**"); and

b. proposed restricted issue of up to 14,493,900 new Shares ("**Restricted Issue Shares**") representing up to 20% of the existing total number of issued Shares to directors of the Company ("**Restricted Issue 2020**"),

(collectively referred to as the "**Fund Raising Exercises 2020**").

The Company intended to place out up to 7,246,950 placement shares representing up to 10% of the Company's total number of issued Shares to independent third party investor(s) to be identified at a later date in accordance with the existing general mandate obtained from the shareholders of the Company pursuant to Sections 75 and 76 of the Act at the Company's 44th AGM convened on 5 December 2019 ("**First Tranche Private Placement 2020**").

Further thereto, the Company intended to place the remaining of up to 7,246,950 placement shares, representing up to 10% of the Company's total number of issued Shares to independent third party investor(s) to be identified at a later date, under the general mandate to be obtained from the shareholders of the Company at the Company's 45th AGM ("**Second Tranche Private Placement 2020**"). For avoidance of doubt, the application for the listing of and quotation for the Placement Shares to be issued pursuant to the Second Tranche Private Placement 2020 was only made upon obtaining the shareholders' approval at the Company's 45th AGM on 18 December 2020.

Accordingly the Company issued a total of 28,987,800 Shares pursuant to the Fund Raising Exercises 2020 in the following manner:-

Listing Date	Issue price RM	No. of Shares	Actual proceeds raised RM'000
17 December 2020 (First Tranche Private Placement 2020)	0.56	7,175,000	4,018
22 March 2021 (Second Tranche Private Placement 2020)	0.68	7,318,900	4,977
22 March 2021 (Restricted Issue 2020)	0.68	14,493,900	9,866
Total		**28,987,800**	**18,861**

As at the LPD, the total proceeds raised pursuant to the Fund Raising Exercises 2020 of RM18.86 million have been fully utilised, in the manner set out below:-

Purpose of utilisation	Proposed utilisation	Timeframe for utilisation from the date of listing of the shares	Actual proceeds raised and utilisation as at the LPD	Balance proceeds as at the LPD
	RM'000		RM'000	RM'000
Working capital	9,936	Within 6 months	18,545	-
Estimated expenses in relation to the Fund Raising Exercises 2020	500	Within 1 months	306	-
Total	**10,436**		**18,851**	**-**

3. DETAILS OF THE PROPOSED ACQUISITION

Jentayu Capital has agreed to sell and JSB has agreed to purchase 1,530,000 Sale Shares, representing 51% equity interest in Jentayu Solar, free from all encumbrances, together with all attached and accrued rights, for a purchase consideration of RM5.87 million based upon the terms and conditions contained in the SSA. The salient terms of the SSA are set out in **Appendix I** of this Circular.

For information purposes, the Company is proposing to undertake the current Proposed Acquisition shortly after the termination of the earlier proposed acquisition of Jentayu Solar ("**Previous Proposed Acquisition of Solar Asset**"), which involved the same asset.

By way of background, on 7 October 2021, the Company had entered into a conditional share sale agreement with Jentayu Capital and Seri Panglima to acquire the entire equity interest in Jentayu Solar for a purchase consideration of RM11.11 million to be satisfied via the issuance of new shares in the Company. The Previous Proposed Acquisition of Solar Asset was subsequently terminated on 2 April 2025 following the lapse of the condition precedent fulfilment date and the Company was unable to obtain a further extension of time from the Securities Commission Malaysia to implement and complete the Previous Proposed Acquisition of Solar Asset. This decision was made in view of the potential additional cost for a new submission to the Securities Commission Malaysia, expected delays, and uncertainty regarding the timeline for the completion. The termination was not due to any change in the Company's strategic direction or loss of interest in Jentayu Solar.

The Company continues to view Jentayu Solar as a strategic asset with long-term prospects. In addition to its strategic value, Jentayu Solar is also a cash-generating unit, which is able to contribute to the Company's cash flow, supporting its financial stability and growth. With the acquisition structure now re-evaluated under the current proposal, allowing the Proposed Acquisition to be pursued with greater clarity and certainty on the timeline for completion. The renewed acquisition effort reflects the continued interest in the asset and the intention to capitalise on its potential benefits.

Further, Seri Panglima has agreed to grant the Call Option to JSB for the remaining 1,470,000 Option Shares, representing 49% equity interest held by Seri Panglima in Jentayu Solar, free from all encumbrances together with rights attaching thereto, for a purchase consideration of RM5.64 million, based on the terms and consideration of the Call Option Deed dated 26 June 2025. The salient terms of the Call Option Deed are set out in **Appendix II** of this Circular. For the avoidance of doubt, JSB shall have the right, but not the obligation, to exercise the Call Option within 12 months from the date of the Call Option Deed.

For information purposes, the Proposed Acquisition was structured with an initial acquisition of a 51% equity interest in Jentayu Solar, along with a call option for the remaining 49% (exercisable within 12 months), rather than an outright acquisition of the entire equity interest. This structure allows JSB to gain immediate control of Jentayu Solar's board and operations, while providing time to assess the company's operational stability, strategic alignment, and management capability following integration.

The structure also enables JSB to manage and optimise cash flow by deferring a significant portion of the acquisition cost. This provides greater flexibility in capital allocation, allowing JSB to prioritise integration activities or other strategic needs during the initial period. Should the collaboration and operations proceed as intended, JSB will have the option to acquire the remaining interest within the specified timeframe.

Upon completion of the SSA, Jentayu Solar will become a 51%-owned subsidiary of JSB. Further, in the event of the exercise of the Call Option by JSB pursuant to the Call Option Deed, Jentayu Solar will become a wholly-owned subsidiary of JSB. For clarity, JSB will make an immediate announcement upon exercising the Call Option, disclosing the relevant details of the transaction.

As at the LPD, the following parties are deemed interested in the Proposed Acquisition by virtue of the following:-

i. Datin Nurhaida, a major shareholder of JSB, as well as a major shareholder and director of Jentayu Capital. As at the LPD, she holds 14.24% direct equity interest in JSB and 97.50% direct equity interest in Jentayu Capital; and

ii. Datuk Beroz, deemed a major shareholder, is the group managing director of JSB and is the spouse of Datin Nurhaida. As at the LPD, he holds 4.65% direct equity interest and 14.24% indirect equity interest in JSB.

Accordingly, the Interested Parties are deemed interested in the Proposed Acquisition.

3.1 Information on Jentayu Solar

Jentayu Solar was incorporated in Malaysia on 10 March 2017 under the Act as a private limited company. Its registered office is located at No. 110, Jalan Lapangan Terbang, 31350 Ipoh, Perak.

Jentayu Solar is principally involved in the production, generation, supply, distribution, transformation and dealing of electricity, namely carrying out the business of power plants for solar and renewable energy. The company's solar photovoltaic energy generating facility began operations on 18 October 2019 and has since been supplying electricity to the national grid under a 21-year PPA with TNB, which was entered into on 26 March 2018 and took effect from the commencement date (i.e. 18 October 2019). The facility, with an installed capacity of 5.99 MW, is located in Pokok Sena, Kedah.

As at the LPD, Jentayu Solar has a total issued share capital of RM3.00 million comprising of 3,000,000 ordinary shares. Jentayu Solar does not have any convertible securities, as at the LPD. Further, as at the LPD, Jentayu Solar does not have any subsidiaries, joint ventures or associate companies.

As at the LPD, the shareholders and directors of Jentayu Solar together with their respective shareholdings in Jentayu Solar are as follows:-

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Jentayu Capital	Substantial Shareholder	Malaysia	1,530,000	51.00	-	-
Seri Panglima	Substantial Shareholder	Malaysia	1,470,000	49.00	-	-
Datin Nurhaida	Substantial Shareholder	Malaysian	-	-	1,530,000*[1]	51.00
Duli Yang Amat Mulia Raja Puan Muda Perak Darul Ridzuan Tunku Soraya Binti Almarhum Sultan Abdul Halim Mu'adzam Shah	Substantial Shareholder	Malaysian	-	-	1,470,000*[2]	49.00
Yang Teramat Mulia Dato' Seri DiRaja Tan Sri Tunku Puteri Intan Safinaz Binti Almarhum Sultan Abdul Halim Mu'adzam Shah	Substantial Shareholder	Malaysian	-	-	1,470,000*[2]	49.00
Rizman Harith Merican	Director	Malaysian	-	-	-	-
Datuk Wan Ahmad Muazzam Bin Wan Ismail	Director	Malaysian	-	-	-	-
Tunku Mir'atun Madihah Binti Tunku Mudzaffar	Director	Malaysian	-	-	-	-

Notes:-

*[1] *Deemed interest by virtue of her shareholding in Jentayu Capital under Section 8 of the Act.*

*[2] *Deemed interest by virtue of their shareholding in Seri Panglima under Section 8 of the Act.*

Further details of Jentayu Solar are set out in **Appendix III** of this Circular.

3.2 Information on the Vendor/ Grantor

Jentayu Capital (Vendor)

Jentayu Capital was incorporated in Malaysia on 14 February 2014 under the Companies Act 1965 and is deemed registered under the Act as a private limited company.

As at the LPD, Jentayu Capital has an issued share capital of RM20,000,000 comprising 20,000,000 ordinary shares. Jentayu Capital is principally an investment holding company with a focus on sectors that are considered sustainable over the long term, supporting both social progress and economic development. In addition, Jentayu Capital provides consultancy services aimed at guiding clients in transforming their business models to optimise both social and commercial value, building more sustainable, resilient, and enduring enterprises that generate returns for shareholders while contributing positively to society.

As at the LPD, the shareholders and directors of Jentayu Capital together with their respective shareholdings in Jentayu Capital are as follows:-

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Tunku Mir'atun Madihah Binti Tunku Mudzaffar	Director/ Substantial Shareholder	Malaysian	250,000	1.25	-	-
Rizman Harith Merican	Director/ Substantial Shareholder	Malaysian	250,000	1.25	-	-
Datin Nurhaida	Director/ Substantial Shareholder	Malaysian	19,500,000	97.50	-	-

<u>Seri Panglima (Grantor)</u>

Seri Panglima was incorporated in Malaysia on 5 January 2012 under the Companies Act 1965 and is deemed registered under the Act as a private limited company.

As at the LPD, Seri Panglima has an issued share capital of RM100 comprising 100 ordinary shares. It is principally an investment holding company, with business activities that include the ownership and development of land and property as well as engaging in general trading activities as merchants, importers and exporters.

As at the LPD, the shareholders and directors of Seri Panglima together with their respective shareholdings in Seri Panglima are as follows:-

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Duli Yang Amat Mulia Raja Puan Muda Perak Darul Ridzuan Tunku Soraya Binti Almarhum Sultan Abdul Halim Mu'adzam Shah	Director/ Substantial Shareholder	Malaysian	20	20.00	-	-
Yang Teramat Mulia Dato' Seri DiRaja Tan Sri Tunku Puteri Intan Safinaz Binti Almarhum Sultan Abdul Halim Mu'adzam Shah	Director/ Substantial Shareholder	Malaysian	80	80.00	-	-

3.3 Original cost and date of investment

On 26 September 2018, Jentayu Capital and Seri Panglima completed the acquisition of 1,530,000 and 1,470,000 ordinary shares in Jentayu Solar, respectively. As at the LPD, the cost of investment in Jentayu Solar amounted to RM1.53 million for Jentayu Capital and RM1.47 million for Seri Panglima.

3.4 Basis and justification of arriving at the Purchase Consideration and Option Price

The Purchase Consideration and Option Price was arrived at on a willing-buyer and willing-seller basis, after taking into consideration the following:-

i. The future prospects of the enlarged JSB Group as set out in **Section 6.4, Part A** of this Circular.

ii. The value of the entire equity interest in Jentayu Solar as appraised by AER, the Independent Valuer for the Proposed Acquisition, vide their Valuation Certificate.

The appraised value of the entire equity interest in Jentayu Solar, as determined by AER using the income approach, characterised by FCFF[*1], is in the range of RM11.31 million to RM11.55 million. This valuation is based on the Future Financials of Jentayu Solar from 1 July 2024 to 17 October 2040, covering financial years from FYE 30 June 2025 to FYE 30 June 2041, as provided by the management of Jentayu Solar, under the assumption that no dividends have been or will be declared or distributed for the FYE 30 June 2025. Further, a WACC of 5.90% and an equity discount rate of 13.36% is applied.

Note:-

**1 AER uses FCFF to appraise Jentayu Solar's fair value for the remaining concession period with TNB. FCFF represents cash available to equity shareholders and debt providers after accounting for projected inflow, expenses, and reinvestments before any debt payment.*

The WACC is calculated based on a capital structure of 19.4% equity and 80.6% debt, with a cost of equity of 13.36% and a pre-tax cost of debt of 5.40%.

The equity discount rate is computed based on the required rate of return of JSB of 12.86% with an additional premium of 0.50% to accommodate for the volatility and fluctuations in discount rate over time. The basis for the additional premium of 0.50% applied is to mitigate day to day volatility of movements of risk-free rates and annualised market return, which will affect the value of the equity risk premium, being one of the components in the determination of equity discount rate and deviations of key basis and assumptions in the Future Financials.

Set out below are the following key bases and assumptions adopted by AER in arriving at the fair value of Jentayu Solar:-

Financial metrics	Parameters
Annual expected market return	9.79%
Annual risk-free rate	3.78%
Equity risk premium	6.01%
Levered beta	1.51
Equity risk premium x beta	9.08%
Required rate of return	12.86%
Specific risk for a private company	0.50%
Equity discount rate	13.36%

Pursuant thereto, the potential total consideration for the Proposed Acquisition, comprising the Purchase Consideration of RM5.87 million for 51% equity interest and the Option Price of RM5.64 million for the remaining 49% equity interest in Jentayu Solar, amounts to RM11.51 million. This falls within the appraised fair value range of RM11.31 million to RM11.55 million for the entire equity interest in Jentayu Solar as determined by AER.

Further details of the Valuation Certificate prepared by the independent valuer is highlighted in **Appendix IV** of this Circular.

3.5 Mode of Settlement

<u>Purchase Consideration</u>

Pursuant to the terms of the SSA, the Purchase Consideration of RM5.87 million shall be satisfied by setting off such sum against the refundable deposits amounting to RM10.54 million, previously paid by JSB to Jentayu Capital (otherwise referred to as the Set-Off Arrangement). The Set-Off Arrangement shall be effected no later than 14 days from the conditions precedent fulfilment date of the SSA, subject to any extensions in writing of the same at JSB's sole and absolute discretion or such other date as the parties to the SSA may mutually agree upon in writing.

Upon the Set-Off Arrangement, a sum of RM4.67 million of the refundable deposit remains payable to JSB by Jentayu Capital ("**Balance Refundable Cash Deposit**").

The terms of the Set-Off Arrangement and the refund of the Balance Refundable Cash Deposit shall be detailed in the SSA, salient terms of which are set out in **Appendix I** of this Circular.

<u>Option Price</u>

Pursuant to the terms of the Call Option Deed, the mode of settlement of the Option Price shall be satisfied by the payment of the Option Price to Seri Panglima by JSB, or by a third party on behalf of JSB, via cash within 14 days from the date the Call Option is exercised by JSB, or on such other date as may be mutually agreed upon by the parties in writing.

The salient terms of the Call Option Deed are set out in **Appendix II** of this Circular.

3.6 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SSA, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by JSB Group arising from the Proposed Acquisition.

3.7 Additional financial commitment required

Save for the Purchase Consideration and Option Price, there is no additional financial commitment required by JSB to put the business of Jentayu Solar on-stream as it is an ongoing business entity with existing operations.

3.8 Source of funding

The Purchase Consideration of RM5.87 million shall be satisfied via the refundable deposit owing by Jentayu Capital to JSB pursuant to the Set-Off Arrangement, based on the terms and conditions of the SSA. The refund obligation by Jentayu Capital arose from the termination of the Acquisition of Hydro Assets, further details of which are set out in **Section 4, Part A** of this Circular.

Further, in the event the Call Option is exercised by JSB, the Option Price of RM5.64 million shall be satisfied via cash, which will be funded via a combination of internally generated funds and bank borrowings, with the exact quantum to be determined by the Board at a later date. The indicative quantum of the funding as at LPD is as follows:-

	RM'000	**%**
Internally generated funds	1,127	20.00
Bank borrowings	4,508	80.00
	5,635	**100.00**

The Group's total cash and bank balances as well as short terms deposits are RM4.20 million and RM1.58 million based on the latest audited consolidated financial results of JSB for the FYE 30 June 2024 and latest unaudited financial statements for the 12-month FPE 30 June 2025, respectively.

4. DETAILS OF THE PROPOSED VARIATION

Reference is made to the utilisation of proceeds raised from the Company's Rights Issue 2022 as disclosed in the Company's announcement dated 18 June 2021 and circular to shareholders dated 28 October 2021. The Rights Issue 2022 involved the renounceable Rights Shares on the basis of 1 Rights Share for every 1 existing JSB Share held by entitled shareholders of the Company at an issue price of RM0.30 per Rights Share. On 12 November 2021, JSB had obtained shareholders' approval for the Rights Issue 2022. On 3 March 2022, 101,457,300 Rights Shares had been listed and quoted on the Main Market of Bursa Securities, raising total proceeds of approximately RM30.44 million.

The Company had utilised RM16.00 million from the proceeds raised to fund a renewable energy project, specifically as refundable deposits for the Acquisition of Hydro Assets. However, following the mutual termination of the Acquisition of Hydro Assets as announced on 17 March 2025, the said refundable deposits shall accordingly constitute a repayment obligation by the vendors of the Hydro Assets (which includes Jentayu Capital) to refund the deposits to JSB. As at the LPD, none of the refunds have been refunded to JSB.

In conjunction with the Proposed Acquisition, JSB has entered into a Set-Off Arrangement in respect of the refundable deposits previously paid for the Acquisition of Hydro Assets. Specifically, a total of RM5.87 million from the refundable deposits owing to JSB will be used towards settlement of the Purchase Consideration, based on the terms and conditions of the SSA. The remaining balance of RM10.13 million in refundable deposits remains owing to JSB and is expected to be refunded in accordance with the terms of their respective agreements, with further details set out in the ensuing section.

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In view of the Set-Off Arrangement to fund the Purchase Consideration as well as considering the refundable deposits arising from the termination of the Acquisition of Hydro Assets, the Company proposes to vary the utilisation of proceeds for the Rights Issue 2022 in the following manner:-

	Utilisation of proceeds for Rights Issue 2022				**Proposed Variation**		
Details of utilisation	**Proposed utilisation**	**Actual utilisation as at the LPD**	**Balance unutilised**	**Estimated timeframe for utilisation**	**Proposed Variation**	**Balance after Proposed Variation**	**Estimated timeframe for utilisation**
	RM'000	**RM'000**	**RM'000**		**RM'000**	**RM'000**	
Funding for renewable energy project (Acquisition of Hydro Assets)[*1]	16,000	-	16,000	Within 6 months	(16,000)	-	-
Repayment of bank borrowings	8,937	8,937	-	Within 12 months	-	-	-
Estimated expenses in relation to earlier corporate exercises	5,500	5,500	-	Within 6 months	-	-	-
To fund the Purchase Consideration pursuant to the Proposed Acquisition (by way of Set-off Arrangement)[*2]	N/A	N/A	N/A	N/A	5,865	5,865	Upon completion of the Proposed Acquisition
Future viable investment/ expansion[*3]	N/A	N/A	N/A	N/A	10,135	10,135	Within 12 months
Total	**30,437**	**14,437**	**16,000**	**-**	**-**	**16,000**	**-**

Notes:-

[*1] *RM16.00 million of the proceeds raised from the Rights Issue 2022 had been utilised for the Acquisition of Hydro Assets, as a refundable cash deposit paid by JSB to Kasa Tuah and Borneo Sustainable, being the vendors of Senja Optima, as well as to Jentayu Capital being the vendor of Telekosang One and Telekosang Two.*

For clarity, the RM16.00 million was utilised as refundable cash deposits in the following manner:-

Details of utilisation	***(RM'000)***
Refundable cash deposit paid by the Company to Kasa Tuah, pursuant to the acquisition of ordinary shares in Senja Optima, on 22 September 2021	*1,500*
Refundable cash deposit paid by the Company to Kasa Tuah, pursuant to the acquisition of ordinary shares in Senja Optima, on 3 March 2022	*1,232*
Refundable cash deposit paid by the Company to Borneo Sustainable, pursuant to the acquisition of ordinary shares in Senja Optima, on 3 March 2022	*2,732*
Refundable cash deposit paid by the Company to Jentayu Capital, pursuant to the acquisition of redeemable preference shares in Telekosang One and Telekosang Two, on 3 March 2022	*7,488*
Refundable cash deposit paid by the Company to Jentayu Capital, pursuant to the acquisition of junior bonds in Telekosang One, on 3 March 2022	*3,048*
Total	***16,000***

Following the mutual termination of the Acquisition of Hydro Assets as announced by the Company on 17 March 2025, all refundable cash deposits totalling RM16.00 million are to be returned in full to JSB, in accordance with the SSA and settlement agreements. As Jentayu Capital is also the vendor in the Proposed Acquisition, JSB has entered into a series of agreements for the recovery and utilisation of the refundable deposits as follows:-

***SSA** – JSB and Jentayu Capital* : *Set-off of approximately RM5.87 million from refundable deposits previously paid by JSB to Jentayu Capital, to be applied towards the Purchase Consideration.*

Further, Jentayu Capital will refund the remaining RM4.67 million deposit to JSB, within the terms governed under the SSA.

*The salient terms of the SSA are set out in **Appendix I** of this Circular.*

***Settlement Agreement 1** – JSB and Borneo Sustainable* : *Solely governs the refund of the RM2.73 million from Borneo Sustainable to JSB, within the terms governed under Settlement Agreement 1. Settlement Agreement 1 is not made pursuant to the SSA and is not considered an ancillary agreement thereto.*

The salient terms of the Settlement Agreement 1 are set out below:-

1. *The refundable cash deposit totaling RM2.73 million previously paid by JSB to Borneo Sustainable shall be fully refunded by Borneo Sustainable to JSB, pursuant to the terms and conditions of Settlement Agreement 1.*

2. *Borneo Sustainable shall refund the full sum of the RM2.73 million to JSB on or before 25 July 2025, or on such other date as JSB may notify Borneo Sustainable, and in such manner as to be determined by JSB and notified to Borneo Sustainable.*

   As at the LPD, the refundable deposit of RM2.73 million from Borneo Sustainable has not been refunded. The Company has issued a refund notice dated 29 August 2025, to notify Borneo Sustainable of the Company's designated repayment deadline, which is within 60 days from the forthcoming EGM, in accordance with the terms and conditions of Settlement Agreement 1. For the avoidance of doubt, the refundable deposit shall be due to the Company on or before 21st December 2025.

3. *Borneo Sustainable shall further fully indemnify JSB against any claims brought by any party against JSB, or any direct losses suffered by the JSB, in respect of the refundable deposit sum of RM2.73 million.*

4. *In the event Borneo Sustainable fails to make payment of the RM2.73 million, the entire sum of the RM2.73 million (or any unpaid portion thereof) shall become immediately due and payable to JSB; and JSB shall have the right to initiate legal proceedings or to pursue any other remedies available to it under law or equity, to recover the full sum of the RM2.73 million from Borneo Sustainable.*

***Settlement Agreement 2** – JSB and Kasa Tuah* : *Solely governs the refund of the RM2.73 million from Kasa Tuah to JSB, within the terms governed under Settlement Agreement 2. Settlement Agreement 2 is not made pursuant to the SSA and is not considered an ancillary agreement thereto.*

The salient terms of the Settlement Agreement 2 are set out below:-

1. *The refundable cash deposit totalling RM2.73 million previously paid by JSB to Kasa Tuah shall be fully refunded by Kasa Tuah to JSB, pursuant to the terms and conditions of Settlement Agreement 2.*

2. *Kasa Tuah shall refund the full sum of the RM2.73 million to JSB on or before 25th July 2025, or on such other date as JSB may notify Kasa Tuah, and in such manner as to be determined by JSB and notified to Kasa Tuah.*

   As at the LPD, the refundable deposit of RM2.73 million from Kasa Tuah has not been refunded. The Company has issued a refund notice dated 29 August 2025, to notify Kasa Tuah of the Company's designated repayment deadline, which is within 60 days from the forthcoming EGM, in accordance with the terms and conditions of Settlement Agreement 2. For the avoidance of doubt, the refundable deposit shall be due to the Company on or before 21st December 2025.

3. *Kasa Tuah shall further fully indemnify JSB against any claims brought by any party against JSB, or any direct losses suffered by the JSB, in respect of the refundable deposit sum of RM2.73 million.*

4. *In the event Kasa Tuah fails to make payment of the RM2.73 million, the entire sum of the RM2.73 million (or any unpaid portion thereof) shall become immediately due and payable to JSB; and JSB shall have the right to initiate legal proceedings or to pursue any other remedies available to it under law or equity, to recover the full sum of the RM2.73 million from Kasa Tuah.*

As such, from the total RM16.00 million refundable deposits, RM5.87 million has been allocated towards the Purchase Consideration via the Set-Off Arrangement, while the remaining RM10.13 million (RM2.73 million from Kasa Tuah, RM2.73 million from Borneo Sustainable, and remaining RM4.67 million from Jentayu Capital) remains owing to JSB and is subject to refund in accordance with the SSA, Settlement Agreement 1 and Settlement Agreement 2.

**2* *As set out in Note 1 above, the Company proposes to vary the utilisation of approximately RM5.87 million from the Rights Issue 2022 proceeds, originally paid as a refundable deposit to Jentayu Capital for the Acquisition of Hydro Assets, which has since been mutually terminated. This amount will instead be applied towards funding the Purchase Consideration for the Proposed Acquisition by way of the Set-Off Arrangement.*

**3* *Following the proposed refund of the remaining RM10.13 million from Kasa Tuah, Borneo Sustainable and Jentayu Capital (net of the amount offset in Note 1), the Company wishes to vary the utilisation of this amount to pursue business expansion/ future viable investments for its renewable energy segment. The refund amount shall be utilised to partly or fully finance any suitable and viable potential business(es)/ investment(s) and/ or expansion(s), which may include, but not limited to, investment(s) in viable business(es) or asset(s) to facilitate the Group's expansion in the renewable energy sectors.*

At this juncture, JSB has identified a potential suitable acquisition for the Group's expansion and is currently in discussion regarding the terms of the sale and purchase agreement with a third-party operator involved in the O&M of a hydropower facility located in East Malaysia. The potential acquisition, if materialised, would mark JSB's entry into the O&M segment of hydropower assets, aligning with the Group's strategy to expand its renewable energy segment. To materialise this potential acquisition, JSB would need to complete internal assessments and due diligence, as well as secure shareholder approval at the EGM for the Proposed Variation, which would provide the necessary funding for the acquisition by November 2025. Through the potential acquisition of the O&M operator, rather than outsourcing to a third-party provider, the Group expects to enhance operational efficiency, achieve cost savings over the long term, and directly capture the profits from O&M services. Further, internalising these capabilities may allow JSB to build and retain in-house technical expertise and human capital, which may support future projects.

If required, JSB shall make the necessary announcements in accordance with Listing Requirements as and when new business(es)/ investment(s)/ expansion(s) which are likely to materialise have been identified. In the event that the transaction requires shareholders' approval pursuant to the Listing Requirements, JSB will seek the necessary approval from its shareholders.

In the event JSB is unable to identify any suitable and viable investment opportunities within the permitted timeframe, the proceeds earmarked for business expansion/ future viable investments will continue to be placed as deposits with licensed financial institutions or short-term money market instruments, until such time when the management is able to identify a suitable and viable investment opportunity. Any interest income earned from such deposits or any gains arising from instruments will be used to fund the working capital of the Group, of which the breakdown has yet to be determined.

In accordance with Paragraph 8.22(2)(a) of the Listing Requirements, a change to the utilisation of proceeds is considered material if such change is 25% or more of the total proceeds raised. As such, the Proposed Variation is deemed a material change to the use of proceeds for Rights Issue 2022 as the change in utilisation of RM16.00 million represents approximately 52.57% of the proceeds raised from the Rights Issue 2022 of RM30.44 million. Accordingly, the Proposed Variation is subject to the shareholders' approval at the Company's forthcoming EGM.

5. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

5.1 Proposed Private Placement

The Proposed Private Placement is undertaken by the Company to raise the requisite funds to meet the Group's funding requirements as set out in **Section 2.6, Part A** of this Circular.

After due consideration of the amount intended to be raised, optimal timing and various methods of fundraising, the Board is of the view that the Proposed Private Placement will be the most appropriate avenue of fundraising as the Proposed Private Placement:-

i. enables the Company to raise additional funds without incurring interest costs as compared to conventional bank borrowings which may expose the Company to further risk of indebtedness and interest servicing obligation;

ii. provides the Company with an expeditious fundraising alternative from the capital market as opposed to other forms of fundraising such as a rights issue; and

iii. may strengthen the Company's financial position and capital base and may also potentially enhance its liquidity and financial flexibility.

5.2 Proposed Acquisition

The Proposed Acquisition is undertaken by the Company to enhance its renewable energy portfolio and accelerate its transition towards becoming a key player in the sector. Over the past 5 years, JSB Group has been transforming its business activities towards renewable energy, focusing on solar and hydropower, in line with its strategy to diversify its business streams away from the construction trading business. The Board believes the Proposed Acquisition will further strengthen the Group's position in the renewable energy industry and advance its long-term strategic objectives.

Following shareholders' approval for the diversification into the renewable energy segment on 18 December 2020, JSB began its venture into this sector. The table below sets out the percentage of revenue contribution from the renewable energy segment for the past 4 audited financial years up to FYE 30 June 2024:

	Audited			
	FYE 2021	**FYE 2022**	**FYE 2023**	**FYE 2024**
Revenue contribution from renewable energy segment (RM'000)	6,385	60,839	11,996	1,981
Total revenue (RM'000)	30,217	83,908	42,641	21,959
Percentage of revenue contribution from renewable energy segment over total revenue (%)	21.13	72.51	28.13	9.02

The acquisition of Jentayu Solar is being pursued shortly after the termination of the Previous Proposed Acquisition of Solar Asset on 2 April 2025, which lapsed due to timeline constraints rather than a change in the Company's strategy. The Company continues to view Jentayu Solar as a strategic asset with long-term value and as a cash-generating unit that can contribute positively to the Group's growth. With the acquisition structure now re-evaluated to provide greater clarity and certainty on completion, the current Proposed Acquisition reflects the Company's sustained interest and intent to capitalise on the asset's future potential.

The acquisition of Jentayu Solar is expected to contribute to JSB Group's long-term growth and diversification efforts. The move will strengthen the Group's capacity to generate renewable energy and expand its revenue base, driven by the growing demand for clean energy solutions. As set out in **Section 9 of Appendix III** of this Circular, while Jentayu Solar recorded declining revenue and net losses in the past two financial years up to FYE 30 June 2024, this was largely due to temporary factors such as weaker irradiation, technical issues and one-off expenses. Nonetheless, Jentayu Solar has returned to profitability in the 9-month FPE 31 March 2025 as operations stabilised, supported by enhanced maintenance and lower expenses.

Further, Jentayu Solar benefits from a long-term PPA with TNB until 2040, which provides predictable and recurring cash flows. This long-term concession was also reflected in the independent valuation of Jentayu Solar by AER, which confirmed its fair value based on projected cash flows over the remaining PPA period. As such, the Board believes that despite near-term earnings volatility, the asset will contribute positively to the Group's recurring income and strengthen its renewable energy portfolio.

Accordingly, the Proposed Acquisition is expected to accelerate JSB Group's renewable energy transformation and reinforce its position in the market. Jentayu Solar is anticipated to contribute positively to the Group's overall growth and long-term value creation for shareholders, marking a significant milestone in the Group's renewable energy strategy.

5.3 Proposed Variation

A total of RM16.00 million in proceeds raised from the Rights Issue 2022 had been utilised for the Acquisition of Hydro Assets, in the form of refundable cash deposit paid by JSB to the vendor of the Hydro Assets, namely Kasa Tuah, Borneo Sustainable and Jentayu Capital.

In view of the Set-Off Arrangement to fund the Purchase Consideration as well as considering the refundable deposits arising from the termination of the Acquisition of Hydro Assets as announced on 17 March 2025, the Company proposes to vary the utilisation of these proceeds by allocating:-

i. approximately RM5.87 million to fund the Purchase Consideration for the Proposed Acquisition by way of the Set-Off Arrangement as set out in **Section 4**, **Part A** of this Circular, thereby reducing the immediate cash outlay required and preserving the Group's cash reserves; and

ii. the balance of approximately RM10.13 million for the Company to pursue business expansion/ future viable investments for its renewable energy segment. As set out in **Section 4, Part A** of this Circular, JSB is in preliminary negotiations to acquire a third-party operator involved in the O&M of a hydropower facility in East Malaysia. If materialised, this acquisition would mark JSB's entry into the O&M segment and support its renewable energy strategy. By acquiring the O&M business, the Group expects to improve operational efficiency, reduce long-term costs, capture O&M-related profits, and strengthen in-house technical capabilities.

After due consideration, the Board is of the view that the Proposed Variation is in the best interest of the Company as it:-

i. may enable the Group to efficiently redirect previously committed capital towards its current strategic initiatives;

ii. may provide the Group with flexibility to pursue suitable and viable investment opportunities or expansion initiatives in the renewable energy sector, in line with its long-term growth strategy; and

iii. ensures that the varied proceeds from the Rights Issue 2022 are applied in a manner that maximises shareholder value given the termination of the Acquisition of Hydro Assets and considering the opportunity to enhance its renewable energy portfolio through the Proposed Acquisition.

6. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE ENLARGED JSB GROUP

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 4.4% in the second quarter of 2025 (1Q 2025: 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower commodities-related exports. This was partially offset by continued electrical and electronics ("**E&E**") exports and robust tourism activity. At the same time, import growth was higher, driven by strong demand for capital goods, reflecting higher investment activities.

On the supply side, growth was driven by the services and manufacturing sectors. The services sector was supported by consumer-related and Government services. Steady growth in domestic-oriented clusters underpinned the performance in the manufacturing sector. Overall growth was weighed down by a contraction in the mining sector amid lower commodities production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%).

Similar to other countries, Malaysia's 2025 growth will be affected by tariff outcomes from trade negotiations. BNM expects developments surrounding trade tariffs to affect the global and domestic outlook for the rest of the year. The external environment remains challenging. Uncertainty surrounding tariffs continues to linger and the impact will take time to fully materialise. Nonetheless, Malaysia is facing these challenges from a position of strength. Our economy remains on solid footing, supported by resilient domestic demand, continued demand for E&E goods, and a diversified export structure. These fundamentals, alongside continued structural reforms, ensure that Malaysia is well-positioned to navigate the evolving global landscape.

Notwithstanding the external risks, economic growth is firmly supported by resilient domestic demand, serving as a buffer against global headwinds. Employment and wage growth within domestic-oriented sectors and income-related policy measures will continue to support household spending. The expansion in investment activity will be sustained by several factors. This includes the progress of infrastructure projects, continued high realisation of approved private investments and implementation of national master plans. Malaysia's export prospects could be raised by favourable outcomes from remaining trade negotiations, pro-growth policies in major economies, and robust tourism activity. The steady rollout of structural reforms, such as the implementation of announced national master plans and fiscal reform measures, is critical to boost our resilience against future shocks.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2025, Bank Negara Malaysia)

6.2 Overview and outlook of the renewable energy industry in Malaysia

Budget 2025 will support commitments to expand renewable energy ("**RE**") sources, energy efficiency initiatives as well as the conservation and sustainable management of natural resources. These measures are designed to lower operational costs, enhance energy consumption efficiency, increase competitiveness and reduce the environmental footprint of Malaysia's growing economy. A core component of sustainability will be the principle of circular economy, moving away from traditional, linear 'take-make-use-dispose' models, towards more innovative and efficient practices. Through the Circular Economy Blueprint for Solid Waste (2025 – 2035) and Circular Economy Policy Framework for Manufacturing Sector, efforts will be intensified to increase the national recycling rate.

On the sustainable environmental front, Malaysia is committed to promoting low-carbon and climate-resilient policies, with energy transition serving as a crucial lever to accelerate these efforts. Investment will be driven by new and ongoing projects by both the private and public sectors, supported by the implementation of key national policies and initiatives, including the National Energy Transition Roadmap ("**NETR**") and the National Industrial Master Plan ("**NIMP**") 2030. In response to the complexities of energy transition and the need to balance energy security, access to affordable energy, and environmental sustainability, the Government introduced the NETR in August 2023. The Roadmap, which works in parallel with the initiatives under the National Energy Policy ("**DTN**") 2022 – 2040 and the NIMP 2030, aims to further amplify Malaysia's commitments to achieve the net-zero aspirations by 2050.

The NETR was developed to steer Malaysia's shift towards a high-value green economy. The Roadmap outlines 10 flagship catalyst projects and 50 key initiatives under six energy transition levers, namely energy efficiency ("**EE**"), RE, hydrogen, bioenergy, green mobility, as well as carbon capture, utilisation and storage ("**CCUS**") to unlock economic opportunities and reduce carbon emissions. The successful implementation of the NETR is expected to increase the GDP contribution from RM25 billion in 2023 to RM220 billion in 2050, with 310,000 job opportunities will be generated.

The Government is committed towards ensuring energy transition that is fair, inclusive and equitable, while balancing the energy trilemma, namely energy security, affordability, and environmental sustainability. The NETR outlines the intended direction of the nation in exploring new energy sources, developing future capabilities and shaping market demand in a green economy. This further supports Malaysia's commitment to a just energy transition that benefits the rakyat, creates business opportunities and supports technological innovation through a whole-of-nation approach.

(Source: Economic Outlook 2025, Ministry of Finance)

The state government launched the Sabah Energy Roadmap and Masterplan 2040 ("**SE-RAMP 2040**") to address the state's power industry and, thus, ensure long-term resilience that is sustainable for the industry by 2040.

Chief Minister Datuk Seri Hajiji Noor said the plan underlines the state's strategic roadmap and initiatives to move forward, with the state government expecting to take over the regulatory authority on power supply and renewable energy from the federal government in January next year. He said the Sabah government is committed to ensuring SE-RAMP 2040 is implemented systematically and effectively, and under the plan, the Sabah Energy Council, which he chairs, will be established to monitor, support and provide guidance for the implementation of the initiatives.

Among the objectives of the SE-RAMP 2040 is to ensure a dependable power supply, with equal access and comprehensive coverage at an affordable price, in line with the government's aspirations to continue making electricity accessible to the people while ensuring sustainability for the future of Sabah. It is also to complement the National Energy Policy launched last year and the NETR launched in August, which he said at the launch of the plan.

(Source: Sabah launches energy roadmap, masterplan, Malaysian Investment Development Authority (MIDA), 19 September 2023)

The energy sector has always, and will continue to, play a critical role in Sabah's future development, said Chief Minister Datuk Seri Hajiji Noor. He said Sabah is endowed with an abundance of renewable energy sources that has the potential to offer strong prospects of contributing significantly to both the state and nation's transformation into a high value-added economy.

Taking this into consideration, he said the state government has, among others, launched the SE-RAMP 2040, which was aimed at charting the way forward and outlining key priorities for the state energy sector. With this in place, Sabah should be able to fully develop its green energy sector with the potential of providing up to 75% of the nation's green energy supply, which he said when officiating the Sabah Renewable Energy Conference 2025 (SAREC 2025) on Thursday (24 April 2025).

He said the state has been aggressively pushing its agenda in encouraging renewable energy and the development of clean energy by implementing programmes that would help promote economic activities and accelerate economic growth to ultimately shape and strengthen Sabah's renewable energy and green industry sector.

(Source: Press release entitled "Energy sector continues to be critical for Sabah's growth", by The Star, 24 April 2025)

6.3 Overview and outlook of the healthcare industry in Malaysia

Malaysia Healthcare Travel Council (MHTC), an agency under the Ministry of Health (MOH), told Bernama that the country recorded 584,468 health tourist arrivals for the first half of 2024 (1H2024).

The agency said, in comparison, Malaysia recorded more than one million health tourist arrivals in 2023, up by a significant 15% from 850,000 in 2022, firmly entrenching the country as a fast-growing medical destination.

MHTC said Indonesia was the highest contributor of health tourists to Malaysia, comprising 70% to 80% of the total number last year.

As a background, the Malaysia Healthcare Travel Industry Blueprint 2021-2025, which, among others, touches on the role of public and private sector stakeholders within the healthcare travel ecosystem, has managed to provide a framework of cohesive end-to-end experience to the health tourists with a high emphasis on the Malaysia healthcare brand.

Among key touchpoints of the blueprint are medical services, teleconsultation, access to information, insurance, accommodation and immigration, which will drive the industry forward and make Malaysia a focal point to showcase the "Best Malaysia Healthcare Travel Experience" by 2025.

The agency said the health tourism industry aims to generate RM2.4 billion in revenue for the whole of this year, and thus far, the sector has generated RM954.90 million in revenue for 1H2024.

MHTC said this is expected to contribute to an economic spillover to other industries to the tune of RM9.6 billion.

(Source: Malaysia sets sight on emerging as leading healthcare destination by 2025, Malaysian Investment Development Authority (MIDA), 2024)

The Government is also steadfast in improving healthcare facilities and services whereby the healthcare sector was given high priority with an average share of 9.9% of total allocation over the last five years. While Malaysia's healthcare system is affordable and universally accessible, rising healthcare costs, emerging and re-emerging diseases, illnesses as well as sedentary lifestyles have posed a challenge in providing affordable and efficient public healthcare service. This highlights the need for comprehensive reforms to improve service quality and access, health insurance policy as well as public awareness towards healthy lifestyle.

For healthcare, the Government is committed to provide expeditious services to the rakyat, and will significantly enhance the delivery system to achieve universal access to quality services. This includes expanding mobile community services, upgrading equipment and facilities in hospitals and clinics, while ensuring adequate number of healthcare personnel to create a more conducive environment across all centres. At the same time, efforts will also be given to transform the healthcare system from focusing on treating illnesses to disease prevention. Budget 2025 will ensure the sustainability of public healthcare system through innovative financing in acquiring medical equipment, to address the issue of high cost in procuring and replacing equipment due to rapid advancement of technology.

(Source: Economic Outlook 2025, Ministry of Finance)

6.4 Overview and outlook of the construction and building materials industries in Malaysia

The construction sector grew by 12.1% in 2Q 2025 (1Q 2025: 14.2%), with continued robust growth in residential, non-residential and special trade subsectors.

(Source: BNM Quarterly Bulletin, 2Q 2025, Vol. 40 No. 2, Bank Negara Malaysia)

The construction sector registered a double-digit growth of 17.5% (2023: 6.1%). This was the highest growth in a decade, consistent with the strong rise in investment activity. Growth was driven mainly by special trade and civil engineering subsectors. Strong expansion in the special trade subsector was supported by early- and end-stage works such as site preparation and electrical installation for civil engineering and industrial projects. The civil engineering subsector continued to be driven by further progress of multi-year infrastructure projects, particularly in the transportation segment. The residential subsector recorded higher activity, benefiting from new housing projects. This was in line with stronger housing demand as income and employment conditions improved. Additionally, the non-residential subsector rebounded strongly driven by industrial and commercial projects.

The construction sector is expected to continue to record high growth, albeit at a more moderate pace than in 2024 (11%, 2024: 17.5%). Growth will be driven by continued activities in non-residential, special trade and residential subsectors. In the non-residential subsector, growth is expected to remain robust. This will be underpinned by projects in both the industrial and commercial property segments. The special trade subsector will be supported by the implementation of small-scale projects announced under the Budget 2025 and end-stage works from large infrastructure projects that are nearing completion. The residential subsector will benefit from new housing projects, particularly in the affordable housing segment. Government incentives such as the personal tax relief for first-time homebuyers are expected to stimulate housing demand. However, the near-completion of infrastructure projects such as LRT 3 and Johor Bahru–Singapore Rapid Transit System (RTS) Link will result in a moderate growth in the civil engineering subsector.

(Source: Economic & Monetary Review 2024, Bank Negara Malaysia)

6.5 Prospects of the enlarged Group

JSB Group is principally involved in the trading, healthcare, and renewable energy businesses. While the trading segment remains the major revenue contributor for the FYE 30 June 2024, the Group has been transitioning over the past 5 years to focus on its renewable energy segment, with renewable energy targeted to become the main revenue and income contributor moving forward. In line with this strategy, the Group is expanding its renewable energy segment, with a focus on hydropower and solar energy.

The Group's renewable energy efforts are anchored by Project Oriole. Project Oriole involves the development of a 162 MW run-of-river hydropower plant in Sipitang, Sabah, which is expected to generate approximately RM300 million in annual revenues. The Group had secured the LON dated 2 September 2024 from the Energy Commission of Sabah, which confirmed the project's approval and fixed the final tariff. Further, a major milestone was achieved on 14 April 2025, when Oriole Hydro Padas Sdn Bhd, a 70%-owned subsidiary of JSB, entered into a PPA with Sabah Electricity for the sale and purchase of electricity over a concession period of 40 years, commencing from the plant's scheduled commercial operation date of 1 June 2029. This landmark project is poised to drive the Group's long-term growth and strengthen its position in the renewable energy sector. Further, it is expected to play a pivotal role in the Sabah Renewable Energy Road Map, supplying an estimated 16% of Sabah's peak load demand through reliable and sustainable hydropower.

In addition to the Group's ongoing renewable energy projects, the Proposed Acquisition of Jentayu Solar will further strengthen its renewable energy portfolio. Jentayu Solar, which focuses on solar power generation, is expected to significantly contribute to the Group's long-term growth by increasing its renewable energy capacity and diversifying its income base. This acquisition aligns with the Group's strategy to expand its energy assets, enhance operational synergies and capitalise on the growing demand for clean energy solutions.

The Group's trading segment is also pivoting to support the development, construction, and operationalisation of its renewable energy plants (Project Oriole), aligning with the Group's strategic direction towards renewable energy.

Meanwhile, the Group's healthcare division continues to operate its hospital, Ohana Specialist Hospital, which specialises in obstetrics, gynaecology, and paediatrics. Located in Kuala Lumpur, Malaysia, the hospital has a capacity of 18 medical beds.

The Group is committed to enhancing its existing businesses, including the trading of building materials and hospital operations, to ensure they contribute positively to the Group's financial performance.

Premised on the above and barring any unforeseen circumstances, the Group aims to strengthen its financial position and its position in the renewable energy industry over the coming years through the expansion and execution of its business plans. Accordingly, the Board remains optimistic about the future prospects of the enlarged Group, particularly with the Proposed Acquisition of Jentayu Solar, which may further enhance its standing within the renewable energy sector.

(Source: Management of JSB)

7. RISK FACTORS

Jentayu Solar is subject to risks inherent in the renewable energy industry, of which JSB Group is also subject to similar known business and industry risks. Therefore, such risks factors associated with the Proposed Acquisition are already known and mitigating measures would have already been implemented and will continuously be implemented given JSB Group's experience in the industry.

Nevertheless, the other potential risk factors that may arise from the Proposals, which may not be exhaustive, are set out below:-

7.1 Non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is subject to the fulfilment of the conditions precedent outlined in the SSA, as detailed in **Appendix I** of this Circular. If any conditions are not met, the acquisition may not proceed, which could result in the Group being unable to achieve the intended benefits.

Nevertheless, JSB will take all necessary and reasonable steps to ensure the fulfilment of conditions precedent as set out in the SSA in a timely manner and to perform its obligations in accordance with the terms of the SSA to facilitate the completion of the Proposed Acquisition. In the event the SSA is not completed, the full amount of RM5.87 million, being the amount applied towards the Purchase Consideration via the Set-Off Arrangement, shall be refunded to JSB in full.

7.2 Post-acquisition risk

While the Proposed Acquisition is expected to benefit the Group in the long term, there is no guarantee that the anticipated returns will materialise or that Jentayu Solar will generate the expected returns in relation to the Group's investment.

Nevertheless, the Board has exercised due care in considering the potential risk and the benefits associated with the Proposed Acquisition, including undertaking a comprehensive due diligence process with the support of financial, legal, and valuation advisers. Based on this assessment, the Board believes that the Proposed Acquisition will be value accretive to JSB Group, after taking into consideration, inter alia, the track record and prospects of Jentayu Solar and the experience and expertise of the management team of the Group in the renewable energy business.

7.3 Business and operational risks

The Proposed Acquisition is subject to inherent risks in the renewable energy industry of which JSB Group is already involved in and will be addressed as part of the Group's ordinary course of business. Some of these risks may include, amongst others, changes in government policies, licensing regime, underperformance of solar projects, and extreme weather events. Any adverse changes in these conditions may have an adverse material effect on the renewable energy industry in Malaysia and the Group.

The revenue and profitability of Jentayu Solar are also dependent on a 21-year PPA with TNB, exposing it to risks such as contractual performance, regulatory changes and force majeure events. Any failure by Jentayu Solar to meet its obligations under the PPA, or any inability of TNB (being the single buyer in the capacity of its role as the owner and operator of the national grid system in Peninsular Malaysia) to fulfil its payment commitments on a monthly basis based on the electricity output generated by the Jentayu Solar at a fixed energy rate up to a maximum annual limit, could materially affect the financial performance of Jentayu Solar. The financial performance of Jentayu Solar is dependent on the 21-year PPA and the continuous operation of its solar photovoltaic power plant. No assurance can be given that any changes in these factors will not have any material adverse effect on JSB Group's business and financial performance.

7.4 Political, economic and regulatory risk

The future growth and financial performance of Jentayu Solar could be affected by changes in, amongst others, economic growth, taxation, accounting policies and standards, regulations, government policies and political stability. Any adverse changes in these conditions could have a negative effect on the renewable energy industry and affect the financial performance and growth of Jentayu Solar.

There can be no assurance that adverse economic, political and regulatory changes, any of which are beyond the control of JSB Group, will not materially affect the Jentayu Solar.

8. EFFECTS OF THE PROPOSALS

The effects of the Proposals on the issued share capital, earnings and EPS, NA and gearing and substantial shareholders' shareholdings of the Company are illustrated under the following scenarios as follows:-

8.1 Issued share capital

The Proposed Acquisition and the Proposed Variation do not have any effect on the issued share capital of the Company as it does not involve the issuance of new JSB Shares.

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are as follows:-

	Minimum Scenario		**Maximum Scenario**	
	No. of Shares	**RM'000**	**No. of Shares**	**RM'000**
Issued share capital as at the LPD	446,159,770	228,119	446,159,770	228,119
Shares to be issued pursuant to the full exercise of Warrants B	-	-	150,935,950	99,618[*1]
	446,159,770	228,119	597,095,720	327,737
Shares to be issued pursuant to the Proposed Private Placement	89,231,954	33,819[*2]	119,419,144	45,260[*2]
Enlarged share capital	**535,391,724**	**261,938**	**716,514,864**	**372,997**

Notes:-

[*1] *Assuming all Warrants B are fully exercised at an exercise price of RM0.66 per Share.*

[*2] *Computed based on the indicative issue price of RM0.379 per Placement Share*

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8.2 NA per Share and gearing

Based on the latest audited statements of financial position of the Group as at 30 June 2024, the pro forma effects of the Proposals on the NA per Share and gearing level of the Group are as follows:-

Minimum Scenario

		I	II	III	IV
	Audited as at 30 June 2024	**Subsequent events up to LPD**[*1]	**After I and the Proposed Private Placement**	**After II and upon completion of the SSA**	**After III and assuming the exercise of the Call Option**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Share capital	222,520	228,119	261,938	261,938	261,938
Other reserves	23	23	23	23	23
Accumulated losses	(80,144)	(80,144)	(80,744)[*2]	(80,744)	(80,744)
NA	**142,399**	**147,998**	**181,217**	**181,217**	**181,217**
No. of Shares ('000)	438,948	446,160	535,391	535,391	535,391
NA per Share (RM)	0.32	0.33	0.34	0.34	0.34
Total borrowings (RM'000)	25,952	25,952	25,952	56,973[*3]	56,973
Gearing (times)	0.18	0.18	0.14	0.31	0.31

Notes:-

[*1] *After accounting for the issuance of 6,000,000 Shares, at an issue price of RM0.80 per Share, pursuant to the final tranche of Private Placement 2023 on 18 July 2024, and the issuance of 1,212,000 Shares, at an issue price of RM0.66 per Share, pursuant to the exercise of Warrants on 9 May 2025.*

[*2] *After deducting estimated expenses of RM600,000 in relation to the Proposals.*

[*3] *After consolidating the total borrowings of Jentayu Solar of approximately RM31.02 million.*

Maximum Scenario

		I	II	III	IV	V
	Audited as at 30 June 2024	**Subsequent events up to LPD[*1]**	**After I and assuming full exercise of Warrants B[*2]**	**After II and the Proposed Private Placement**	**After III and upon completion of the SSA**	**After IV and assuming the exercise of the Call Option**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Share capital	222,520	228,119	327,737	372,997	372,997	372,997
Other reserves	23	23	23	23	23	23
Accumulated losses	(80,144)	(80,144)	(80,144)	(80,744)[*3]	(80,744)	(80,744)
NA	**142,399**	**147,998**	**247,616**	**292,276**	**292,276**	**292,276**
No. of Shares ('000)	438,948	446,160	597,096	716,515	716,515	716,515
NA per Share (RM)	0.32	0.33	0.41	0.41	0.41	0.41
Total borrowings (RM'000)	25,952	25,952	25,952	25,952	56,973[*4]	56,973
Gearing (times)	0.18	0.18	0.10	0.09	0.19	0.19

Notes:-

[*1] *After accounting for the issuance of 6,000,000 Shares, at an issue price of RM0.80 per Share, pursuant to the final tranche of Private Placement 2023 on 18 July 2024, and the issuance of 1,212,000 Shares, at an issue price of RM0.66 per Share, pursuant to the exercise of Warrants on 9 May 2025.*

[*2] *Assuming all Warrants B are fully exercised at an exercise price of RM0.66 per Share.*

[*3] *After deducting estimated expenses of RM600,000 in relation to the Proposals.*

[*4] *After consolidating the total borrowings of Jentayu Solar of approximately RM31.02 million.*

8.3 Earnings and EPS

The Proposals, which are expected to be completed by the second quarter of 2026, are not expected to have any immediate material effect on the earnings of JSB Group for the FYE 30 June 2026, save for the potential dilutive effect on the EPS of the Group due to the increase in the number of JSB Shares arising from the Proposed Private Placement. Nevertheless, and barring any unforeseen circumstances, the Proposed Private Placement is expected to contribute positively to the future earnings of the Group when the benefits from the utilisation of proceeds to be raised from the Proposed Private Placement are realised.

For illustrative purposes only, assuming that the Proposed Acquisition had been effected on 1 July 2023 (being the beginning of the latest audited FYE 30 June 2024 of JSB), the pro forma effects of the Proposed Acquisition on the earnings and the EPS of the Group are as follows:-

		I	II
	Audited FYE 30 June 2024	Upon completion of the SSA	After I and assuming the exercise of the Call Option
	RM'000	RM'000	RM'000
LAT attributable to shareholders*1	(19,899)	(19,899)	(21,367)
Recognition of LAT from Jentayu Solar*2	-	(868)*3	(834)*4
Less: Estimated expenses for the Proposals	-	(600)	-
Total LAT	**(19,899)**	**(21,367)**	**(22,201)**
Weighted average no. of Shares in issue ('000)	426,766	426,766	426,766
Basic LPS (sen)	**(4.66)**	**(5.00)**	**(5.20)**

Notes:-

*1 *Based on the latest audited consolidated financial results of JSB for the FYE 30 June 2024.*

*2 *Based on the latest audited financial results of the Jentayu Solar for FYE 30 June 2024.*

*3 *Recognising 51% of Jentayu Solar's LAT upon completion of the SSA.*

*4 *Recognising the remaining 49% of Jentayu Solar's LAT based on the equity interest to be acquired pursuant to the Proposed Acquisition upon the exercise of the Call Option.*

8.4 Convertible securities

Save for the outstanding Warrants B, the Company does not have any outstanding convertible securities as at the LPD. The Proposals will not result in any adjustment to the exercise price and number of outstanding Warrants B.

8.5 Substantial shareholders' shareholdings

The Proposed Acquisition and the Proposed Variation do not have any effect on the substantial shareholders' shareholdings of the Company they do not involve the issuance of new JSB Shares.

The pro forma effects of the Proposed Private Placement on the substantial shareholders' shareholdings in the Company are as follows:-

Minimum Scenario

	Shareholdings as at the LPD				After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
Shareholders	No. of Shares	%[*1]	No. of Shares	%[*1]	No. of Shares	%[*2]	No. of Shares	%[*2]
Datin Nurhaida	63,528,900	14.24	-	-	63,528,900	11.87	-	-
Datuk Beroz	20,744,500	4.65	63,528,900[*3]	14.24	20,744,500	3.87	63,528,900[*3]	11.87
Lazarus Capital Partners	30,770,400	6.90	-	-	30,770,400	5.75	-	-

Maximum Scenario

					I				II			
	Shareholdings as at the LPD				Assuming full exercise of Warrants B				After I and the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Shareholders	No. of Shares	%[*1]	No. of Shares	%[*1]	No. of Shares	%[*4]	No. of Shares	%[*4]	No. of Shares	%[*5]	No. of Shares	%[*5]
Datin Nurhaida	63,528,900	14.24	-	-	95,293,350	15.96	-	-	95,293,350	13.30	-	-
Datuk Beroz	20,744,500	4.65	63,528,900[*3]	14.24	29,225,350	4.89	95,293,350[*3]	15.96	29,225,350	4.08	95,293,350[*3]	13.30
Lazarus Capital Partners	30,770,400	6.90	-	-	30,770,400	5.15	-	-	30,770,400	4.29	-	-

Notes:-

*1 *Based on the total issued shares of 446,159,770 of the Company as at the LPD.*

*2 *Based on the enlarged issued shares of 535,391,724 of the Company after the Proposed Private Placement (under the Minimum Scenario).*

*3 *Deemed interested by virtue of his spouse's shareholding in the Company.*

*4 *Based on the enlarged issued shares of 597,095,720 of the Company after assuming the full exercise of Warrants B.*

*5 *Based on the enlarged issued shares of 716,514,864 of the Company after the Proposed Private Placement (under the Maximum Scenario).*

9. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 18.97%, calculated based on the latest audited total assets of Jentayu Solar for the FYE 30 June 2024 against the latest audited consolidated total assets of JSB Group for FYE 30 June 2024.

10. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of JSB Shares as traded on Bursa Securities for the past 12 months from September 2024 to August 2025 are set out below:-

	High	Low
	RM	RM
2024		
September	0.800	0.565
October	0.620	0.400
November	0.450	0.395
December	0.465	0.415
2025		
January	0.530	0.430
February	0.460	0.420
March	0.455	0.380
April	0.525	0.390
May	0.480	0.430
June	0.460	0.435
July	0.460	0.435
August	0.445	0.375
Last transacted market price of JSB Shares as at the LTD		0.450
Last transacted market price as at the LPD		0.400

(Source: Bloomberg)

11. TOTAL AMOUNT TRANSACTED WITH THE SAME RELATED PARTIES FOR THE PRECEDING 12 MONTHS

Save for the Acquisition of Hydro Assets which was terminated on 17 March 2025, and the Acquisition of Solar Asset which was terminated on 2 April 2025, there were no transactions entered into between JSB and the Vendor and/ or the Interested Parties during the 12 months preceding the date of this Circular.

12. APPROVALS REQUIRED AND INTER-CONDITIONALITY

The Proposals are subject to the following approvals:-

i. Bursa Securities, for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, the approval of which has been obtained vide Bursa Securities' letter dated 14 August 2025 subject to the following conditions:-

	Conditions	Status of compliance
a.	JSB and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;	To be complied
b.	UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement;	To be complied

	Conditions	Status of compliance
c.	UOBKH to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the general meeting approving the Proposed Private Placement, prior to the listing of the new shares to be issued pursuant to the Proposed Private Placement;	To be complied
d.	UOBKH to furnish Bursa Securities with the details of the placees as per Paragraph 6.15 of the Listing Requirements for Bursa Securities' review, prior to the issuance/ allotment of the new ordinary shares; and	To be complied
e.	UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed	To be complied

ii. Shareholders of JSB for the Proposals at the Company's forthcoming EGM;

iii. The following authorities and parties in respect of the proposed change to the shareholders and the shareholding structure pursuant to the Proposed Acquisition:-

a. TNB

Jentayu Capital as the vendor in the Proposed Acquisition shall obtain the approval or a letter of no objection from TNB for the proposed change in its shareholding structure.

b. Energy Commission of Malaysia

Jentayu Capital as the vendor in the Proposed Acquisition shall obtain the approval or a letter of no objection from the Energy Commission of Malaysia for the proposed change in its shareholding structure.

c. Ministry of Natural Resources and Environmental Sustainability

Jentayu Capital as the vendor in the Proposed Acquisition shall obtain the approval or a letter of no objection from the Ministry of Natural Resources and Environmental Sustainability for the proposed change in its shareholding structure; and

d. Pejabat Pengarah Tanah dan Galian Negeri Kedah

Pejabat Pengarah Tanah dan Galian Negeri Kedah has vide its letter dated 5 March 2024 declared Jentayu Solar as a 'Malay' company for the purposes of being granted its current land lease for 10 plots of land in Mukim Jabi, District of Pokok Sena, Kedah Darul Aman. Pursuant to the conditions of declaration set out in the said letter, any change in the shareholding structure of Jentayu Solar is restricted and shall require the prior written consent of the Kedah state authorities. Jentayu Capital as the vendor in the Proposed Acquisition shall obtain the approval or a letter of no objection from Pejabat Pengarah Tanah dan Galian Negeri Kedah for the proposed change in its shareholding structure.

The Proposed Acquisition and Proposed Variation are inter-conditional, but are not conditional upon any other proposals undertaken or to be undertaken by the Company.

The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by the Company.

13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

13.1 Proposed Private Placement

None of the Directors, major shareholders, chief executive of JSB and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

13.2 Proposed Acquisition and Proposed Variation

Save for the Interested Parties as mentioned below, none of the Directors, major shareholders and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition and Proposed Variation:-

i. Datin Nurhaida is a major shareholder of JSB, as well as a director and major shareholder of Jentayu Capital, being the Vendor in the Proposed Acquisition. As at the LPD, she holds 97.50% direct equity interest in Jentayu Capital; and

ii. Datuk Beroz is a major shareholder and the group managing director of JSB. He is the spouse of Datin Nurhaida.

The Interested Parties' direct and indirect shareholdings in JSB as at the LPD are set out below:-

	Direct		Indirect	
	No. of Shares	**%*1**	**No. of Shares**	**%*1**
Datin Nurhaida	63,528,900	14.24	-	-
Datuk Beroz	20,744,500	4.65	63,528,900*2	14.24

Notes:-

*1 *Based on the total issued shares of JSB of 446,159,770 Shares.*

*2 *Deemed interest by virtue of his spouse's shareholding in the Company.*

As the Proposed Acquisition and Proposed Variation are inter-conditional, the Interested Parties are therefore also deemed to be interested in the Proposed Variation.

Accordingly, the Interested Director, namely Datuk Beroz, has abstained and will continue to abstain from deliberating and voting on the Proposed Acquisition and Proposed Variation at the relevant Board meetings. The Interested Parties will abstain from voting in respect of their respective direct and/ or indirect shareholdings in JSB, if any, and have undertaken to ensure that persons connected with them will abstain from voting in respect of their respective direct and/ or indirect shareholdings in JSB, if any, on the resolutions pertaining to the Proposed Acquisition and Proposed Variation at the EGM to be convened.

14. DIRECTORS' STATEMENT AND RECOMMENDATION

14.1 Proposed Private Placement

The Board, having considered all aspects of the Proposed Private Placement, including but not limited to, the basis, the rationale, the proposed utilisation of proceeds and the pro forma financial effects, is of the opinion that the Proposed Private Placement is in the best interest of the Company.

Accordingly, the Board recommends that you **vote in favour** of the ordinary resolution pertaining to the Proposed Private Placement to be tabled at the Company's forthcoming EGM.

14.2 Proposed Acquisition and Proposed Variation

The Board (save for the Interested Director), having considered all aspects of the Proposed Acquisition and Proposed Variation, including but not limited to, the basis, the rationale, the risk factors and the pro forma financial effects, is of the opinion that the terms and conditions of the SSA and Call Option Deed are fair and reasonable and the Proposed Acquisition and Proposed Variation are in the best interests of the Company.

Accordingly, the Board (save for the Interested Director) recommends that you vote **in favour** of the ordinary resolutions pertaining to the Proposed Acquisition and Proposed Variation to be tabled at the Company's forthcoming EGM.

15. AUDIT COMMITTEE'S STATEMENT

The Board Audit Committee of JSB, after having considered the views of the independent adviser as well as the relevant aspects in respect of the Proposed Acquisition and Proposed Variation including but not limited to the rationale and financial effects, the basis and justification in arriving at the Purchase Consideration and the salient terms of the SSA and Call Option Deed, is of the opinion that the Proposed Acquisition and Proposed Variation:-

i. are in the best interest of the Company;

ii. are fair, reasonable and on normal commercial terms; and

iii. are not detrimental to the interests of the non-interested shareholders of the Company.

16. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be completed by the second quarter of 2026.

The Call Option is exercisable within a period of 12 months from the date of the Call Option Deed (i.e. 26 June 2025).

The tentative timetable in relation to the Proposals is as follows:-

Date	Events
22 October 2025	• Convening of the Company's forthcoming EGM to obtain the approval of shareholders of JSB
By early-January 2026	• Fulfilment of all conditions precedent for the SSA for the Proposed Acquisition • Completion of the SSA
By mid-February 2026	• Listing and quotation of the Placement Shares on the Main Market of Bursa Securities • Completion of the Proposed Private Placement
By end-June 2026	• Call Option is exercisable within 12 months from the date of the Call Option Deed, subject to the terms of the Call Option Deed as set out in **Section 3 of Appendix II** of this Circular • Completion of the Proposed Acquisition

17. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (being the subject matter of this Circular), the Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the date of this Circular.

18. ADVISERS AND PLACEMENT AGENT

UOBKH has been appointed as the Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement.

In view that the Proposed Acquisition is deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements and that the Proposed Acquisition and Proposed Variation are inter-conditional, QuantePhi has been appointed as the independent adviser to advise the non-interested directors and non-interested shareholders of the Company in relation to the Proposed Acquisition and Proposed Variation, as to:-

i. comment whether the transaction is fair and reasonable;

ii. comment whether the transaction is to the detriment of non-interested shareholders; and

iii. advise the non-interested shareholders on whether they should vote in favour of the Proposed Acquisition and Proposed Variation.

Details of the evaluation by the Independent Adviser pertaining to the above is outlined in the Independent Advice Letter set out in **Part B** of this Circular.

19. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Unit 25-01, Level 25 Menara Felda, No. 11 Persiaran KLCC, Platinum Park, 50088 Kuala Lumpur on Wednesday, 22 October 2025 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend, participate, speak and vote remotely at the EGM you are entitled to appoint a proxy or proxies to attend, participate, speak and vote on your behalf. As such, you are requested to complete, sign and return the Proxy Form in accordance with the instructions contained therein, at the office of the Share Registrar of JSB, situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 48 hours before the time holding the EGM or at any adjournment thereof. The Proxy Form is enclosed in this Circular. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting at the EGM should you subsequently wish to do so.

20. FURTHER INFORMATION

Shareholders of JSB are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
JENTAYU SUSTAINABLES BERHAD

ABDUL HALIM BIN JANTAN
(Independent Non-Executive Chairman)

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF JSB IN RELATION TO THE PROPOSED ACQUISITION AND PROPOSED VARIATION

EXECUTIVE SUMMARY

This Executive Summary only highlights the key information from other parts of this IAL. It does not contain all the information that may be important to you. You should read and understand the contents of the whole IAL and the Circular prior to deciding on how to vote for the Proposed Acquisition and Proposed Variation.

All definitions used in this Executive Summary shall have the same meanings as the words and expressions defined in the "Definitions" Section and Part A of the Circular, except where the context otherwise requires or where otherwise defined in the IAL. All references to "you" are references to the non-interested shareholders of JSB, whilst references to "we", "us", or "our" are references to QuantePhi, being the Independent Adviser for the Proposed Acquisition and Proposed Variation.

Set out hereunder is an executive summary which serves to highlight some of the salient points arising from QuantePhi's independent evaluation of the Proposed Acquisition and Proposed Variation. Non-interested shareholders are advised to read and understand the contents of the IAL and the entire Part A of the Circular including the appendices thereof, for more comprehensive information, evaluation and recommendation of the Proposed Acquisition and Proposed Variation before voting on the resolutions pertaining to the Proposed Acquisition and Proposed Variation at the forthcoming EGM.

QuantePhi Sdn Bhd, being the Independent Adviser, accepts full responsibility for the accuracy of the IAL. Having made all reasonable enquiries, and to the best of our knowledge and belief, we confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the IAL to be false or misleading.

1. INTRODUCTION

On 26 June 2025, UOBKH, on behalf of the Board announced that the Company proposed to undertake the following:

(i) Proposed Private Placement of up 119,419,144 placement shares, representing approximately 20% of the total number of issued shares of JSB to third party investor(s) to be identified later at an issue price to be determined later;

(ii) Proposed Acquisition by entered into the following:

(a) a conditional SSA with Jentayu Capital for the acquisition of 1,530,000 Sale Shares in Jentayu Solar, representing 51% equity interest in Jentayu Solar, from the Vendor for a Purchase Consideration of RM5.87 million to be satisfied entirely via Set-Off Arrangement; and

(b) a Call Option Deed with Seri Panglima whereby Seri Panglima grants JSB the Call Option to purchase all the remaining 1,470,000 Option Shares in Jentayu Solar, representing 49% equity interest held by Seri Panglima in Jentayu Solar, for an Option price of RM5.64 million, within 12 months from the date of the Call Option Deed;

and

(iii) Proposed Variation to the utilisation of the proceeds raised from the company's rights issue exercise that was completed on 3 March 2022.

By virtue of the interests of a director and major shareholders of JSB in the Proposed Acquisition as set out in Section 13.2, Part A of the Circular, the Proposed Acquisition is deemed as RPT pursuant to Rule 10.08 of the Listing Requirements. For the avoidance of doubt, the Proposed Acquisition and Proposed Variation are conditional upon each other. Pursuant thereto, the Board has appointed QuantePhi as the Independent Adviser on 22 April 2025 to advise the non-interested directors and non-interested shareholders of JSB on whether the Proposed Acquisition and Proposed Variation are fair and reasonable, and whether they are detrimental to the interests of the non-interested shareholders.

2. EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED VARIATION

In evaluating the Proposed Acquisition and Proposed Variation, we have taken into consideration the following:

Section in the IAL	Area of Evaluation	QuantePhi's commentaries
Sections 5.1 and 5.2	Rationale and benefits for the Proposed Acquisition and the Proposed Variation	The Proposed Acquisition enables JSB Group to deepen its presence in the renewable energy sector by acquiring a 51% stake in Jentayu Solar, adding a solar project in Kedah to its existing solar asset in Johor. This acquisition is expected to strengthen the Group's renewable energy portfolio, enhance income stability through long-term Power Purchase Agreement (**"PPA"**), and diversify revenue across different regions. This strategic expansion aligns with JSB's ongoing commitment to sustainable growth and supports Malaysia's clean energy goals, while further reducing reliance on its traditional trading of building materials. The call option for full ownership of Jentayu Solar also provides JSB with greater control to maximize the value of its renewable energy investments. Meanwhile, the Proposed Variation allows the JSB Group to redeploy RM16.00 million in committed capital towards higher-growth renewable energy projects, avoiding additional borrowings and preserving financial flexibility. This strategic reallocation supports JSB's focus on clean energy, aligns with its long-term goals, and enhances its ability to pursue future growth opportunities. **Premised on the above, we are of the view that the rationale and benefits for the Proposed Acquisition and the Proposed Variation are reasonable.**
Section 5.3	Basis and justifications in arriving at the total purchase consideration	We have considered Discounted Cash Flows (**"DCF"**) as the sole valuation method as it considers both time value of money and projected net cash flow, which is then discounted at a specific discount rate to derive Jentayu Solar's valuation. Further, DCF method is used because Jentayu Solar's solar project is primarily concession-based with finite life and governed by the PPA.

Section in the IAL	Area of Evaluation	QuantePhi's commentaries
		The indicative fair equity value of the 51% equity interest in Jentayu Solar is between RM5.77 million to RM5.89 million, for which the purchase consideration of RM5.87 million falls within the said range. The indicative fair equity value of the 49% equity interest in Jentayu Solar is between RM5.54 million to RM5.66 million, for which the option price of RM5.64 million falls within the said range. The indicative fair equity value of the 100% equity interest in Jentayu Solar is between RM11.31 million to RM11.55 million, for which the total consideration comprising the purchase consideration and option price of RM11.50 million falls within the range of DCF valuation. **Premised on the above, we are of the view that the key bases and assumptions used by the Valuer in deriving the fair equity value of Jentayu Solar are reasonable and that the Purchase Consideration and Option Price for the Proposed Acquisition are fair.**
Sections 5.4 and 5.5	Salient terms of the SSA	The salient terms of the SSA and the Option Deed as set out in Appendix I of the Circular are consistent with market standards for similar corporate transactions. **We are of the view that the salient terms are reasonable and not detrimental to the non-interested shareholders of JSB.**
Section 5.6	Industry Overview and Prospects	Based on the generally positive outlook of the Malaysia economy, the renewable energy industry and future prospects of JSB upon completion of the Proposed Acquisition, **we are of the view that the outlook and future prospects of the Company after the Proposed Acquisition are reasonable.**
Section 5.7	Risk factors associated with the Proposed Acquisition	We note that the risks associated with the Proposed Acquisition are the typical risks associated with transactions of this nature. The non-interested shareholders of JSB are advised to give due and careful regard to the risk factors as set out in **Section 5.7 of this IAL** and are reminded that although measures may be taken by the Management to limit all highlighted risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and financial performance of JSB.
Section 5.8	Effects of the Proposed Acquisition	We note that: (i) The Proposed Acquisition will not have any impact on JSB's issued share capital, substantial shareholders' shareholding and convertible securities as it does not involve any issuance of new securities.

Section in the IAL	Area of Evaluation	QuantePhi's commentaries
		(ii) Upon completion of the SSA and upon exercise of the Call Option, NA and NA per Share is expected to remain unchanged as no new Shares are issued. Under the Minimum Scenario, following the Subsequent Events and upon completion of the Proposed Private Placement, gearing is expected to increase from 0.18 times to 0.31 times after taking into consideration the borrowings of Jentayu Solar amounting to RM31.02 million upon completion of the SSA and then remain unchanged upon assuming the exercise of the Call Option. Under the Maximum Scenario. following the Subsequent Events, assuming full exercise of Warrants B and upon completion of the Proposed Private Placement, gearing is anticipated to improve from 0.18 times to 0.09 times. Upon completion of the SSA, gearing is expected to increase to 0.19 times, after taking into consideration Jentayu Solar's total borrowings of RM31.02 million and then remain unchanged upon assuming the exercise of the Call Option. (iii) The Proposals are not expected to have any immediate material effect on the earnings of JSB Group for the financial year ending 30 June 2026. We note that LPS of JSB is expected to increase to (5.00) sen per Share immediately upon completion of the SSA and further increase to (5.20) sen per Share assuming exercise of the Call Option. Notwithstanding the above, the impact of the Proposed Acquisition on the earnings and EPS of JSB Group moving forward will depend on the future earnings generated from Jentayu Solar. In addition, the acquisition of Jentayu Solar is expected to provide sustainable income to the Group based on the solar project's remaining PPA tenure of approximately 16 years. **Premised on the above, taken as a whole, we are of the view that the effects of the Proposed Acquisition are reasonable and not detrimental to the interest of the non-interested shareholders of JSB.**

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisition and Proposed Variation and our evaluation is set out in **Section 5 of this IAL**. Non-interested shareholders of JSB are advised to consider the merit and demerits of the Proposed Acquisition and Proposed Variation carefully based on all the relevant and pertinent factors including those set out in the IAL and Part A of the Circular as well as other publicly available information prior to making a decision to vote on the resolutions pertaining to the Proposed Acquisition and Proposed Variation.

Premised on our overall evaluation and assessment of the Proposed Acquisition and Proposed Variation based on the information available to us up to the LPD, we are of the view that, taken as a whole, the Proposed Acquisition and Proposed Variation are **fair and reasonable and not detrimental** to the interests of the non-interested shareholders of JSB.

Accordingly, we recommend the non-interested shareholders of JSB to **vote in favour** of the resolutions pertaining to the Proposed Acquisition and Proposed Variation at the forthcoming EGM.

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Quantephi

Registered Office:
6-5-3, Sinaran TTDI,
Jalan Tun Fuad 3,
Taman Tun Dr Ismail
60000 Kuala Lumpur

3 September 2025

To: The Non-Interested Shareholders of Jentayu Sustainables Berhad

Dear Sir/ Madam,

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF JENTAYU SUSTAINABLES BERHAD IN RELATION TO THE PROPOSED ACQUISITION AND PROPOSED VARIATION

1. INTRODUCTION

1.1 On 26 June 2025, UOBKH, on behalf of the Board announced that the Company proposed to undertake the following:

(i) Proposed Private Placement of up to 119,419,144 Placement Shares, representing approximately 20% of the total number of issued Shares of JSB, at an issue price to be determined later;

(ii) Proposed Acquisition by entered into the following:

(a) a conditional SSA with Jentayu Capital for the acquisition of 1,530,000 Sale Shares in Jentayu Solar, representing 51% equity interest in Jentayu Solar, from the Vendor for a Purchase Consideration of RM5.87 million to be satisfied entirely via Set-Off Arrangement; and

(b) a Call Option Deed with Seri Panglima whereby Seri Panglima grants JSB the Call Option to purchase all the remaining 1,470,000 Option Shares in Jentayu Solar, representing 49% equity interest held by Seri Panglima in Jentayu Solar, for an Option price of RM5.64 million, within 12 months from the date of the Call Option Deed;

and

(iii) Proposed Variation to the utilisation of the proceeds raised from the company's rights issue exercise that was completed on 3 March 2022.

1.2 By virtue of the interests of a director and major shareholders of JSB in the Proposed Acquisition as set out in Section 13.2, Part A of the Circular, the Proposed Acquisition is deemed as RPT pursuant to Rule 10.08 of the Listing Requirements. For the avoidance of doubt, the Proposed Acquisition and Proposed Variation are conditional upon each other. Pursuant thereto, the Board has appointed QuantePhi as the Independent Adviser on 22 April 2025 to advise the non-interested directors and non-interested shareholders of JSB on whether the Proposed Acquisition and Proposed Variation are fair and reasonable, and whether they are detrimental to the interests of the non-interested shareholders.

1.3 The purpose of this IAL is to provide the non-interested shareholders of JSB with an independent evaluation of the Proposed Acquisition and Proposed Variation, and the scope of this IAL is as follows:

(i) to comment as to whether the Proposed Acquisition and Proposed Variation are:

(a) fair and reasonable as far as and non-interested shareholders of JSB are concerned; and

(b) to the detriment of the non-interested shareholders of JSB,

and set out the reasons for such opinion, the key assumptions made, and the factors taken into consideration into forming that opinion;

(ii) to advise the non-interested shareholders whether they should vote in favour of the Proposed Acquisition and Proposed Variation; and

(iii) to take all reasonable steps to satisfy ourselves that we have reasonable basis to make comments and advice for items (i) and (ii) above.

1.4 This IAL is prepared solely for the use of the non-interested shareholders of JSB for the purpose of considering the Proposed Acquisition and Proposed Variation and should not be used or relied upon by any other party for any other purpose whatsoever.

NON-INTERESTED SHAREHOLDERS OF JSB ARE ADVISED TO READ AND FULLY UNDERSTAND BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES, AND TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED THEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ACQUISITION AND PROPOSED VARIATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONTACT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE PROPOSED ACQUISITION AND PROPOSED VARIATION

The full details of the Proposed Acquisition and Proposed Variation is set out in Section 3 and 4, Part A of the Circular and should be read and fully understood in its entirety by the non-interested shareholders of JSB.

3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

The details of the Interested Parties are set out in Section 13, Part A of the Circular.

Accordingly, the Interested Director have abstained and will continue to abstain from all deliberations and voting on the Proposed Acquisition and Proposed Variation at the relevant board meetings. The Interested Parties will also abstain from voting and has undertaken to ensure that persons connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in JSB on the resolutions pertaining to the Proposed Acquisition and Proposed Variation to be tabled at JSB's forthcoming EGM.

Save as disclosed above, none of the other directors, major shareholders and/or persons connected with them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposed Acquisition and Proposed Variation.

4. SCOPE AND LIMITATION OF OUR EVALUATION

4.1 QuantePhi has not been involved in any negotiations on the terms and conditions of the Proposed Acquisition and Proposed Variation nor has it participated in the Board's deliberation on the Proposed Acquisition and Proposed Variation. QuantePhi's scope as the Independent Adviser is limited to express an independent opinion on the fairness and reasonableness of the Proposed Acquisition and Proposed Variation, based on and in reliance upon information, documents and representation/ confirmations provided or made available to us (the accuracy of which the Board or other advisers of JSB are solely responsible), including but not limited to the following: -

(i) the Circular and the accompanying appendices in relation to the Proposed Acquisition and Proposed Variation;

(ii) information contained in the announcements in relation to the Proposed Acquisition and Proposed Variation;

(iii) the SSA and the Option Deed;

(iv) the information provided by JSB, as well as representations/confirmations obtained in or derived from discussions with the management of JSB; and

(v) publicly available information, such as annual reports and quarterly announcements from JSB.

We have also obtained confirmation from the Board that the Directors of the Company collectively and individually accept full responsibility for the accuracy of information given for the IAL (save and except for analyses made and opinions expressed by QuantePhi) and confirmed that after making all reasonable enquiries, to the best of their knowledge and belief, there are no facts, the omission of, which would make any statement herein misleading. The Board has also provided confirmation that all facts and information in respect of the Company which are relevant to QuantePhi's evaluation of the Proposed Acquisition and Proposed Variation have been disclosed to QuantePhi, and there are no facts or information, the omission of, which would make any information supplied to us misleading in any respect.

With due consideration to the foregoing and after making all reasonable enquiries and to the best of our knowledge and belief, we are satisfied that all information, documents, and representations/ confirmations necessary for our evaluation of the Proposed Acquisition and Proposed Variation have been disclosed to us and that such information is reasonable, accurate, complete, and there is no omission of any material facts, which would make any information provided to us incomplete, misleading or inaccurate.

We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our recommendation. After making all the reasonable checks and corroborating such information with independent sources, where possible and to the best of our knowledge and belief, the information used is reasonable, accurate, complete, and free of material omission.

In our evaluation of the Proposed Acquisition and Proposed Variation, we have taken into consideration pertinent matters which are made known to us and which we believe are of general importance to an assessment of the financial implications of the Proposed Acquisition and Proposed Variation and would be of significant relevance and general concern to the non-interested shareholders of JSB as a whole in arriving at our advice.

The scope of QuantePhi's responsibility with regards to our evaluation and opinion contained herein is confined to the Proposed Acquisition and Proposed Variation. Where our comments or points of consideration are included on certain pertinent matters which may be qualitative or commercial in nature, these are incidental to our overall financial evaluation and concern matters which we may deem material for disclosure and/or which may have possible financial implications on the Company.

QuantePhi's opinion contained in this IAL is provided to the non-interested shareholders of JSB at large and not to any shareholder individually. Hence, we have not given regard to the specific investment or financial objective, financial situation and/or particular needs of any shareholder or any specific group of shareholders. We recommend that any individual shareholder or any specific group of shareholders who require specific advice within the context of their individual objectives, financial situation or particular needs should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers at their own costs.

After the dispatch of the Circular, the Independent Adviser will notify the non-interested shareholders if we become aware of any of the following:

(i) significant changes affecting the information contained in the IAL;

(ii) there is reasonable ground to believe that the statements made in the IAL are misleading and/or deceptive; and

(iii) there is a material omission in the IAL

If circumstances require, a supplementary IAL will be sent to the shareholders of JSB.

4.2 We confirm that there is no conflict-of-interest situation or potential conflict of interest situation arising from us carrying out the role of Independent Adviser to advise the non-interested shareholders of JSB in respect to the Proposed Acquisition and Proposed Variation and that there was no professional relationship between QuantePhi and JSB in the past 2 years prior to the date of this IAL, except for the following:

(i) Independent advice in relation to the proposed acquisition of Hydro Assets

QuantePhi was appointed as the Independent Adviser to JSB (known as Ipmuda Berhad at the time), in relation to the Proposed Acquisition of Hydro Assets, announced on 18 June 2021, which was mutually terminated on 17 March 2025.

QuantePhi is an approved corporate finance adviser within the meaning of the Principal Adviser Guidelines issued by Securities Commission Malaysia. QuantePhi has been actively involved in providing advisory services over the last 12 years and this is the eighth IAL issued in its capacity as an Independent Adviser.

The following are the Independent Advisory assignments and proposals undertaken by QuantePhi:

(i) Independent Advice Letter dated 31 July 2025 included in the circular for EXSIM Hospitality Berhad ("**EHB**")

Independent advice to the shareholders of EHB in relation to the proposed acquisition of a proposed 5-star rated hotel tower together with retail podium known as Tower E, comprising 294 hotel rooms, a restaurant, a ballroom, swimming pool, retail spaces and other supporting facilities which form part of the mixed development project known as Empire City, Damansara located in Petaling Jaya, Selangor for a cash consideration of RM240.25 million.

(ii) Independent Advice Letter dated 11 Jun 2025 included in the circular for FGV Holdings Berhad ("**FGV**")

Independent advice to the shareholders of FGV in relation to the proposed acquisitions by FGV Palm Industries Sdn Bhd (**"FGVPI"**), an indirect 72%-owned subsidiary of FGV, of the remaining equity interest in three (3) non-wholly owned subsidiaries of FGVPI from Koperasi Permodalan FELDA Malaysia Berhad (**"KPF"**) for a cash consideration of RM54,696,719 and proposed acquisitions by Felda Holdings Bhd (**"FHB"**), a wholly-owned subsidiary of FGV, of the remaining equity interest in five (5) non-wholly owned subsidiaries of FHB from KPF for a cash consideration of RM175,054,633.

(iii) Independent Advice Letter dated 6 December 2024 included in the circular for HCK Capital Group Berhad ("**HCK**")

Independent advice to the shareholders of HCK in relation to the proposed debt settlement of the advances amounting to RM100.00 million to Tan Sri Clement Hii Chii Kok ("**Tan Sri Clement Hii**") by Global Activate Sdn Bhd through issuance of 47.26 million new ordinary shares in HCK at an issue price of RM2.1161 per share to Tan Sri Clement Hii.

(iv) Independent Advice Letter dated 30 August 2023 included in the circular for HCK Capital Group Berhad ("**HCK**")
Independent advice to the non-interested shareholders of HCK in relation to the proposed acquisition of 100% equity interest in Global Activate Sdn Bhd from Tan Sri Clement Hii Chii Kok @ Hii Chee Kok and Datuk Clifford Hii Toh Leong for total cash consideration of RM2.00 and proposed acquisition of 100% equity interest in Light Odyssey Sdn Bhd from Jercy Khoo Ching Ching and Katherine Khoo Sen Sen for total cash consideration of RM2.00;

(v) Independent Advice Letter dated 31 March 2023 included in the circular for SMRT Holdings Berhad (**"SMRT"**)

Independent advice to the non-interested shareholders and non-interested directors of SMRT in relation to the proposed acquisition of 36% equity interest in N'osairis Technology Sdn Bhd from Permata Kirana Sdn Bhd for total cash consideration of RM72.0 million and proposed disposal of 100% equity interest in SMR Education Sdn Bhd by SMRT for total cash consideration of RM49.5 million;

(vi) Independent Advice Letter dated 21 July 2022 included in the circular for Scomi Energy Services Berhad (**"Scomi Energy"**)

Independent advice to the non-interested shareholders of Scomi Energy in relation to the proposed disposal by Scomi Energy of its 48% equity interest in Scomi KMC Sdn Bhd and 100% equity interest in Scomi Oilfield Limited together with 9 of its existing subsidiaries for total cash consideration of RM21.0 million; and

(vii) Independent Advice Letter dated 30 September 2021 included in the circular for ENRA Group Berhad (**"ENRA"**)

Independent advice to the shareholders of ENRA in relation to the proposed divestment by ENRA of 100% equity interest in ENRA Kimia Sdn Bhd and its subsidiary companies for a cash consideration of RM50.0 million.

Further information on QuantePhi is available on our website, www.quantephi.cc.

Based on our credentials and experience above, we have the necessary resources and staff with the relevant skills, knowledge, and experience to carry out our role and responsibilities as the Independent Adviser to advise the non-interested shareholders of JSB in respect of the Proposed Acquisition and Proposed Variation as set out in Section 5 of this IAL.

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5. EVALUATION OF THE PROPOSED ACQUISITION AND PROPOSED VARIATION

In our evaluation of the Proposed Acquisition and Proposed Variation, we have considered the following factors: -

(i) rationale and benefits for the Proposed Acquisition and Proposed Variation;

(ii) basis and justification in arriving at the total purchase consideration and option price;

(iii) salient terms of the SSA and the Option Deed;

(iv) industry overview and future prospects of JSB;

(v) risk factors associated with the Proposed Acquisition; and

(vi) effects of the Proposed Acquisition.

5.1 Rationale and benefits for the Proposed Acquisition

The rationale and benefits of the Proposed Acquisition are set out in **Section 5.2, Part A of the Circular**:

"The Proposed Acquisition is undertaken by the Company to enhance its renewable energy portfolio and accelerate its transition towards becoming a key player in the sector. Over the past 5 years, JSB Group has been transforming its business activities towards renewable energy, focusing on solar and hydropower, in line with its strategy to diversify its business streams away from the construction trading business. The Board believes the Proposed Acquisition will further strengthen the Group's position in the renewable energy industry and advance its long-term strategic objectives.

Following shareholders' approval for the diversification into the renewable energy segment on 18 December 2020, JSB began its venture into this sector. The table below sets out the percentage of revenue contribution from the renewable energy segment for the past 4 audited financial years up to FYE 30 June 2024:

	Audited			
	FYE 2021	***FYE 2022***	***FYE 2023***	***FYE 2024***
Revenue contribution from renewable energy segment (RM'000)	*6,385*	*60,839*	*11,996*	*1,981*
Total revenue (RM'000)	*30,217*	*83,908*	*42,641*	*21,959*
Percentage of revenue contribution from renewable energy segment over total revenue (%)	*21.13*	*72.51*	*28.13*	*9.02*

The acquisition of Jentayu Solar is being pursued shortly after the termination of the Previous Proposed Acquisition of Solar Asset on 2 April 2025, which lapsed due to timeline constraints rather than a change in the Company's strategy. The Company continues to view Jentayu Solar as a strategic asset with long-term value and as a cash-generating unit that can contribute positively to the Group's growth. With the acquisition structure now re-evaluated to provide greater clarity and certainty on completion, the current Proposed Acquisition reflects the Company's sustained interest and intent to capitalise on the asset's future potential.

The acquisition of Jentayu Solar is expected to contribute to JSB Group's long-term growth and diversification efforts. The move will strengthen the Group's capacity to generate renewable energy and expand its revenue base, driven by the growing demand for clean energy solutions. As set out in Section 9 of Appendix III of this Circular, while Jentayu Solar recorded declining revenue and net losses in the past two financial years up to FYE 30 June 2024, this was largely due to temporary factors such as weaker irradiation, technical issues and one-off expenses. Nonetheless, Jentayu Solar has returned to profitability in the 9-month FPE 31 March 2025 as operations stabilised, supported by enhanced maintenance and lower expenses.

Further, Jentayu Solar benefits from a long-term PPA with TNB until 2040, which provides predictable and recurring cash flows. This long-term concession was also reflected in the independent valuation of Jentayu Solar by AER, which confirmed its fair value based on projected cash flows over the remaining PPA period. As such, the Board believes that despite near-term earnings volatility, the asset will contribute positively to the Group's recurring income and strengthen its renewable energy portfolio.

Accordingly, the Proposed Acquisition is expected to accelerate JSB Group's renewable energy transformation and reinforce its position in the market. Jentayu Solar is anticipated to contribute positively to the Group's overall growth and long-term value creation for shareholders, marking a significant milestone in the Group's renewable energy strategy."

<u>QuantePhi's commentaries:</u>

For the past 4 FYEs, JSB Group has been transitioning towards becoming a key player in renewable energy, from which its business consists of sale of renewable energy certificates and revenue from a solar project in Johor. This reflects the Group's long-term strategy to diversify its revenue base and reduce reliance on its traditional business sectors, which mainly focused on trading of building materials. For the FYE 2022, renewable energy segment had represented majority of the total revenue for the Group, although this was not sustained in subsequent years, and it has progressively declined to approximately 9.0% of total revenue for the FYE 2024.

The Proposed Acquisition marks the Group's expansion in the solar energy project space within the renewable energy industry, as the Group sees Jentayu Solar as a strategic asset with long-term value despite the previous termination of a proposal involving the same asset. It not only merely adds another solar project into the Group's renewable energy portfolio but also diversifies the Group's revenue base geographically. Upon successful completion of the Proposed Acquisition, the Group will have added a solar project in Kedah to its existing solar project in Johor. This effectively provides different types of renewable energy solar assets across distinct geographical locations across Peninsular Malaysia, demonstrating both income and geographical diversification.

Currently, Jentayu Solar operates a solar plant that is fully operational, which has been generating and selling renewable energy to the grid. Located in Pokok Sena, Kedah, the 5.99 MW solar facility has been in commercial operation since 18 October 2019. Jentayu Solar operates this solar project under a 21-year power PPA, with more than 16 years' tenure remaining. While Jentayu Solar recorded declining revenue and net losses in the past two financial years up to FYE 30 June 2024 due to temporary factors, we note that it has since returned to profitability in the 9-month FPE 31 March 2025 as operations stabilised. This recovery, coupled with the PPA structure, provides visibility of recurring income and enhances the Group's renewable energy portfolio and long-term revenue stability.

Beyond portfolio expansion, the acquisition highlights JSB's ongoing commitment to long-term sustainable growth. This commitment is supported by favorable government initiatives, such as the liberalization of the Accelerated Net Energy Metering (NEM) tariff and the introduction of new retailers as off-takers. The strategic move is also well aligned with Malaysia's environmental and energy transition agenda, particularly the nation's pledge under the Paris Agreement to achieve net-zero greenhouse gas emissions by 2050.

In addition to the acquisition of 51% of Jentayu Solar, the call option granted by Seri Panglima will further enhance JSB's strategic focus on renewable energy. The call option provides JSB with the opportunity to secure full ownership of Jentayu Solar, which will enable JSB to streamline decision-making and realise the full benefits from the solar project, maximizing the value of its renewable energy investments.

Premised on the above, we are of the view that the rationale and benefits of the Proposed Acquisition are **reasonable.**

5.2 Rationale and benefits for the Proposed Variation

The rationale and benefits of the Proposed Variation are set out in **Section 5, Part A of the Circular**:

"A total of RM16.00 million in proceeds raised from the Rights Issue 2022 had been utilised for the Acquisition of Hydro Assets, in the form of refundable cash deposit paid by JSB to the vendor of the Hydro Assets, namely Kasa Tuah, Borneo Sustainable and Jentayu Capital.

In view of the Set-Off Arrangement to fund the Purchase Consideration as well as considering the refundable deposits arising from the termination of the Acquisition of Hydro Assets as announced on 17 March 2025, the Company proposes to vary the utilisation of these proceeds by allocating:-

(i) approximately RM5.87 million to fund the Purchase Consideration for the Proposed Acquisition by way of the Set-Off Arrangement as set out in Section 4, Part A of this Circular, thereby reducing the immediate cash outlay required and preserving the Group's cash reserves; and

(ii) the balance of approximately RM10.13 million for the Company to pursue business expansion/ future viable investments for its renewable energy segment. As set out in Section 4, Part A of this Circular, JSB is in preliminary negotiations to acquire a third-party operator involved in the O&M of a hydropower facility in East Malaysia. If materialised, this acquisition would mark JSB's entry into the O&M segment and support its renewable energy strategy. By acquiring the O&M business, the Group expects to improve operational efficiency, reduce long-term costs, capture O&M-related profits, and strengthen in-house technical capabilities.

After due consideration, the Board is of the view that the Proposed Variation is in the best interest of the Company as it:-

(i) may enable the Group to efficiently redirect previously committed capital towards its current strategic initiatives;

(ii) may provide the Group with flexibility to pursue suitable and viable investment opportunities or expansion initiatives in the renewable energy sector, in line with its long-term growth strategy; and

(iii) ensures that the varied proceeds from the Rights Issue 2022 are applied in a manner that maximises shareholder value given the termination of the Acquisition of Hydro Assets and considering the opportunity to enhance its renewable energy portfolio through the Proposed Acquisition."

QuantePhi's commentaries:

We note that the company intends to redirect the committed proceeds raised from the 2022 Rights Issue of RM16.00 million, which had previously been utilised as a refundable deposit for the Acquisition of Hydro Assets, into payment of purchase consideration for the Proposed Acquisition of RM5.87 million (**"Purchase Consideration"**) and towards pursuing business expansion/ future viable investments for its renewable energy segment of RM10.14 million.

In redirecting a portion of the 2022 Rights Issue proceeds for the payment of the Purchase Consideration, JSB avoids the need to secure bank borrowings of an equivalent amount, which would result in the Group incurring additional financing costs. In addition, this approach eliminates the need to embark on additional fund-raising exercise or utilise internal cash, thereby preserving the Group's financial resources for other operational and strategic purposes.

Meanwhile, by earmarking RM10.14 million for the purpose of investing into projects that are more aligned with its current strategy, it reflects a more proactive and strategic approach to capital management, ensuring resources support the Group's shifts toward renewable energy. It also provides more flexibility to JSB to move faster to secure future growth opportunities as they arise, as JSB would not need to raise funds from the market or obtain more borrowings, as the funds are already readily available. We take note that in this respect, JSB is already exploring the potential acquisition of a company involved in O&M of a hydropower facility in East Malaysia. If successful, this would earmark JSB's maiden entry into the O&M area of renewable energy, which would indirectly enhance its operational capabilities. By building its expertise into O&M of a renewable energy project, JSB could strive to build its capabilities along the value chain of the renewable energy sector, which would encompass being the developer, EPCC and O&M contractors of each renewable energy projects it enters into in the future.

In view of the above, we note that the Proposed Variation will benefit the Company by enabling the Group to efficiently redirect previously committed capital towards its current strategic initiatives. It also provides the flexibility to pursue suitable and viable investment or expansion opportunities in the renewable energy sector, consistent with its long-term growth strategy. Furthermore, it ensures that the varied proceeds from the Rights Issue 2022 are applied in a manner that maximizes shareholder value, particularly in light of the termination of the acquisition of hydro assets and the opportunity to enhance the renewable energy portfolio through the Proposed Acquisition.

Premised on the above, we are of the view that the rationale and benefits of the Proposed Variation are **reasonable**.

5.3 Basis and justification in arriving at the purchase consideration and option price

We take note of the following as set out in **Section 3.4, Part A** of the Circular:

"The Purchase Consideration and Option Price was arrived at on a willing-buyer and willing-seller basis, after taking into consideration the following:-

(i) The future prospects of the enlarged JSB Group as set out in Section 6.4, Part A of this Circular.

(ii) The value of the entire equity interest in Jentayu Solar as appraised by AER, the Independent Valuer for the Proposed Acquisition, vide their Valuation Certificate.

*The appraised value of the entire equity interest in Jentayu Solar, as determined by AER using the income approach, characterised by FCFF[*1], is in the range of RM11.31 million to RM11.55 million. This valuation is based on the Future Financials of Jentayu Solar from 1 July 2024 to 17 October 2040, covering financial years from FYE 30 June 2025 to FYE 30 June 2041, as provided by the management of Jentayu Solar, under the assumption that no dividends have been or will be declared or distributed for the FYE 30 June 2025. Further, a WACC of 5.90% and an equity discount rate of 13.36% is applied.*

Note:-

*[*1] AER uses FCFF to appraise Jentayu Solar's fair equity value for the remaining concession period with TNB. FCFF represents cash available to equity shareholders and debt providers after accounting for projected inflow, expenses, and reinvestments before any debt payment.*

The WACC is calculated based on a capital structure of 19.4% equity and 80.6% debt, with a cost of equity of 13.36% and a pre-tax cost of debt of 5.40%.

The equity discount rate is computed based on the required rate of return of JSB of 12.86% with an additional premium of 0.50% to accommodate for the volatility and fluctuations in discount rate over time. The basis for the additional premium of 0.50% applied is to mitigate day to day volatility of movements of risk-free rates and annualised market return, which will affect the value of the equity risk premium, being one of the components in the determination of equity discount rate and deviations of key basis and assumptions in the Future Financials.

Set out below are the following key bases and assumptions adopted by AER in arriving at the fair equity value of Jentayu Solar:

Financial metrics	***Parameters***
Annual expected market return	*9.79%*
Annual risk-free rate	*3.78%*
Equity risk premium	*6.01%*
Levered beta	*1.51*
Equity risk premium x beta	*9.08%*
Required rate of return	*12.86%*
Specific risk for a private company	*0.50%*
Equity discount rate	*13.36%*

Pursuant thereto, the potential total consideration for the Proposed Acquisition, comprising the Purchase Consideration of RM5.87 million for 51% equity interest and the Option Price of RM5.64 million for the remaining 49% equity interest in Jentayu Solar, amounts to RM11.51 million. This falls within the appraised fair equity *value range of RM11.31 million to RM11.55 million for the entire equity interest in Jentayu Solar as determined by AER.*

Further details of the Valuation Certificate prepared by the independent valuer is highlighted in Appendix IV of this Circular."

QuantePhi's commentaries:

Based on the above, we note that the estimated range of value of the entire equity interest in Jentayu Solar as ascribed by the Independent Valuer is between RM11.31 million and RM11.55 million as at Valuation Date. This translates to a range between RM5.77 million and RM5.89 for a 51% equity interest in Jentayu Solar and a range between RM5.54 million and RM 5.66 million for a 49% equity interest in Jentayu Solar.

DCF valuation of the Jentayu Solar

In establishing our opinion on the fairness and reasonableness of the total purchase consideration and option price of Jentayu Solar, we have considered various valuation methodologies that are commonly used in the valuation of companies. The following valuation methodologies were considered by QuantePhi to assess the total purchase consideration and option price of Jentayu Solar:

Valuation Methodologies	Discussion
DCF valuation method	DCF valuation method is an investment appraisal technique which considers both the time value of money and the projected net cash flow generated, which are then discounted at a specific discount rate to derive a company's valuation. **DCF valuation method will be used as the sole valuation methodology for Jentayu Solar as its solar project is concession-based with a finite life, predictable revenue stream and governed by the PPA.**
Trading Comparable Analysis	Trading comparable analysis compares a company's implied trading multiple to that of a comparable listed company to determine the said company's value. From the perspective of analysing the valuation for the Proposed Acquisition, adopting the Trading Comparable Analysis as a cross-check for the DCF method will require adjustments of the trading multiples of listed renewable energy companies to approximately reflect the unique characteristics of Jentayu Solar. These adjustments will likely relate to assumptions related to differences in amongst others, remaining concession period, geographical location and size of the solar asset, which will be based on high level assumptions gathered from publicly available information of the said listed renewable energy companies as at the LPD. As a result, the adjusted multiples may not truly represent Jentayu Solar's value and are unlikely to provide meaningful or reliable insights as a cross-check for the DCF method. **In view of the above, we will not be applying Trading Comparable Analysis as a cross-check for the DCF Valuation method.** Although Jentayu Solar operates a concession-based business with stable cash flows, the differences across listed renewable energy companies in terms of amongst others, stage of concession, geographical presence and market size would require significant assumptions and adjustments. These adjustments may

Valuation Methodologies	Discussion
	not be reliably captured in the derived trading multiples and thus may not provide a meaningful basis for valuing Jentayu Solar.
Cost Approach	The Cost Approach estimates the value of an asset based on the cost to replace or reproduce it, less accumulated depreciation. It reflects the principle that a rational investor would not pay more for an asset than the cost to acquire a substitute asset with equivalent functionality. **Therefore, we will not be using Cost Approach** as this approach may not reflect the future income generated from the project.

The fair equity value of Jentayu Solar is derived using the present value of Future Financials of Jentayu Solar from 1 July 2024 to 17 October 2040. The Free Cash Flow to the Firm (**"FCFF"**) were prepared based on various key bases and assumptions adopted by the Management of Jentayu Solar. While the FCFF has been verified by the Valuer, Jentayu Solar is responsible for the bases and assumptions considered and approved in the preparation of the FCFF of Jentayu Solar.

The fair equity value range is derived by discounting Jentayu Solar's FCFF using the range of WACC assumptions outlined below, resulting in a range of enterprise values. The net debt is then deducted from these enterprise values to arrive at the corresponding range of equity values.

I. Valuation parameters

(a) FCFF

FCFF represents the free cash flows generated from operations that are available to all capital providers of a company, including both equity and debt holders. It takes into account, among others, net operating cash flows adjusted for capital expenditures and changes in working capital, but excludes the impact of financing activities such as interest and debt repayments.

FCFF is adopted for Jentayu Solar to provide a valuation perspective independent of capital structure. This approach is especially useful when evaluating the company's core operating performance, without the influence of changing debt levels. The FCFF is discounted at an appropriate WACC which reflects the required rate of return by both equity and debt holders of JSB.

Based on the DCF approach using FCFF, the enterprise value of Jentayu Solar is derived by discounting all projected FCFF during the valuation period at the appropriate WACC.

To arrive at the fair equity value of the company, the Group's net debt position, which refers to total borrowings less cash and cash equivalents, is deducted from the enterprise value. This methodology provides a capital structure neutral assessment, ensuring that the resulting equity value reflects the economic interest attributable to shareholders after accounting for all debt related obligations.

For further information on unlevered Beta for the comparable companies, please refer to **Section 5.3, part A of this IAL**.

We have reviewed that the key bases and assumptions adopted in the projected financials prepared by the management of Jentayu Solar in deriving the equity value and we are satisfied that they are reasonable considering the prevailing circumstances such as market conditions, project portfolio and regulatory framework and significant factors that are known as at the LPD such as tariff rates, planned capex and macroeconomic conditions.

(b) WACC

The discount rate used to discount the FCFF of the Jentayu Solar refers to the WACC. This rate represents the overall required rate of return expected by both equity and debt investors who have provided capital to the project.

The discount rate used to discount the FCFF of the Jentayu Solar relates to the WACC, which represents the overall required rate of return to finance the Jentayu Solar. WACC reflects the combined cost of all sources of capital employed by the project, weighted according to their proportions in the total capital structure.

For the purpose of determining the WACC of Jentayu Solar, we have considered the cost of equity ("**Ke**"), cost of debt ("**Kd**"), risk free rate ("**rf**"), market risk premium ("**E(rm)**"), and beta ("**β**") of the Jentayu Solar. The Ke represents the return required by a generic equity investor who expects compensation for the risk of investing in the equity market rather than in risk-free assets. The Kd is based on the company's existing debt obligations and the associated interest costs.

Using the Capital Asset Pricing Model (CAPM), Ke is computed as follows:

Ke = rf + (β x (E(rm)) + company specific risk premium

The Weighted Average Cost of Capital (WACC) is then calculated as:

WACC = (E/V) * Ke + (D/V) * (1-Tax)

The valuation parameters adopted in the computation of the Ke of the Jentayu Solar are as shown in the table as following:

No.	Parameters	Key assumptions
1	Projection period	The period of financial projections refers to 1 July 2024 to 17 October 2040 for Jentayu Solar, which translates to approximately 16 years and 3.5 months.
2	rf	rf = 3.71% *(Source: Bank Negara Malaysia)* We have adopted the 15-year Malaysian Government Securities (MGS) yield of 3.59% as the risk-free rate, given its close approximation to the approximately 16-year remaining period of the financial projection.
3	β	β for Jentayu Solar is the measure of the performance of Jentayu Solar relative to the market performance on the assumption that the shares of Jentayu Solar are quoted and publicly traded.

<table>
<tr><th>No.</th><th>Parameters</th><th>Key assumptions</th></tr>
<tr><td></td><td></td><td>
As Jentayu Solar is not a listed company, we have extracted and calculated the average unlevered β of the selected comparable companies as a proxy of the unlevered β for Jentayu Solar, which is equivalent to 0.38.
In addition, the comparable companies were selected based on their core business activities in the renewable energy sector.
Given the limited publicly available information on companies solely operating ground-mounted solar assets, we have considered companies broadly involved in the renewable energy sector and those which have in their portfolio, at least one (‘1’) ground-mounted solar project with capacity of not more than 30MWac. In addition, we have also considered companies with market capitalization of not more than RM300 million.
The list of comparable companies and their corresponding unlevered β are as follows:
<table>
<tr><th>Company</th><th>Principal Activities</th><th>Project Details</th><th>5-year Unlevered Beta</th></tr>
<tr><td>Nuenergy Holdings Berhad (Main Market)</td><td>Nuenergy Holdings Berhad, an investment holding company, operates solar power plants primarily in Malaysia. The company operates two solar power plants with a total capacity of 11MWac in Malaysia. It also designs, procures, supplies, installs, and commissions a solar PV module system.</td><td><u>Project 1</u>

A 1MWac solar plant in Seberang Perai with 11 years remaining on its PPA tenure.

<u>Project 2</u>

A 10MWac solar plant in Bukit Kayu Hitam with 13 years remaining on its PPA tenure.</td><td>0.19</td></tr>
<tr><td>Vsolar Group Berhad (ACE Market)</td><td>Vsolar Group Berhad, an investment holding company, engages in renewable energy, media publishing, software solutions, and production house businesses primarily in Malaysia. The company operates through Trading, Solar Energy, and Others segments.</td><td>A 0.996MW solar plant in Kinta, Perak with 11 years remaining on its PPA tenure.</td><td>0.50</td></tr>
</table>
(Source: Capital IQ as of 15 August 2025)
</td></tr>
</table>

No.	Parameters	Key assumptions
		The unlevered β was then relevered according to the capital structure of JSB, which translates to the levered β of 1.4393. We wish to highlight that the selection of the selected comparable companies is highly subjective and judgemental, and the selected comparable companies may not be identical to Jentayu Solar in terms of, among others, composition of business activities, geographical area, product mixes, market segments, scale of business operations, distribution network and infrastructure, track record, financial performance, risk profile, future prospect, accounting policies and business model. Notwithstanding the above, we view that the selected comparable companies are adequately comparable to the businesses of Jentayu Solar and are reasonable to be adopted for the purposes of deriving the estimated unlevered beta of the industry.
4	E(rm)	The adopted E(rm) is 5.9% *(Source: Country Default Spread and Risk Premium, Aswath Damodaran)*
5	Ke	Based on the key assumptions identified above, the Ke is computed as follows: Ke = Rf + (β x E(rm) = 3.6% + (1.4393 x 5.9%) = 12.1%
6	WACC	Based on the Ke above and the capital structure of Jentayu Solar, WACC is computed as follows: WACC = (E/V) * Ke + (D/V) * Kd * (1 – T) = (19.4%) * (12.1%) + (80.6%) * (5.7%) * (1-24%) = 5.8% ***Notes:*** *1. E = Total equity* *2. D = Total debt* *3. V = E+D*

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II. Bases and assumptions of the financial projections

The FCFF for each financial year in the financial projections used to derive the DCF valuation are extracted from the projected cash flows for the projected period. The said cash flows of Jentayu Solar for the projected period form one of the components of the financial projections.

We have been provided with the financial projections of Jentayu Solar. The management of the Jentayu Solar assumes full responsibility for the accuracy, completeness, and reliability of the financial projections as well as the reasonableness of the underlying bases and assumptions used therein. After making all reasonable enquiries and to the best of our knowledge and belief, we are satisfied that all information, documents, and representations/ confirmations necessary for our evaluation of the proposed acquisition of Jentayu Solar have been disclosed to us and that such information is reasonable, accurate, complete and there is no omission of any material facts, which would make any information provided to us incomplete, misleading or inaccurate, which are described in further detail under **Section 4.1 of this IAL**.

The key bases and assumptions that were used by the management of the Jentayu Solar to arrive at the financial projections, and QuantePhi's commentaries to the same, are as stated in the table below:

<table>
<tr><th>No.</th><th>Items</th><th>Assumptions</th><th>QuantePhi's commentaries</th></tr>
<tr><td>1.</td><td>Annual Projected Revenue</td><td>According to the PPA dated 26 March 2018, Jentayu Solar is entitled to monthly revenue based on the following terms:
<table>
<tr><td>Commencement date</td><td>:</td><td>18 October 2019</td></tr>
<tr><td>Approved tariff rate</td><td>:</td><td>RM0.389 / kWh</td></tr>
<tr><td>Projected Annual Output</td><td>:</td><td>11,195,374 MWh to 12,505.485 MWh per annum</td></tr>
<tr><td>Solar power plant approved capacity</td><td>:</td><td>5.99 MW</td></tr>
<tr><td>Annual Projected Revenue</td><td>:</td><td>RM4.45 million to RM4.87 million</td></tr>
</table></td><td>We observed that the approved tariff rate of RM0.389/kWh is a fixed rate for 21 years as per the PPA. According to the feasibility report, gross generation output in 2025 is projected to be 12,505,485 MWh

Based on the above, estimated average annual revenue is approximately RM4.5 million

We have reviewed the projected gross generation output prepared by the management of Jentayu Solar and we are satisfied that they are reasonable.</td></tr>
</table>

No.	Items	Assumptions	QuantePhi's commentaries
2.	Projected Overheads	*Annual projected overheads range from RM0.731 million to RM1.019 million. The key cost items included within this are as follows* *1. <u>Human resources cost – 19.0%</u>* *Human resources cost consists of wages for technician, security guard and related statutory contribution.* *It is projected to increase at 3.0% per annum.*	The projected human resources costs are consistent with the amounts stated in the employment offer letter. The assumed annual increase of 3.0% in human resources costs is higher than the expected inflation rate, which ranges between 1.5% and 2.3% as reported by Bank Negara Malaysia (**"BNM"**) on BNM Quarterly Bulletin, Second Quarter 2025 report (**"BNM Q2 2025 Report"**), indicating a more conservative approach.
		*2. <u>Operating and Maintenance (**"O&M"**) – 27.0%</u>* *O&M cost consists of grass cutting, Chargeman B0 33kV services, visiting engineer fees, and PV panel cleaning costs.* *It is projected to increase at 3% per annum.*	The O&M costs are based on assumptions by management of Jentayu Solar representing approximately 26.0% of total projected costs. The O&M costs include routine and necessary items such as grass cutting, Chargeman B0 33kV services, visiting engineer fees, and PV panel cleaning. The assumed annual increase of 3.0% in O&M costs is higher than the expected inflation rate, which ranges between 1.5% and 2.3% as reported under the BNM Q2 2025 Report, indicating a more conservative approach.

No.	Items	Assumptions	QuantePhi's commentaries
		3. <u>*Fees to Authorities – 10.0%*</u> *Fees payable to authorities includes license fees, quit rent, and permit fees.* *The costs are projected to remain consistent throughout the entire projection period*	The cost is assumed to remain unchanged throughout the projection period, as it is governed by regulatory frameworks that have historically shown minimal volatility. We are of the view that the authorities' fee of RM0.1 million per annum aligns with the total annual payables specified for relevant regulatory bodies, such as the Suruhanjaya Tenaga fee and licensing charges.
		4. <u>*Insurance – 15.0%*</u> *The insurance coverage includes fire and allied perils, consequential loss, all-risks insurance, machinery breakdown, civil engineering completed risks, and public liability.* *The costs are projected to remain consistent throughout the entire projection period.*	The cost reflects the expected coverage requirements undertaken by JSB. We are of the view that the insurance premium of RM0.1 million per annum is consistent with the total annual payables specified in the insurance policy.
		5. <u>*Other Cost – 29.0%*</u> *Other costs include audit fees, tax fees, secretarial fees, utilities, stamp duty, and miscellaneous expenses* *It is projected to increase at 3.0% per annum*	These are based on management's estimates, accounting for approximately 26.0% of total projected expenses. These costs include items such as audit fees, tax fees, secretarial fees, office expenses, and other general administrative expenses. The assumed annual increase of 3.0% in other costs is higher than the expected inflation rate, which ranges between 1.5% and 2.3% as reported under the BNM Q2 2025 Report, indicating a more conservative approach.

No.	Items	Assumptions	QuantePhi's commentaries
			Premised on the above, we are of the view that the Projected Overheads included in the projection is **reasonable.**
3.	Annual Projected Land Lease Cost	*Annual land lease cost RM95,238 payable to A.H.M.S Holdings Sdn Bhd*	We are of the view that the annual lease payment of RM95,238 is reasonable based on the monthly lease amount stated in the Land Lease Agreement.
4.	Term Loan from Bank Muamalat Berhad	*Outstanding amount owed to Bank Muamalat Berhad is RM31.02 'mil as of 30 June 2024, with repayment until 30 June 2039*	The amount outstanding aligns with the audited financial statements for the financial year ended 30 June 2024. The interest rate of 5.7% provided by the management of Jentayu Solar is higher than the average lending rate on outstanding loans reported by BNM Q2 2025 Report of 5.0% to 5.1%, indicating a more conservative projection. We are of the view that the interest rate applied for the term loan from Bank Muamalat is **reasonable.**
5.	Corporate Tax Rate	*The corporate tax rate is 24.0% per year.* *Unabsorbed capital allowance will offset projected adjusted income, with any remaining balance unabsorbed capital allowance carried forward until fully claimed* *Upon fully utilizing capital allowances, 70% of the Projected annual statutory income will be exempted from tax, while the remaining 30% will be subjected at a corporate tax rate of 24% per year*	The availability of unabsorbed capital allowances of RM20.82 million as at June 2024 is expected to reduce taxable income during the initial years of operation. Following full utilization of capital allowances, 70.0% of the projected annual statutory income amounting to RM1.98 million from year 2033 to year 2041 is assumed to be tax-exempt, which aligns with the Green Investment Tax Allowance

No.	Items	Assumptions	QuantePhi's commentaries
			(GITA) framework by the Malaysian Green Technology and Climate Change Corporation (MGTC), under the Ministry of Natural Resources and Environmental Sustainability (NRES).The applied corporate tax rate of 24.0% is consistent with Malaysia's statutory corporate tax rate. We are of the view that the tax-related assumptions are **reasonable.**
6.	Terminal Value	*<u>Min Range:</u>* *No terminal value is appraised at the end of the expiry of the PPA* *<u>Maximum Range</u>* *By the end of FYE 31 December 2043, the solar plant's decommissioning is assumed to yield a recovery value of RM100,000 per MW, totalling RM0.599 million. Discounting this terminal value at WACC of 5.9% shall translate to a present value of RM0.23 million*	We note that the Valuer had used two different terminal value assumptions to define the valuation range. For the minimum range, no terminal value was assigned beyond the expiry of the PPA, reflecting a conservative view that the asset holds no residual value post-contract. For the maximum range, the Valuer incorporated a solar plant decommissioning recovery value of RM100,000 per MW at the end of FYE 30 June 2041, resulting in a total terminal value of RM0.599 million. When discounted at a WACC of 5.9%, this yields a present value of RM0.23 million. However, as a more conservative approach, we have excluded the use of a terminal value in assessing the equity value of Jentayu Solar. Instead, the equity value was derived by considering the FCFF against a range of minimum and maximum WACC rate assumptions of between 5.3% and 6.3%, while subsequently deducting the net debt.

We note that the financial projections, bases and assumptions are approved and adopted by the management of Jentayu Solar and did not encounter any extraordinary assumptions. Nonetheless, we wish to highlight that the DCF valuation method is based on prevailing economic, market and other conditions as at the reference date for the valuation parameters, as well as publicly available information and information provided by the Company, and such conditions may change significantly over a short period of time. The resultant effect of such change, if any, may materially and/or adversely affect the valuation of the Jentayu Solar. The non-interested shareholders of JSB should note that any departure in the assumptions used in the financial projections as stated above could have a material impact on the fair equity value of the Jentayu Solar.

Based on the key bases and assumptions adopted above, we have performed a sensitivity analysis on the WACC as the assumptions have significant impact on the fair equity value of the Jentayu Solar. We have varied the values adopted for the WACC with a range of between 5.3% to 6.3% to arrive at a range of fair equity value for Jentayu Solar.

The fair equity value of the Jentayu Solar calculated based on the DCF valuation method is summarized as follows:

WACC	**6.3%**	**5.3%**
Equity value of Jentayu	RM10.23 million	RM12.79 million
Equity value of Jentayu Solar at 51%	RM5.22 million	RM6.52 million
Purchase consideration	RM5.87 million	

WACC	**6.3%**	**5.3%**
Equity value of Jentayu	RM10.23 million	RM12.79 million
Equity value of Jentayu Solar at 49%	RM5.01 million	RM6.26 million
Option Price	RM5.64 million	

Based on the results of the sensitivity analysis above, by varying the WACC of Jentayu Solar, we obtained the fair equity value of 100% of Jentayu Solar of between RM10.23 million to RM12.79 million. This corresponds to a fair equity value of RM5.22 million to RM6.52 million for a 51% interest, and RM5.01 million to RM6.26 million for a 49% interest. Hence, the total consideration of Jentayu Solar falls within the range of fair equity value ascribed to Jentayu Solar.

Premised on the above, we are of the view that the key bases and assumptions used by the Valuer in deriving the fair equity value of Jentayu Solar are **reasonable** and that the Purchase Consideration and Option Price for the Proposed Acquisition are **fair**.

5.4 Salient terms of the SSA

Our commentaries on the salient terms of the SSA, as extracted from Appendix I, Part A of the Circular, are as follows:

Salient terms	QuantePhi's Commentaries
1. Proposed Acquisition *Clause 2.1* *JSB to acquire 1,530,000 ordinary shares in Jentayu Solar, representing 51% of the issued and paid-up share capital of Jentayu Solar ("**Sale Shares**").* *Clauses 2.4 and 2.5* *JSB shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.* *Jentayu Capital hereby waives all rights of pre-emption over any of the Sale Shares conferred on Jentayu Capital by the constitution of Jentayu Solar or the shareholders agreement of Jentayu Solar or in any other manner.*	These clauses are reasonable as simultaneous completion protects JSB from acquiring only part of the target company, thereby avoiding a situation where JSB has partial control but assumes full risk
2. Purchase Consideration *Clause 3.1* *The total Purchase Consideration payable by JSB to the Vendor shall be in the sum of RM5.87 million.* *Clauses 3.2 and 3.3* *JSB's obligation to pay the full Purchase Consideration to Jentayu Capital shall be satisfied via a set-off of refundable deposits previously paid by JSB to Jentayu Capital amounting to RM10,536,000.00.* *The Set-Off Arrangement shall be effected on the Completion Date (as defined in Clause 8.2 of the SSA), upon which the Purchase Consideration shall be deemed fully paid by JSB and fully received by Jentayu Capital for all purposes under the SSA. Jentayu Capital agrees that the satisfaction of the Purchase Consideration in the manner detailed in Clause 3 of the SSA shall be a valid discharge of JSB's obligations to pay the Purchase Consideration pursuant to the SSA, and shall constitute JSB's full and final consideration for the SSA.* *Clause 3.4* *The Balance Refundable Cash Deposit amounting to RM4,671,000.00 remaining after the Set-Off Arrangement shall be refunded in the manner set out in Clause 4 of the SSA.*	We noted that this clause clearly stated the Purchase Consideration of RM5.87 million. The set-off mechanism allows JSB to utilize deposits previously earmarked for a transaction that has since been terminated, thereby avoiding the need to deploy new internal cash or raise external funding. Further, it provides legal certainty that once payment is made, JSB's obligations are fully discharged. This protects JSB from any future claim of underpayment. We are of the view that these terms are **reasonable.**

<table>
<tr><th>Salient terms</th><th>QuantePhi's Commentaries</th></tr>
<tr><td>3. Refund of Balance Refundable Cash Deposit

<u>Clauses 4.1 and 4.2</u>
Jentayu Capital shall refund the Balance Refundable Cash Deposit sum in full, on or before 25th July 2025, or on such other date as JSB may notify Jentayu Capital, and in such manner as to be determined by JSB and notified to Jentayu Capital.

In accordance with Clauses 4.1 and 4.2 of the SSA, the Company has exercised its right to call for a refund of the Balance Refundable Cash Deposit vide the issuance of a refund notice to Jentayu Capital dated 29 August 2025 specifying a refund date within 60 days of the Company's forthcoming EGM, which is to be held on 22 October 2025. For the avoidance of doubt, the Balance Refundable Deposit shall be due to the Company on or before 21st December 2025.

<u>Clause 4.3</u>
In the event Jentayu Capital fails to make payment of the full Balance Refundable Cash Deposit in accordance with Clause 4 of the SSA, the entire sum of the Balance Refundable Cash Deposit (or any unpaid portion thereof) shall become immediately due and payable to JSB; and JSB shall have the right to initiate legal proceedings or to pursue any other remedies available to it under law or equity, to recover the full sum of the Balance Refundable Cash Deposit from the Vendor.</td><td>These clauses provide a clear deadline for the refund, while giving JSB the flexibility to call a refund within 60 days of the Company's forthcoming EGM.

It also provides JSB with a right to recover the full refundable sum if the Vendor defaults, including through legal action or other remedies, thereby protecting shareholders' interest.

We are of the view that these terms are reasonable.</td></tr>
<tr><td>4. Conditions Precedent

<u>Clause 5.1</u>
Conditions Precedent as set out in Clause 5.1 of the SSA as follows:

(a) JSB obtaining the requisite shareholders' approval in respect of the Proposed Acquisition at a general meeting of its shareholders;

(b) Jentayu Capital procuring all requisite consent, approvals and/ or authorisations from the board of directors and shareholders of Jentayu Solar, and any relevant parties including but not limited to the relevant governmental and/ or regulatory authorities for the transfer of the Sale Shares;

(c) Jentayu Capital procuring that all approvals, licences and/ or permits from the relevant authorities, including but not limited to the Energy Commission and</td><td>The conditions precedent outlined in this clause form a clear and structured governance framework to ensure that all necessary approvals are in place before the transaction is completed.

This includes all required consents or approvals from relevant governmental authorities or third parties.

Collectively, this helps to manage any potential legal or compliance risks in relation to the Proposed Acquisition.</td></tr>
</table>

Salient terms	QuantePhi's Commentaries
TNB, for the operation and maintenance of the Business and/ or Jentayu Solar (including the approval from the Energy Commission for Jentayu Solar's proposed change of shareholders and shareholding structure pursuant to the Proposed Acquisition) shall be valid and subsisting and shall continue in full force and effect after the completion of the Proposed Acquisition. In the event any renewals of any approvals, licences and/ or permits from the relevant authorities are required before completion of the Proposed Acquisition, Jentayu Capital undertakes to procure the necessary renewals prior to the Conditions Precedent Fulfilment Date (as defined in Clause 5.4 of the SSA); *(d) Jentayu Capital procuring the prior written approval of the Pejabat Pengarah Tanah dan Galian Negeri Kedah in respect of Jentayu Solar's declaration as a "Malay" company pursuant to the Kedah Malay Reservation Enactment 1930 for the Proposed Acquisition;* *(e) Jentayu Capital procuring the prior written approvals of the Ministry of Natural Resources and Environmental Sustainability (formerly the Ministry of Energy and Natural Resources), TNB, and any other relevant parties and/ or authorities for the Proposed Acquisition;* *(f) Jentayu Capital shall procure that Jentayu Solar maintains in force all requisite and valid insurance policies for the functioning of the business of Jentayu Solar. In the event any renewals of such insurance policies are required before completion of the Proposed Acquisition, Jentayu Capital undertakes to procure the necessary renewals of such insurance policies; and* *(g) Jentayu Capital shall procure a written waiver of all Seri Panglima's rights over the Sale Shares, including but not limited to all rights of pre-emption, conferred on them by the constitution of the Company or the Shareholders' Agreement or in any other manner.* *(Collectively, the "**Conditions Precedent**")*	In addition, this clause ensures smooth transfer of the Sale Shares by requiring Seri Panglima to waive its pre-emption rights, without impacting non-interested shareholders of JSB.

Salient terms		QuantePhi's Commentaries
	<u>*Clauses 5.2, 5.3 and 5.4*</u> *JSB has the discretion to waive any of the Conditions Precedent (in whole or in part) by giving written notice to Jentayu Capital. Once waived, the relevant Condition Precedent is considered fulfilled as of the date of the notice. The party or parties responsible for fulfilling a Condition Precedent must notify the other parties in writing upon fulfilment and provide supporting evidence within three (3) days of completion. All Conditions Precedent must be fulfilled or waived within one hundred and eighty (180) days from the Effective Date of the SSA ("Conditions Precedent Fulfilment Date"). The SSA becomes unconditional on the Conditions Precedent Fulfilment Date.* <u>*Clause 5.5*</u> *In the event any of the Condition(s) Precedent are not fulfilled or not waived by the Conditions Precedent Fulfilment Date (or the last extension thereof):-* *(a) the parties may, by mutual agreement, extend the Conditions Precedent Fulfilment Date for such period as may be mutually agreed upon (failing which, the SSA shall lapse); or* *(b) notwithstanding Clause 5.5(a), JSB may, at its sole and absolute discretion, terminate the SSA by written notice to the Vendor with immediate effect, at any time after the Conditions Precedent Fulfilment Date.*	These clauses set a clear 180-day timeline for fulfilling or waiving Conditions Precedent, providing certainty to all parties. It also allows JSB to waive conditions at its sole discretion, which offers flexibility over deal execution, and ultimately protecting JSB's commercial interests. This clause protects JSB and its shareholders from being locked into a transaction that is delayed or cannot be completed on acceptable terms, thereby managing execution risk. We are of the view that the Conditions Precedent are **reasonable.**
5.	***Maintenance of Status Quo*** <u>*Clause 7.1*</u> *During the Interim Period as defined in the SSA (from the Effective Date until the Completion Date), Jentayu Capital shall use its best efforts to preserve Jentayu Solar's business organisation and assets and maintain Jentayu Solar's rights and existing relations with clients, customers, independent contractors, suppliers, employees, and business associates, as well as all existing contracts, assets and liabilities. In this regard, Jentayu Capital shall procure that in the Interim Period, Jentayu Solar conducts its business in the ordinary course. Further, that Jentayu Solar will not enter into any contracts, commitments or incur any liabilities where such contract, commitment or liability is not in the ordinary course of its business, without JSB's prior written consent.*	These clauses are reasonable as it requires the Vendors to maintain the normal operations of Jentayu Solar during the interim period. This ensures that the company's financial and operational status remains stable up to completion. These clauses also provide protection to JSB through downward price adjustment or termination rights in the event of a Material Adverse Change, helping avoid overpayment or unexpected risks.

Salient terms		QuantePhi's Commentaries
	<u>*Clause 7.2*</u> *Jentayu Capital agrees that during the Interim Period, there will be no Material Adverse Change to the Company's business, financial position, or key contracts. "**Material Adverse Change**" means any event or condition that materially and adversely affects Jentayu Solar's business or financial condition, or its ability to meet its obligations under the SSA and the Proposed Acquisition.* <u>*Clause 7.3*</u> *If a Material Adverse Change occurs, JSB may, at its sole discretion, either vary the Purchase Consideration (by up to 5%); or terminate the SSA in accordance with Clause 11.1 of the SSA.* <u>*Clause 7.4*</u> *During the Interim Period, Jentayu Capital shall procure and ensure that neither Jentayu Solar nor Seri Panglima (instructing for or on behalf of Jentayu Solar) undertakes the following actions without JSB's prior written consent:-* *(a) declare or make any dividends, distributions, bonuses or other payments (except for salaries payable under existing employment arrangements) to shareholders, directors or employees;* *(b) issue any new shares, options, warrants, bonds or other securities in Jentayu Solar;* *(c) enter into any joint ventures or similar arrangements;* *(d) borrow or obtain credit facilities from any financier, or provide guarantees in favour of any third party; and* *(e) enter into any related party transactions, including transactions involving directors, major shareholders or persons connected to them.*	We are of the view that these terms are **reasonable**.
6.	***Completion*** <u>*Clause 8.1*</u> *Completion of the SSA to take place subject always to the following:* *(a) The fulfilment of all Conditions Precedent set out in Clause 5.1 of the SSA or waiver of the same in accordance with Clause 5.2 of the SSA;*	The clauses ensures that Completion is conditional upon key legal and commercial requirements being satisfied or waived, including the Vendors' obligations, receipt of payment, and fulfilment of documentation requirements

Salient terms	QuantePhi's Commentaries
(b) *JSB's payment of the Purchase Consideration to Jentayu Capital via the occurrence of the Set-Off Arrangement on the Completion Date (defined in Clause 8.2 of the SSA) pursuant to Clause 3.3 of the SSA;* (c) *Jentayu Capital's delivery of all Completion Documents (as defined in the SSA) in accordance with Clause 6.1 of the SSA;* (d) *Jentayu Capital's complying with and continuing to comply with all their obligations in the SSA and there being no breach of or non-compliance with any term, condition, undertaking or warranty contained in the SSA by Jentayu Capital; and* (e) *As of the Completion Date (defined in Clause 8.2 of the SSA), there being no enacted or proposed legislation or regulation which would prohibit, materially restrict or materially delay the implementation of the Proposed Acquisition.*	
<u>Clause 8.2</u> *SSA shall be completed on the Completion Date, which shall take place no later than fourteen (14) days from the Conditions Precedent Fulfilment Date, subject to any extensions in writing of the same at JSB's sole and absolute discretion ("**Completion Date**").*	Further, it sets a clear timeline for Completion within 14 days of fulfilling the Conditions Precedent, while allowing JSB sole discretion to extend the timeline.
<u>Clause 8.3</u> *On the Completion Date, JSB shall be the beneficial owner of the Sale Shares and have all rights, interests and title in and to the Sale Shares and upon registration of JSB as holder of the Sale Shares in the register of members of Jentayu Solar, JSB shall be the legal and beneficial owner of the Sale Shares.*	It also outlines the process for the transfer of ownership of the Sale Shares. JSB becomes the beneficial owner on the Completion Date, with legal ownership taking effect upon registration in the company's register of members. We are of the view that these clauses are **reasonable.**

Salient terms	QuantePhi's Commentaries
7. Termination *Clause 11.1* *This Agreement may be terminated in the following circumstances:-* *(a) By JSB in accordance with Clause 5.5(b), Clause 7.3, Clause 9.5(a) (i.e. if at any time during the Interim Period it becomes apparent that a vendor's warranty has been breached, is untrue, inaccurate or misleading, or Jentayu Capital has breached any other term of the SSA, JSB may, at its sole discretion and without prejudice to any of its existing rights or remedies under law or equity (including the rights to terminate and claim damages for breach of the SSA), elect to terminate the SSA by written notice to Jentayu Capital), and/ or Clause 14.2 (i.e. in the event a force majeure event continues for longer than ninety (90) days, JSB shall have the option, at its sole and absolute discretion, to decide whether to proceed with or terminate the SSA) of the SSA;;* *(b) Upon mutual written agreement of the parties at any point during the subsistence of the SSA; or* *(c) In the event Jentayu Capital commits a breach of any of the terms and conditions of the SSA or fail to perform any of its obligations under the SSA (including but not limited to a breach of any of the Vendor's Warranties (as defined in the SSA), JSB shall be entitled but shall not be obliged, at its sole and absolute discretion, to terminate the SSA with immediate effect by way of a written notice to the Jentayu Capital.* *Clause 11.2* *Upon termination of the SSA pursuant to Clause 11.1 hereinabove:-* *(a) The SSA shall cease to have effect, except for clauses which are expressly stated to survive termination of the SSA;* *(b) The Purchase Consideration shall be deemed to be refunded to JSB, the Set-Off Arrangement shall be deemed cancelled, and the full Refundable Cash Deposit sum owed by Jentayu Capital to JSB shall remain due and owing to JSB, without prejudice to JSB's pre-existing rights or remedies under the law; and*	These clauses provide JSB clear termination rights in cases of vendor breach, failure to perform, or by mutual agreement. The inclusion of JSB's sole discretion to terminate protects its commercial interests and offers flexibility, which is beneficial to JSB. It also helps to safeguard JSB's financial position by affirming its right to recover the refundable deposit and cancel the set-off, while preserving its legal remedies. Additionally, the requirement to return or destroy confidential information protects both parties' interests and ensures compliance with confidentiality obligations. Hence, we are of the view that these clauses are **reasonable.**

Salient terms	QuantePhi's Commentaries
(c) *Each party shall promptly return or destroy all Confidential Information and documents received from the other party in connection with the SSA, save and except those required by law to be retained.*	
8. Indemnity *<u>Clause 12.1</u>* *Jentayu Capital hereby agrees to indemnify, defend and hold harmless JSB, its affiliates and their respective officers, directors, shareholders, representatives, agents and employees from and against any direct and consequential costs, loss, damage, third-party claims and penalties arising out of any breach of the SSA, or caused by JSB's reliance on the Vendor's Warranties or any representations or warranties made by Jentayu Capital or its affiliates, officers, shareholders, representatives, agents or employees.*	This clause is reasonable as it ensures integrity and value of the transaction by mitigating potential financial and legal exposure arising from Vendor misconduct or misrepresentation.
9. Governing law and jurisdiction *<u>Clause 26.1</u>* *The SSA shall be governed by and construed in accordance with the laws of Malaysia.* *<u>Clause 26.2</u>* *Each party submits to the exclusive jurisdiction of the courts of Malaysia to settle any dispute or claim arising out of, or in connection with the SSA, the Proposed Acquisition and/ or the implementation and effect of the foregoing.*	These clauses are reasonable, as they align the governing law and jurisdiction with the company's principal place of business.

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5.5 Salient terms of the Call Option Deed

Our commentaries on the salient terms of the Option Deed, as extracted from Appendix II, Part A of the Circular, are as follows:

Salient terms	QuantePhi's Commentaries
1. Grant of Call Option *<u>Clause 2.1</u>* *Seri Panglima grants to JSB an exclusive and irrevocable Call Option to purchase all 1,470,000 ordinary shares, representing 49% shares in Jentayu Solar, held by Seri Panglima (referred to as the Option Shares), free from all encumbrances and together with all rights attaching thereto. JSB hereby accepts the grant of the Call Option by Seri Panglima.* .	This clause is reasonable, particularly in granting JSB an exclusive and irrevocable right to acquire the remaining shares representing 49% equity in Jentayu Solar.
2. Option Price *<u>Clause 3.1</u>* *The purchase consideration for the Option Shares shall be in the sum of RM5,635,000.00 (referred to as the Option Price).* *<u>Clause 3.2</u>* *Option Price shall be payable to and shall be accepted by Seri Panglima in full, with such payment made by JSB or by a third party on behalf of JSB, on the Call Option Completion Date (as defined herein).*	This clause is reasonable because it provides price certainty, avoids future valuation disputes, and ensures the consideration will be fully settled at Call Option completion date.
3. Option Period *<u>Clause 4.1</u>* *The Call Option shall be valid for a period of twelve (12) months from the effective date of the Call Option Deed (**"Option Period")**.* *<u>Clause 4.2</u>* *The Option Period may be extended for such further period(s) as the Parties may mutually agree upon in writing (each extension referred to as an **"Extended Option Period"**).* *<u>Clause 4.3</u>* *In the event the Call Option is not exercised within the Option Period or any Extended Option Period, the Call Option shall automatically lapse and be of no further effect.*	This clause allows JSB sufficient time to evaluate the performance of Jentayu Solar before committing additional capital The flexibility to extend by mutual agreement allows for commercial adaptability while the automatic lapse provision protects non-interested shareholders from indefinite contingent liabilities or obligations. We are of the view that these terms are **reasonable.**

Salient terms	QuantePhi's Commentaries
4. Exercise of Call Option *<u>Clause 5.1</u>* *The Call Option shall be exercisable by JSB at any time during the Option Period or Extended Option Period(s) (as applicable) by delivering a written notice of its intention to exercise the Call Option to Seri Panglima (**"Exercise Notice"**).* *<u>Clause 5.2</u>* *JSB shall have the right, but not the obligation, to exercise the Call Option at any time during the Option Period or Extended Option Period in the manner set out in Clause 5.1.* *<u>Clause 5.3</u>* *Upon delivery of the Exercise Notice, the Parties shall proceed in good faith to complete the sale and purchase of the Option Shares in accordance with the terms of the Call Option Deed.*	This clause gives JSB the right, but not the obligation, to proceed with the purchase. Further, this ensures that any decision to proceed with the second phase of the acquisition is based on commercial and strategic considerations rather than contractual obligation. We are of the view that these terms are **reasonable.**
5. Completion *<u>Clause 6.1</u>* *Completion of the Call Option Deed shall take place within fourteen (14) days from the date of the Exercise Notice, or on such other date as may be mutually agreed upon by the Parties in writing ("**Call Option Completion Date**").* *<u>Clause 6.2</u>* *On the Call Option Completion Date:-* *(a) Seri Panglima shall have delivered to JSB or to JSB's solicitors as stakeholders, duly executed original instruments of transfer for the Option Shares in favour of JSB, all requisite directors' and shareholders' resolutions, all existing share certificates for the Option Shares issued in its name, and any other documents required to give effect to the transfer of the Option Shares to JSB under the Call Option Deed ("**Call Option Completion Documents**"); and* *(b) Payment of the Option Price shall be made to Seri Panglima in full* *(**"Call Option Completion"**).* *<u>Clause 6.3</u>* *Call Option Completion shall take place subject always to the following:-* *(a) The Option Shares being, at all material times, free from any mortgage, charge, pledge, lien, assignment, option, restriction, right of first refusal, trust*	This clause is reasonable as it sets a clear timeline for the completion of the sale and purchase following the exercise of the Call Option. The provision requiring advance delivery of share transfer documents enhances execution certainty, reduce risk and protect the transaction timeline. These clauses set clear conditions that must be met before the transaction can be completed

Salient terms	QuantePhi's Commentaries
arrangement, claim, or other form of security interest or third-party right or interest, or any agreement to create or give any of the foregoing ("Encumbrances"); *(b) The Parties' adherence to and completion of the obligations set out in Clause 6.2 of the Call Option Deed;* *(c) As of the Call Option Completion Date, there being no enacted or proposed legislation or regulation which would prohibit, materially restrict or materially delay the implementation of the sale and purchase of the Option Shares as contemplated in the Call Option Deed; and* *(d) all necessary approvals, consents, authorisations or notifications (whether corporate, governmental, licensing, regulatory or contractual) required for the acquisition of the Option Shares by JSB having been obtained, including but not limited to:-* *i. those required from relevant authorities under applicable laws and regulations; and* *ii. those required for material contracts, licences, permits or approvals held by the Company at the time of Completion to remain valid and in full force and effect, and unaffected by the transfer of the Option Shares.*	It ensures the shares are free from any third-party claims, all required documents and approvals are in place, and there are no legal or regulatory obstacles. These steps help reduce risk and make sure the transaction can go ahead smoothly and with certainty.
<u>Clause 6.4</u> *For the avoidance of doubt, if any such approvals, consents, authorisations or notifications as per Clause 6.3 (d) of the Call Option Deed are not obtained, are withheld, or are withdrawn prior to Call Option Completion, JSB shall not be obliged to proceed with the Call Option Completion and may, at its sole discretion, elect to defer Call Option Completion or withdraw from this Call Option Deed, by written notice to Seri Panglima. In such event, such non-completion shall not constitute a breach of the Call Option Deed and neither Party shall have any claim against the other.*	Further, these protect JSB from being forced to complete the transaction if key approvals are not obtained The requirement for Seri Panglima to provide the necessary documents in advance helps ensure a smooth and prompt transfer once the Call Option is exercised, supporting transaction certainty and efficiency.

Salient terms		QuantePhi's Commentaries
	<u>*Clause 6.5*</u> *Notwithstanding the above, Seri Panglima shall agree to provide the Call Option Completion Documents to JSB or to its appointed solicitors as stakeholders in advance of Completion, upon request by JSB as may reasonably be required to enable JSB to complete the transfer of the Option Shares promptly upon its exercise of the Call Option.*	Based on the above, we are of the view that these terms are **reasonable.**
6.	***Restrictions*** <u>*Clause 7.1*</u> *During the Option Period and Extended Option Period(s) (as applicable), Seri Panglima shall not sell, assign, pledge, transfer or otherwise dispose of or encumber the Option Shares, or take any steps to do or agree to do so.* <u>*Clause 7.2*</u> *During the Option Period and Extended Option Period(s) (as applicable), Seri Panglima shall not take any action, or permit any action to be taken in relation to Jentayu Solar, that would reasonably be expected to materially affect the value of the Option Shares, without the prior written consent of JSB.*	This clause is reasonable and serves to protect JSB's rights during the Option Period. It also restricts Seri Panglima from selling or encumbering the Option Shares or taking actions that may affect their value during the Option Period.
7.	***Remedies*** <u>*Clause 9.1*</u> *If completion of the Call Option Deed does not occur solely due to a default or refusal by Seri Panglima after valid exercise of the Call Option by JSB, JSB shall be entitled to claim against Seri Panglima for all reasonable costs and losses incurred as a result of such default or refusal.* <u>*Clause 9.2*</u> *In the event of non-payment of the Option Price or any part thereof to Seri Panglima on the Call Option Completion Date, Seri Panglima shall be entitled to claim for any unpaid part of the Option Price from JSB and/or such third party nominated by JSB to make payment of the Option Price on JSB's behalf (if any).*	This clause provides JSB with adequate legal remedies in the event of non-compliance, ensuring the enforceability of its rights and protecting shareholder interests. This clause also allows JSB to claim losses or seek equitable relief if Seri Panglima defaults after a valid exercise of the call option. We are of the view that these terms are **reasonable.**

Salient terms	QuantePhi's Commentaries
8. Further Assurance *<u>Clause 10.1</u>* *The Parties hereto shall execute and do and procure all other necessary persons or companies, if any, to execute and do all such further deeds, assurance, acts and things as may be reasonably required so that full effect may be given to the terms and conditions of this Agreement.*	This clause is reasonable it requires both parties to take all necessary actions to implement the terms of the agreement effectively.
9. Governing Law and Jurisdiction *<u>Clause 22.1 and Clause 22.2</u>* *The Call Option Deed shall be governed by and construed in accordance with the laws of Malaysia and the Parties submit to the exclusive jurisdiction of the courts of Malaysia to settle any dispute or claim arising out of, or in connection with this Call Option Deed, and/or the implementation and effect of the foregoing.*	This clause is reasonable as it provides that the agreement is governed by Malaysian law and subject to the jurisdiction of Malaysian courts. It also that ensures any disputes are subject to a familiar legal system, which supports shareholder confidence.

Premised on the above, we are of the view that the salient terms and conditions of the SSA and the Call Option Deed are considered **reasonable and not detrimental** to the interests of the non-interested shareholders of JSB.

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5.6 Industry Overview and Future Prospects

In evaluating the prospects of JSB moving forward, we have considered the overview and outlook of the Malaysian economy, overview and outlook of the renewable energy industry in Malaysia and the prospects of enlarge group of JSB, as shown below:

5.6.1 Overview and outlook of the Malaysian economy

*"The Malaysian economy expanded by 4.4% in the second quarter of 2025 (1Q 2025: 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower commodities-related exports. This was partially offset by continued electrical and electronics ("**E&E**") exports and robust tourism activity. At the same time, import growth was higher, driven by strong demand for capital goods, reflecting higher investment activities.*

On the supply side, growth was driven by the services and manufacturing sectors. The services sector was supported by consumer-related and Government services. Steady growth in domestic-oriented clusters underpinned the performance in the manufacturing sector. Overall growth was weighed down by a contraction in the mining sector amid lower commodities production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%).

Similar to other countries, Malaysia's 2025 growth will be affected by tariff outcomes from trade negotiations. BNM expects developments surrounding trade tariffs to affect the global and domestic outlook for the rest of the year. The external environment remains challenging. Uncertainty surrounding tariffs continues to linger and the impact will take time to fully materialise. Nonetheless, Malaysia is facing these challenges from a position of strength. Our economy remains on solid footing, supported by resilient domestic demand, continued demand for E&E goods, and a diversified export structure. These fundamentals, alongside continued structural reforms, ensure that Malaysia is well-positioned to navigate the evolving global landscape.

Notwithstanding the external risks, economic growth is firmly supported by resilient domestic demand, serving as a buffer against global headwinds. Employment and wage growth within domestic-oriented sectors and income-related policy measures will continue to support household spending. The expansion in investment activity will be sustained by several factors. This includes the progress of infrastructure projects, continued high realisation of approved private investments and implementation of national master plans. Malaysia's export prospects could be raised by favourable outcomes from remaining trade negotiations, pro-growth policies in major economies, and robust tourism activity. The steady rollout of structural reforms, such as the implementation of announced national master plans and fiscal reform measures, is critical to boost our resilience against future shocks.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2025, Bank Negara Malaysia)"

QuantePhi's commentaries:

Malaysia's economic outlook for 2025 remains positive, with projected growth of 4.5% to 5.5% driven by strong performance in the services and manufacturing sectors, although the mining sector may experience a slight downturn due to maintenance activities as stated by Ministry of Finance in Economic Outlook 2025.

The demand side of Malaysia's economy is set to thrive in 2025, driven by strong private consumption, which constitutes about 60% of the economy, alongside robust private sector investment and government initiatives, including the Ekonomi MADANI framework, the National Energy Transition Roadmap (NETR), and the New Industrial Master Plan 2030, contributing to a stable and supportive environment for sustained economic growth amid moderate inflation projected at 1.5% – 2.3%.

In 2025, Malaysia's external sector is expected to thrive, with a projected current account surplus of RM49.1 billion (2.4% of GNI) driven by strong trade performance and a rebound in tourism, despite ongoing net outflows in the income accounts due to increased investment activities.

While Malaysia's income growth is expected to benefit from increased compensation and improved employment opportunities, the economy faces potential risks from global vulnerabilities, including trade policy uncertainty, geopolitical tensions, and global supply chain disruptions, prompting the government to prioritize pragmatic measures to bolster resilience and sustain growth.

Overall, Malaysia's economy appears set to grow positively in 2025, driven by strong services and manufacturing sectors, despite challenges in the mining sector. With rising incomes and improved job opportunities, the government is focused on strengthening resilience against global risks to ensure continued growth and stability in the future.

Taking into consideration the above, we are of the view that the outlook for Malaysia's economy is **reasonable**.

5.6.2 Overview and Outlook of the Renewable Energy Industry in Malaysia

"Budget 2025 will support commitments to expand renewable energy ("RE") sources, energy efficiency initiatives as well as the conservation and sustainable management of natural resources. These measures are designed to lower operational costs, enhance energy consumption efficiency, increase competitiveness and reduce the environmental footprint of Malaysia's growing economy. A core component of sustainability will be the principle of circular economy, moving away from traditional, linear 'take-make-use-dispose' models, towards more innovative and efficient practices. Through the Circular Economy Blueprint for Solid Waste (2025 – 2035) and Circular Economy Policy Framework for Manufacturing Sector, efforts will be intensified to increase the national recycling rate.

On the sustainable environmental front, Malaysia is committed to promoting low-carbon and climate-resilient policies, with energy transition serving as a crucial lever to accelerate these efforts. Investment will be driven by new and ongoing projects by both the private and public sectors, supported by the implementation of key national policies and initiatives, including the National Energy Transition Roadmap ("NETR") and the National Industrial Master Plan ("NIMP") 2030. In response to the complexities of energy transition and the need to balance energy security, access to affordable energy, and environmental sustainability, the Government introduced the NETR in August 2023. The Roadmap, which works in parallel with the initiatives *under the National Energy Policy ("DTN") 2022 – 2040 and the NIMP 2030, aims to further amplify Malaysia's commitments to achieve the net-zero aspirations by 2050.*

The NETR was developed to steer Malaysia's shift towards a high-value green economy. The Roadmap outlines 10 flagship catalyst projects and 50 key initiatives under six energy transition levers, namely energy efficiency ("EE"), RE, hydrogen, bioenergy, green mobility, as well as carbon capture, utilisation and storage ("CCUS") to unlock economic opportunities and reduce carbon emissions. The successful implementation of the NETR is expected to increase the GDP contribution from RM25 billion in 2023 to RM220 billion in 2050, with 310,000 job opportunities will be generated.

The Government is committed towards ensuring energy transition that is fair, inclusive and equitable, while balancing the energy trilemma, namely energy security, affordability, and environmental sustainability. The NETR outlines the intended direction of the nation in exploring new energy sources, developing future capabilities and shaping market demand in a green economy. This further supports Malaysia's commitment to a just energy transition that benefits the rakyat, creates business opportunities and supports technological innovation through a whole-of-nation approach.

(Source: Economic Outlook 2025, Ministry of Finance)

The state government on Tuesday launched the Sabah Energy Roadmap and Masterplan 2040 ("SE-RAMP 2040") to address the state's power industry and, thus, ensure long-term resilience that is sustainable for the industry by 2040.

Chief Minister Datuk Seri Hajiji Noor said the plan underlines the state's strategic roadmap and initiatives to move forward, with the state government expecting to take over the regulatory authority on power supply and renewable energy from the federal government in January next year. He said the Sabah government is committed to ensuring SE-RAMP 2040 is implemented systematically and effectively, and under the plan, the Sabah Energy Council, which he chairs, will be established to monitor, support and provide guidance for the implementation of the initiatives.

Among the objectives of the SE-RAMP 2040 is to ensure a dependable power supply, with equal access and comprehensive coverage at an affordable price, in line with the government's aspirations to continue making electricity accessible to the people while ensuring sustainability for the future of Sabah. It is also to complement the National Energy Policy launched last year and the NETR launched in August, which he said at the launch of the plan here on Tuesday.

(Source: Sabah launches energy roadmap, masterplan, Malaysian Investment Development Authority (MIDA), 19 September 2023)

The energy sector has always, and will continue to, play a critical role in Sabah's future development, said Chief Minister Datuk Seri Hajiji Noor. He said Sabah is endowed with an abundance of renewable energy sources that has the potential to offer strong prospects of contributing significantly to both the state and nation's transformation into a high value-added economy.

Taking this into consideration, he said the state government has, among others, launched the SE-RAMP 2040, which was aimed at charting the way forward and outlining key priorities for the state energy sector. With this in place, Sabah should be able to fully develop its green energy sector with the potential of providing up to

75% of the nation's green energy supply, which he said when officiating the Sabah Renewable Energy Conference 2025 (SAREC 2025) on Thursday (24 April 2025).

He said the state has been aggressively pushing its agenda in encouraging renewable energy and the development of clean energy by implementing programmes that would help promote economic activities and accelerate economic growth to ultimately shape and strengthen Sabah's renewable energy and green industry sector.

(Source: Press release entitled "Energy sector continues to be critical for Sabah's growth", by The Star, 24 April 2025)

QuantePhi's commentaries:

Malaysia's National Energy Transition Roadmap (NETR) outlines six strategic levers to drive the country's shift towards a low-carbon, high-value green economy. These levers include renewable energy (RE), energy efficiency (EE), hydrogen, bioenergy, green mobility, and carbon capture, utilisation and storage (CCUS). The NETR identifies 10 catalytic flagship projects and 50 supporting initiatives that are expected to raise Malaysia's GDP contribution from RM25 billion in 2023 to RM220 billion by 2050 while generating approximately 310,000 new jobs. This roadmap is supported by key national frameworks such as the National Energy Policy (DTN 2022–2040), the National Industrial Master Plan (NIMP 2030), and Budget 2025, reinforcing the country's commitment to reaching net-zero emissions by 2050.

Budget 2025 emphasizes sustainability by funding renewable energy expansion, energy efficiency programs, and circular economy models aimed at reducing Malaysia's environmental footprint. Initiatives such as the Circular Economy Blueprint for Solid Waste (2025–2035) and the Circular Economy Policy Framework for the Manufacturing Sector are designed to raise the national recycling rate, improve resource efficiency, and reduce long-term operational costs across sectors. These efforts aim to create a more resilient and competitive economy by transitioning away from the traditional linear take-make-use-dispose model.

Tenaga Nasional Berhad (TNB), Malaysia's national utility, has taken a leading role in supporting the NETR's implementation. In 2024, TNB announced that it would allocate a significant portion of its capital expenditure toward accelerating the energy transition. TNB is actively expanding its renewable energy portfolio, developing large-scale solar, hydro, battery energy storage systems (BESS), and exploring CCUS and hydrogen initiatives. By early 2025, TNB also reported that it had targeted a five percent annual reduction in Scope 1 carbon emission intensity starting in 2024, with the goal of reducing emissions by 35 percent by 2035.

Malaysia's renewable energy targets are clearly outlined in the Malaysia Renewable Energy Roadmap (MyRER), reaffirmed in 2024 by the Sustainable Energy Development Authority (SEDA). The roadmap aims for renewable energy to account for 31 percent of installed electricity capacity by 2025 and 40 percent by 2035. It also supports broader climate objectives to reduce national greenhouse gas intensity by 45 percent by 2030 and 60 percent by 2035, relative to 2005 levels. MyRER is designed to guide both public and private sector efforts in achieving these goals through a structured framework and policy support.

Overall, these policy frameworks and strategic investments demonstrate a comprehensive national effort to deliver a fair, inclusive, and forward-looking energy transition. With strong federal and institutional backing, Malaysia's renewable energy sector is well-positioned to contribute meaningfully to long-term environmental and economic sustainability.

Taking into consideration the above, we are of the view that the outlook for the renewable energy industry in Malaysia is **reasonable**.

5.6.3 Prospects of the enlarged Group

"JSB Group is principally involved in the trading, healthcare, and renewable energy businesses. While the trading segment remains the major revenue contributor for the FYE 30 June 2024, the Group has been transitioning over the past 5 years to focus on its renewable energy segment, with renewable energy targeted to become the main revenue and income contributor moving forward. In line with this strategy, the Group is expanding its renewable energy segment, with a focus on hydropower and solar energy.

The Group's renewable energy efforts are anchored by Project Oriole. Project Oriole involves the development of a 162 MW run-of-river hydropower plant in Sipitang, Sabah, which is expected to generate approximately RM300 million in annual revenues. The Group had secured the LON dated 2 September 2024 from the Energy Commission of Sabah, which confirmed the project's approval and fixed the final tariff. Further, a major milestone was achieved on 14 April 2025, when Oriole Hydro Padas Sdn Bhd, a 70%-owned subsidiary of JSB, entered into a PPA with Sabah Electricity for the sale and purchase of electricity over a concession period of 40 years, commencing from the plant's scheduled commercial operation date of 1 June 2029. This landmark project is poised to drive the Group's long-term growth and strengthen its position in the renewable energy sector. Further, it is expected to play a pivotal role in the Sabah Renewable Energy Road Map, supplying an estimated 16% of Sabah's peak load demand through reliable and sustainable hydropower.

In addition to the Group's ongoing renewable energy projects, the Proposed Acquisition of Jentayu Solar will further strengthen its renewable energy portfolio. Jentayu Solar, which focuses on solar power generation, is expected to significantly contribute to the Group's long-term growth by increasing its renewable energy capacity and diversifying its income base. This acquisition aligns with the Group's strategy to expand its energy assets, enhance operational synergies and capitalise on the growing demand for clean energy solutions.

The Group's trading segment is also pivoting to support the development, construction, and operationalisation of its renewable energy plants (Project Oriole), aligning with the Group's strategic direction towards renewable energy.

Meanwhile, the Group's healthcare division continues to operate its hospital, Ohana Specialist Hospital, which specialises in obstetrics, gynaecology, and paediatrics. Located in Kuala Lumpur, Malaysia, the hospital has a capacity of 18 medical beds.

The Group is committed to enhancing its existing businesses, including the trading of building materials and hospital operations, to ensure they contribute positively to the Group's financial performance.

Premised on the above and barring any unforeseen circumstances, the Group aims to strengthen its financial position and its position in the renewable energy industry over the coming years through the expansion and execution of its business plans. Accordingly, the Board remains optimistic about the future prospects of the enlarged Group, particularly with the Proposed Acquisition of Jentayu Solar, which may further enhance its standing within the renewable energy sector."

(Source: Management of JSB)

QuantePhi's commentaries:

We note that JSB Group has been focusing towards renewable energy, with plans for this segment to become the primary revenue and income contributor in the future. This indicates a forward-looking approach to align with global trends towards sustainability.

Project Oriole, which involves the development of a 162 MW run-of-river hydropower plant in Sipitang, Sabah, is a significant initiative for the Group. It is expected to generate approximately RM300 million in incremental annual revenues, highlighting its potential impact on the Group's financial performance. Project Oriole is expected to supply an estimated 16% of Sabah's peak load demand, indicating its importance in meeting local energy needs sustainably.

The Group aims to strengthen its financial position and enhance its standing in the renewable energy industry through the execution of its business plans. The Board is confident about the future prospects of the group, particularly with the acquisition of Jentayu Solar which is expected to support the Group's standing in renewable energy industry.

Overall, the Group is poised for a positive outlook, driven by a diverse portfolio which includes trading of building materials business and renewable energy, along with favourable industry policies such NETR and NIMP 2030.

Taking into consideration the above, we are of the view that the future prospects of JSB are **reasonable**.

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5.7 Risk Factors Associated with Proposed Acquisition

Our commentaries on the risk factors of the Proposed Acquisition as extracted from **Section 7, Part A of the Circular** are as follows:

Risk factors	QuantePhi's commentaries
(i) Non-Completion Risk *"The completion of the Proposed Acquisition is subject to the fulfilment of the conditions precedent outlined in the SSA, as detailed in Appendix I of this Circular. If any conditions are not met, the acquisition may not proceed, which could result in the Group being unable to achieve the intended benefits.* *Nevertheless, JSB will take all necessary and reasonable steps to ensure the fulfilment of conditions precedent as set out in the SSA in a timely manner and to perform its obligations in accordance with the terms of the SSA to facilitate the completion of the Proposed Acquisition. In the event the SSA is not completed, the full amount of RM5.87 million, being the amount applied towards the Purchase Consideration via the Set-Off Arrangement, shall be refunded to JSB in full."*	JSB may face uncertainties during the execution phase of the Proposed Acquisition and there is no assurance that all conditions will be met, and if any remain unfulfilled, the acquisition may not proceed. We note that the Board and management of JSB Group are committed to taking all appropriate and reasonable measures to satisfy the conditions precedent and fulfil their obligations under the SSA to ensure the completion of the transaction. We also note that in the event of the SSA is not completed, the full amount of RM5.87 million of the Purchase Consideration will be refunded to JSB in full.
(ii) Post-Acquisition risk *"While the Proposed Acquisition is expected to benefit the Group in the long term, there is no guarantee that the anticipated returns will materialise or that Jentayu Solar will generate the expected returns in relation to the Group's investment.* *Nevertheless, the Board has exercised due care in considering the potential risk and the benefits associated with the Proposed Acquisition, including undertaking a comprehensive due diligence process with the support of financial, legal, and valuation advisers. Based on this assessment, the Board believes that the Proposed Acquisition will be value accretive to JSB Group, after taking into consideration, inter*	The performance of Jentayu Solar post-acquisition may be affected by factors such as operational outcomes and market conditions. We note that there is no guarantee that the anticipated returns will materialise or that Jentayu Solar will generate the expected returns from its solar project. We note that the Board has exercised due care in considering the risks and benefits of the Proposed Acquisition, including undertaking a comprehensive due diligence process supported by financial, legal, and valuation advisers.

Risk factors	QuantePhi's commentaries
alia, the track record and prospects of Jentayu Solar and the experience and expertise of the management team of the Group in the renewable energy business."	
(iii) Business and operational risks *"The Proposed Acquisition is subject to inherent risks in the renewable energy industry of which JSB Group is already involved in and will be addressed as part of the Group's ordinary course of business. Some of these risks may include, amongst others, changes in government policies, licensing regime, underperformance of solar projects, and extreme weather events. Any adverse changes in these conditions may have an adverse material effect on the renewable energy industry in Malaysia and the Group.* *The revenue and profitability of Jentayu Solar are also dependent on a 21-year PPA with TNB, exposing it to risks such as contractual performance, regulatory changes and force majeure events. Any failure by Jentayu Solar to meet its obligations under the PPA, or any inability of TNB (being the single buyer in the capacity of its role as the owner and operator of the national grid system in Peninsular Malaysia) to fulfil its payment commitments on a monthly basis based on the electricity output generated by the Jentayu Solar at a fixed energy rate up to a maximum annual limit, could materially affect the financial performance of Jentayu Solar. The financial performance of Jentayu Solar is dependent on the 21-year PPA and the continuous operation of its solar photovoltaic power plant. No assurance can be given that any changes in these factors will not have any material adverse effect on JSB Group's business and financial performance."*	JSB is exposed to operational and industry risks within the renewable energy sector, such as changes in government policies, licensing regimes, underperformance of solar projects, and extreme weather events. The performance of the Solar Project is also dependent on a 21-year PPA with TNB, which exposes JSB to other business and operation risk such as commitments and the continuous operation of the solar photovoltaic power plant. As mitigation, JSB may implement active contract oversight and regular monitoring of Jentayu Solar's compliance with the PPA. The project is a completed and operational asset with a 5-year track record, and the remaining 16 years under the PPA provide stable, predictable income to the Group. With TNB as the offtaker, revenue is largely secured. We note that there is no guarantee that the business and operational risk mentioned will not adversely affect the Group's financial position.

Risk factors		QuantePhi's commentaries
(iv)	**Political, economic and regulatory risks** *"The future growth and financial performance of Jentayu Solar could be affected by changes in, amongst others, economic growth, taxation, accounting policies and standards, regulations, government policies and political stability. Any adverse changes in these conditions could have a negative effect on the renewable energy industry and affect the financial performance and growth of Jentayu Solar.* *There can be no assurance that adverse economic, political and regulatory changes, any of which are beyond the control of JSB Group, will not materially affect the Jentayu Solar."*	Jentayu Solar may face uncertainties due to changes in external macroeconomic and changes on regulatory conditions such as economic growth, taxation accounting policies and standards, regulations, government policies and political stability. As a mitigating measure, JSB Group can maintain ongoing communication with relevant authorities and industry bodies to stay informed of policy developments and be aware of industry interests. We note that there is no assurance that the political, economic and regulatory risks will remain favourable to JSB.

Apart from the risk factors associated with the Proposed Acquisition as highlighted above, the non-interested shareholders should also carefully consider the following risk factors:

a) Transactional and execution risk

JSB is exposed to transactional and execution risks arising from Proposed Acquisition, particularly due to the involvement of multiple agreements and parties. The interdependency of these agreements increases the complexity and potential risk of non-fulfilment

If any party fails to fulfil its obligations under the relevant agreements, this may have a direct impact on the Proposed Variation, given that both the Proposed Variation and the Proposed Acquisition are conditional upon each other

While these risks cannot be entirely eliminated, the refundable deposits are protected by the set-off agreement, ensuring JSB retains financial protection in the event of non-fulfilment

b) Operational and capability risk

As the Group currently does not have any presence in the O&M segment of hydropower assets, JSB is exposed to operational and capability risks arising from the Proposed Variation in relation to its proposed entry into the said segment.

As at the LPD, we understand that JSB is in preliminary negotiations to acquire a third-party O&M operator for a hydropower facility in East Malaysia. If successful, the acquisition will provide the Group with instant access to O&M capabilities, which could improve efficiency and reduce long-term costs in relation to its proposed venture into the O&M segment. However, integration risks remain, including potential challenges in retaining technical expertise, aligning operational practices and meeting contractual standards. Further, there is no guarantee the acquisition will achieve its intended objectives.

As a mitigating measure, JSB can conduct thorough due diligence and maintain constructive engagement with the counterparty to address commercial, operational and legal considerations before finalising the acquisition. While these risks cannot be entirely eliminated, internalising these capabilities through acquisition, rather than outsourcing, may also allow JSB to build and retain in-house technical expertise and human capital, which may support future projects and strengthen its position in the O&M renewable energy segment.

We note that the risks associated with the Proposed Acquisition are the typical risks associated with transactions of this nature.

The non-interested shareholders of JSB are advised to give due and careful regards to the risk factors as set out in Section 6, Part A of the Circular and are reminded that although measures may be taken by the management to limit all highlighted risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and financial performance of JSB.

Premised on the above, we are of the view that the risk factors associated with the Proposed Acquisition are considered reasonable.

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5.8 Effects of the Proposed Acquisition

Our comment on the effects of the Proposed Acquisition as set out in **Section 8, Part A of the Circular**:

Effects of the Proposed Acquisition	QuantePhi's comments
Issued share capital and Substantial Shareholders' Shareholdings	We note that upon completion of the Proposed Acquisition, there will be no impact on JSB's issued share capital and substantial shareholders' shareholdings as no new shares are issued pursuant to the Proposed Acquisition.
NA, NA per Share and Gearing	As illustrated in Section 8, Part A of the Circular, we note the following: **NA and NA per Share** Under the Minimum Scenario, NA is anticipated to increase from RM142.40 million to RM148.00 million after accounting for subsequent events up to the LPD (**"Subsequent Events"**) and further increase to RM181.22 million upon completion of the Proposed Private Placement. However, the Group's NA will remain unchanged upon completion of the SSA and assuming the exercise of the call option, as no new shares will be issued in relation to the Proposed Acquisition. Correspondingly, the NA per Share is projected to rise from RM0.32 to RM0.34 upon completion of the Proposed Private Placement and remain unchanged upon completion of the SSA and assuming the exercise of the Call Option. Under the Maximum Scenario, the Group's NA is expected to increase from RM142.40 million to RM148.00 million after accounting for Subsequent Events and will then increase to RM247.62 million upon the full exercise of Warrants B. Subsequently, the Group's NA will increase to RM292.28 million following the Proposed Private Placement. However, the Group's NA will remain unchanged upon completion of the SSA and assuming the exercise of the Call Option, as no new shares will be issued in relation to the Proposed Acquisition. Correspondingly, the NA per share is projected to rise from RM0.32 to RM0.41 upon completion of the Proposed Private Placement and remain unchanged upon completion of the SSA and assuming the exercise of the Call Option. **Gearing** Under the Minimum Scenario, the Group's gearing is expected to improve from 0.18 times to 0.14 times following the Subsequent Events and upon completion of the Proposed Private Placement.

Effects of the Proposed Acquisition	QuantePhi's comments
	Upon the completion of the SSA, gearing is expected to increase to 0.31 times after taking into consideration Jentayu Solar's total borrowings of RM31.02 million and then remain unchanged assuming the exercise of the Call Option. Under the Maximum Scenario, the Group's gearing is anticipated to improve from 0.18 times to 0.10 times following the Subsequent Events and assuming full exercise of Warrants B. Subsequently, gearing is expected to drop further to 0.09 times upon completion of the Proposed Private Placement. Upon completion of the SSA, gearing is expected to increase to 0.19 times, after taking into consideration Jentayu Solar's total borrowings of RM31.02 million and then remain unchanged assuming the exercise of the Call Option.
Earning and EPS	As illustrated in **Section 8.3, Part A of the Circular**, we note that that the Proposals are not expected to have any immediate material effect on the earnings of JSB Group for the financial year ending 30 June 2026, save for the potential dilutive effect on the EPS of the Group due to the increase in the number of JSB Shares arising from the Proposed Private Placement. We note that LPS of JSB expected to increase to (5.00) sen per Share immediately upon completion of the SSA and further increase to (5.20) sen per Share assuming exercise of the Call Option. Notwithstanding the above, the impact of the Proposed Acquisition on the earnings and EPS of JSB Group moving forward will depend on the future earnings generated from Jentayu Solar. In addition, the acquisition of Jentayu Solaazr is expected to provide sustainable income to the Group based on the solar project's remaining PPA tenure of approximately 16 years.
Convertible Securities	We note that upon completion of the Proposed Acquisition and Proposed Variation, there will be no impact on JSB's exercise price and number of outstanding Warrants B.

Premised on the above, we are of the view that the effects of the Proposed Acquisition are **reasonable and not detrimental** to the interests of the non-interested shareholders of JSB.

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6. FURTHER INFORMATION

Non-interested shareholders of JSB are advised to refer to Part A of the Circular and the appendices thereof for further information

7. QUANTEPHI'S OPINION

We have assessed and evaluated the Proposed Acquisition and Proposed Variation, and our evaluation is set out in **Section 5 of this IAL**. Non-interested shareholders of JSB are advised to consider the merits and demerits of the Proposed Acquisition and Proposed Variation based on all relevant and pertinent factors including those set out in this IAL and Part A of the Circular as well as other publicly available information prior to making a decision to vote on the resolutions pertaining to the Proposed Acquisition and Proposed Variation.

In our evaluation of the Proposed Acquisition and Proposed Variation and in arriving at our opinion, we have taken into consideration various factors which are summarized as follows: -

Section in the IAL	Area of Evaluation	QuantePhi's commentaries
Sections 5.1 and 5.2	Rationale and benefits for the Proposed Acquisition and the Proposed Variation	The Proposed Acquisition enables JSB Group to deepen its presence in the renewable energy sector by acquiring a 51% stake in Jentayu Solar, adding a solar project in Kedah to its existing solar asset in Johor. This acquisition is expected to strengthen the Group's renewable energy portfolio, enhance income stability through long-term PPA, and diversify revenue across different regions. This strategic expansion aligns with JSB's ongoing commitment to sustainable growth and supports Malaysia's clean energy goals, while further reducing reliance on its traditional trading of building materials. The call option for full ownership of Jentayu Solar also provides JSB with greater control to maximize the value of its renewable energy investments. Meanwhile, the Proposed Variation allows the JSB Group to redeploy RM16.00 million in committed capital towards higher-growth renewable energy projects, avoiding additional borrowings and preserving financial flexibility. This strategic reallocation supports JSB's focus on clean energy, aligns with its long-term goals, and enhances its ability to pursue future growth opportunities. **Premised on the above, we are of the view that the rationale and benefits for the Proposed Acquisition and the Proposed Variation are reasonable.**
Section 5.3	Basis and justifications in arriving at the total purchase consideration	We have considered DCF as the sole valuation method as it considers both time value of money and projected net cash flow, which is then discounted at a specific discount rate to derive Jentayu Solar's valuation. Further, DCF method is used because Jentayu Solar's solar project is primarily concession-based with finite life and governed by the PPA.

Section in the IAL	Area of Evaluation	QuantePhi's commentaries
		The indicative fair equity value of the 51% equity interest in Jentayu Solar is between RM5.77 million to RM5.89 million, for which the purchase consideration of RM5.87 million falls within the said range. The indicative fair equity value of the 49% equity interest in Jentayu Solar is between RM5.54 million to RM5.66 million, for which the option price of RM5.64 million falls within the said range. The indicative fair equity value of the 100% equity interest in Jentayu Solar is between RM11.31 million to RM11.55 million, for which the total consideration comprising the purchase consideration and option price of RM11.50 million falls within the range of DCF valuation. **Premised on the above, we are of the view that the key bases and assumptions used by the Valuer in deriving the fair equity value of Jentayu Solar are reasonable and that the Purchase Consideration and Option Price for the Proposed Acquisition are fair.**
Sections 5.4 and 5.5	Salient terms of the SSA	The salient terms of the SSA and the Option Deed as set out in Appendix I of the Circular are consistent with market standards for similar corporate transactions. **We are of the view that the salient terms are reasonable and not detrimental to the non-interested shareholders of JSB.**
Section 5.6	Industry Overview and Prospects	Based on the generally positive outlook of the Malaysia economy, the renewable energy industry and future prospects of JSB upon completion of the Proposed Acquisition, **we are of the view that the outlook and future prospects of the Company after the Proposed Acquisition are reasonable.**
Section 5.7	Risk factors associated with the Proposed Acquisition	We note that the risks associated with the Proposed Acquisition are the typical risks associated with transactions of this nature. The non-interested shareholders of JSB are advised to give due and careful regard to the risk factors as set out in **Section 5.7 of this IAL** and are reminded that although measures may be taken by the Management to limit all highlighted risks, no assurance can be given that one or a combination of the risk factors will not occur and give rise to material adverse impact on the business and financial performance of JSB.
Section 5.8	Effects of the Proposed Acquisition	We note that: (i) The Proposed Acquisition will not have any impact on JSB's issued share capital, substantial shareholders' shareholding and convertible securities as it does not involve any issuance of new securities.

Section in the IAL	Area of Evaluation	QuantePhi's commentaries
		(ii) Upon completion of the SSA and upon exercise of the Call Option, NA and NA per Share is expected to remain unchanged as no new Shares are issued. Under the Minimum Scenario, following the Subsequent Events and upon completion of the Proposed Private Placement, gearing is expected to increase from 0.18 times to 0.31 times after taking into consideration the borrowings of Jentayu Solar amounting to RM31.02 million upon completion of the SSA and then remain unchanged upon assuming the exercise of the Call Option. Under the Maximum Scenario. following the Subsequent Events, assuming full exercise of Warrants B and upon completion of the Proposed Private Placement, gearing is anticipated to improve from 0.18 times to 0.09 times. Upon completion of the SSA, gearing is expected to increase to 0.19 times, after taking into consideration Jentayu Solar's total borrowings of RM31.02 million and then remain unchanged upon assuming the exercise of the Call Option. (iii) The Proposals are not expected to have any immediate material effect on the earnings of JSB Group for the financial year ending 30 June 2026. We note that LPS of JSB is expected to increase to (5.00) sen per Share immediately upon completion of the SSA and further increase to (5.20) sen per Share assuming exercise of the Call Option. Notwithstanding the above, the impact of the Proposed Acquisition on the earnings and EPS of JSB Group moving forward will depend on the future earnings generated from Jentayu Solar. In addition, the acquisition of Jentayu Solar is expected to provide sustainable income to the Group based on the solar project's remaining PPA tenure of approximately 16 years. **Premised on the above, taken as a whole, we are of the view that the effects of the Proposed Acquisition are reasonable and not detrimental to the interest of the non-interested shareholders of JSB.**

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Quantephi

Premised on our overall evaluation and assessment of the Proposed Acquisition and Proposed Variation based on the information available to us up to the LPD, we are of the view that, taken as a whole, the Proposed Acquisition and Proposed Variation are **fair and reasonable and are not detrimental** to the interest of the non-interested shareholders of JSB.

Accordingly, we recommend the non-interested shareholders of JSB to **vote in favour** of the resolutions pertaining to the Proposed Acquisition and Proposed Variation at the forthcoming EGM.

Yours faithfully,
For and behalf of
QUANTEPHI SDN BHD

RIFQY NASIS
Executive Director

The salient terms of the SSA between JSB as Purchaser and Jentayu Capital as Vendor are as follows:-

1. Proposed Acquisition (Clause 2)

Clause 2.1
JSB to acquire 1,530,000 ordinary shares in Jentayu Solar, representing 51% of the issued and paid-up share capital of Jentayu Solar, free from all encumbrances, together with all attached and accrued rights.

Clauses 2.4 and 2.5
JSB shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

Jentayu Capital hereby waives all rights of pre-emption over any of the Sale Shares conferred on Jentayu Capital by the constitution of Jentayu Solar or the shareholders agreement of Jentayu Solar or in any other manner.

2. Purchase Consideration (Clause 3)

Clause 3.1
The total Purchase Consideration payable by JSB to Jentayu Capital shall be in the sum of RM5,865,000.00.

Clauses 3.2 and 3.3
JSB's obligation to pay the full Purchase Consideration to Jentayu Capital shall be satisfied via a set-off of refundable deposits previously paid by JSB to Jentayu Capital amounting to RM10,536,000.00.

The Set-Off Arrangement shall be effected on the Completion Date (as defined in Clause 8.2 of the SSA), upon which the Purchase Consideration shall be deemed fully paid by JSB and fully received by Jentayu Capital for all purposes under the SSA. Jentayu Capital agrees that the satisfaction of the Purchase Consideration in the manner detailed in Clause 3 of the SSA shall be a valid discharge of JSB's obligations to pay the Purchase Consideration pursuant to the SSA, and shall constitute JSB's full and final consideration for the SSA.

Clause 3.4
The Balance Refundable Cash Deposit amounting to RM4,671,000.00 remaining after the Set-Off Arrangement shall be refunded in the manner set out in Clause 4 of the SSA.

3. Refund of Balance Refundable Cash Deposit (Clause 4)

Clauses 4.1 and 4.2
Jentayu Capital shall refund the Balance Refundable Cash Deposit sum in full, on or before 25th July 2025, or on such other date as JSB may notify Jentayu Capital, and in such manner as to be determined by JSB and notified to Jentayu Capital.

In accordance with Clauses 4.1 and 4.2 of the SSA, the Company has exercised its right to call for a refund of the Balance Refundable Cash Deposit vide the issuance of a refund notice to Jentayu Capital dated 29 August 2025 specifying a refund date within 60 days of the Company's forthcoming EGM, which is to be held on 22 October 2025. For the avoidance of doubt, the Balance Refundable Deposit shall be due to the Company on or before 21st December 2025.

Clause 4.3
In the event Jentayu Capital fails to make payment of the full Balance Refundable Cash Deposit in accordance with Clause 4 of the SSA, the entire sum of the Balance Refundable Cash Deposit (or any unpaid portion thereof) shall become immediately due and payable to JSB; and JSB shall have the right to initiate legal proceedings or to pursue any other remedies available to it under law or equity, to recover the full sum of the Balance Refundable Cash Deposit from the Vendor.

4. Conditions Precedent (Clause 5)

Clause 5.1
Conditions Precedent as set out in Clause 5.1 of the SSA are as follows:

(a) JSB obtaining the requisite shareholders' approval in respect of the Proposed Acquisition at a general meeting of its shareholders;

(b) Jentayu Capital procuring all requisite consent, approvals and/ or authorisations from the board of directors and shareholders of Jentayu Solar, and any relevant parties including but not limited to the relevant governmental and/ or regulatory authorities for the transfer of the Sale Shares;

(c) Jentayu Capital procuring that all approvals, licences and/ or permits from the relevant authorities, including but not limited to the Energy Commission and TNB, for the operation and maintenance of the Business and/ or Jentayu Solar (including the approval from the Energy Commission for Jentayu Solar's proposed change of shareholders and shareholding structure pursuant to the Proposed Acquisition) shall be valid and subsisting and shall continue in full force and effect after the completion of the Proposed Acquisition. In the event any renewals of any approvals, licences and/ or permits from the relevant authorities are required before completion of the Proposed Acquisition, Jentayu Capital undertakes to procure the necessary renewals prior to the Conditions Precedent Fulfilment Date (as defined in Clause 5.4 of the SSA);

(d) Jentayu Capital procuring the prior written approval of the Pejabat Pengarah Tanah dan Galian Negeri Kedah in respect of Jentayu Solar's declaration as a "Malay" company pursuant to the Kedah Malay Reservation Enactment 1930 for the Proposed Acquisition;

(e) Jentayu Capital procuring the prior written approvals of the Ministry of Natural Resources and Environmental Sustainability (formerly the Ministry of Energy and Natural Resources), TNB, and any other relevant parties and/ or authorities for the Proposed Acquisition;

(f) Jentayu Capital shall procure that Jentayu Solar maintains in force all requisite and valid insurance policies for the functioning of the business of Jentayu Solar. In the event any renewals of such insurance policies are required before completion of the Proposed Acquisition, Jentayu Capital undertakes to procure the necessary renewals of such insurance policies; and

(g) Jentayu Capital shall procure a written waiver of all Seri Panglima's rights over the Sale Shares, including but not limited to all rights of pre-emption, conferred on them by the constitution of the Company or the Shareholders' Agreement or in any other manner.

(Collectively, the "**Conditions Precedent**")

Clauses 5.2, 5.3 and 5.4
JSB has the discretion to waive any of the Conditions Precedent (in whole or in part) by giving written notice to Jentayu Capital. Once waived, the relevant Condition Precedent is considered fulfilled as of the date of the notice. The party or parties responsible for fulfilling a Condition Precedent must notify the other parties in writing upon fulfilment and provide supporting evidence within three (3) days of completion. All Conditions Precedent must be fulfilled or waived within one hundred and eighty (180) days from the Effective Date of the SSA ("**Conditions Precedent Fulfilment Date**"). The SSA becomes unconditional on the Conditions Precedent Fulfilment Date.

Clause 5.5
In the event any of the Condition(s) Precedent are not fulfilled or not waived by the Conditions Precedent Fulfilment Date (or the last extension thereof):-

(a) the parties may, by mutual agreement, extend the Conditions Precedent Fulfilment Date for such period as may be mutually agreed upon (failing which, the SSA shall lapse); or

(b) notwithstanding Clause 5.5(a), JSB may, at its sole and absolute discretion, terminate the SSA by written notice to the Vendor with immediate effect, at any time after the Conditions Precedent Fulfilment Date.

5. Maintenance of Status Quo (Clause 7)

Clause 7.1
During the Interim Period as defined in the SSA (from the Effective Date until the Completion Date), Jentayu Capital shall use its best efforts to preserve Jentayu Solar's business organisation and assets and maintain Jentayu Solar's rights and existing relations with clients, customers, independent contractors, suppliers, employees, and business associates, as well as all existing contracts, assets and liabilities. In this regard, Jentayu Capital shall procure that in the Interim Period, Jentayu Solar conducts its business in the ordinary course. Further, that Jentayu Solar will not enter into any contracts, commitments or incur any liabilities where such contract, commitment or liability is not in the ordinary course of its business, without JSB's prior written consent.

Clause 7.2
Jentayu Capital agrees that during the Interim Period, there will be no Material Adverse Change to the Company's business, financial position, or key contracts. "**Material Adverse Change**" means any event or condition that materially and adversely affects Jentayu Solar's business or financial condition, or its ability to meet its obligations under the SSA and the Proposed Acquisition.

Clause 7.3
If a Material Adverse Change occurs, JSB may, at its sole discretion, either vary the Purchase Consideration (by up to 5%); or terminate the SSA in accordance with Clause 11.1 of the SSA.

Clause 7.4
During the Interim Period, Jentayu Capital shall procure and ensure that neither Jentayu Solar nor Seri Panglima (instructing for or on behalf of Jentayu Solar) undertakes the following actions without JSB's prior written consent:-

a) declare or make any dividends, distributions, bonuses or other payments (except for salaries payable under existing employment arrangements) to shareholders, directors or employees;

b) issue any new shares, options, warrants, bonds or other securities in Jentayu Solar;

c) enter into any joint ventures or similar arrangements;

d) borrow or obtain credit facilities from any financier, or provide guarantees in favour of any third party; and

e) enter into any related party transactions, including transactions involving directors, major shareholders or persons connected to them.

6. Completion (Clause 8)

Clause 8.1
Completion of the SSA to take place subject always to the following:

(a) The fulfilment of all Conditions Precedent set out in Clause 5.1 of the SSA or waiver of the same in accordance with Clause 5.2 of the SSA;

(b) JSB's payment of the Purchase Consideration to Jentayu Capital via the occurrence of the Set-Off Arrangement on the Completion Date (defined in Clause 8.2 of the SSA) pursuant to Clause 3.3 of the SSA;

(c) Jentayu Capital's delivery of all Completion Documents (as defined in the SSA) in accordance with Clause 6.1 of the SSA;

(d) Jentayu Capital's complying with and continuing to comply with all their obligations in the SSA and there being no breach of or non-compliance with any term, condition, undertaking or warranty contained in the SSA by Jentayu Capital; and

(e) As of the Completion Date (defined in Clause 8.2 of the SSA), there being no enacted or proposed legislation or regulation which would prohibit, materially restrict or materially delay the implementation of the Proposed Acquisition.

Clause 8.2
SSA shall be completed on the Completion Date, which shall take place no later than fourteen (14) days from the Conditions Precedent Fulfilment Date, subject to any extensions in writing of the same at JSB's sole and absolute discretion ("**Completion Date**").

Clause 8.3
On the Completion Date, JSB shall be the beneficial owner of the Sale Shares and have all rights, interests and title in and to the Sale Shares and upon registration of JSB as holder of the Sale Shares in the register of members of Jentayu Solar, JSB shall be the legal and beneficial owner of the Sale Shares.

7. Termination (Clause 11)

Clause 11.1
The SSA may be terminated in the following circumstances:-

(a) By JSB in accordance with Clause 5.5(b), Clause 7.3, Clause 9.5(a) (i.e. if at any time during the Interim Period it becomes apparent that a vendor's warranty has been breached, is untrue, inaccurate or misleading, or Jentayu Capital has breached any other term of the SSA, JSB may, at its sole discretion and without prejudice to any of its existing rights or remedies under law or equity (including the rights to terminate and claim damages for breach of the SSA), elect to terminate the SSA by written notice to Jentayu Capital), and/ or Clause 14.2 (i.e. in the event a force majeure event continues for longer than ninety (90) days, JSB shall have the option, at its sole and absolute discretion, to decide whether to proceed with or terminate the SSA) of the SSA;

(b) Upon mutual written agreement of the parties at any point during the subsistence of the SSA; or

(c) In the event Jentayu Capital commits a breach of any of the terms and conditions of the SSA or fail to perform any of its obligations under the SSA (including but not limited to a breach of any of the Vendor's Warranties (as defined in the SSA), JSB shall be entitled but shall not be obliged, at its sole and absolute discretion, to terminate the SSA with immediate effect by way of a written notice to the Jentayu Capital.

Clause 11.2
Upon termination of the SSA pursuant to Clause 11.1 or lapse of the SSA:-

(a) The SSA shall cease to have effect, except for clauses which are expressly stated to survive termination of the SSA;

(b) The Purchase Consideration shall be deemed to be refunded to JSB, the Set-Off Arrangement shall be deemed cancelled, and the full Refundable Cash Deposit sum owed by Jentayu Capital to JSB shall remain due and owing to JSB, without prejudice to JSB's pre-existing rights or remedies under the law; and

(c) Each party shall promptly return or destroy all Confidential Information and documents received from the other party in connection with the SSA, save and except those required by law to be retained.

8. Indemnity (Clause 12)

Clause 12.1
Jentayu Capital hereby agrees to indemnify, defend and hold harmless JSB, its affiliates and their respective officers, directors, shareholders, representatives, agents and employees from and against any direct and consequential costs, loss, damage, third-party claims and penalties arising out of any breach of the SSA, or caused by JSB's reliance on the Vendor's Warranties or any representations or warranties made by Jentayu Capital or its affiliates, officers, shareholders, representatives, agents or employees.

9. Governing law and jurisdiction (Clause 26)

Clause 26.1
The SSA shall be governed by and construed in accordance with the laws of Malaysia.

Clause 26.2
Each party submits to the exclusive jurisdiction of the courts of Malaysia to settle any dispute or claim arising out of, or in connection with the SSA, the Proposed Acquisition and/ or the implementation and effect of the foregoing.

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APPENDIX II – SALIENT TERMS OF THE CALL OPTION DEED

The salient terms of the Call Option Deed between JSB and Seri Panglima are as follows:-

1. Grant of Call Option (Clause 2)

Clause 2.1
Seri Panglima grants to JSB an exclusive and irrevocable Call Option to purchase all 1,470,000 ordinary shares, representing 49% shares in Jentayu Solar, held by Seri Panglima (referred to as the Option Shares), free from all encumbrances and together with all rights attaching thereto. JSB hereby accepts the grant of the Call Option by Seri Panglima.

2. Option Price (Clause 3)

Clause 3.1
The purchase consideration for the Option Shares shall be in the sum of RM5,635,000.00 (referred to as the Option Price).

Clause 3.2
Option Price shall be payable to and shall be accepted by Seri Panglima in full, with such payment made by JSB or by a third party on behalf of JSB, on the Call Option Completion Date (as defined herein).

3. Option Period (Clause 4)

Clause 4.1
The Call Option shall be valid for a period of twelve (12) months from the effective date of the Call Option Deed ("**Option Period**").

Clause 4.2
The Option Period may be extended for such further period(s) as the Parties may mutually agree upon in writing (each extension referred to as an "**Extended Option Period**").

Clause 4.3
In the event the Call Option is not exercised within the Option Period or any Extended Option Period, the Call Option Deed shall automatically lapse and be of no further effect.

4. Exercise of Call Option (Clause 5)

Clause 5.1
The Call Option shall be exercisable by JSB at any time during the Option Period or Extended Option Period(s) (as applicable) by delivering a written notice of its intention to exercise the Call Option to Seri Panglima ("**Exercise Notice**").

Clause 5.2
JSB shall have the right, but not the obligation, to exercise the Call Option at any time during the Option Period or Extended Option Period in the manner set out in Clause 5.1.

Clause 5.3
Upon delivery of the Exercise Notice, the Parties shall proceed in good faith to complete the sale and purchase of the Option Shares in accordance with the terms of the Call Option Deed.

5. Completion (Clause 6)

Clause 6.1
Completion of the Call Option Deed shall take place within fourteen (14) days from the date of the Exercise Notice, or on such other date as may be mutually agreed upon by the Parties in writing ("**Call Option Completion Date**").

Clause 6.2
On the Call Option Completion Date:-

a. Seri Panglima shall have delivered to JSB or to JSB's solicitors as stakeholders, duly executed original instruments of transfer for the Option Shares in favour of JSB, all requisite directors' and shareholders' resolutions, all existing share certificates for the Option Shares issued in its name, and any other documents required to give effect to the transfer of the Option Shares to JSB under the Call Option Deed ("**Call Option Completion Documents**"); and

b. Payment of the Option Price shall be made to Seri Panglima in full

("**Call Option Completion**").

Clause 6.3
Call Option Completion shall take place subject always to the following:-

a. The Option Shares being, at all material times, free from any mortgage, charge, pledge, lien, assignment, option, restriction, right of first refusal, trust arrangement, claim, or other form of security interest or third-party right or interest, or any agreement to create or give any of the foregoing ("**Encumbrances**");

b. The Parties' adherence to and completion of the obligations set out in Clause 6.2 of the Call Option Deed;

c. As of the Call Option Completion Date, there being no enacted or proposed legislation or regulation which would prohibit, materially restrict or materially delay the implementation of the sale and purchase of the Option Shares as contemplated in the Call Option Deed; and

d. all necessary approvals, consents, authorisations or notifications (whether corporate, governmental, licensing, regulatory or contractual) required for the acquisition of the Option Shares by JSB having been obtained, including but not limited to:-

    i. those required from relevant authorities under applicable laws and regulations; and

    ii. those required for material contracts, licences, permits or approvals held by the Company at the time of completion to remain valid and in full force and effect, and unaffected by the transfer of the Option Shares.

Clause 6.4
For the avoidance of doubt, if any such approvals, consents, authorisations or notifications as per Clause 6.3 (d) of the Call Option Deed are not obtained, are withheld, or are withdrawn prior to Call Option Completion, JSB shall not be obliged to proceed with the Call Option Completion and may, at its sole discretion, elect to defer Call Option Completion or withdraw from the Call Option Deed, by written notice to Seri Panglima. In such event, such non-completion shall not constitute a breach of the Call Option Deed and neither Party shall have any claim against the other.

Clause 6.5
Notwithstanding the above, Seri Panglima shall agree to provide the Call Option Completion Documents to JSB or to its appointed solicitors as stakeholders in advance of Completion, upon request by JSB as may reasonably be required to enable JSB to complete the transfer of the Option Shares promptly upon its exercise of the Call Option.

6. Restrictions (Clause 7)

Clause 7.1
During the Option Period and Extended Option Period(s) (as applicable), Seri Panglima shall not sell, assign, pledge, transfer or otherwise dispose of or encumber the Option Shares, or take any steps to do or agree to do so.

Clause 7.2
During the Option Period and Extended Option Period(s) (as applicable), Seri Panglima shall not take any action, or permit any action to be taken in relation to Jentayu Solar, that would reasonably be expected to materially affect the value of the Option Shares, without the prior written consent of JSB.

7. Remedies (Clause 9)

Clause 9.1
If completion of the Call Option Deed does not occur solely due to a default or refusal by Seri Panglima after valid exercise of the Call Option by JSB, JSB shall be entitled to claim against Seri Panglima for all reasonable costs and losses incurred as a result of such default or refusal.

Clause 9.2
In the event of non-payment of the Option Price or any part thereof to Seri Panglima on the Call Option Completion Date, Seri Panglima shall be entitled to claim for any unpaid part of the Option Price from JSB and/ or such third party nominated by JSB to make payment of the Option Price on JSB's behalf (if any).

8. Further Assurance (Clause 10)

Clause 10.1
The Parties hereto shall execute and do and procure all other necessary persons or companies, if any, to execute and do all such further deeds, assurance, acts and things as may be reasonably required so that full effect may be given to the terms and conditions of the Call Option Deed.

9. Governing Law and Jurisdiction (Clause 22)

Clause 22.1 and Clause 22.2
The Call Option Deed shall be governed by and construed in accordance with the laws of Malaysia and the Parties submit to the exclusive jurisdiction of the courts of Malaysia to settle any dispute or claim arising out of, or in connection with the Call Option Deed, and/ or the implementation and effect of the foregoing.

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1. HISTORY AND BUSINESS

Jentayu Solar was incorporated in Malaysia on 10 March 2017 under the Act as a private limited company. Its registered office is located at No. 110, Jalan Lapangan Terbang, 31350 Ipoh, Perak.

Jentayu Solar is principally involved in the production, generation, supply, distribution, transformation and dealing of electricity, namely carrying out the business of power plants for solar and renewable energy. The company's solar photovoltaic energy generating facility began operations on 18 October 2019 ("**Solar Plant**") and has since been supplying electricity to the national grid under a 21-year PPA with TNB, which was entered into on 26 March 2018 and came into effect from the commencement date (i.e. 18 October 2019). By virtue of the rights accorded to it under the PPA, Jentayu Solar holds the rights to own, develop, construct, operate, and maintain the Solar Plant until the day before the 21st anniversary of the commercial operation date (i.e. 17 October 2040). The Solar Plant is located at Lot 2032 – 2041, Mukim Jabi, Pokok Sena, Kedah, on approximately 25.3 hectares of land, and has an installed capacity of 5.99 MW.

The total assets of Jentayu Solar amounts to approximately RM40.03 million as at 30 June 2024, which comprises the following:-

	RM'000
Intangible assets	33,018
Rights-of-use assets	973
Deferred tax asset	3,862
Trade and other receivables	764
Cash and cash equivalents	1,413
Current tax assets	*
Total assets	**40,030**

Note:-

* *Negligible*

For clarification, by virtue of the rights accorded to it under the PPA, Jentayu Solar holds the rights to own, develop, construct, operate, and maintain the Solar Plant. Accordingly, the Solar Plant has been recorded as an intangible asset in the financial statements of Jentayu Solar as at 30 June 2024. For the avoidance of doubt, the land on which the Solar Plant is located is not owned by Jentayu Solar but is instead leased, and has been recorded as a right-of-use asset.

2. SHARE CAPITAL

As at the LPD, Jentayu Solar has a total issued share capital of RM3.00 million comprising of 3,000,000 ordinary shares. Jentayu Solar does not have any convertible securities, as at the LPD.

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3. DIRECTORS AND SHAREHOLDERS

As at the LPD, the shareholders and directors of Jentayu Solar together with their respective shareholdings in Jentayu Solar are as follows:-

			Direct		Indirect	
Name	**Designation**	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Jentayu Capital	Substantial Shareholder	Malaysia	1,530,000	51.00	-	-
Seri Panglima	Substantial Shareholder	Malaysia	1,470,000	49.00	-	-
Datin Nurhaida	Substantial Shareholder	Malaysian	-	-	1,530,000*[1]	51.00
Duli Yang Amat Mulia Raja Puan Muda Perak Darul Ridzuan Tunku Soraya Binti Almarhum Sultan Abdul Halim Mu'adzam Shah	Substantial Shareholder	Malaysian	-	-	1,470,000*[2]	49.00
Yang Teramat Mulia Dato' Seri DiRaja Tan Sri Tunku Puteri Intan Safinaz Binti Almarhum Sultan Abdul Halim Mu'adzam Shah	Substantial Shareholder	Malaysian	-	-	1,470,000*[2]	49.00
Rizman Harith Merican	Director	Malaysian	-	-	-	-
Datuk Wan Ahmad Muazzam Bin Wan Ismail	Director	Malaysian	-	-	-	-
Tunku Mir'atun Madihah Binti Tunku Mudzaffar	Director	Malaysian	-	-	-	-

4. SUBSIDIARIES AND ASSOCIATE COMPANIES

As at the LPD, Jentayu Solar does not have any subsidiaries, joint ventures or associate companies.

5. MATERIAL CONTRACTS

As at the LPD, Jentayu Solar has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the LPD.

6. MATERIAL LITIGATION

As at the LPD, Jentayu Solar is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the director of Jentayu Solar confirms that there are no proceedings pending or threatened against Jentayu Solar, or any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of Jentayu Solar.

7. MATERIAL COMMITMENTS

As at the LPD, the directors of Jentayu Solar confirm that there are no material commitments incurred or known to be incurred by Jentayu Solar which, upon becoming enforceable, may have a material impact on the financial results/ position of Jentayu Solar.

8. CONTINGENT LIABILITIES

As at the LPD, the directors of Jentayu Solar confirm that there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of Jentayu Solar.

9. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of Jentayu Solar for the past 3 audited financial years up to FYE 30 June 2024 and the latest unaudited 9-month FPE 31 March 2025 is set out below:-

	Audited FYE			Unaudited 9-month FPE	
	30 June 2022	30 June 2023	30 June 2024	31 March 2024	31 March 2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,894	4,574	4,412	3,156	3,441
PBT/ (LBT)	535	(38)	(498)	(628)	29
PAT/ (LAT)	301	(158)	(1,702)	(811)	29
Share capital	3,000	3,000	3,000	3,000	3,000
NA	9,606	9,448	7,746	8,637	7,775
Current assets	4,009	2,268	2,177	1,949	2,396
Current liabilities	4,561	2,289	2,574	1,139	2,152
Cash and bank balances	3,305	1,538	1,413	1,136	977
Total borrowings	34,190	32,620	31,021	31,429	29,762
No. of ordinary share in issues ('000)	3,000	3,000	3,000	3,000	3,000
EPS/ (LPS) (RM)	0.10	(0.05)	(0.57)	(0.27)	0.01
NA per share (RM)	3.20	3.15	2.58	2.88	2.59
Gearing ratio (times)	3.56	3.45	4.00	3.64	3.83
Current ratio (times)	0.88	0.99	0.85	1.71	1.11

FYE 30 June 2022 vs FYE 30 June 2023

The revenue of Jentayu Solar for the FYE 30 June 2023 decreased by RM0.32 million, or 6.54%, to RM4.57 million (FYE 30 June 2022: RM4.89 million). The decrease was primarily attributable to average monthly energy generated decreased by 68,439 kWh or 6.53% to 979,938 kWh in FYE 30 June 2023 (FYE 30 June 2022: 1,048,377 kWh), which was attributable to poor weather conditions such as high rainfall and cloud covering the solar plant's location, reducing the energy production. Despite the decrease in energy production, the total energy produced still exceeded the minimum threshold of 70% of the declared annual quantity required under the PPA with TNB.

Jentayu Solar fell into a LAT position for the FYE 30 June 2023 of RM0.16 million compared to a PAT position of RM0.30 million for the FYE 30 June 2022. The LAT position was mainly due to the lower energy income as explained above coupled with an increase in finance cost by RM0.29 million or 19.8%, which was attributable to the increase in overnight policy rate by Bank Negara Malaysia during FYE 30 June 2023.

FYE 30 June 2023 vs FYE 30 June 2024

The revenue of Jentayu Solar for the FYE 30 June 2024 decreased by RM0.16 million, or 3.50%, to RM4.41 million (FYE 30 June 2023: RM4.57 million). The decrease was primarily attributable to average monthly energy generated decreased by 34,853 kWh or 3.56% to 945,085 kWh in the FYE 30 June 2024 (FYE 30 June 2023: 979,938 kWh), which was attributable to poor weather conditions such as high rainfall and cloud covering the solar plant's location. Despite the decrease in energy production, the total energy produced still exceeded the minimum threshold of 70% of the declared annual quantity required under the PPA with TNB.

Jentayu Solar's LAT for the FYE 30 June 2024 increased by RM1.54 million to RM1.70 million (FYE 30 June 2023: RM0.16 million). The increase in LAT was mainly due to the lower energy income as explained above, coupled with an increase of RM1.08 million in deferred tax expenses to RM1.20 million in FYE 30 June 2024 (FYE 30 June 2023: RM0.12 million). The higher deferred tax expense was primarily due to the reversal of a previously recognised deferred tax asset arising from investment tax allowance.

9-month FPE 31 March 2024 vs 9-month FPE 31 March 2025

The revenue of Jentayu Solar for the FPE 31 March 2025 increased by RM0.28 million, or 8.86%, to RM3.44 million (FPE 31 March 2024: RM3.16 million). The increase was primarily due to the plant operating without major disruptions during FPE 31 March 2025, with electricity generation in line with the declared annual quantity required under the PPA, whereas during FPE 31 March 2024, operations were hindered by technical issues with the inverter for 2 months. Additionally, the improved revenue was also contributed by the enhanced performance of the Solar Plant following the solar module cleaning carried out in mid-2024.

Jentayu Solar rose to a PAT position for the FPE 31 March 2025 of RM0.03 million compared to a LAT position of RM0.81 million for FPE 31 March 2024. The PAT position was mainly due to the higher energy income as explained above coupled with Jentayu Solar's administrative expenses decreased by RM0.33 million or 64.96% to RM0.18 million in FPE 31 March 2025. The decrease was mainly attributable to the absence of an authority fee in FPE 31 March 2025 as compared to an authority fee of RM0.27 million incurred in FPE 31 March 2024, which was imposed by the local council for the declaration of the Solar Plant as "Tanah Melayu".

Further, there was no:-

i. exceptional or extraordinary items during the financial years/ period under review;

ii. accounting policy adopted by Jentayu Solar which is peculiar to Jentayu Solar because of the nature of its business or the industry it is involved in; and

iii. audit qualification of the audited financial statements of Jentayu Solar for the financial years under review.

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