

- 10. AUDITED FINANCIAL STATEMENTS OF JENTAYU SOLAR FOR THE FYE 30 JUNE 2024
WITH THE NOTES AND AUDITOR'S REPORT**

Jentayu Solar Sdn. Bhd.
(Registration No. 201701007538 (1221703-D))
(Incorporated in Malaysia)

**Financial statements for the year
ended 30 June 2024**

Jentayu Solar Sdn. Bhd.

(Registration No. 201701007538 (1221703-D))

(Incorporated in Malaysia)

Directors' report for the year ended 30 June 2024

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 30 June 2024.

Principal activities

The Company is principally engaged in the construction, operation, maintenance and sale of solar photovoltaic energy. There have been no significant changes in the nature of these activities during the financial year.

Holding company

The Company is a subsidiary of Jentayu Capital Sdn. Bhd., of which is incorporated in Malaysia and regarded by the Directors as the Company's holding company, during the financial year and until the date of this report.

Results

	RM
Loss for the year	<u>1,702,037</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Tunku Mir'atun Madiah binti Tunku Mudzaffar
Datuk Wan Ahmad Muazzam bin Wan Ismail
Rizman Harith Merican

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Directors' interests in shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.7.2023	Bought	Sold	At 30.6.2024
Direct interests in the holding company:				
Tunku Mir'atun Madihah binti Tunku				
Mudzaffar	250,000	-	-	250,000
Rizman Harith Merican	250,000	-	-	250,000

None of the other Directors holding office at 30 June 2024 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

There were no indemnity given to or insurance costs effected for the Directors, officers nor the auditors of the Company during the financial year.

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Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision need to be made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or in the financial statements, that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 30 June 2024 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

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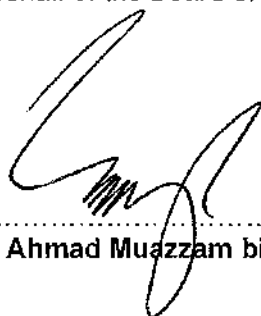
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Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Company during the year is RM40,000.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Datuk Wan Ahmad Muazzam bin Wan Ismail
Director



.....
Rizman Harith Merican
Director

Date: 27 December 2024

Jentayu Solar Sdn. Bhd.

(Registration No. 201701007538 (1221703-D))

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Statement of financial position as at 30 June 2024

	Note	2024 RM	2023 RM
Assets			
Intangible assets	3	33,018,278	35,047,925
Right-of-use assets	4	973,227	1,001,954
Deferred tax assets	5	3,862,466	5,060,648
Total non-current assets		<u>37,853,971</u>	<u>41,110,527</u>
Trade and other receivables	6	764,447	730,507
Cash and cash equivalents	7	1,412,775	1,537,628
Current tax assets		264	-
Total current assets		<u>2,177,486</u>	<u>2,268,135</u>
Total assets		<u>40,031,457</u>	<u>43,378,662</u>
Equity			
Share capital	8	3,000,000	3,000,000
Retained earnings		4,745,880	6,447,917
Total equity attributable to owners of the Company		<u>7,745,880</u>	<u>9,447,917</u>
Liabilities			
Loans and borrowings	9	28,630,834	30,473,632
Lease liabilities		1,080,753	1,167,688
Total non-current liabilities		<u>29,711,587</u>	<u>31,641,320</u>
Loans and borrowings	9	2,390,555	2,146,050
Lease liabilities		29,427	26,928
Trade and other payables	10	154,008	112,447
Current tax liabilities		-	4,000
Total current liabilities		<u>2,573,990</u>	<u>2,289,425</u>
Total liabilities		<u>32,285,577</u>	<u>33,930,745</u>
Total equity and liabilities		<u>40,031,457</u>	<u>43,378,662</u>

The notes on pages 10 to 31 are an integral part of these financial statements.

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Statement of profit or loss and other comprehensive income for the year ended 30 June 2024

	Note	2024 RM	2023 RM
Revenue	11	4,411,659	4,574,350
Cost of sales		<u>(2,566,906)</u>	<u>(2,623,467)</u>
Gross profit		1,844,753	1,950,883
Other income		1,518	-
Administrative expenses		<u>(548,032)</u>	<u>(260,595)</u>
Result from operating activities		1,298,239	1,690,288
Finance income	12	18,197	22,399
Finance costs	13	<u>(1,814,548)</u>	<u>(1,750,388)</u>
Net finance costs		<u>(1,796,351)</u>	<u>(1,727,989)</u>
Loss before tax	14	(498,112)	(37,701)
Tax expense	15	<u>(1,203,925)</u>	<u>(120,643)</u>
Loss and total comprehensive expense for the year		<u>(1,702,037)</u>	<u>(158,344)</u>

The notes on pages 10 to 31 are an integral part of these financial statements.

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**Statement of changes in equity for the year ended
30 June 2024**

	Non- distributable Share capital RM	Distributable Retained earnings RM	Total RM
At 1 July 2022	3,000,000	6,606,261	9,606,261
Loss and total comprehensive expense for the financial year	-	(158,344)	(158,344)
At 30 June 2023/1 July 2023	3,000,000	6,447,917	9,447,917
Loss and total comprehensive expense for the financial year	-	(1,702,037)	(1,702,037)
At 30 June 2024	3,000,000	4,745,880	7,745,880

Note 8

The notes on pages 10 to 31 are an integral part of these financial statements.

Jentayu Solar Sdn. Bhd.

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**Statement of cash flows for the year ended
30 June 2024**

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Loss before tax		(498,112)	(37,701)
<i>Adjustments for:</i>			
Amorlisation of intangible assets	3	2,029,647	2,024,128
Depreciation of right-of-use assets	4	52,458	47,712
Finance costs	13	1,746,594	1,680,513
Finance costs on lease liabilities	13	67,954	69,875
Finance income	12	(18,197)	(22,399)
Gain on lease remeasurement		(1,518)	-
Operating profit before changes in working capital		3,378,826	3,762,128
Net change in trade and other receivables		(33,940)	(26,245)
Net change in trade and other payables		49,498	(2,175,367)
Cash generated from operations		3,394,384	1,560,516
Tax paid		(10,007)	(3,922)
Net cash from operating activities		3,384,377	1,556,594
Cash flows from investing activities			
Interest received		18,197	22,399
Net cash from investing activities		18,197	22,399
Cash flows from financing activities			
Interest paid in relation to lease liabilities		(67,954)	(69,875)
Repayment of loans and borrowings		(3,344,887)	(3,250,689)
Repayment of lease liabilities		(114,586)	(25,363)
Net cash used in financing activities		(3,527,427)	(3,345,927)
Net change in cash and cash equivalents		(124,853)	(1,766,934)
Cash and cash equivalents at beginning of year		1,537,628	3,304,562
Cash and cash equivalents at end of year	7	1,412,775	1,537,628

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Statement of cash flows for the year ended 30 June 2024 (continued)

Notes to the statement of cash flows

(i) Cash outflows for leases as a lessee

	2024 RM	2023 RM
Included in net cash from operating activities:		
Payment relating to low value and short-term leases	(1,704)	(1,704)
Included in net cash from financing activities:		
Payment of lease liabilities	(114,586)	(25,363)
Interest paid in relation to lease liabilities	(67,954)	(69,875)
Total cash outflows for leases	(184,244)	(96,942)

(ii) Reconciliation of movement of loans and borrowings and lease liabilities to cash flows arising from financing activities

	Loans and borrowings RM	Lease liabilities RM	Total RM
At 1 July 2022	34,189,858	1,219,979	35,409,837
Net changes from financing cash flows	(3,250,689)	(25,363)	(3,276,052)
Unwinding of interests	1,680,513	-	1,680,513
At 30 June 2023/1 July 2023	32,619,682	1,194,616	33,814,298
Net changes from financing cash flows	(3,344,887)	(114,586)	(3,459,473)
Lease remeasurement	-	30,150	30,150
Unwinding of interests	1,746,594	-	1,746,594
At 30 June 2024	31,021,389	1,110,180	32,131,569

The notes on pages 10 to 31 are an integral part of these financial statements.

Jentayu Solar Sdn. Bhd.

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Notes to the financial statements

Jentayu Solar Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

A-2-13A, Plaza Damas 3

No. 63, Jalan Sri Hartamas 1

Taman Sri Hartamas

50480 Kuala Lumpur

Registered office

No. 110, Jalan Lapangan Terbang

Taman Lapangan Terbang

31350 Ipoh

Perak Darul Ridzuan

The Company is principally engaged in the construction, operation, maintenance and sale of solar photovoltaic energy. There have been no significant changes in the nature of these activities during the financial year.

The holding company is Jentayu Capital Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors on 27 December 2024.

1. Basis of preparation**(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosure – Supplier Finance Arrangements*

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1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statement*
 - Amendments to MFRS 107, *Statement of Cash Flows*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 July 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 July 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 July 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 July 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.

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1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 and on the assumption that the Company will continue to operate as a going concern.

The Company incurred a net loss of RM1,702,037 for the year ended 30 June 2024 and has net current liabilities of RM396,504 as of 30 June 2024. This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The validity of the going concern assumption used in the preparation of the financial statements is dependent on the ability of the Company to generate sufficient cash flows from its operations to service its obligations as and when they fall due in foreseeable future.

The Company has entered into a Solar Power Purchase Agreement ("SPPA") with Tenaga Nasional Berhad ("TNB") which is expected to provide steady cash inflows, with TNB being the sole customer of the Company, for 21-years under the SPPA arrangement. The Company has prepared cash flow projections for the next twelve months from 30 June 2024 based on the SPPA arrangement and the prevailing market conditions. Based on the cash flow projections and existing cash and cash equivalents and other liquid investments available as at 30 June 2024, together with the SPPA arrangement with TNB, the Directors are of the view that the Company will be able to generate sufficient cash flows for the next twelve months from 30 June 2024 to meet its operating and financial obligations in the normal course of business.

Consequently, the Directors believe that the preparation of the financial statements on the going concern basis assumption is appropriate.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:

(i) Deferred tax assets

Estimating the deferred tax assets to be recognised requires a process that involves determining appropriate tax provisions, forecasting future years' taxable income and assessing the ability of the Company to utilise tax benefits throughout future earnings. The actual utilisation of tax benefit may be different from expected. The assumptions used in forecasting future years of taxable income are as disclosed in Note 5.

2. Changes in material accounting policies

2.1 Global minimum top-up tax

The Company has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure.

The temporary mandatory relief applies retrospectively. However, there was no new legislation enacted or substantively enacted to implement the top-up tax at 30 June 2022 in the jurisdictions in which the Company operates. The retrospective application has no impact on the Company's financial statements.

2.2 Material accounting policy information

The Company also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

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3. Intangible assets

	Interest over Solar Power Purchase Agreement RM
Cost	
At 1 July 2022/30 June 2023/1 July 2023/30 June 2024	<u>42,545,517</u>
Accumulated amortisation	
At 1 July 2022	5,473,464
Amortisation for the year	<u>2,024,128</u>
At 30 June 2023/1 July 2023	7,497,592
Amortisation for the year	<u>2,029,647</u>
At 30 June 2024	<u>9,527,239</u>
Carrying amount	
At 1 July 2022	<u>37,072,053</u>
At 30 June 2023/1 July 2023	<u>35,047,925</u>
At 30 June 2024	<u>33,018,278</u>

On 26 March 2018, the Company and Tenaga Nasional Berhad ("TNB") ("concession grantor") entered into a Solar Power Purchase Agreement ("SPPA") to design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 5.99MWac in Pokok Sena, Kedah, to generate and deliver solar photovoltaic energy to TNB ("the facility"). The SPPA will expire on the day before the 21st anniversary of the commercial operation date of the facility. The SPPA is scoped in under the framework of IC Interpretation 12, *Service Concession Arrangement*.

On 18 October 2019, the Company's solar power plant achieved its commercial operation date.

3.1 Impairment test

Interest over the SPPA has a finite useful life and is subject to an impairment assessment only if there is an indication of impairment. There is no indication of impairment during the financial year.

3.2 Securities

The intangible assets were charged as securities for Islamic financing facilities issued by the Company (see Note 9).

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3. Intangible assets (continued)

3.3 Material accounting policy information

The intangible assets comprise fair value of the consideration receivable for the construction cost of the solar facility during the stage of construction, including certain mark-up on the actual costs incurred.

Subsequent costs and expenditures relate to infrastructure and equipment costs arising from the commitment to the concession contract and are capitalised only when it is probable that the future economic benefits of these costs and expenditures will flow to the Company. All other repair and maintenance expenses that are routine in nature, are expensed and recognised in the profit or loss as incurred.

4. Right-of-use assets

	Leasehold land RM
Cost	
At 1 July 2022	1,049,666
Depreciation for the year	<u>(47,712)</u>
At 30 June 2023/1 July 2023	1,001,954
Lease remeasurement	23,731
Depreciation for the year	<u>(52,458)</u>
At 30 June 2024	<u>973,227</u>

The leasehold land has a lease period of 25 years from the commercial operation date of the solar project, with an option to renew the lease for 1 year after that date.

4.1 Extension options

Lease of leasehold land contains an extension option exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include all extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

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4. Right-of-use assets (continued)

4.2 Judgements and assumptions in relation to lease

The Company assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension options. The Company considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help to determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rate of the lease. The Company first determined the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

4.3 Securities

Certain right-of-use assets were charged as securities for Islamic financing facilities issued by the Company (see Note 9).

4.4 Material accounting policy information

Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

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5. Deferred tax assets

Recognised deferred tax assets

Deferred tax assets/(liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	RM	RM	RM	RM	RM	RM
Intangible assets	-	-	(5,385,507)	(4,650,296)	(5,385,507)	(4,650,296)
Right-of-use assets	-	-	(233,574)	(240,469)	(233,574)	(240,469)
Lease liabilities	266,443	286,708	-	-	266,443	286,708
Unabsorbed capital allowances	4,949,481	4,255,856	-	-	4,949,481	4,255,856
Unutilised investment tax allowance	4,265,623	5,408,849	-	-	4,265,623	5,408,849
	<u>9,481,547</u>	<u>9,951,413</u>	<u>(5,619,081)</u>	<u>(4,890,765)</u>	<u>3,862,466</u>	<u>5,060,648</u>

Movement in temporary differences during the year

	At 1.7.2022 RM	Recognised in profit or loss (Note 15) RM	At 30.06.2023/ 1.7.2023 RM	Recognised in profit of loss (Note 15) RM	At 30.06.2024 RM
Intangible assets	(3,914,052)	(736,244)	(4,650,296)	(735,211)	(5,385,507)
Right-of-use assets	(251,920)	11,451	(240,469)	6,895	(233,574)
Lease liabilities	292,795	(6,087)	286,708	(20,265)	266,443
Unabsorbed capital allowances	3,641,697	614,159	4,255,856	693,625	4,949,481
Unutilised investment tax allowance	5,408,849	-	5,408,849	(1,143,226)	4,265,623
	5,177,369	(116,721)	5,060,648	(1,198,182)	3,862,466

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5. Deferred tax assets (continued)

5.1 Recognition of deferred tax assets

The Company has estimated the expected utilisation of deferred tax assets against the future taxable profit based on the following:-

(i) **Solar Power Purchase Agreement ("SPPA") entered for 21 years with Tenaga Nasional Berhad ("TNB")**

The Company has applied the following key assumptions in deriving the expected utilisation of deferred tax assets against the future taxable profit for the SPPA:

• Remaining useful life of SPPA	17 years
• Dependable Capacity ("DC")	5.99MW
• Capacity Factor	98.5%
• Net Output (RM million/kWh/month)	0.95 – 1.05
• Annual degradation for the solar plant	0.6% per annum

The values assigned to the key assumptions represent management's assessment of future trends in the energy industry and were based on external sources and internal sources of information (historical data).

(ii) **Investment tax allowance**

The Company has unutilised investment tax allowance in relation to its investment in solar generation business. The allowance can be offset against 70% of statutory income in the year of assessment and it can be carried forward until they are fully utilised.

6. Trade and other receivables

	2024 RM	2023 RM
Trade		
Trade receivables	396,941	367,017
Non-trade		
Other receivables	-	865
Deposits	10,000	5,077
Prepayments	357,506	357,548
	367,506	363,490
	764,447	730,507

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7. Cash and cash equivalents

	2024 RM	2023 RM
Deposits placed with a licensed bank with maturity less than 3 months	541,640	526,469
Cash and bank balances	<u>871,135</u>	<u>1,011,159</u>
	<u>1,412,775</u>	<u>1,537,628</u>

As of 30 June 2024, included in cash and cash equivalents of the Company is RM835,712 (2023: RM732,968) placed in the designated accounts in accordance with the trust deed of the Islamic financing facilities entered into by the Company (see Note 9).

The deposits and bank balances placed in the designated accounts will be part of the security for Islamic financing facilities granted to the Company as disclosed in Note 9.

8. Share capital

	2024		2023	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

9. Loans and borrowings

	Note	2024 RM	2023 RM
Non-current			
Secured			
Muamalat Term Financing-i 1	9.1	21,652,506	23,055,117
Muamalat Term Financing-i 2	9.1	2,160,268	2,296,641
Muamalat Term Financing-i 3	9.1	<u>4,818,060</u>	<u>5,121,874</u>
		<u>28,630,834</u>	<u>30,473,632</u>

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9. Loans and borrowings (continued)

	Note	2024 RM	2023 RM
Current			
Secured			
Muamalat Term Financing-i 1	9.1	1,816,994	1,630,726
Muamalat Term Financing-i 2	9.1	177,556	159,128
Muamalat Term Financing-i 3	9.1	396,005	356,196
		<u>2,390,555</u>	<u>2,146,050</u>
		<u>31,021,389</u>	<u>32,619,682</u>

9.1 Muamalat Term Financing-i

Security

The Muamalat Term Financing-i borrowings were secured with the followings:

- (a) a guarantee provided by the holding company amounting to RM35.9 million;
- (b) a joint guarantee provided by the Directors of the Company amounting to RM35.9 million;
- (c) the Company's intangible assets with carrying amount of RM33,018,278 (2023: RM35,047,925) (see Note 3);
- (d) the Company's deposits and bank balances placed in designated accounts of RM835,712 (2023: RM732,968) (see Note 7); and
- (e) certain of the Company's right-of-use assets held under individual title Geran GM1501-Lot 2032, GM1502-Lot 2033, GM1506-Lot 2037, and GM1507-Lot 2038 located at Mukim of Jabi, District of Pokok Sena, Kedah.

Significant Covenant

The Company is required to maintain a finance service cover ratio of at least 1.15 times and maximum gearing of 7.0 times.

10. Trade and other payables

	2024 RM	2023 RM
Trade		
Trade payables	<u>25,880</u>	<u>56,200</u>
Non-trade		
Other payables	66,015	300
Accruals	<u>62,113</u>	<u>55,947</u>
	<u>128,128</u>	<u>56,247</u>
	<u>154,008</u>	<u>112,447</u>

Registration No. 201701007538 (1221703-D)

11. Revenue

	2024 RM	2023 RM
Revenue from contracts with customers		
Energy income	<u>4,411,659</u>	<u>4,574,350</u>

Revenue from contracts with customers is solely from Malaysia and recognised over time.

Nature of services

The following information reflects the typical transactions of the Company:

Nature of services	Timing of recognition or method used to recognise revenue	Significant payment terms
Energy income	Revenue is recognised over time as the customer simultaneously receives and consumes the electricity provided by the Company.	Credit period of 30 days from invoice date.

There was no variable element in consideration, obligation for returns or refunds and warranty in the provision of services by the Company.

12. Finance income

	2024 RM	2023 RM
Interest income of financial assets calculated using effective interest rate method that are at amortised cost	<u>18,197</u>	<u>22,399</u>

13. Finance costs

	2024 RM	2023 RM
Interest expense of financial liabilities that are not at fair value through profit or loss	1,746,594	1,680,513
Interest expense on lease liabilities	<u>67,954</u>	<u>69,875</u>
	<u>1,814,548</u>	<u>1,750,388</u>

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14. Loss before tax

	Note	2024 RM	2023 RM
Loss before tax is arrived at after charging:			
Auditors' remuneration			
Audit fees:			
- KPMG PLT		40,000	40,000
Material expenses			
Amortisation of intangible assets	3	2,029,647	2,024,128
Depreciation of right-of-use assets	4	52,458	47,712
Personnel expenses:			
- Salaries, wages and others		112,505	161,045
- Contributions to state plans		14,352	20,112

15. Tax expense**Recognised in profit or loss**

	2024 RM	2023 RM
Current tax expense		
Current year	4,367	4,000
Under/(Over) provision in prior years	1,376	(78)
	<u>5,743</u>	<u>3,922</u>
Deferred tax expenses (Note 5)		
Origination and reversal of temporary differences	1,140,489	116,721
Under provision in prior years	57,693	-
	<u>1,198,182</u>	<u>116,721</u>
	<u>1,203,925</u>	<u>120,643</u>
Reconciliation of tax expense		
Loss for the year	(1,702,037)	(158,344)
Tax expense	<u>1,203,925</u>	<u>120,643</u>
Loss before tax	<u>(498,112)</u>	<u>(37,701)</u>
Income tax calculated using Malaysian statutory tax rate of 24%	(119,547)	(9,049)
Non-deductible expenses	121,177	129,770
Reversal of previously recognised tax benefit arising from investment tax allowance	1,143,226	-
Under/(Over) provision in prior years	59,069	(78)
	<u>1,203,925</u>	<u>120,643</u>

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16. Financial instruments

16.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
2024		
Financial assets		
Trade and other receivables (excluding prepayments)	406,941	406,941
Cash and cash equivalents	<u>1,412,775</u>	<u>1,412,775</u>
	<u>1,819,716</u>	<u>1,819,716</u>
Financial liabilities		
Loans and borrowings	(31,021,389)	(31,021,389)
Trade and other payables	<u>(154,008)</u>	<u>(154,008)</u>
	<u>(31,175,397)</u>	<u>(31,175,397)</u>
2023		
Financial assets		
Trade and other receivables (excluding prepayments)	372,959	372,959
Cash and cash equivalents	<u>1,537,628</u>	<u>1,537,628</u>
	<u>1,910,587</u>	<u>1,910,587</u>
Financial liabilities		
Loans and borrowings	(32,619,682)	(32,619,682)
Trade and other payables	<u>(112,447)</u>	<u>(112,447)</u>
	<u>(32,732,129)</u>	<u>(32,732,129)</u>

16.2 Net gains/(losses) arising from financial instruments

	2024 RM	2023 RM
Net gains/(losses) arising from:		
Financial assets measured at amortised cost	18,197	22,399
Financial liabilities measured at amortised cost	<u>(1,746,594)</u>	<u>(1,680,513)</u>
	<u>(1,728,397)</u>	<u>(1,658,114)</u>

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16. Financial instruments (continued)

16.3 Financial risk management

The Company has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

16.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its customers. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of the receivables ageing.

At each reporting date, the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position. The Company does not require collateral in respect of trade receivables.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the current reporting period by geographic region is solely domestic.

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16. Financial instruments (continued)

16.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Company's debt recovery process is as follows:

- a) Above 30 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the commercial team; and
- b) Above 90 days past due, the Company will initiate a legal proceeding against the customer.

The Company uses an allowance matrix to measure Expected Credit Losses ("ECLs") of trade receivables.

Loss rates are based on actual credit loss experience over the past three years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivable. Nevertheless, the Company believes that these factors are not significant for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount RM	Loss allowances RM	Net balance RM
2024			
Current (not past due)	396,941	-	396,941
2023			
Current (not past due)	367,017	-	367,017

There was no loss allowance made on trade receivables during the year (2023: Nil).

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16. Financial instruments (continued)

16.4 Credit risk (continued)

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

16.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings and lease liabilities.

The Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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16. Financial instruments (continued)**16.5 Liquidity risk (continued)***Maturity analysis*

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Under 1 year RM	1 - 5 years RM	More than 5 years RM
2024						
<i>Financial liabilities</i>						
<i>Secured</i>						
Loans and borrowings	31,021,389	Cost of fund + 1.25% p.a.	45,245,420	3,344,887	18,704,242	23,196,291
<i>Unsecured</i>						
Trade and other payables	154,008	-	154,008	154,008	-	-
Lease liabilities	1,110,180	6.0%	1,912,697	95,238	476,190	1,341,269
	<u>32,285,577</u>		<u>47,312,125</u>	<u>3,594,133</u>	<u>19,180,432</u>	<u>24,537,560</u>
2023						
<i>Financial liabilities</i>						
<i>Secured</i>						
Loans and borrowings	32,619,682	Cost of fund + 1.25% p.a.	45,926,755	3,972,252	18,867,293	23,087,210
<i>Unsecured</i>						
Trade and other payables	112,447	-	112,447	112,447	-	-
Lease liabilities	1,194,616	6.0%	2,095,236	95,238	476,190	1,523,808
	<u>33,926,745</u>		<u>48,134,438</u>	<u>4,179,937</u>	<u>19,343,483</u>	<u>24,611,018</u>

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16. Financial instruments (continued)

16.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Company's financial position or cash flows.

16.6.1 Interest rate risk

The Company's fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

All interest rate exposures are monitored and managed proactively by the Company's management.

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	2024 RM	2023 RM
Fixed rate instruments		
Financial assets		
Deposits placed with a licensed bank	<u>541,640</u>	<u>526,489</u>
Financial liabilities		
Lease liabilities	<u>(1,110,180)</u>	<u>(1,194,616)</u>
Floating rate instruments		
Financial liabilities		
Loans and borrowings	<u>(31,021,389)</u>	<u>(32,619,682)</u>

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

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16. Financial instruments (continued)

16.6 Market risk (continued)

16.6.1 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting year would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss	
	100 bp increase RM	100 bp decrease RM
2024		
Floating rate instruments	<u>(235,763)</u>	<u>235,763</u>
2023		
Floating rate instruments	<u>(247,910)</u>	<u>247,910</u>

16.7 Fair value information

The carrying amounts of other investments, cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value		
	Level 3 RM	Total fair value RM	Carrying amount RM
2024			
Financial liabilities			
Muamalat Term Financing-i 1	23,469,500	23,469,500	23,469,500
Muamalat Term Financing-i 2	2,337,824	2,337,824	2,337,824
Muamalat Term Financing-i 3	5,214,065	5,214,065	5,214,065
	<u>31,021,389</u>	<u>31,021,389</u>	<u>31,021,389</u>

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16. Financial instruments (continued)

16.7 Fair value information (continued)

	Fair value of financial instruments not carried at fair value		Carrying amount RM
	Level 3 RM	Total fair value RM	
2023			
Financial liabilities			
Muamalat Term Financing-i 1	24,685,843	24,685,843	24,685,843
Muamalat Term Financing-i 2	2,455,769	2,455,769	2,455,769
Muamalat Term Financing-i 3	5,478,070	5,478,070	5,478,070
	<u>32,619,682</u>	<u>32,619,682</u>	<u>32,619,682</u>

Level 3 fair value

Level 3 fair value is estimated using inputs for the financial assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value within Level 3 of the financial instruments is determined by using estimated future cash flows discounted using market related rate for a similar instrument at the reporting date.

The following table shows the valuation techniques used in the determination of fair values within Level 3.

Type	Description of valuation technique and inputs used
Loans and borrowings	Discounted cash flows using a rate based on the current rate of borrowing at the reporting year.

Valuation process applied by the Company for Level 3 fair value

Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Directors. The Company regularly reviews significant unobservable inputs and valuation adjustments.

Registration No. 201701007538 (1221703-D)

17. Capital management

The Company's objectives when managing capital are to maintain a strong capital base and to safeguard the Company's ability to continue as going concern, so as to maintain investor and creditor confidence and to sustain future development of the business.

The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants. The debt-to-equity ratio of the Company were as follows:

	2024 RM	2023 RM
Total debt	<u>31,021,389</u>	<u>32,619,682</u>
Total equity	<u>7,745,880</u>	<u>9,447,917</u>
Debt-to-equity ratio	<u>4.0 times</u>	<u>3.5 times</u>

There were no changes in the Company's approach to capital management during the financial year.

18. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Company are shown below.

	2024 RM	2023 RM
Holding company		
Advances	<u>2,056,000</u>	<u>5,040,550</u>

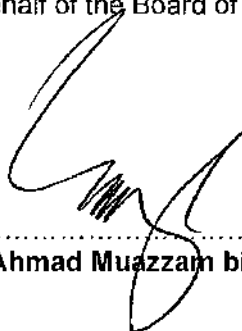
Jentayu Solar Sdn. Bhd.

(Registration No. 201701007538 (1221703-D))
(Incorporated in Malaysia)

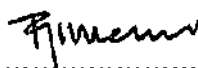
**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 5 to 31 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 June 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Datuk Wan Ahmad Muazzam bin Wan Ismail
Director



.....
Rizman Harith Merican
Director

Date: 27 December 2024

Jentayu Solar Sdn. Bhd.

(Registration No. 201701007538 (1221703-D))
(Incorporated in Malaysia)

**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Datuk Wan Ahmad Muazzam bin Wan Ismail**, the Director primarily responsible for the financial management of Jentayu Solar Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 5 to 31 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Datuk Wan Ahmad Muazzam bin Wan Ismail, NRIC: 691026-02-5579, at Kuala Lumpur in the Federal Territory on
27 December 2024.

.....
Datuk Wan Ahmad Muazzam bin Wan Ismail

Before me:





KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
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8, First Avenue, Bandar Utama
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JENTAYU SOLAR SDN. BHD.

(Registration No. 201701007538 (1221703-D))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jentayu Solar Sdn. Bhd., which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 5 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



Jentayu Solar Sdn. Bhd.
(Registration No. 201701007538 (1221703-D))
Independent Auditors' Report for the
Financial Year Ended 30 June 2024

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Jentayu Solar Sdn. Bhd.
(Registration No. 201701007538 (1221703-D))
Independent Auditors' Report for the
Financial Year Ended 30 June 2024

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

27 December 2024

Muhammad Azman bin Che Ani
Approval Number: 02922/04/2026 J
Chartered Accountant

APPENDIX IV – VALUATION CERTIFICATE

FAIR VALUE OF THE ENTIRE EQUITY INTEREST OF JENTAYU SOLAR SDN BHD



Presented by
Asia Equity Research Sdn Bhd,
a company licensed by
Securities Commission
Malaysia to provide advisory
in corporate finance and
investment advice.

Fair value of the entire equity interest of Jentayu Solar Sdn Bhd
(Registration No. 201701007538 / 1221703-D)

This independent report is prepared by Asia Equity Research Sdn Bhd ("**AER**"), a company licensed by Securities Commission Malaysia in providing advisory in Corporate Finance and Investment Advice, for the board of directors of Jentayu Sustainable Berhad ("**JSB**" or "**the Company**").

To determine the fair equity value of Jentayu Solar Sdn Bhd ("**JSSB**"), solar photovoltaic energy generating facility with a capacity of **5.99MWac** located at lot 2032, 2033, 2037, 2038 Kampung Bendang Perang, Pokok Sena, Kedah under a Power Purchase Agreement with Tenaga Nasional Berhad. We relied on projected financials from JSB's senior management. The solar farm, covering approximately 10.12 hectares (25 acres) at Lot 2032 – 2041, Mukim Jabi, Pokok Sena, Kedah., operates under a Power Purchase Agreement with Tenaga Nasional Berhad ("**TNB**") dated 26 March 2018 that commences from 18 October 2019 to 17 October 2040. For our appraisal of the entire the equity value of JSSB, we had relied on a set of financial cashflow projection that commences from 1 July 2024 to 17 October 2040 ("**Future Financials**") supplied by JSB to us to appraise the fair equity value. The results of our fair equity value of the entire JSSB is presented in this Valuation Certificate ("**Valuation Certificate**").

AER makes no representations or warranties, expressed or implied, as to the accuracy of the information or opinions contained in this Valuation Certificate and accepts no liability for any errors or omissions. The valuation is based on prevailing economic market environment and other conditions as of the valuation date, which may change over time.

Our Valuation Certificate is contingent upon the accuracy and completeness of the information provided to us. Any material omissions or inaccuracies could significantly impact the valuation results.

We reserve the exclusive right to revise our Valuation Certificate considering any information that existed at the date of the Valuation Certificate but which becomes known to us after the date of the Valuation Certificate.

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21 April 2025

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

DEFINITIONS

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

"AER"	Asia Equity Research Sdn Bhd (Registration No.: 201401027762 (1103848-M))
" β " or Beta	" β " or "beta" is a risk measurement that measures industry and financial risk of a listed company. The industry risks that are measured are the general risks affecting a listed company, i.e., also known as systematic risk. It does not measure company specific risk. The beta measurement when the financial risk is excluded is known as unlevered beta, and the beta measurement that includes the financial risk element is known as levered beta
"Bursa Securities"	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"CAPM"	Capital Asset Pricing Model
"COD"	Commercial Operation Date
"Comparable Companies"	Selected listed companies listed on listing exchanges that are involved in renewable energy solar power generation
"EBITDA"	Earnings Before Interest, Taxes, Depreciation and Amortisation
"ER"	Energy rate
"EV"	Enterprise value
"FCFF"	Free Cash Flow to Firm
"Future Financials"	A projected cash flow for JSSB covering the period from 1 July 2024 to 17 October 2040, has been prepared by JSSB which has been relied upon by us in evaluating the fair equity value of JSSB. The most recent available audited financial statement for JSSB corresponds to the fiscal year ending 30 June 2024 and reported an audited cash and bank balance of RM1,412,775. This Report, dated 21 April 2025, includes an estimated budget for the period from 1 July 2024 to 30 June 2025. The remaining projection period spans from 1 July 2025 to 17 October 2040. It is assumed that no dividends will be distributed for the duration from 1 July 2024 to 30 June 2025
"FYE"	Financial Year Ending
"GITA"	Green Investment Tax Allowance
"JSB"	Jentayu Sustainables Berhad (Registration No.: 197501000834 (22146-T))
"JSSB"	Jentayu Solar Sdn Bhd (Registration No.: 201701007538 (1221703-D))
"LAT"	Loss after Tax

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

"MWh"	Megawatt Hours
"O&M"	Operations and Maintenance
"PAT"	Profit after tax
"PPA"	Power Purchase Agreement
"PV"	Photovoltaic
"RM"	Malaysian Ringgit
"Solar Generation Facility"	The solar photovoltaic energy generating facility, with a capacity of 5.99MWac, is located in Pokok Sena, Kedah, and is designed to generate and deliver solar photovoltaic energy to TNB. This arrangement is pursuant to the terms of the PPA entered into between TNB and JSSB on 26 March 2018.
"TNB"	Tenaga Nasional Berhad (Registration No.: 199001009294 (200866-W))
"Valuation Date"	21 April 2025
"WACC"	Weighted Average Cost of Capital

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APPENDIX IV – VALUATION CERTIFICATE (CONT'D)



AER

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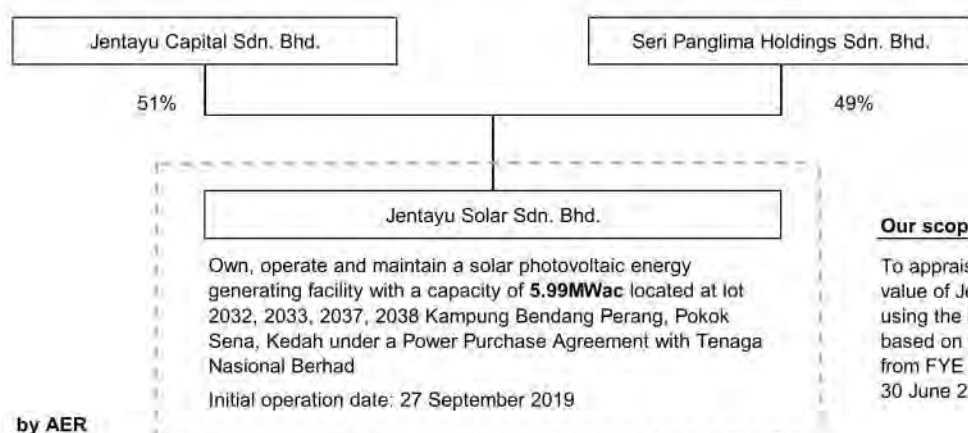
ASCRIBING THE FAIR EQUITY VALUE FOR THE ENTIRE INTEREST IN IN JENTAYU SOLAR SDN BHD

1. Background of our mandate

JSB was incorporated under the name Ipmuda Trading Sdn Bhd in Malaysia on 19 April 1975 as a private company limited by shares. It was later changed its name to Ipmuda (Malaysia) Sdn Bhd on 15 September 1992, and then to Ipmuda Sdn Bhd on 1 April 1993. JSB converted into a public company on 13 April 1993. In the same year, Ipmuda Berhad was listed on the Main Market of Bursa Securities. On 10 January 2022, the Company changed its name from Ipmuda Berhad to JSB.

JSB is an investment holding company listed on Main Market of Bursa Securities. Through its subsidiaries, it engages in trading segment supplies building materials, steel products, hardware, home improvement materials, and cabinet systems. Renewable energy that focuses on sustainable solutions and clean technologies. Property development oversees residential and commercial real estate, including maintenance and security. Healthcare operates private healthcare facilities.

On 6 March 2025, JSB engaged AER to appraise the entire equity value of JSSB.



Source: 20240820 Cashflow LSS Pokok Sena (BJS- contra)-AER

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

2. JSSB AND BRIEF OF PPA

JSSB, a private limited company in Malaysia, was incorporated on 10 March 2017 under the Companies Act 2016.

On 26 March 2018, JSSB and TNB entered into a solar PPA of which JSSB shall design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 5.99MWac in Pokok Sena, Kedah to generate and deliver solar photovoltaic energy to TNB. The term of the PPA is a 21-year agreement with TNB under a large-scale solar project for connection to the medium voltage distribution network, expiring on 17 October 2040. The COD was on 18 October 2019.

Energy rate:- RM0.389 per kWh

Excess energy rate:- RM0.08 per kWh

Maximum annual allowable quantity: 13,498.243 MWh, being the annual quantity for the first twelve months from the COD.

Term: ending on the day before the 21st anniversary of the COD, unless extended.

3. Valuation Date, Report Date and Cut-off Date

Valuation Date is 21 April 2025	All market input parameters used to compute the discount rate were obtained on 21 April 2025.
Valuation Certificate Date is 21 April 2025	The date of this Valuation Certificate is 21 April 2025 which is the latest practicable date for updating all information contained in this Valuation Certificate.
Measurement date to appraise the FCFF entitlement of JSSB is from 1 July 2024 onwards until 17 October 2040 with an assumed beginning cash balance of RM1,412,775.	<p>To appraise the net future FCFF from the solar facility of JSSB commencing from 1 July 2024, continuing until 17 October 2040.</p> <p>The cash and bank balance as of 30 June 2024 (audited) of RM1,412,775 shall be the opening cash and bank balance as of 1 July 2024.</p>

4. Approach and methodology used in performing the fair valuation exercise

International Valuation Standards ("IVS") 105 by the International Valuation Standards Council ("IVSC") guides valuers in selecting appropriate valuation models. IVS 103 groups valuation approaches into three broad categories:

- (i) Market approach
- (ii) Income approach
- (iii) Cost approach

After evaluating all approaches, we concluded that using the income approach characterised by FCFF is the most appropriate approach to appraise JSSB's fair equity value for the remaining concession period with TNB.

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

Our rationale of selecting the FCFF approach:-

We concluded that FCFF approach is the most suitable method for appraising the equity value of JSSB. We reviewed using projected Future Financials provided by JSSB (**Appendix 1**).

The Future Financials are based on an installed capacity of 5.99MWac at JSSB in Pokok Sena, Kedah to generate and deliver solar energy to TNB. The term of the PPA is a 21-year agreement with TNB under a large-scale solar project for connection to the medium voltage distribution network, expiring on 17 October 2040. The Future Financials were projected from 1 July 2024 to 17 October 2040, covering financial years from FYE 30 June 2025 to FYE 30 June 2041. During our review, we requested additional information from JSSB, as detailed in **Section 5**, Sources of Information. We also sought representations to assist our understanding.

To compute the WACC, we determined the industry beta for the solar sector using comparable companies. We then calculated the unlevered beta and adjusted it based on JSSB's capital structure, resulting in a WACC of 5.90%. Our calculations are supported by observable market data, detailed in **Appendix 2**.

Disclaimer

The projected Future Financials were provided by JSSB to us. We have reviewed the underlying assumptions and methodologies supplied to us by JSSB. This process is necessary to ensure a thorough understanding of the projected Future Financials and allows us to assess the credibility of the projections and their relevance in determining the fair equity value of JSSB. Although this was performed, we do not give any assurance of the projected future financials, as the future performance may differ from the key assumptions. Market conditions, economic factors, and company-specific events can also affect the fair value range, some of which the company can control and some it cannot.

5. Sources of information

This Valuation Certificate has been prepared by AER based on information as provided to us by JSSB which are as listed below:-

- (i) a copy of a Future Financials furnished to us by JSB which covers the period from 1 July 2024 to 17 October 2040¹;
- (ii) copies of audited financial statements of JSSB for FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024;
- (iii) a copy of tax computation of JSSB for year of assessment 2024 which covers a basis period from 1 July 2023 to 30 June 2024; and
- (iv) a copy of PPA between JSSB and TNB

¹ JSSB provided us with a consolidated projected cash flow from 1 July 2024 to 17 October 2040 to appraise the fair equity value. The period from 1 July 2024 to 30 June 2025 is an estimated year for JSSB. The report date is 21 April 2025, but the financial projections start from 1 July 2024 because we used the audited cash and bank balance of 30 June 2024 as the opening cash balance. Thus, the report includes estimated financial results from 1 July 2024 to 30 June 2025 and projections from 1 July 2025 to 17 October 2040, coinciding with FYE 30 June 2041.

While we obtain information from sources, we consider reliable, we make no representations regarding the accuracy or completeness of the information contained in this Valuation Certificate and accept no liability for any representations related to it.

6. Declaration of independence

AER and/or its directors and staff who are involved in this exercise have **no** equity ownership in JSB / JSSB shares or involve in any advisory matters except being mandated to act as an Independent Valuer.

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

7. Minimum and maximum summary of the fair equity value of JSSB

Based on the Future Financials and the key basis and assumptions detailed under Section 3 of this Valuation Certificate, the fair equity value for the entirety of JSSB, using a WACC of 5.90%, is estimated to be between **RM11.31 million** and **RM11.55 million**, based on an assumed terminal value assessment on the salvage value of zero per MWac and 100,000 per MWac.

Readers are advised to understand the basis and assumptions, risk considerations and key sensitivity factors that could affect the fair value of the appraised entire equity interest. Please do not hesitate to contact the undersigned for any questions regarding the matter.

Yours faithfully

ASIA EQUITY RESEARCH SDN BHD



ONG TEE CHIN, CFA, FRM, CAIA
DIRECTOR

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

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1. BACKGROUND

1.1 INTRODUCTION AND TERMS OF REFERENCE

On 6 March 2025, JSB engaged AER to appraise the entire equity value of JSSB.

1.2 BACKGROUND INFORMATION OF JSSB ON VALUATION DATE

Item number	Description	
1	Company	JSSB was incorporated in Malaysia on 10 March 2017, as a private limited company under the Companies Act 2016.
2	Registered Office	No. 110, Jalan Lapangan Terbang, 31350 Ipoh Perak.
	Business address	A-2-13A, Plaza Damas 3 no. 63, Jalan Sri Hartamas 1 Taman Sri Hartamas 50480 Kuala Lumpur, Wilayah Persekutuan.
3	Principal Activity	The principal activity of JSSB is operation of generation facilities that produce electric energy.
4	Directors	Tunku Mir'atun Madiah Binti Tunku Mudzaffar Datuk Wan Ahmad Muazzam Bin Wan Ismail En Rizman Harith Merican
5	Shareholders	Jentayu Capital Sdn Bhd – 51% Seri Panglima Holdings Sdn Bhd – 49%
6	Subsidiaries and associates	No subsidiary and no associate company
7	Latest audited financial year ended	30 June 2024
8	Auditor	KPMG PLT
9	Accounting standard	Malaysian Financial Reporting Standards
10	Financial summary FYE 30 June 2024 / FYE 30 June 2023	For the fiscal year ending 30 June 2024, JSSB reported annual revenue of RM4,411,659 a LAT of RM1,702,037 with a net assets of RM7,745,880 and outstanding loans of RM31,021,389 obtained from Bank Muamalat Malaysia Berhad. For the fiscal year ending 30 June 2023, JSSB reported annual revenue of RM4,574,350 a LAT of RM158,344 with a net assets of RM9,447,917, and outstanding loans of RM32,619,682 obtained from Bank Muamalat Malaysia Berhad.

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

1.3 APPROACH USED TO APPRAISE THE EQUITY VALUE OF JSSB

Three main approaches are commonly used to appraise the fair value of an entity, namely cost approach, income approach and market approach (Source: IVS 103 Valuation Approaches).

Tabulated below are a discussion of the three approaches and the reason(s) of being selected / not selected as an approach to appraise the equity value of JSSB.

Item number	Approach	AER's commentaries
1	Cost based approach which measures the net fair values of assets less the liabilities.	The cost-based approach, which measures the net fair values of assets less the liabilities, is not suitable for appraising the fair equity value of JSSB. This is because the value generated from the sale of electricity through the solar asset relates directly to the net cash flow value attributable to equity shareholders, rather than the historical carrying value of the assets and liabilities at the measurement date.
2	Income based or also known as free cash flow-based approach which determines the present discounted value of a company based on a projected future cash flow of a business.	<p>FCFF approach is selected as a primary approach to appraise the value of entire equity value in JSSB.</p> <p>We have determined that the FCFF method is most appropriate for valuing JSSB. Utilizing JSB's projected future financials (Appendix 1), our assessment is based on an installed capacity of a 5.99 MWac solar facility located in Pokok Sena, Kedah, under a 21-year PPA. Our appraisal encompasses projections from 1 July 2024 to 17 October 2040. This approach is suitable given JSSB's PPA with TNB, which allows for reasonably reliable projections of future cash inflows and outflows over the remaining concession period. The FCFF method determines the enterprise value and the equity value of JSSB is derived from deducting the aggregate of lease liabilities and terms loans as at 30 June 2024 (audited) and add with the cash and bank balance as at 30 June 2024 (audited). We have requested additional information from JSB (refer to Section 5, Sources of Information) and sought representation for further clarity.</p> <p>We calculated WACC by determining the industry beta for solar companies, computing the unlevered beta, and then adjusting it for JSSB's capital structure. This resulted in a WACC of 5.90%.</p>
3	Market based approach also known as Relative Valuation Approach ("RVA")	The Market-Based Approach or RVA isn't appropriate for valuing JSSB, as its main value for a solar generation facility is unique. Comparable companies vary in capacity and age, making pricing multiples less meaningful and hence <u>not selected</u> .

1.4 COMPARABLE COMPANIES**Criteria for selection of Comparable Companies**

When valuing a company, comparing it to similar businesses offers valuable insights. By carefully selecting comparable companies, we can benchmark performance, evaluate market multiples, and estimate the company's fair value. To ensure the comparability and reliability of the selected comparable companies, it's crucial to consider various factors such as industry, business model, size, financial performance, risk profile and data availability. Our selection criteria focus on identifying listed companies that are "pure-play solar players" that operates within Malaysia and Thailand. Further information on the selected Comparable Companies including description, financial and valuation metrics are as presented under **APPENDIX 3**.

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APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

2. BASIS AND ASSUMPTIONS USED IN THE DETERMINATION OF THE FAIR EQUITY VALUE OF JSSB

We were provided with a set of Future Financials by JSSB.

The key basis and assumptions extracted from the Future Financials that are provided to us adopted in appraising the fair entire equity range is as summarised below:-

Item	Key bases and assumptions	Explanatory notes
1	Extracted salient terms of the PPA between TNB and JSSB	Under a PPA dated 26 March 2018, TNB will buy the net electrical output from JSSB's Solar Generation Facility.
2	Maximum annual allowable quantity:	13,498.243 MWh, being the annual quantity for the first twelve months from the COD.
3	Commercial operation date	18 October 2019
4	Installed capacity	5.99MWac
5	Location of solar photovoltaic energy generating facility (Solar Generation Facility)	Lot 2032 – 2041, Mukim Jabi, Pokok Sena, Kedah.
6	ER (Energy rate)	PPA rate at RM0.389 per kWh
7	Period of appraisal of the Solar Generation Facility	1 July 2024 to 17 October 2040.
8	Projected annual revenue	<p>Annual projected revenue ranges from RM4.865 million to RM4.445 million over the period from 1 July 2024 to 17 October 2040.</p> <p>The annual degradation factor of 0.60% annually.</p> <p>The projected annual revenue (in thousand Ringgit Malaysia) is derived based on projected annual output, ranging from 12,505,485 MWh to 11,195,374 MWh annually multiplied by the ER.</p> <p>The estimated annual output, measured in GWh per MWac, is projected to range from 1.87 (at the end of the concession period) to 2.09 (at the beginning of the fiscal year ending June 30, 2024).</p>
9	Projected overheads	<p>Annual projected overheads ranges from RM0.731 million to RM1.019 million. The key cost items included within this captioned are as follows:-</p> <ul style="list-style-type: none"> • Human resource cost: ~19% • O&M cost : ~27% (example grass cutting, chargeman, visiting engineer and PV panel cleaning)

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

Item	Key bases and assumptions	Explanatory notes
		<ul style="list-style-type: none"> • Fees to authorities: ~10% • Insurance: ~15% • Other costs: ~29% (e.g., audit, tax, secretarial, annual green power monitor fees, utilities, office expenses, and one-time stamp duty and legal fees for refinancing by 30 June 2025) Annual inflation rate is assumed to increase at 3% annually for most of the cost items.
10	Annual projected land lease cost	Annual land lease cost RM95,238 payable to A.H.M.S Holdings Sdn Bhd
12	Annual projected EBITDA	Projected annual EBITDA is RM4.01 million for FYE 30 June 2025, decreasing to RM3.851 million in FYE 30 June 2040, with RM1.370 million for (approximately 3.5 months) in the last FYE 30 June 2041.
13	Term loan from Bank Muamalat Berhad	Outstanding amount owed to Bank Muamalat Berhad is RM31.021 million as of 30 June 2024, with repayment until 30 June 2039.
14	Corporate tax rate	The corporate tax rate is 24% per year. Unabsorbed capital allowances will offset projected adjusted income, with any remaining balance unabsorbed capital allowances carried forward until fully claimed. Upon fully utilizing capital allowances, 70% of the projected annual statutory income will be exempt from tax, while the remaining 30% will be subject to tax at a corporate tax rate of 24% per year.
9	Terminal value	<u>Minimum range</u> No terminal value is appraised as 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, totaling RM0.599 million. Discounting this terminal value at a WACC of 5.90% shall translate to a present value of RM0.23 million.

APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

WACC

Item number	Input metrics	Source of input metrics and its basis	Input values used in FCFF
1	Cost of equity	<p>The annual cost of equity rate is determined as follows:-</p> <p>(i) First, to determine the unlevered beta of the Comparable Company, which translates to average of 0.3637.</p> <p>(ii) Next, the unlevered beta is re-levered to the capital structure of JSSB as at Valuation Date. This translates to a levered beta of 1.510.</p> <p>(iii) Next, we apply the CAPM model, based on an annual expected equity market return of 9.791% and annual risk-free rate of 3.782% as extracted from Bloomberg, measured on Valuation Date.</p>	13.36%

Item number	Input metrics	Source of input metrics and its basis	Input values used in FCFF
1	WACC	<p>As of 30 June 2024, the total term loans and lease liabilities owed to Bank Muamalat Berhad amounted to RM32,131,569, consisting of:</p> <p>(i) Term loans: RM31,021,389</p> <p>(ii) Lease liabilities: RM1,110,180</p> <p>The audited net assets of JSSB were RM7,745,880.</p> <p>The proportion of debt and equity in the capital structure was 81% and 19% respectively.</p> <p>The annualized cost of debt is assumed to be 5.40%, comprising the annualized Internal Rate of Return (IRR) derived from the projected cash flow repayments (Appendix 5) and an additional premium of 0.30% to accommodate potential fluctuations in the interest rate.</p> <p>The cost of equity is determined using the CAPM as 13.36%.</p>	5.90%

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APPENDIX IV – VALUATION CERTIFICATE (CONT'D)

3. FAIR ENTIRE EQUITY VALUE OF JSSB

Based on the Future Financials and the key basis and assumptions detailed under **Section 2** of this Valuation Certificate, the fair equity value for the entirety of JSSB, using a WACC of **5.90%**, is estimated to be between **RM11.31 million** and **RM11.55 million**, based on an assumed terminal value assessment on the salvage value of zero per MWdc and 100,000 per MWh.

4. RISK CONSIDERATION IN FAIR VALUATION ASCRIBED

The fair equity valuation of JSSB could be affected by several major risk factors, including the following: –

- (i) **Projected revenue**
Projected annual revenue is calculated based on an output of 12,505 MWh in FYE 30 June 2025, degrading annually by 0.60% to 11,357 MWh in FYE 30 June 2041, multiplied by the fixed ER rate. The only variable affecting projected revenue is the actual output of MWh differs from the projection. Lower actual output compared to projections will reduce fair value, while higher actual output will increase it.
- (ii) **Projected overheads**
A lower actual overheads compared to projections will increase the fair equity value, while higher actual overheads will decrease the fair equity value.
- (iii) **Market input fluctuations** can impact the equity risk premium and thus alter the CAPM fair equity value calculation.
- (iv) Any unforeseen factors that resulted in the non-satisfactory maintenance of the solar generation facility may the risk of termination of the PPA.
- (v) The actual costs of maintaining the concession assets could exceed the initial estimates. This could be due to factors such as unforeseen challenges or increases in the cost of materials or labor. Any unforeseen cost overrun that resulted in actual operational cost exceeding its projected cost shall represent a discount to the fair value ascribed by us.
- (vi) Any possibilities that the PPA is suspended, terminated, deemed illegal, invalid or ceases to be in full force and effect.
- (vii) Any contingent liabilities such as prior year understatement of tax liabilities or any other liabilities.
- (viii) Global and regional economic factors, such as political and macroeconomic conditions beyond JSSB's control can influence fair valuation. Examples: In periods of high inflation, actual costs may exceed the assumed annual increase of 3%, leading to a reduction in fair valuation. During such periods, valuation metrics may change as investors tend to become more risk-averse, demanding higher required rates of return and potentially lowering fair value.
- (ix) Changes in the investor's risk appetite in the equity capital markets may contribute either positively or negatively to the fair valuation ascribed for JSSB. In circumstances that lead to risk aversion shall result in lesser weightings allocated to equity capital markets and hence causing the equity price to be lower than the fair value as ascribed. Conversely, in circumstances that lead to increasing risk appetite shall result in increased weights allocated to equity capital markets and hence causing the equity price to be higher than its fair value as ascribed.