

PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION



JAKS RESOURCES' HAI DUONG POWER PLANT'S FIRST UNIT TO COMMENCE OPERATIONS

Power plant to provide stable recurring income over the next 25 years

SUBANG JAYA, 2 December 2020 - JAKS Resources Berhad's ("JAKS" or "the Group") has received confirmation today that the Vietnam authority has officially acknowledged that the first unit of its Hai Duong build-operate-transfer ("BOT") thermal power plant has commenced operation on 24 November 2020 following the completion of the construction of the said unit. The second unit is scheduled for completion in the second quarter of 2021.

To recap, the power plant comprises of two 600 MW coal-fire thermal units with a project cost of US\$1.87 billion. JAKS initially obtained the concession and subsequently formed a joint venture ("JV") with China Power Engineering Consulting Group Co Ltd ("CPECC") to build and operate the power plant. JAKS holds a 30% equity interest in this JV with CPECC holding the balance. It is being built under a BOT structure with a 25-year power purchase agreement ("PPA") with state-owned utility, Vietnam Electricity Corporation (EVN) and a 25-year coal supply agreement with Vietnam National Coal and Mineral Industries Group, commonly known as Vinacomin. Under the PPA, the JV company, namely JAKS Hai Duong Power Company Limited ("JAKS Hai Duong") will be guaranteed with fixed capacity payments by the Government of Vietnam and will be backed by energy payment to cover variable costs, including fuel and variable operating costs, and therefore contributing to a sustainable income contribution during the 25 years tenure.

The recurring income from JAKS Hai Duong, which is readily converted into US Dollar bodes well for JAKS as it helps to hedge its earnings against foreign currencies' fluctuations when the Group widens its operational footprint in the Southeast Asia region, where potential income will be based on different currencies.

"We are extremely privileged and thankful to have a renowned JV partner to complete this prestigious project, which symbolises a great milestone for the Group. The completion of the (power) plant underlines the strong relationship and collaboration between JAKS, CPECC and the Vietnamese government," said JAKS chief executive officer Andy Ang Lam Poah.

He added, "This pandemic is merely a wake-up call to businesses, emphasising on the importance of having a financial immune system in their operations to withstand various economic shocks. Decisions must be made based on long-term goals rather than short-term ones. With this said, the full completion of the power plant is expected to generate revenue annually over the next 25 years. This augurs well for JAKS as we can now reap in the benefits of the recurring stable income in the long run, starting

with the first unit achieving its commercial operational status. Going forward, in light of the region's huge appetite for energy, we are absolute that our renewable energy prospects will be very bright. Based on the Vietnam Energy Outlook Report 2019, energy consumption in Vietnam is expected to increase by 6.6% per annum from now till 2030. We will undoubtedly continue to lookout for opportunities in renewable energy related projects in the Southeast Asia region. We will focus on expanding the power division, particularly on solar and hydropower projects in Vietnam and Malaysia.”



Overview of Jaks Hai Duong power plant

- End -

About JAKS Resources Berhad

JAKS Resources Berhad (“JAKS”) was started by Datuk Ang Ken Seng in the 1960s as a provider of plumbing services to residential premises in 1987. JAKS was listed on the Main Market of Bursa Malaysia on 1 July 2004.

JAKS was initially engaged in water supply and infrastructure construction projects, supply and trading of building materials and steel related products. The company subsequently expanded into property development of mixed residential and commercial development at the strategically located projects at Ara Damansara and Section 13, Petaling Jaya. JAKS diversified into power generation and other large-scale infrastructure projects, through the 1,200 MW Build-Operate-Transfer power plant project in Hai Duong Province, Vietnam as a joint development with China Power Engineering Consulting Group Co. Ltd.

For more information about JAKS Resources Berhad, please visit www.jaks.com.my

For further media inquiries please contact:

Emile Koh

Email: emile@imejjiwa.com

Sandra Tan

Email: sandra@imejjiwa.com