THIS CIRCULAR TO THE SHAREHOLDERS OF JAYCORP BERHAD ("JAYCORP" OR THE "COMPANY") ("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 advisers immediately.

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JAYCORP BERHAD

(Registration No.: 199801003663 (459789-X))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

(I) PROPOSED ACQUISITION OF APPROXIMATELY 40.0% EQUITY INTEREST IN JAYCORP GREEN ENERGY SDN BHD FOR A PURCHASE CONSIDERATION OF RM15.0 MILLION TO BE SATISFIED ENTIRELY VIA CASH; AND

(II) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF JAYCORP TO INCLUDE THE INVESTMENT, DEVELOPMENT AND/OR OPERATION OF RENEWABLE ENERGY ASSETS AND RELATED ACTIVITIES, INCLUDING BUT NOT LIMITED TO SOLAR, BIOMASS, BIOGAS AND WASTE TO ENERGY

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

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)

The Notice of the Extraordinary General Meeting ("**EGM**") of Jaycorp to be held at Meeting Room 3, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 29 June 2026 at 10:30 a.m. The Notice of EGM and the Proxy Form are enclosed with this Circular.

If you are unable to attend and vote at the EGM in person, please complete the enclosed Proxy Form in accordance with the instructions contained therein and deposit it at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or submitted via email to bsr.proxy@boardroomlimited.com not less than forty-eight (48) hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM or adjourned EGM should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form	:	Saturday, 27 June 2026 at 10:30 a.m.
Day, date and time of the EGM	:	Monday, 29 June 2026 at 10:30 a.m.

This Circular is dated 12 June 2026

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

"ACE Market"	:	Ace Market of Bursa Securities
"Act"	:	The Companies Act 2016
"Act 1965"	:	The Companies Act 1965
"Balance Deposit"	:	The deposit of RM1.20 million which shall be retained by the Vendor's solicitors, to be released to the Vendor on the Completion Date
"Board"	:	The Board of Directors of Jaycorp
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"CGT Deposit"	:	The deposit of RM0.30 million which shall be retained by the Vendor's solicitors, to be released to the Vendor within 5 business days from the date of the SSA and shall only be used for the purposes of satisfaction of the capital gains tax by the Vendor
"Circular"	:	This circular to shareholders of Jaycorp dated 12 June 2026 in relation to the Proposals
"Completion Date"	:	The date of completion of the SSA which shall take place within 5 business days from the date of fulfilment of the last conditions precedent under the SSA (as disclosed in **Appendix I** of this Circular) or such other extended date or dates as may be mutually agreed upon in writing between Microban and Jaycorp
"Director(s)"	:	The director(s) of Jaycorp and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and Section 2(1) of the Act
"EGM"	:	Extraordinary general meeting
"EPS"	:	Earnings per share
"EPCC Contract"	:	The engineering, procurement, construction and commissioning contract dated 18 April 2025 entered into between JGE and Wasco Thermal Sdn Bhd, for the construction of a new 70 TPH biomass boiler system in Pasir Gudang at a contract sum of RM40.6 million.
"Expansion Project"	:	The EPCC Contract awarded by JGE to Wasco Thermal Sdn Bhd, which is expected to be completed by the end of 2027.
"FYE"	:	Financial year ended/ending, as the case may be
"Jaycorp" or our "Company"	:	Jaycorp Berhad (Registration No.: 199801003663 (459789-X))
"Jaycorp Group" or our "Group"	:	Collectively, Jaycorp and our subsidiaries
"Jaycorp Share(s)" or "Share(s)"	:	Ordinary shares in Jaycorp
"JGE"	:	Jaycorp Green Energy Sdn Bhd (Registration No.: 200701035649 (793678-U))
"JGE Sale Share(s)"	:	2,330,195 ordinary shares in JGE, representing approximately 40.0% equity interest in JGE
"LAT"	:	Loss after tax
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	29 May 2026, being the latest practicable date prior to the printing and despatch of this Circular
"LTD"	:	29 April 2026, being the last trading day immediately prior to the date of signing of the SSA
"Main Market"	:	Main Market of Bursa Securities
"Microban" or the "Vendor"	:	Microban (M) Sdn Bhd (Registration No.: 198701001071 (159738-U))
"NA"	:	Net assets
"PAT"	:	Profit after tax

"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple
"Proposed Acquisition"	:	Proposed acquisition by our Company of the JGE Sale Shares from Microban for a total cash consideration of RM15.0 million
"Proposed Diversification"	:	Proposed diversification of our Group's existing business operations to include the investment, development and/or operation of renewable energy assets and related activities, including but not limited to solar, biomass, biogas and waste to energy
"Proposals"	:	Collectively, the Proposed Acquisition and Proposed Diversification
"Purchase Consideration"	:	RM15,000,000, being the total consideration for the Proposed Acquisition
"Renewable Energy"	:	Renewable energy, biomass and environmentally friendly waste treatment
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SSA"	:	Share sale agreement dated 30 April 2026 entered into between Jaycorp and Microban in relation to the Proposed Acquisition
"UOBKH" or "Principal Adviser"	:	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No.: 199001003423 (194990-K))
Unit of measurement		
"km"	:	Kilometers
"sq ft"	:	Square feet
"sqm"	:	Square metres
"TPH"	:	Tonnes per hour

Unit of measurement

"km"	:	Kilometers
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All references to "we", "us", "our" and "ourselves" are to Jaycorp or Jaycorp Group. All references to "you" in this Circular are to the shareholders of Jaycorp.

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

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our plans and objectives will be achieved.

EXECUTIVE SUMMARY

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

<table>
<tr><th>Key information</th><th>Description</th><th>Reference to the Circular</th></tr>
<tr><td>Summary of the Proposals</td><td>The Proposed Acquisition entails the acquisition by our Company of 2,330,195 JGE Sale Shares, representing approximately 40.0% equity interest in JGE for a total purchase consideration of RM15.0 million to be satisfied entirely in cash, free from all encumbrances with all rights attaching thereto and accruing thereon, pursuant to the terms and conditions of the SSA.

The Proposed Diversification is undertaken in line with our Group's ongoing efforts to build our Renewable Energy segment, which includes the Proposed Acquisition. Our Board anticipates that our Group's Renewable Energy segment may contribute 25% or more of the net profits of our Group and/or result in a diversion of 25% or more of the NA of our Group towards this business moving forward.</td><td>Sections 2 and 3</td></tr>
<tr><td>Directors' statement</td><td>Our Board, after having considered all aspects of the Proposals (including but not limited to the terms of the SSA, the basis and justifications of the Purchase Consideration, the rationale and justifications of the Proposals and financial effects of the Proposals), is of the view that the Proposals are in the best interests of our Group.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</td><td>Section 12</td></tr>
<tr><td>Basis and justification of arriving at the Purchase Consideration</td><td>The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following:-

(i) the implied PE Multiple of 23.29 times, derived based on the latest audited PAT of approximately RM1.61 million as at the FYE 31 July 2025;

(ii) the historical financial track record of JGE for the past 3 financial years as set out in Appendix II of this Circular;

(iii) the rationale and justifications of the Proposed Acquisition as set out in Section 4.1 of this Circular; and

(iv) future prospects of the enlarged Jaycorp Group as set out in Section 5.3 of this Circular.</td><td>Section 2.3</td></tr>
<tr><td>Mode of settlement</td><td>Pursuant to the terms of the SSA, the Purchase Consideration shall be satisfied entirely in cash, in the following manner:-

<table>
<tr><th rowspan="2">Timing of settlement</th><th colspan="2">Purchase Consideration</th></tr>
<tr><th>RM'000</th><th>%</th></tr>
<tr><td><u>Deposit to be paid within 5 business days from the date of the SSA</u>[(1)]</td><td></td><td></td></tr>
<tr><td>- CGT Deposit</td><td>300</td><td>2.0</td></tr>
<tr><td>- Balance Deposit</td><td>1,200</td><td>8.0</td></tr>
<tr><td><u>Balance Purchase Consideration</u></td><td></td><td></td></tr>
<tr><td>Within 5 business days from the Completion Date</td><td>13,500</td><td>90.0</td></tr>
<tr><td>Total</td><td>15,000</td><td>100.0</td></tr>
</table></td><td>Section 2.4</td></tr>
</table>

Key information	Description	Reference to the Circular
Rationale and justifications of the Proposals	The Proposed Acquisition is expected to provide the following benefits:- (i) eliminates the non-controlling interest, enabling our Group's shareholders to benefit from the full earnings of JGE going forward; (ii) aligns with our Group's strategy to strengthen its presence in the Renewable Energy segment; (iii) allows our Group to fully capture the upside from the anticipated increase in capacity and earnings contribution of the Expansion Project; and (iv) represents a lower execution and integration risk compared to investing in a new business or acquiring an external company. The Proposed Diversification enables our Group to develop the Renewable Energy segment as a core and growing pillar of the enlarged Jaycorp Group's business, alongside its existing manufacturing activities, providing the strategic clarity and flexibility to pursue opportunities within the renewable energy value chain, including the Expansion Project. Further details on the rationale and justifications of the Proposals are set out in **Section 4** of this Circular.	**Section 4**
Risk factors	The potential risk factors in relation to the Proposals are as follows:- (i) non-completion risk; (ii) acquisition risk; (iii) business diversification risk; (iv) dependency on key personnel; (v) competition risk; and (vi) political, economic and regulatory risk.	**Section 6**
Approvals required	The Proposals are subject to the approval of our shareholders at an EGM to be convened.	**Section 9**
Conditionality of the Proposals	The Proposed Acquisition and the Proposed Diversification are inter-conditional upon each other. The Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.	**Section 9**
Interest of Directors, major shareholders and/or persons connected with them	None of the Directors, major shareholders of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposals.	**Section 11**

JAYCORP Berhad
(Registration No.: 199801003663 (459789-X))
(Incorporated in Malaysia)

Registered Office
JA 1880, Batu 22 ½,
Parit Perawas, Sungai Rambai,
77400 Melaka, Malaysia

12 June 2026

Board of Directors

Tan Sri Datuk (Dr.) Abdul Majid Khan	(Executive Chairman)
Yeo Ayk Ke	(Managing Director)
Yeo Aik Tan	(Executive Director)
Lim Poh Teot	(Executive Director)
Muaz bin Jema Anton Khan	(Executive Director)
Nadja binti Jema Khan	(Non-Independent Non-Executive Director)
Ivan Oh Boon Wee	(Independent Non-Executive Director)
Bianca Daniella Lind	(Independent Non-Executive Director)
Patricia Ubing @ Magdalene Edward	(Independent Non-Executive Director)

To: The Shareholders of Jaycorp

Dear Sir/Madam,

(I) PROPOSED ACQUISITION; AND
(II) PROPOSED DIVERSIFICATION

1. INTRODUCTION

On 30 April 2026 and 5 May 2026, UOBKH had, on behalf of our Board, announced that our Company had entered into the SSA on 30 April 2026 and intends to undertake:-

(i) the proposed acquisition by our Company of 2,330,195 JGE Sale Shares, representing approximately 40.0% equity interest in JGE from Microban for the Purchase Consideration to be satisfied entirely via cash; and

(ii) the proposed diversification of our Group's existing business activities to include the investment, development and/or operation of renewable energy assets and related activities, including but not limited to solar, biomass, biogas and waste to energy.

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 AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED WITH THIS CIRCULAR.

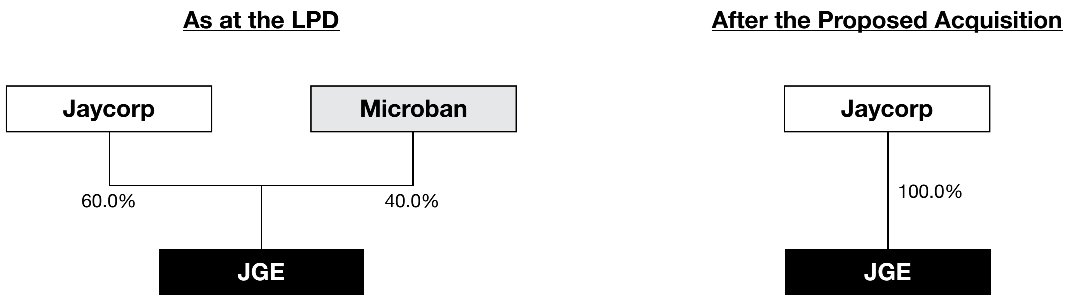
YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition of 2,330,195 JGE Sale Shares by our Company from the Vendor, representing approximately 40.0% equity interest in JGE for a total purchase consideration of RM15.0 million to be satisfied entirely in cash, free from all encumbrances with all rights attaching thereto and accruing thereon, pursuant to the terms and conditions of the SSA. The salient terms of the SSA are set out in **Appendix I** of this Circular.

As at the LPD, JGE is an approximately 60.0%-owned subsidiary of our Company. Upon the completion of the Proposed Acquisition, JGE will become a direct wholly-owned subsidiary of our Company.

The shareholding structure of JGE as at the LPD and upon completion of the Proposed Acquisition is as illustrated below:-



Pursuant to Paragraph 10.08(11)(n) of the Listing Requirements, the Proposed Acquisition is not regarded as a related party transaction in view that there are no interested relationships, save for Asgari Bin Mohd Fuad Stephens who is a director of JGE as well as a director and major shareholder of Microban.

Nevertheless, Asgari Bin Mohd Fuad Stephens will abstain from voting in respect of his direct and/or indirect shareholdings in Jaycorp, if any, and undertake to ensure that all persons connected with him will abstain from voting in respect of their direct and/or indirect shareholdings in Jaycorp, if any, on the resolution pertaining to the Proposed Acquisition, at the forthcoming EGM to be convened.

2.1 Information on JGE

JGE was incorporated in Malaysia under the Act 1965 on 31 October 2007 as a private limited company under the name Jaycorp Vantage Sdn Bhd and is deemed registered under the Act. Subsequently, it adopted its current name, Jaycorp Green Energy Sdn Bhd on 28 August 2013. The registered address of JGE is at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia while its business address is at PLO 481, Jalan Besi, Pasir Gudang Industrial Estate, Pasir Gudang, 81700 Johor, Malaysia.

JGE is principally engaged in renewable energy, biomass and environmentally friendly waste treatment and solely operates in the domestic market. JGE's principal products are industrial steam from the treatment of palm oil waste, with its principal market being the oleochemical industry where JGE derived 93.65%, 88.45% and 94.04% of its revenue in the FYE 31 July 2023, 2024 and 2025 respectively.

Our Company acquired JGE in October 2012 as a dormant company for the purpose of carrying on renewable energy and biomass business. On 6 November 2012, JGE (then known as Jaycorp Vantage Sdn Bhd) entered into agreements with Mensilin Holdings Sdn Bhd ("**Mensilin**") (in receivership) to acquire its assets, thereby establishing the operational foundation of JGE's biomass steam business.

Subsequently, JGE underwent a share subscription by Microban in 2014, representing 10.0% equity interest in JGE, whereby the subscription proceeds were utilised as working capital to support JGE's operational and business development requirements at the time. In 2023, JGE underwent a further share sale and subscription exercise for an additional 30.0% equity interest in JGE, resulting in the current shareholding structure of approximately 60.0% held by our Company and approximately 40.0% held by Microban. The 2023 share sale and subscription exercise enabled our Group to recoup most of its equity investment in JGE while retaining majority control, with the proceeds of the new share subscription being utilised to support JGE's operational requirements.

Further information on JGE is set out in **Appendix II** of this Circular.

2. DETAILS OF THE PROPOSED ACQUISITION (CONTINUED)

2.2 Information on the Vendor

Microban (Registration No.: 198701001071 (159738-U)) was incorporated in Malaysia under the Act 1965 on 25 February 1987 as a private limited company under the name Platco Technical Sdn Bhd and is deemed registered under the Act. Subsequently, it adopted its current name on 14 April 1997. Microban is principally engaged in the business of investment holding.

As at the LPD, the directors of Microban are Asgari Bin Mohd Fuad Stephens and Megat A'rmand Yazid Bin Jeffrey Adzman.

As at the LPD, Microban has an issued share capital of RM6,896,525 comprising 1,040 ordinary shares and 347,888 preference shares. The shareholders of Microban and their respective shareholdings as at the LPD are as follows:-

Ordinary shares in Microban

Shareholders	Country of Incorporation/ Nationality	Shareholdings as at the LPD			
		Direct		Indirect	
		No. of ordinary shares in Microban	%	No. of ordinary shares in Microban	%
Asgari Bin Mohd Fuad Stephens	Malaysian	650	62.50	-	-
Suresh A/L Thirugnanam	Malaysian	260	25.00	-	-
CIMB Commerce Trustee Berhad	Malaysia	65	6.25	-	-
Mayang Imbang Sdn Bhd	Malaysia	65	6.25	-	-

Preference shares in Microban

Shareholders	Country of Incorporation/ Nationality	Shareholdings as at the LPD			
		Direct		Indirect	
		No. of preference shares in Microban	%	No. of preference shares in Microban	%
Asgari Bin Mohd Fuad Stephens	Malaysian	217,439	62.50	-	-
Suresh A/L Thirugnanam	Malaysian	86,983	25.00	-	-
Mayang Imbang Sdn Bhd	Malaysia	21,733	6.25	-	-
CIMB Commerce Trustee Berhad	Malaysia	21,733	6.25	-	-

2.3 Basis and justification of arriving at the Purchase Consideration

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

(i) the implied PE Multiple of 23.29 times, derived based on the latest audited PAT of JGE of approximately RM1.61 million as at the FYE 31 July 2025. The computation of the PE Multiple is as set out below:-

	(RM'million)
Purchase Consideration for the 40.0% interest in JGE	15.00
Implied valuation for 100.0% equity interest in JGE	37.50
Audited PAT of JGE as at FYE 31 July 2025	1.61
PE Multiple[(1)] (times)	**23.29**

Note:-

(1) Computed by dividing the implied valuation of JGE by the audited PAT of JGE for the FYE 31 July 2025 of RM1.61 million.

2. DETAILS OF THE PROPOSED ACQUISITION (CONTINUED)

2.3 Basis and justification of arriving at the Purchase Consideration (Continued)

(ii) the historical financial track record of JGE for the past 3 financial years as set out in **Appendix II** of this Circular. While JGE's PAT declined from RM1.92 million in FYE 2023 to RM0.56 million in FYE 2024 before improving to RM1.61 million in FYE 2025, our Board noted that the decline in FYE 2024 was primarily attributable to operational challenges and lower steam supply during the period resulting from a temporary plant closure to fix issues relating to combustion and emissions. Although this adversely affected performance in the short term, the corrective measures undertaken proved effective. The subsequent recovery in FYE 2025 demonstrates JGE's ability to improve its operational efficiency and profitability. In addition, JGE has remained profitable throughout the past 3 financial years and operates an established biomass steam generation business with a proven operating track record in the past 3 financial years;

(iii) the rationale and justifications of the Proposed Acquisition as set out in **Section 4.1** of this Circular; and

(iv) future prospects of the enlarged Jaycorp Group as set out in **Section 5.3** of this Circular.

In evaluating the Purchase Consideration, our Board considered various valuation methodologies such as asset-based approach using NA and discounted cash flow method but deem them not suitable due to the following reasons:-

(i) the asset-based approach using NA was not adopted as JGE's value is primarily derived from its ability to generate future earnings and cash flows rather than the value of its underlying assets; and

(ii) the discounted cash flow method was also not adopted as it is highly dependent on long-term assumptions relating to future revenue growth, operating margins, capital expenditure requirements and discount rates, which may be inherently subjective.

Accordingly, our Board is of the view that the PE Multiple approach provides a more meaningful basis for determining the Purchase Consideration. In determining the Purchase Consideration, our Board has taken into consideration the PE Multiple of comparable companies ("**Comparable Companies**") listed on Bursa Securities.

For information purposes, PE Multiple is the measure of the market price of a company's shares relative to its annual net income per share, and is computed as follows:-

$$\textit{PE Multiple} = \frac{\textit{Market price of the share}}{\textit{Earnings per share ("}\boldsymbol{EPS}\textit{")}}$$

In respect of the Comparable Companies analysis, our Board noted that there are no comparable companies that may be identical to JGE in terms of composition of business, scale of operations, geographical spread of activities, track record, asset base, risk profile, future prospects and other criteria. However, for the purposes of the analysis, our Board has identified the Comparable Companies as set out in the ensuing section based on the requirements that the principal activities of the entities are similar to JGE's principal activities.

Our Board did not consider applying a discount for lack of marketability as the Proposed Acquisition involves the acquisition of the remaining 40.0% equity interest in JGE, an existing subsidiary in which Jaycorp already holds a controlling 60.0% equity interest. The Proposed Acquisition is strategic in nature and will result in JGE becoming a wholly-owned subsidiary of Jaycorp. Accordingly, our Board is of the view that the lack of marketability associated with shares of an unlisted company is not a significant consideration in determining the Purchase Consideration.

In addition, the Purchase Consideration was negotiated on a willing-buyer willing-seller basis between the parties after taking into consideration JGE's earnings capability, historical financial performance, future prospects and the strategic benefits arising from obtaining full ownership of JGE.

2. DETAILS OF THE PROPOSED ACQUISITION (CONTINUED)

2.3 Basis and justification of arriving at the Purchase Consideration (Continued)

The Comparable Companies are as follows:-

Comparable Companies	Principal activities	Stock exchange	[(1)]Closing share price as at the LTD (RM)	[(2)]PAT attributable to owners of the Company (RM'000)	[(2)]EPS (sen)	[(1)]Market capitalisation as at the LTD (RM'000)	[(3)]PE Multiple (times)
Solarvest Holdings Berhad ("**Solarvest**")	Solarvest and its subsidiaries are principally involved in the engineering, procurement, construction and commissioning of clean energy solutions, renewable energy generation and operations and maintenance of renewable energy systems.	Main Market	2.730	76,162	9.60	2,603,000	28.44
Elridge Energy Holdings Berhad ("**Elridge**")	Elridge and its subsidiary are principally involved in the manufacturing and trading of biomass fuel products.	ACE Market	0.910	57,311	2.87	1,820,000	31.71
BM Greentech Berhad ("**BM Greentec**h")	BM Greentech is primarily engaged in providing integrated and sustainable solutions across three key sectors: bio-energy, water treatment and solar energy.	Main Market	1.310	48,467	7.43	901,013	17.63
HHRG Berhad ("**HHRG**")	HHRG and its subsidiaries are principally involved in the manufacturing and trading of biomass materials and value-added products, focusing on oil palm empty fruit bunch fibre, coconut fibre and value-added products.	ACE Market	0.065	2,210	0.19	70,305	34.21
						High	34.21
						Average	28.00
						Low	17.63
						JGE (valuation multiple)	[(4)]23.29

Notes:-

(1) *Extracted from Bloomberg as at the LTD.*
(2) *Based on the trailing 12-months financial results of the respective Comparable Companies.*
(3) *Calculated based on the closing share price as at the LTD divided by EPS.*
(4) *Computed by dividing the implied valuation of JGE by the audited PAT of JGE for the FYE 31 July 2025 of RM1.61 million.*

Our Board is of the view that the Purchase Consideration, which represents a PE Multiple of 23.29 times (computed based on the PAT of JGE for the FYE 31 July 2025 of RM1.61 million) is justifiable as it is lower than the average trading PE Multiple of the Comparable Companies of 28 times.

2. DETAILS OF THE PROPOSED ACQUISITION (CONTINUED)

2.4 Mode of settlement

Jaycorp shall acquire the JGE Sale Shares at the Purchase Consideration to be satisfied entirely in cash. The summary on the mode of settlement for the Purchase Consideration is set out below:-

	Purchase Consideration	
Timing of settlement	**RM'000**	**%**
Deposit to be paid within 5 business days from the date of the SSA[(1)]		
- CGT Deposit	300	2.0
- Balance Deposit	1,200	8.0
Balance Purchase Consideration		
Within 5 business days of the Completion Date	13,500	90.0
Total	**15,000**	**100.0**

2.5 Source of funding

The Purchase Consideration will be satisfied entirely in cash through our Group's internally generated funds.

2.6 Liabilities to be assumed

It is pertinent to note that JGE is an existing approximately 60.0% owned subsidiary of our Group. As such, save for the obligations and liabilities in and arising from, pursuant to or in connection with the SSA (the salient terms of which are set out in **Appendix I** of this Circular) and the Proposed Acquisition, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by our Group pursuant to the Proposed Acquisition. The JGE Sale Shares shall be acquired free from any encumbrances and together with all rights and advantages attaching thereto as at the completion of the Proposed Acquisition.

2.7 Additional financial commitment

Save for the Purchase Consideration, our Group is not expected to incur material financial commitments to undertake the Expansion Project or to put the assets and/or businesses of JGE on-stream. Being an existing approximately 60.0% owned subsidiary of our Group, our management is familiar with the business operations and financial position of JGE as an on-going business entity with an established historical profit track record as set out in **Appendix II** of this Circular.

3. DETAILS OF THE PROPOSED DIVERSIFICATION

At this juncture, our Group is mainly involved in the following business segments:-

(i) manufacture and sale of furniture (mainly rubberwood furniture) ("**Furniture**");

(ii) conversion of corrugated boards into carton boxes ("**Packaging**");

(iii) pressure treatment and kiln-drying of wood and manufacturing of furniture parts ("**Wood Processing**");

(iv) Renewable Energy;

(v) general construction and civil engineering works ("**Construction**"); and

(vi) general trading, transportation, property letting and printing ("**Others**")

3. DETAILS OF THE PROPOSED DIVERSIFICATION (CONTINUED)

The segmental revenue and result for the past 3 financial years up to the FYE 31 July 2025 is as follows:-

	Audited FYE 31 July		
	2023	**2024**	**2025**
	RM'000	**RM'000**	**RM'000**
Segmental revenue			
Furniture	118,604	116,987	99,635
Packaging	38,595	43,863	36,741
Wood Processing	21,303	22,731	19,646
Renewable Energy	12,065	10,873	15,466
Construction	24,178	19,010	9,838
Others	3,141	5,656	2,822
Elimination(1)	(23,841)	(24,704)	(20,490)
Consolidated revenue(2)(3)	**194,045**	**194,416**	**163,658**
Segmental result			
Furniture	18,078	16,023	8,127
Packaging	2,068	3,877	2,332
Wood Processing	392	1,727	(1,804)
Renewable Energy	1,726	875	2,473
Construction	897	(795)	(3,761)
Others	145	148	(211)
Eliminations(1)	993	1,464	1,021
Consolidated segmental result(2)(3)	**24,299**	**23,319**	**8,177**

Notes:-

(1) Elimination consists of the inter-segmental revenue.

(2) Consolidated revenue and segmental result from continuing operations only.

(3) For information purposes, the revenue and profit/loss only take into account the income generated from the respective business segment, not including any income/expenses such as interest income, interest expense, tax expense and unallocated expenses.

Commentary on past performance

(a) FYE 31 July 2024

Our Group recorded a revenue of approximately RM194.42 million for the FYE 31 July 2024, representing an increase of approximately 0.19% or RM0.37 million as compared to the revenue of approximately RM194.05 million recorded in the previous financial year. The increase in revenue was mainly due to improved performance in the Packaging segment, supported by higher demand from existing external customers in the furniture industry.

Despite the increase in revenue, our Group recorded a lower segmental result of approximately RM23.32 million in the FYE 31 July 2024, representing a decrease of approximately 4.03% or RM0.98 million as compared to the segmental result of approximately RM24.30 million recorded in the previous financial year. The decrease was mainly due to lower demand from the Furniture segment and reduced offtake by customers in the Renewable Energy segment due to temporary plant closures to address combustion and emissions issues, as well as weaker performance in the Construction segment, which recorded lower project completion percentages, a decline in overall construction margins and additional project-related expenses.

Commentary on past performance (continued)

(b) FYE 31 July 2025

Our Group recorded a revenue of approximately RM163.66 million for the FYE 31 July 2025, representing a decrease of approximately 15.82% or RM30.76 million as compared to the revenue of approximately RM194.42 million recorded in the previous financial year. The decrease in revenue was mainly due to weaker demand in both export and domestic markets, leading to reduced revenue across all segments, with the exception of the Renewable Energy segment.

In line with the decrease in revenue, our Group recorded a lower segmental result of approximately RM8.18 million in the FYE 31 July 2025, representing a decrease of approximately 64.93% or RM15.14 million as compared to the segmental result of approximately RM23.32 million recorded in the previous financial year. The significant decrease in segmental result was mainly due to the decline in revenue as explained above, higher write down of inventories in the Wood Processing segment and decrease in overall Construction margins and additional project-related expenses including provisions for foreseeable losses and liquidated ascertained damages cost in Construction segment.

Our Group's involvement in Renewable Energy began in 2012 through JGE. In 2014, JGE commenced steam supply operations to industrial customers within the Pasir Gudang Industrial Zone. Since then, our Group has undertaken various initiatives to expand our Renewable Energy segment, as summarised below:-

(i) our Group has continued to improve JGE's operational efficiency and plant reliability through ongoing enhancements to its boiler operations and maintenance practices and has implemented steam price adjustments in line with prevailing market conditions. These measures have contributed to an improvement in our Group's financial performance and strengthened the foundation in the Renewable Energy segment. This will support the future growth of JGE and the contribution potential of the Renewable Energy segment to our Group's financial performance, as our Board anticipates further expansion of this segment moving forward; and

(ii) on 18 April 2025, JGE had awarded the Expansion Project to Wasco Thermal Sdn Bhd, which is expected to increase JGE's total installed biomass steam generation capacity to a maximum of 95 TPH upon completion in 2027. Our Group's engagement with prospective industrial customers in Pasir Gudang indicates biomass steam demand exceeds JGE's current capacity, supporting our Board's decision to undertake the Expansion Project. Upon completion, the Expansion Project is expected to increase our Group's NA attributable to its Renewable Energy segment and substantially enhance the revenue and profit contribution of the Renewable Energy segment compared to its current contributions.

The Renewable Energy segment demonstrated notable resilience as the only business segment within our Group to record growth in both revenue and profitability for the FYE 31 July 2025. This positive trajectory was primarily underpinned by operational efficiencies implemented during the FYE 31 July 2024, specifically through the improvements in boiler efficiency and the strengthening of preventive maintenance practices. Moving forward, we intend to focus on these measures to support increased customer offtake and further improve the segment's contribution to our Group's PAT.

Historically, the Renewable Energy segment represented a relatively small portion of our Group's overall operations and did not contribute 25.0% or more of our Group's net profits, nor result in 25.0% or more of our Group's NA. As such, the Renewable Energy segment had not previously triggered the requirements of Paragraph 10.13(1) of the Listing Requirements.

However, following the improved operating performance of JGE in FYE 2025, the Proposed Acquisition and the implementation of the Expansion Project, our Board expects the Renewable Energy segment to become a more significant contributor to our Group's financial performance and asset base moving forward.

In view of the foregoing, our Board seeks to obtain our shareholders' approval at an EGM to be convened pursuant to Paragraph 10.13(1) of the Listing Requirements, as it anticipates that the Renewable Energy segment is expected to result in:-

(i) the diversion of 25.0% or more of the NA of our Group to an operation which differ widely from the operations currently carried on by our Group; and/or

(ii) the contribution from such an operation of 25.0% or more of the net profits of our Group.

If the Proposed Diversification is approved by our shareholders at an EGM to be convened, our Group will be subject to the challenges and risks arising from the Proposed Diversification, which are set out in **Section 6** of this Circular.

3. DETAILS OF THE PROPOSED DIVERSIFICATION (CONTINUED)

3.1 Key management and personnel

Upon completion of the Proposed Acquisition, our Group expects no changes to the key management team of JGE. Our Group will take all necessary measures to ensure continuity of operations and to maintain sufficient management resources following completion of the Proposed Acquisition. As at the LPD, the key management and personnel of JGE are as follows:-

(i) Muaz Bin Jema Anton Khan ("Mr Muaz"), Malaysian male, aged 37

Qualifications: Bachelor of Science (Honours), Human Genetics - University College London (2011)

Mr Muaz, a director of JGE, has served on its board since 7 June 2013 and has been instrumental in the acquisition of the Pasir Gudang steam plant and the establishment of JGE as an operating business. He led the plant overhaul, formation of JGE's management team, development of JGE's biomass feedstock supply chain, and secured steam supply agreements with industrial customers. He also plays a key role in JGE's corporate exercises, including equity transactions, financing and the Expansion Project, and remains actively involved in its strategic direction and operations.

Mr Muaz joined Jaycorp in 2013 as Head of Business Development and was appointed Non-Independent Executive Director in 2016. He is the Chairman of the Enterprise Risk Management Committee and Investment Committee and sits on the Board Risk Management Committee. He was appointed Non-Independent Non-Executive Director of Jawala Inc., a company listed on the Catalist Board of the Singapore Exchange, in November 2023. He has served our Group for 13 years and is employed on a permanent basis.

(ii) Mohd Hariz Harun ("Mr Hariz"), Malaysian male, aged 41

Qualifications: Bachelor's Degree, Mechanical Engineering - Universiti Sains Malaysia (2004 to 2009)

Mr Hariz has served as the Plant Manager of JGE since April 2013 and is the longest-serving member of JGE's operational management team. With over a decade of continuous service at the Pasir Gudang facility, he brings specialist expertise in biomass boiler operations. He is responsible for the day-to-day management of JGE's biomass steam generation plant, including production planning, preventive and corrective maintenance, manpower scheduling and operational troubleshooting.

Prior to joining JGE, he served as Plant Engineer at Mensilin from February 2011 to March 2013, where he managed the operation and maintenance of the 35 TPH biomass boiler at their facility, which subsequently became JGE's operating plant following our asset acquisition from Mensilin in 2012. His experience and familiarity with the plant and its operations is a key asset, particularly for the integration of the new 70 TPH boiler from the Expansion Project into JGE's operations. Prior to Mensilin, Mr Hariz served as Clean Development Mechanism Executive at Kogen Sdn Bhd from August 2009 to January 2011, where he was involved in Federal Land Development Authority renewable energy project development. He has served our Group for 13 years and is employed on a permanent basis.

(iii) Chai Hong Rui ("Mr Chai"), Malaysian male, aged 31

Qualifications: BEng (Hons) Mechanical Engineering, Second Upper Class - University of Sunderland (2017 to 2019) and Diploma in Mechanical Engineering - SEGi College Subang Jaya (2014 to 2017)

Mr Chai has served as an Assistant Plant Manager of JGE since May 2023. He supports plant operations and maintenance management, with a focus on process optimisation, preventive maintenance strategy and plant reliability improvement. Mr Chai has led operational improvement initiatives that contributed to JGE's performance in FYE 31 July 2025, including a reduction in emergency downtime, an improvement in boiler offtake efficiency through system balancing and pressure control optimisation, and an improvement in boiler uptime.

Prior to joining JGE, Mr Chai served as Mill Engineer at Kilang Sawit C.P. Sdn Bhd, Temerloh, Pahang from October 2019 to May 2023, where he was responsible for process optimisation, crude palm oil yield enhancement and biogas recovery improvement at a palm oil milling operation. He has served our Group for 3 years and is employed on a permanent basis.

3. DETAILS OF THE PROPOSED DIVERSIFICATION (CONTINUED)

3.1 Key management and personnel

The directors of JGE as at the LPD and upon completion of the Proposed Acquisition is set out as below:-

As at the LPD	After the Proposed Acquisition
Yeo Yek Meng	Yeo Yek Meng
Yeo Aik Tan	Yeo Aik Tan
Muaz Bin Jema Anton Khan	Muaz Bin Jema Anton Khan
Asgari Bin Mohd Fuad Stephens	
Megat A'rmand Yazid Bin Jeffrey Adzman	

Upon completion of the Proposed Acquisition, Asgari Bin Mohd Fuad Stephens and Megat A'rmand Yazid Bin Jeffrey Adzman will step down from the board of JGE, with the remaining directors (i.e. Yeo Yek Meng, Yeo Aik Tan and Muaz Bin Jema Anton Khan) continuing to serve on the board of JGE.

Moving forward, as and when required, we intend to expand our employee base to support the enlarged and fully consolidated renewable energy operations following the completion of the Proposed Acquisition to ensure adequate staff resources are available.

4. RATIONALE AND JUSTIFICATIONS OF THE PROPOSALS

4.1 Proposed Acquisition

JGE has been a subsidiary of our Group since 2012 and has been generating revenue since commencing operations in 2014. Our Group currently consolidates 100.0% of JGE's financial results, with approximately 40.0% attributable to non-controlling interest. The Proposed Acquisition will eliminate the non-controlling interest, enabling our Group's shareholders to benefit from the full earnings of JGE going forward. JGE's contribution to our Group's financial performance for the FYE 31 July 2023 to FYE 31 July 2025 is depicted in the table below:-

	Audited FYE 31 July								
	2023			2024			2025		
	JGE	Group	(1)%	JGE	Group	(1)%	JGE	Group	(1)%
Revenue (RM'000)(2)	12,065	194,045	6.21	10,873	194,416	5.59	15,466	163,658	9.45
PAT/(LAT) (RM'000)(2)	1,924	20,191	9.53	555	13,566	4.09	1,609	(70)	-

Notes:-

(1) Contribution percentage calculated by dividing the revenue and PAT of JGE by our Group's consolidated revenue and PAT/(LAT) for the respective FYEs.

(2) Consolidated revenue and PAT from continuing operations only.

Notwithstanding JGE's profitable track record for the financial years under review, our Group has only been able to recognise PAT attributable to its approximately 60.0% equity interest in JGE. The Proposed Acquisition, which will result in JGE becoming a wholly-owned subsidiary, is aligned with our Board's strategy to strengthen our Group's presence in the renewable energy sector. In addition, our Board is of the view that securing full ownership prior to the commissioning of the expanded capacity is in the best interests of shareholders, as it allows them to realise the full potential of the Expansion Project.

The Proposed Acquisition represents a lower-risk investment for our Group as compared to an investment in a new business or external company, as JGE is already an existing subsidiary of our Group with established operations, cash flow and profitability, and requires no material additional operational or administrative integration. Our management has an established understanding of JGE's operations, customers, cost structure and personnel, which mitigates our Group's integration risks as opposed to developing a new greenfield project or acquiring an external company, both of which would carry higher execution risk and a longer lead time to generate returns. Barring unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to our future earnings.

4. RATIONALE AND JUSTIFICATIONS OF THE PROPOSALS (CONTINUED)

4.2 Proposed Diversification

The Proposed Diversification enables our Group to develop the Renewable Energy segment as a core and growing pillar of the enlarged Jaycorp Group's business, alongside its existing manufacturing activities, providing the strategic clarity and flexibility to pursue opportunities within the renewable energy value chain, including the Expansion Project.

The Proposed Diversification is consistent with our Group's broader strategic objective of building a more resilient and diversified business. As detailed in **Section 3** of this Circular, our Group's financial performance over the past 3 FYEs reflects increasing volatility and declining revenue contributions from its traditional business segments, particularly Furniture, Packaging, Construction and Wood Processing. In FYE 31 July 2025, our Group recorded a significant decline in consolidated segmental results, mainly due to weaker performance in these segments, including losses in the Wood Processing and Construction segment.

In contrast, the Renewable Energy segment has remained consistently profitable and recorded improved performance in FYE 31 July 2025, with revenue growth of 42.24%. This reflects the segment's growing importance as a stable contributor to our Group's earnings and its potential for further expansion, supported by increasing demand for sustainable energy solutions and our Group's ongoing efforts to enhance operational efficiency and cost competitiveness through the adoption of energy-efficient technologies and optimisation of resource utilisation.

Further strengthening this segment, the Expansion Project, which involves the development of a new biomass boiler system in Johor, is expected to be completed by the FYE 31 July 2027 and will significantly increase our Group's biomass steam production capacity. This expansion is consistent with our Board's strategy to enhance the operational capacity and technical capabilities of the Renewable Energy segment, reinforcing its role as a stable and growing contributor to our Group's overall performance.

5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.4% in the first quarter of 2026 (4Q 2025: 6.2%), driven mainly by domestic demand. Household spending remained supported by positive labour market conditions, with the unemployment rate staying low, alongside targeted policy measures. Investment growth was underpinned by continued implementation of multi-year projects by both the private and public sectors, a high realisation rate of approved investments, and the ongoing rollout of national master plans. On the external front, export growth remained strong, driven mainly by continued expansion in electrical and electronics (E&E) exports. Meanwhile, gross import growth moderated amid slower growth in capital, intermediate and consumer goods imports.

Moving forward, uncertainties surrounding the duration and severity of the Middle East conflict will affect the outlook of domestic growth and inflation. Nevertheless, Malaysia's strong fundamentals will continue to underpin the economy's resilience. The Malaysian economy is expected to remain resilient in 2026, with growth expected to come in within the range of 4% to 5%, supported by steady domestic demand and continued expansion in export performance. The resilient domestic demand will provide a strong buffer against external headwinds. Household spending will be underpinned by firm labour market conditions and continuous policy support. Investment activity will be driven by the continued progress of multi-year projects in both the private and public sectors, as well as the ongoing implementation of national master plans. Despite the external headwinds, export growth will continue to be supported by the global technology expansion, particularly for E&E goods, reflecting Malaysia's role in global value chains. This growth outlook remains subject to downside risks from a prolonged conflict in the Middle East and lower commodity production. Meanwhile, upside potential to growth could arise from the de-escalation of the conflict, stronger demand for E&E goods and higher tourism activity.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2026, Bank Negara Malaysia, 15 May 2026)

5. INDUSTRY OVERVIEW AND PROSPECTS (CONTINUED)

5.2 Overview and outlook of the energy sector in Malaysia

Malaysia's final energy demand has been growing at an average of 6.0% per annum between 2010 and 2018 and at 4.0% per annum over a longer time period between 2000 and 2018. The transport, power and industry sectors represent the largest components of energy demand and collectively constitute approximately 75.0% of total final energy demand. Energy demand from these sectors has been growing at a rate of 4.0% per annum. Non-energy use, which comprises primarily of feedstock for the petrochemical industry, has been the largest driver of energy. Final energy demand is expected to grow albeit at a slower pace. Lower correlations are typically observed between energy demand growth and gross domestic product ("**GDP**") growth as economies mature and evolve from manufacturing-focused to service-based economies. Enhanced demand-side management and energy efficiency will also reduce the intensity of final energy demand across various sectors.

(Source: National Energy Policy 2022-2040, Economic Planning Unit Prime Minister's Department, Malaysia)

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. Energy transition is a structural shift in energy sector towards cleaner sources, increased use of renewable energy, and a significant reduction in carbon emissions. The ongoing transition is expected to take place at an accelerated pace, driven by rapid technological progress and implementation of strong climate change policies. 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 National Energy Transition Roadmap ("**NETR**") in August 2023. The NETR, which works in parallel with the initiatives under the National Energy Policy 2022 – 2040 and the New Industrial Master Plan 2030, aims to further amplify Malaysia's commitments to achieve the net-zero aspirations by 2050.

The successful implementation of the NETR is expected to increase the GDP contribution from RM25.0 billion in 2023 to RM220.0 billion in 2050, with 310,000 job opportunities being generated. It is also expected to reduce greenhouse gas emissions by 32.0% in energy sector from 259.0 megatonne of carbon dioxide equivalent in 2019. In addition, the roadmap outlines the phasing out of coal as energy source by 2050, with natural gas being the primary contributor of the total primary energy supply mix at 56.0% while renewables, namely solar, hydro, and bioenergy contributing 23.0%.

(Source: National Energy Transition Roadmap: Energizing the Nation, Powering the Future, Ministry of Economy Malaysia)

5.3 Prospects of the enlarged Jaycorp Group

Our Board maintains a positive long-term outlook for our Group following the completion of the Proposals, underpinned by the potential for materially higher revenue and earnings from the Expansion Project, ongoing enhancements in JGE's existing operations, and a supportive policy environment for biomass energy solutions in Malaysia. Following the completion of the Proposed Acquisition, we intend to continue expanding JGE's Renewable Energy operations.

JGE's Expansion Project is expected to increase JGE's biomass steam production capacity from 25 TPH to 95 TPH, an approximate increase of 280.0%, which is expected to be completed in 2027. Concurrently, we intend to continue engaging existing and prospective industrial customers within the Pasir Gudang Industrial Zone with a view to securing additional steam offtake arrangements to support the utilisation of the expanded capacity. Our Board anticipates that total steam demand from existing and prospective customers will exceed JGE's post-expansion capacity, supporting expectations of strong utilisation and contract uptake. Upon completion of the Proposed Acquisition, our Group will own 100.0% of JGE, enabling full consolidation of the higher earnings from the expanded capacity.

JGE also intends to continue implementing operational improvement initiatives, including enhancements to boiler efficiency, preventive maintenance practices and fuel optimisation measures, to improve plant reliability and operational margins. The new boiler is designed to utilise shredded empty fruit bunches as its primary fuel source, which is substantially cheaper per unit of energy than the mesocarp fibre primarily used by JGE's existing boiler. This shift to lower-cost feedstock is expected to contribute to meaningful margin improvement in the expanded operations.

Our Board views the Proposed Diversification as a proactive step to mitigate cyclical risks in our Group's Furniture, Packaging, Construction and Wood Processing segments by expanding into the more resilient and growing Renewable Energy segment.

5. INDUSTRY OVERVIEW AND PROSPECTS (CONTINUED)

5.3 Prospects of the enlarged Jaycorp Group (continued)

JGE's improved financial performance in FYE 31 July 2025 was driven by operational enhancements, including improved boiler efficiency and stronger preventive maintenance practices, which increased plant reliability and customer offtake volumes. In the FYE 31 July 2025, JGE's revenue increased by 42.24% to RM15.47 million (FYE 31 July 2024: RM10.87 million) and PAT increased by 189.91% to RM1.61 million in FYE 31 July 2025 (FYE 31 July 2024: RM0.56 million), as provided in **Appendix II** of this Circular. Our Board intends to continue implementing operational improvements to support JGE's near-term performance. Upon completion of the Proposed Acquisition, our Group will be entitled to 100.0% of JGE's earnings from its existing operations, compared to approximately 60.0% under the current shareholding structure.

Furthermore, the NETR and Malaysia's National Energy Policy 2022–2040 establish a structurally supportive framework that underpins sustained demand for renewable and bioenergy solutions. JGE is an established and commercially proven participant in this sector, with a track record that our Board views as a competitive advantage over new entrants. JGE's operations are also eligible for Malaysia's Green Technology Financing Scheme and Green Investment Tax Allowance, which may further enhance the economics of its operations and future expansion in the renewable energy sector.

Despite the challenging macroeconomic environment, our Group maintains a healthy cash position of RM55.78 million as at 31 January 2026, providing the necessary financial flexibility to fund the Expansion Project and the Proposed Acquisition. Our Board believes that the transition to a 100.0% ownership of JGE will improve the NA and EPS of our Group over the long term, as our Group captures the full value of JGE's expansion into the green technology space.

Premised on the above and the steady demand for renewable energy solutions in Malaysia, our Board believes that the Proposals are in the best interest of our Group. The integration of JGE as a wholly-owned subsidiary will allow for more streamlined decision-making in the Renewable Energy segment, ultimately enhancing the future prospects and financial performance of the enlarged Jaycorp Group.

(Source: Management of Jaycorp)

6. RISK FACTORS OF THE PROPOSALS

Our Board does not anticipate any material risks arising from the Proposals save for the inherent risks associated with the Renewable Energy segment, in which our Group is already involved in. These risks will continue to be managed in the ordinary course of business. Notwithstanding this, the potential risks that may impact our Group pursuant to the Proposals, though not exhaustive, are set out below:-

6.1 Non-completion risk

The Proposed Acquisition is subject to, amongst others, the fulfilment of the conditions precedent in the SSA as disclosed in **Appendix I** of this Circular as well as the approval of the relevant authorities and our shareholders. In the event any of the conditions precedent in the SSA are not fulfilled or waived, the Proposed Acquisition may be delayed or terminated, resulting in the potential benefits arising therefrom not materialising.

Our Group will take all reasonable measures to ensure the conditions of the SSA are satisfied within the stipulated timeframe, thereby ensuring timely completion of the Proposed Acquisition.

6.2 Acquisition risk

There is no assurance that the anticipated benefits arising from the Proposed Acquisition will be realised or that JGE will be able to generate sufficient returns to the enlarged Jaycorp Group to offset the Purchase Consideration and its associated costs incurred in the Proposed Acquisition. In addition, any decline in economic conditions may affect the potential benefits to be derived from the Proposed Acquisition.

The realisation of the expected benefits is also subject to execution risks associated with JGE's ongoing expansion plans, including the Expansion Project. These include uncertainties relating to project completion timelines, construction and operational risks, as well as the expected revenue and earnings contributions to the enlarged Jaycorp Group from JGE's post-expansion capacity, utilisation levels, and contract uptake.

Nevertheless, our management will closely monitor and constantly assess the prevailing economic and market conditions. Our Board has also exercised due care in considering the potential risks and benefits associated with the Proposed Acquisition and is optimistic of the potential benefits to be derived from the Proposed Acquisition.

6. RISK FACTORS OF THE PROPOSALS (CONTINUED)

6.3 Business diversification risk

The Proposed Diversification would result in the expansion and full consolidation of our Group's existing businesses to include the Renewable Energy segment following the completion of the Proposed Acquisition. Although our Group has an established presence in the Renewable Energy segment, its experience in managing the business at a fully consolidated Group-wide level remains limited. Accordingly, the scaling-up of such operations may give rise to additional risks and challenges.

Our Group seeks to mitigate the additional business risks by, amongst others, engaging professionals with the relevant expertise to jointly execute contracts. In addition, our Group may recruit other qualified personnel internally and engage external professionals with the requisite expertise and experience to complement the existing management team when the need arises.

However, there can be no assurance that our Group will be able to mitigate the various risks inherent in the venture. Should these risks not be adequately addressed, the business operations and financial performance of our Group may be adversely affected.

6.4 Dependency on key personnel

To a significant extent, our Group will rely on JGE's key management for the oversight of business management and operations. The loss of key personnel without suitable and timely replacement and the inability to attract or retain qualified and suitable personnel could adversely affect JGE's ability to operate its business or to compete effectively, which in turn, could affect its financial performance and prospects.

There can be no assurance that there will be continuity in JGE's present management team post-completion of the Proposed Acquisition. Our Board intends to continue retaining the employees of JGE to ensure continuity in the management and no disruption to the day-to-day operations and business.

Our Group intends to formulate human resource strategies and plans that include competitive compensation packages, career advancement and training and development programmes to ensure that JGE has the ability to retain its senior management team and other key employees.

6.5 Competition risk

Our Group faces competition from existing competitors and/ or new entrants operating in similar business related to the Renewable Energy segment. Nevertheless, our Group will take proactive measures to remain competitive in this sector by, amongst others, constantly keeping abreast with the latest market conditions, and making efforts in maintaining a competitive edge in terms of cost efficiency, service quality, product quality and reliability.

However, there can be no assurance that our Group will be able to compete effectively with existing and new entrants in similar business related to the Renewable Energy segment in the future, which may materially affect our Group's financial performance.

6.6 Political, economic and regulatory risk

Any adverse developments in the political, economic, regulatory and social conditions in Malaysia as well as countries in which our Group operates, directly or indirectly, could materially and adversely affect the financials and prospects of our Group. These risks include, amongst others, risks of war, changes in political state, economic downturn and unfavourable changes in governmental policies such as methods of taxation, currency exchange rules or introduction of new regulations on the Renewable Energy segment, which are generally beyond the management's control and affects all the players in the sector. In mitigating such risks, our Group will constantly monitor the key developments in the political, economic and regulatory conditions mentioned above and continue to review its business strategies and engage professional adviser, if required, in response to the changes in political, economic and regulatory conditions.

7. EFFECTS OF THE PROPOSALS

7.1 Issued share capital and substantial shareholders' shareholdings

The Proposals will not have any effect on the share capital and the substantial shareholders' shareholdings of our Company as the Proposals do not involve any issuance of new ordinary shares.

7.2 Convertible securities

As at the LPD, our Group does not have any outstanding convertible securities.

7. EFFECTS OF THE PROPOSALS (CONTINUED)

7.3 NA, NA per Share and gearing

Based on the latest audited consolidated financial statements of our Group as at 31 July 2025, the effects of the Proposed Acquisition on the consolidated NA per Share and gearing of our Group are as follows:-

	Audited as at FYE 31 July 2025 (RM'000)	After the Proposed Acquisition (RM'000)
Share capital	69,926	69,926
Reserves	112,466	(1)116,029
Shareholders' equity/ NA	**182,392**	**185,955**
Non-controlling interest	6,410	2,547
Total equity	**188,802**	**188,502**
No. of Jaycorp Shares in issue ('000)	274,500	274,500
NA per Share (RM)	**0.66**	**0.66**
Total borrowings (RM'000)	13,542	13,542
Cash and bank balances	54,298	(2)39,298
Gearing (times)(3)	**0.07**	**0.07**

Notes:-

(1) *After incorporating the non-controlling interest of JGE amounting to RM3.86 million and deducting the estimated expenses amounting to RM0.30 million in relation to the Proposed Acquisition.*

(2) *Assuming 100.0% of the Purchase Consideration is to be satisfied via our Group's internally generated funds.*

(3) *Computed based on total borrowings divided by shareholders' equity/ NA.*

The Proposed Diversification is not expected to have any material impact on the NA, NA per Share and gearing of our Group. However, the revenue derived from the Proposed Diversification is expected to have a positive impact on the future NA of our Group.

7.4 Earnings and EPS

The Proposals are expected to be earnings accretive and contribute positively to the future earnings and EPS of our Group.

For illustration purposes, assuming that the Proposed Acquisition had been completed on 1 August 2024, being the beginning of our Group's latest audited financial statement for the FYE 31 July 2025, the pro forma effects of the Proposed Acquisition on our Group's earnings and EPS are as follows:-

	Audited FYE 31 July 2025	After the Proposed Acquisition
PAT attributable to owners of our Company (RM'000)	1,356	(1)1,700
Total number of Shares in issue ('000)	274,500	274,500
EPS (sen)	**0.49**	**0.62**

Note:-

(1) *After deducting the estimated expenses of approximately RM0.30 million in relation to the Proposed Acquisition and taking into account the remaining 40.0% of the audited PAT of JGE for the FYE 31 July 2025 amounting to approximately RM0.64 million.*

8. 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 47.43%, calculated based on our Group's latest audited consolidated financial statements for the FYE 31 July 2025.

9. APPROVALS REQUIRED AND INTER-CONDITIONALITY OF THE PROPOSALS

The Proposals are subject to the approval of our shareholders at an EGM to be convened.

The Proposed Acquisition and the Proposed Diversification are inter-conditional upon each other.

The Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (which are the subject matter of this Circular), there are no other outstanding proposals announced by our Group but have yet to be completed as at the date of this Circular.

11. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposals.

12. DIRECTORS' STATEMENT

Our Board, after having considered all aspects of the Proposals (including but not limited to the terms of the SSA, the basis and justifications of the Purchase Consideration, the rationale and justifications of the Proposals and financial effects of the Proposals), is of the view that the Proposals are in the best interests of our Group.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

13. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects the Proposals to be completed by the 4th quarter of 2026.

The tentative timetable for the implementation of the Proposals is set out below:-

Timeline	Event
End June 2026	Convening of the EGM for the Proposals
August 2026	Fulfilment of the conditions precedent in respect of the SSA
September 2026	Completion of the Proposed Acquisition

14. EGM

The EGM, notice of which is enclosed with this Circular, will be held at Meeting Room 3, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 29 June 2026 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 pertaining to the Proposals to approve and give effect to the same.

If you are unable to attend and vote at the EGM in person, you are requested to complete the Proxy Form enclosed herein in accordance with the instructions contained therein and deposit it at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or submitted via email to bsr.proxy@boardroomlimited.com not less than forty-eight (48) hours before the time fixed for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM or adjourned EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
JAYCORP BERHAD

TAN SRI DATUK (DR.) ABDUL MAJID KHAN
Executive Chairman

SALIENT TERMS OF THE SSA

The salient terms of the SSA are as follows:-

1. Sale and Purchase of Sale Shares

   Subject to the fulfilment of the conditions precedent (as set out in Clause 3 below) and the terms of the SSA, Microban shall sell the JGE Sale Shares and Jaycorp shall purchase the JGE Sale Shares free from any security interest together with all rights attaching thereto and accruing thereon (including all dividends and distributions declared, paid or made in respect of the same) on the Completion Date at the Purchase Consideration and upon terms and conditions of the SSA.

2. Purchase Consideration and Payment

   2.1. The Parties agree that the Purchase Consideration for the JGE Sale Shares shall be satisfied in cash by Jaycorp to Microban on the Completion Date and in the manner set out in the SSA.

   2.2. If the SSA is terminated prior to the completion of the purchase of the JGE Sale Shares ("**Completion**") for any reason other than a default by Jaycorp, the Parties shall have the following relevant obligations:

   (a) The Vendor's solicitors shall refund the Balance Deposit in full and free of interest to Jaycorp within five (5) business days from receipt of written notice of termination signed by both Parties or pursuant to the terms of the SSA ("**Termination Date**") without prejudice to any other rights or remedies available to Jaycorp under the SSA or at law;

   (b) Microban shall, at its sole cost and responsibility, take all necessary steps to procure the refund of the CGT from the Inland Revenue Board of Malaysia ("**IRB**") and refund the full CGT Deposit to Jaycorp. Microban shall procure the refund of the CGT from the IRB within three (3) months from the Termination Date and Microban is authorised to produce relevant documents including written notice of termination to the relevant authorities in order for Microban to obtain a refund of the CGT paid. Microban undertakes to submit all required documents to the IRB promptly and diligently. Microban shall submit the refund request to the IRB within five (5) business days from the Termination Date. Within five (5) business days upon Microban's receipt of refund of the CGT from the IRB, Microban agrees to refund the CGT Deposit free of interest to Jaycorp and promptly provide the proof of payment to Jaycorp and/or Jaycorp's solicitors.

   (c) Both Parties acknowledge that the timeline listed in Clause 2.2(b) above for Microban to procure the refund is conditional upon the IRB's refund of the CGT Deposit. Should the refund by the IRB exceed three (3) months from the Termination Date, Microban shall be granted an automatic extension of a further three (3) months by written notice to Jaycorp, or such longer period as may be reasonably required for the procurement of the refund. The Parties shall, where necessary, co-operate with each other in relation to obtaining the refund of the CGT Deposit. Microban acknowledges and agrees that the CGT Deposit shall constitute and remain a continuing debt owed by Microban to Jaycorp for the purposes stated above until and unless the CGT Deposit has been paid.

   If the SSA is terminated prior to Completion due to a default by Jaycorp which results in failure to complete the transaction and which is not capable of remedied within fourteen (14) days or at any time period as may be mutually agreed upon between the Parties, after written notice requiring such remedy, the Vendor's solicitors shall release the Balance Deposit free of interest to Microban within five (5) business days from the Termination Date as agreed liquidated damages, which shall constitute Microban's sole and exclusive remedy against Jaycorp in respect of such termination. For the avoidance of doubt, the Parties agree that the CGT Deposit shall form part of the agreed liquidated damages.

3. Conditions Precedent

   3.1. The Parties agree that the SSA is conditional upon the effective fulfilment of the following conditions precedent:

   (a) the approvals of the Board having been obtained for the purchase of the JGE Sale Shares and the execution, delivery and performance of the SSA and the transactions contemplated under the SSA;

   (b) the approval of the shareholders of Jaycorp at a duly convened general meeting having been obtained, where required under applicable law or the Listing Requirements, for the purchase of the JGE Sale Shares and the transactions contemplated under the SSA;

3. Conditions Precedent (continued)

3.1. The Parties agree that the SSA is conditional upon the effective fulfilment of the following conditions precedent: (continued)

(c) the approvals of the board (and if required, the shareholders) of Microban having been obtained for the sale and transfer of the JGE Sale Shares and the execution, delivery and performance of the SSA and the transactions contemplated under the SSA;

(d) the written approval, consent or confirmation of JGE's financiers, lenders and/or banks (where required) having been obtained in connection with the sale and purchase of the JGE Sale Shares and the transactions contemplated under the SSA, provided that Jaycorp shall be primarily responsible for procuring the same and Microban shall provide full cooperation, and information and documents as may be reasonably required in order for Jaycorp to assume all Microban's financial obligations and liabilities with respect to JGE's existing loans including guarantees and undertakings; and

(e) such consents, waivers or approvals as may be necessary for the sale and purchase, transfer and registration of the JGE Sale Shares under the SSA, from any governmental or regulatory body or competent authority, or third party, if required.

3.2. 3.2. The Parties undertake to procure the fulfilment of the conditions precedent that are applicable to them within 120 days from the date of the SSA or any extended period as the Parties may mutually agree in writing ("**Conditional Period**").

3.3. Subject to the terms as set out in the SSA, unless specifically waived in writing by the Parties, if any of the conditions precedent are not fulfilled on or before the Conditional Period (or such extended date as the Parties may agree in writing), the SSA shall automatically terminate and cease to have further effect (save for the surviving clauses), and neither Party shall have any claims against the other arising out of or in connection with the SSA except in respect of any rights or liabilities accrued prior to the date of termination, including any rights arising from any antecedent breach of the SSA, and the Parties' respective obligations shall continue to apply notwithstanding such termination.

3.4. The SSA will become unconditional upon the satisfaction or fulfilment of all conditions precedent in accordance with the terms of the SSA. Any conditions precedent, to the extent legally possible, mutually agreed to be waived in writing by the Parties will be deemed as a satisfaction or fulfilment of that conditions precedent.

4. Completion

4.1. Completion shall take place within five (5) business days after the SSA becomes unconditional in the manner set out in the SSA, or on such other date as the Parties may mutually agree in writing.

4.2. If Microban refuses or fails to comply with any of its obligations in the SSA, Jaycorp shall be entitled (in addition to and without prejudice to all other rights or remedies available, including the right to claim damages) by written notice to Microban served on or before the Completion Date, where applicable:

(a) to claim for specific performance against Microban of their obligations under the SSA; or

(b) to terminate the SSA; or

(c) to effect Completion so far as practicable having regard to the defaults which have occurred.

5. Default

If either Party fails to perform any of its obligations under the SSA or commits any material breach of the SSA, the non-defaulting Party shall be entitled to exercise any rights available at law or in equity, including seeking specific performance of the SSA and/or claim damages, losses, costs and expenses arising from such breach, subject always to the limitations of liability set out in the SSA.

SALIENT TERMS OF THE SSA (CONTINUED)

6. Parties Right to Terminate

6.1. Any of the Parties ("**Terminating Party**") may by written notice given to the other Party any time prior to Completion terminate the SSA if any fact, matter or event (whether existing or occurring on or before the date of the SSA or arising or occurring afterwards) comes to the notice of the Terminating Party at any time prior to Completion which:

(a) constitutes a material breach by the other Party of any of the provisions under the SSA;

(b) a petition for winding up is presented against the Party;

(c) an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of the Party or any part of the Party's assets and properties; or

(d) an event analogous to any of the subclauses (b) or (c) above has occurred in any jurisdiction,

the Terminating Party will only give such written notice of termination to the other Party where the other Party's breach is capable of being remedied, but remains unremedied within fourteen (14) days from the date the Terminating Party gives written notice to the other Party of any such breaches above.

6.2. All rights and obligations of the Parties shall cease to have effect immediately upon valid termination of the SSA save for the clauses which are stated to continue in force following termination of the SSA (for whatever reason) and further save that termination of the SSA (for whatever reason) shall be without prejudice to the respective rights and liabilities of each of the Parties accrued prior to such termination including the right to claim for the loss, cost, expense, damage, consequence and third party claim for damages suffered directly or indirectly by the Parties.

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INFORMATION ON JGE

1. BACKGROUND INFORMATION ON JGE

Jaycorp Green Energy Sdn Bhd (Registration No.: 200701035649 (793678-U)) was incorporated in Malaysia under the Act 1965 on 31 October 2007 as a private limited company under the name Jaycorp Vantage Sdn Bhd and is deemed registered under the Act. Subsequently, it adopted its current name, Jaycorp Green Energy Sdn Bhd on 28 August 2013. The registered address of JGE is at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia while its business address is at PLO 481, Jalan Besi, Pasir Gudang Industrial Estate, Pasir Gudang, 81700 Johor, Malaysia.

JGE is principally engaged in renewable energy, biomass and environmentally friendly waste treatment and solely operates in the domestic market. JGE's principal products are industrial steam from the treatment of palm oil waste, with its principal market being the oleochemical industry where JGE derived 93.65%, 88.45% and 94.04% of its revenue in the FYE 31 July 2023, 2024 and 2025 respectively.

As at the LPD, JGE operates a factory in Johor Bahru in relation to its biomass operations, with details of said factory as follows:-

Registered owner	:	JGE
Location	:	Mukim of Plentong, District of Johor Bahru, Johor Darul Takzim
Title/ Lot no.	:	HSD 442263/ PTD 192374
Tenure	:	60 years leasehold expiring on 19 March 2067
Land area/ Built-up area	:	15,700 sqm/ 12,664 sqm
Existing use	:	Factory building

The annual production capacity and output of JGE for the past 3 financial years up to the FYE 31 July 2025 are as follows:-

	FYE 31 July		
	2023	**2024**	**2025**
Production output (metric tonnes)	137,223.44	112,802.99	152,541.56
Production capacity (metric tonnes)	200,000.00	200,000.00	200,000.00
Utilisation rate (%)	68.61	56.40	76.27

JGE does not have any subsidiaries or associate companies as at the LPD.

2. SHARE CAPITAL

JGE has a total issued share capital of RM7,370,022.77 comprising 5,830,195 ordinary shares as at the LPD.

3. DIRECTORS AND SHAREHOLDERS

The details of the shareholders of JGE as at the LPD are as follows:-

Name	Place of incorporation	Direct		Indirect	
		No. of shares	**%**	**No. of shares**	**%**
Jaycorp	Malaysia	3,500,000	60.0	-	-
Microban	Malaysia	2,330,195	40.0	-	-
Total		**5,830,195**	**100.0**	**-**	**-**

INFORMATION ON JGE (CONTINUED)

3. DIRECTORS AND SHAREHOLDERS

The details of the directors of JGE and their shareholdings in JGE as at the LPD are as follows:-

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Yeo Yek Meng	Director	Malaysian	-	-	-	-
Yeo Aik Tan	Director	Malaysian	-	-	-	-
Muaz Bin Jema Anton Khan	Director	Malaysian	-	-	-	-
Asgari Bin Mohd Fuad Stephens	Director	Malaysian	-	-	(1)2,330,195	40.0
Megat A'Rmand Yazid Bin Jeffrey Adzman	Director	Malaysian	-	-	-	-

Note:-

(1) Deemed interest by virtue of his interest in Microban, a substantial shareholder of JGE pursuant to Section 8(4) of the Act.

4. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of JGE based on its audited financial statements for the past 3 financial years up to the FYE 31 July 2025 are as follows:-

	Audited FYE 31 July		
	2023	**2024**	**2025**
	RM'000	**RM'000**	**RM'000**
Revenue	12,065	10,873	15,466
PBT	1,626	783	2,366
PAT	1,924	555	1,609
Share capital	7,370	7,370	7,370
Reserves	125	680	2,288
Shareholders' equity/ NA	**7,495**	**8,050**	**9,658**
Cash and cash equivalents	2,316	360	1,743
Total borrowings	1,640	2,572	2,555
No. of shares in issue	5,830	5,830	5,830
EPS (RM)	**0.33**	**0.10**	**0.28**
NA per share (RM)	1.29	1.38	1.66
Current ratio (times)	2.38	1.00	1.02
Gearing ratio (times)	0.22	0.32	0.26

During the years under review:-

(i) there were no exceptional and/or extraordinary items in the financial statements of JGE;

(ii) there have been no accounting policies adopted by JGE which are peculiar; and

(iii) there have been no audit qualifications to the financial statements of JGE.

4. SUMMARY OF FINANCIAL INFORMATION (CONTINUED)

Commentary on past performance

(a) FYE 31 July 2024

JGE recorded a revenue of approximately RM10.87 million for the FYE 31 July 2024, representing a decrease of approximately 9.88% or RM1.19 million as compared to the revenue of approximately RM12.07 million recorded in the previous financial year. The decrease in revenue was mainly due to lower offtake from customers in FYE 31 July 2024 due to temporary plant closure to fix issues relating to combustion and emissions.

In line with the decrease in revenue, JGE recorded a lower PAT of approximately RM0.56 million in the FYE 31 July 2024, representing a decrease of approximately 71.15% or RM1.37 million as compared to the PAT of approximately RM1.92 million recorded in the previous financial year.

(b) FYE 31 July 2025

JGE recorded a revenue of approximately RM15.47 million for the FYE 31 July 2025, representing an increase of approximately 42.24% or RM4.59 million as compared to the revenue of approximately RM10.87 million recorded in the FYE 31 July 2024. The increase in revenue was mainly driven by increased steam offtake from customers after a temporary plant closure in FYE 31 July 2024 to address combustion and emissions issues.

As a result of JGE recording a higher revenue in the financial year under review, JGE recorded a higher PAT of approximately RM1.61 million in the FYE 31 July 2025, representing an increase of approximately 189.91% or RM1.05 million, as compared to the PAT of approximately RM0.56 million recorded in the previous financial year.

5. MATERIAL ASSETS OF JGE

The material assets of JGE are as follows:-

Type of assets	Audited net book value as at FYE 31 July 2025 (RM'000)
Buildings	2,960
Plant and machinery	4,126
Leasehold land	1,689
Motor vehicles	362

6. MATERIAL CONTRACTS

Save for the EPCC Contract, JGE has not entered into any material contracts (not being a contract entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular.

7. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by JGE which upon becoming enforceable, may have a material impact on the financial results or position of JGE.

	RM'000
Property, plant and equipment	32,614

8. CONTINGENT LIABILITIES

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

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Financial statements for the year ended 31 July 2025

Contents

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.
(Incorporated in Malaysia)

Directors' report for the year ended 31 July 2025

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 July 2025.

Principal activities

The Company is principally engaged in renewable energy, biomass and environmentally friendly waste treatment. There have been no significant changes in the nature of these activities during the financial year.

Results

	RM
Profit after taxation for the financial year	1,608,797

Dividends

No dividend was recommended by the directors for the financial year.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issues of shares and debentures

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

Options granted over unissued shares

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Bad and doubtful debts

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Company.

Current assets

Before the financial statements of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Company, 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 which would render the values attributed to the current assets in the financial statements misleading.

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

Contingent and other liabilities

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

(a) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent 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 when they fall due.

Change of circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The result of the operation of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Directors

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Encik Muaz Bin Jema Anton Khan
Mr Yeo Yek Meng
Encik Asgari Bin Mohd Fuad Stephens
Encik Megat A'rmand Yazid Bin Jeffrey Adzman
Mr Yeo Aik Tan

Directors' interests

According to the register of directors' shareholdings, the interest of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of ordinary shares			
	At 1.8.2024	Bought	Sold	At 31.7.2025
Interests in the Holding Company				
Mr Yeo Yek Meng:				
- direct interest	881,684	-	-	881,684
- deemed interest[(i)]	9,739,200	-	-	9,739,200
Mr Yeo Aik Tan				
- direct interest	1,479,186	-	-	1,479,186
- deemed interest[(i)]	9,739,200	-	-	9,739,200
Mr Asgari Bin Mohd Fuad Stephens				
- direct interest	356,000	-	356,000	-

Directors' interests (continued)

(i) Deemed interested by virtue of his direct shareholdings in NCCT Resources Sdn Bhd pursuant to Section 8(4)(c) of the Act.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' remuneration

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	RM
Short-term employee benefits	43,467
Defined contribution benefits	5,460
	48,927

Indemnity and insurance cost

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

Holding company

The holding company is Jaycorp Berhad, a public listed company incorporated in Malaysia which the directors also regard as the ultimate holding company. Jaycorp Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditor's remuneration of the Company for the financial year was RM15,000.

Signed in accordance with a resolution of the directors dated 6 November 2025.

....
Muaz Bin Jema Anton Khan

....
Yeo Yek Meng

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Statement of financial position as at 31 July 2025

	Note	2025 RM	2024 RM
Assets			
Property, plant and equipment	3	9,778,663	7,799,172
Right-of-use assets	4	1,752,020	1,756,745
Total non-current assets		11,530,683	9,555,917
Inventories	5	151,890	195,080
Receivables, deposits and prepayments	6	2,079,845	1,540,013
Current tax assets		-	174
Cash and bank balances		1,742,695	360,060
Total current assets		3,974,430	2,095,327
Total assets		15,505,113	11,651,244
EQUITY			
Share capital	7	7,370,000	7,370,000
Reserves		2,288,484	679,687
Total equity		9,658,484	8,049,687
Liabilities			
Lease liabilities	8	47,521	13,426
Loans and borrowings	9	1,405,909	1,457,739
Deferred tax liabilities	10	509,800	39,900
Total non-current liabilities		1,963,230	1,511,065
Payables and accruals	11	2,629,686	962,522
Lease liabilities	8	15,649	13,991
Short-term borrowings	9	1,149,538	1,113,979
Current tax liabilities		88,526	-
Total current liabilities		3,883,399	2,090,492
Total liabilities		5,846,629	3,601,557
Total equity and liabilities		15,505,113	11,651,244

The annexed notes form an integral part of these financial statements.

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the financial year ended 31 July 2025

	Note	2025 RM	2024 RM
Revenue	12	15,466,387	10,872,911
Cost of sales		(11,123,554)	(8,704,997)
Gross profit		4,342,833	2,167,914
Other operating income		13,875	51,915
		4,356,708	2,219,829
Administrative expenses		(1,834,993)	(1,288,255)
Other operating expenses		(48,092)	(56,477)
Operating profit		2,473,623	875,097
Interest income		29,733	14,358
Finance costs	13	(137,013)	(106,381)
Profit before taxation	14	2,366,343	783,074
Income tax expense	15	(757,546)	(228,300)
Profit after taxation		1,608,797	554,774
Other comprehensive income for the financial year		-	-
Total comprehensive income for the financial year		1,608,797	554,774

The annexed notes form an integral part of these financial statements.

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Statement of changes in equity for the financial year ended 31 July 2025

	Share Capital RM	Distributable Retained Profits RM	Total Equity RM
At 1 August 2023	7,370,000	124,913	7,494,913
Total comprehensive income for the financial year	-	554,774	554,774
Balance at 31 July 2024 /1 August 2024	7,370,000	679,687	8,049,687
Total comprehensive income for the financial year	-	1,608,797	1,608,797
Balance at 31 July 2025	7,370,000	2,288,484	9,658,484

The annexed notes form an integral part of these financial statements.

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Statement of cash flows for the financial year ended 31 July 2025

	Note	2025 RM	2024 RM
Cash flows from operating activities			
Profit before taxation		2,366,343	783,074
Adjustments for:-			
Depreciation of property, plant and equipment	3	993,298	557,766
Depreciation of right-of-use assets	4	54,567	54,217
Other interest expenses		135,952	105,289
Loss on disposal of property, plant and equipment	14	-	12,159
Interest expense on lease liabilities	8	1,061	1,092
Interest income		(29,733)	(14,358)
Operating profit before working capital changes		3,521,488	1,499,239
Changes in inventories		43,190	(140,113)
Changes in receivables, deposits and prepayments		(539,832)	1,067,971
Changes in payables and accruals		(19,766)	168,940
Cash from operations		3,005,080	2,596,037
Tax paid		(198,946)	(3,000)
Net cash from operating activities		2,806,134	2,593,037
Cash flows for investing activities			
Interest income received		29,733	14,358
Proceeds from disposal of property, plant and equipment		-	46,800
Purchase of property, plant and equipment	16(a)	(1,285,859)	(5,422,304)
Net cash for investing activities		(1,256,126)	(5,361,146)

The annexed notes form an integral part of these financial statements.

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Statement of cash flows for the financial year ended 31 July 2025 (Cont'd)

	Note	2025 RM	2024 RM
Cash flows (for)/from financing activities			
Net drawdown/(repayment) of bankers' acceptances	16(b)	360,000	(466,000)
Interest paid	16(b)	(137,013)	(106,381)
Repayment of lease liabilities	16(b)	(14,089)	(13,908)
Drawdown of term loans	16(b)	238,500	1,861,500
Repayment of term loans	16(b)	(614,771)	(463,329)
Net cash (for)/from financing activities		(167,373)	811,882
Net increase/(decrease) in cash and bank balances		1,382,635	(1,956,227)
Cash and bank balances at beginning of the financial year		360,060	2,316,287
Cash and bank balances at end of the financial year		1,742,695	360,060

The annexed notes form an integral part of these financial statements.

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Notes to the financial statements

Jaycorp Green Energy Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of its registered office and principal place of business are as follows:-

Registered office
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250, Kuala Lumpur

Principal place of business
PLO 481, Jalan Besi
Pasir Gudang Industrial Estate
81700 Pasir Gudang, Johor

The Company is principally engaged in renewable energy, biomass and environmentally friendly waste treatment. There have been no significant changes in the nature of these activities during the financial year.

The Company is a subsidiary of Jaycorp Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 6 November 2025.

1. Basis of preparation

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

1. Basis of preparation (continued)

(a) During the current financial year, the Company has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Company's financial statements.

(b) The Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application.

2. Material accounting policy information

(a) Critical accounting estimates and judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Company anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 3 to the financial statements.

(ii) Impairment of property, plant and equipment

The Company determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date are disclosed in Note 3 to the financial statements.

(iii) Impairment of trade receivables

The Company uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Company develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 6 to the financial statements.

2. Material accounting policy information (continued)

(a) Critical accounting estimates and judgements (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(iv) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Company before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(b) Financial instruments

(i) Financial assets

<u>Financial Assets at Amortised Cost</u>

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

2. Material accounting policy information (continued)

(b) Financial instruments (cont'd)

(ii) Financial liabilities

<u>Financial Liabilities at Amortised Cost</u>

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(iii) Equity

<u>Ordinary Shares</u>

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(c) Property, plant and equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

• Building	50 years
• Office equipment	4 years
• Plant and machinery	5 to 7 years
• Signboard	5 years
• Workers quarter	4 years
• Motor vehicle	5 years

Asset in progress represents production machinery under installation. It is not depreciated until such time when the asset is available for use.

2. Material accounting policy information (continued)

(d) Right-of use assets and lease liabilities

(i) Short-term Leases and Leases of Low-value Assets

The Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(ii) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(iii) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, plus other costs incurred in bringing the inventories to their present location and condition.

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3. Property, plant and equipment

	Building RM	Office Equipment RM	Plant and Machinery RM	Motor Vehicles RM	Workers Quarters RM	Signboard RM	Asset In Progress RM	Total RM
Cost								
At 1 August 2023	2,105,287	129,944	10,337,963	438,609	90,275	21,090	216,000	13,339,168
Additions	1,412,114	32,713	3,843,655	133,822	-	-	-	5,422,304
Reclassifications	-	-	216,000	-	-	-	(216,000)	-
Disposal	-	-	-	(95,609)	-	-	-	(95,609)
At 31 July/1 August 2024	3,517,401	162,657	14,397,618	476,822	90,275	21,090	-	18,665,863
Additions	-	6,089	374,880	309,950	-	-	2,281,870	2,972,789
At 31 July 2025	3,517,401	168,746	14,772,498	786,772	90,275	21,090	2,281,870	21,638,652
Accumulated Depreciation								
At 1 August 2023	418,927	90,206	9,374,796	365,309	90,275	6,062	-	10,345,575
Depreciation	68,255	16,171	432,043	37,829	-	3,468	-	557,766
Disposal	-	-	-	(36,650)	-	-	-	(36,650)
At 31 July/1 August 2024	487,182	106,377	9,806,839	366,488	90,275	9,530	-	10,866,691
Additions	70,348	21,820	839,355	58,307	-	3,468	-	993,298
At 31 July 2025	557,530	128,197	10,646,194	424,795	90,275	12,998	-	11,859,989
Carrying amount								
At 1 August 2023	1,686,360	39,738	963,167	73,300	-	15,028	216,000	2,993,593
At 31 July 2024	3,030,219	56,280	4,590,779	110,334	-	11,560	-	7,799,172
At 31 July 2025	2,959,871	40,549	4,126,304	361,977	-	8,092	2,281,870	9,778,663

3. Property, plant and equipment (continued)

Security

The following property, plant and equipment have been charged to licensed bank to secure credit facilities granted to the Company as disclosed in Note 9 to the financial statements.

	2025 RM	2024 RM
Buildings	2,959,871	3,030,219
Plant and machinery	4,126,304	4,590,779
	7,086,175	7,620,998

4. Right-of-use assets

2025	At 1.8.2024 RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 31.7.2025 RM
Carrying Amount				
Leasehold land	1,729,893	-	(40,545)	1,689,348
Hostel	26,852	49,842	(14,022)	62,672
	1,756,745	49,842	(54,567)	1,752,020

2024	At 1.8.2023 RM	Reassessment of Lease Liabilities RM	Depreciation Charges RM	At 31.7.2024 RM
Carrying Amount				
Leasehold land	1,770,013	-	(40,120)	1,729,893
Hostel	27,002	13,947	(14,097)	26,852
	1,797,015	13,947	(54,217)	1,756,745

4. Right-of-use assets (continued)

The Company has lease contracts for leasehold land and hostel used in its operations. Their lease terms are as below:-

	2025 RM	2024 RM
Leasehold land	54 years	54 years
Hostel	4 years	2 years

The Company also has leases of office equipment with low value. The Company has applied the 'lease of low-value assets' recognition exemptions for this leases.

The leasehold land of the Company has been pledged to licensed banks as security for banking facilities granted to the Company as disclosed in Note 9 to the financial statements.

5. Inventories

	2025 RM	2024 RM
At cost:-		
Raw materials	151,890	195,080
Recognised in profit or loss:-		
Inventories recognised as cost of sales	11,123,554	8,704,997

6. Receivables, deposits and prepayments

	Note	2025 RM	2024 RM
Current			
Trade			
Trade receivables	a	1,744,874	1,168,699
Non-trade			
Other receivables		8,086	6,181
Deposits		125,767	121,667
Prepayments		201,118	243,466
		334,971	371,314
		2,079,845	1,540,013

Note a

Trade receivable's normal trade credit terms range from 14 - 30 (2024 – 14 - 30) days. Other trade terms are assessed and approved on a case-by-case basis.

7. Share capital

	2025	2024	2025	2024
	Number of shares		RM	RM
Issued and Fully Paid:-				
Ordinary Shares				
At 1 August/31 July	5,830,195	5,830,195	7,370,000	7,370,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one voter per ordinary share at meetings of the Company. The ordinary shares have no par value.

8. Lease liabilities

	2025 RM	2024 RM
At 1 August	27,417	27,378
Changes due to reassessment of lease term	49,842	13,947
Interest expense recognised in profit or loss (Note 13)	1,061	1,092
Repayment of principal	(14,089)	(13,908)
Repayment of interest expense	(1,061)	(1,092)
At 31 July	63,170	27,417
Analysed by:-		
Current liabilities	15,649	13,991
Non-current liabilities	47,521	13,426
	63,170	27,417

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9. Loans and borrowings

	2025 RM	2024 RM
Current		
Secured term loans	278,538	602,979
Bankers' acceptances	871,000	511,000
	1,149,538	1,113,979
Non-current		
Term loans	1,405,909	1,457,739

Security

The term loans are secured by way of:-

a) A legal charge over the Company's leasehold land and building as disclosed under Note 3 and Note 4 to the financial statements;

b) A legal charge over the Company's plant and machinery as disclosed under Note 3 to the financial statements; and

c) Corporate guarantee given by holding company.

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9. Loans and borrowings (continued)

Terms and debts repayment schedule

	Weighted average effective interest rate %	Year of maturity	Carrying amount RM	Within 1 year RM	1 – 2 years RM	2 – 5 years RM	Over 5 years RM
2025							
Bankers' acceptances	3.45	2026	871,000	871,000	-	-	-
Secured term loans	4.45	2031	1,684,447	278,538	290,081	950,019	165,809
			2,555,447	1,149,538	290,081	950,019	165,809
2024							
Bankers' acceptances	3.77	2025	511,000	511,000	-	-	-
Secured term loans	4.95	2031	2,060,718	602,979	295,900	936,794	225,045
			2,571,718	1,113,979	295,900	936,794	225,045

10. Deferred tax (liabilities)/assets

	At 1.8.2024 RM	Recognised in Profit or Loss (Note 15) RM	At 31.7.2025 RM
2025			
Deferred Tax Liabilities			
Accelerated capital allowances	(477,800)	(32,200)	(510,000)
Right-of-use assets	(6,400)	(8,600)	(15,000)
	(484,200)	(40,800)	(525,000)
Deferred Tax Assets			
Unabsorbed capital allowances	39,500	(39,500)	-
Unabsorbed industrial building allowance	59,900	(59,900)	-
Unused tax losses	338,300	(338,300)	-
Lease liabilities	6,600	8,600	15,200
	444,300	(429,100)	15,200
	(39,900)	(469,900)	(509,800)

	At 1.8.2023 RM	Recognised in Profit or Loss (Note 15) RM	At 31.7.2024 RM
2024			
Deferred Tax Liabilities			
Accelerated capital allowances	(153,400)	(324,400)	(477,800)
Right-of-use assets	(6,500)	100	(6,400)
	(159,900)	(324,300)	(484,200)
Deferred Tax Assets			
Unabsorbed capital allowances	-	39,500	39,500
Unabsorbed industrial building allowance	-	59,900	59,900
Unused tax losses	338,300	-	338,300
Lease liabilities	6,600	-	6,600
	344,900	99,400	444,300
	185,000	(224,900)	(39,900)

11. Payables and accruals

	Notes	2025 RM	2024 RM
Current			
Trade			
Trade payables	a	378,588	430,177
Non-trade			
Other payables		56,631	330,928
Amount payable for property, plant and equipment		1,686,930	-
Accrued expenses		507,537	201,417
		2,251,098	532,345
		2,629,686	962,522

Note a

The normal trade terms granted to the Company range from 30 to 60 (2024 – 30 to 60) days.

12. Revenue

	2025 RM	2024 RM
Revenue from contract with customer		
Revenue recognised at a point in time		
Sales of biomass – steam	15,466,387	10,872,911

13. Finance costs

	2025 RM	2024 RM
Interest expense on:-		
Bankers' acceptances	36,347	30,387
Bank overdraft	5,493	5,507
Other interest	2,086	1,689
Term loans	92,026	67,706
Lease liabilities (Note 8)	1,061	1,092
	137,013	106,381

14. Profit before taxation

	2025 RM	2024 RM
Profit before taxation is arrived at after charging/(crediting):-		
Auditors' remuneration	15,000	15,000
Depreciation of:		
- property, plant and equipment (Note 3)	993,298	557,765
- right-of-use assets (Note 4)	54,567	54,217
Personnel expenses (including key management personnel)		
- contributions to Employee Provident Fund	109,388	99,267
- wages, salaries and other	1,798,042	1,610,987
Lease expenses:		
- short-term leases	16,418	21,544
Loss on disposal of property, plant and equipment	-	12,159
Interest income	(29,733)	(14,358)

15. Income tax expense

Recognised in profit or loss

	2025 RM	2024 RM
Current tax expense	287,600	3,400
- underprovision in the previous financial year	46	-
	287,646	3,400
Deferred tax (Note 10):		
- origination and reversal of temporary differences	463,600	225,600
- under/(over) provision in the previous financial year	6,300	(700)
	469,900	224,900
	757,546	228,300

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15. Income tax expense (continued)

Reconciliation of effective income tax expense

	2025 RM	2024 RM
Profit after taxation	1,608,797	554,774
Total income tax expense	757,546	228,300
Profit before taxation	2,366,343	783,074
Tax calculated using Malaysian tax rate of 24%	567,922	187,938
Non-deductible expenses	183,278	41,062
	751,200	229,000
Under/(over) provision in the previous financial year	6,346	(700)
	757,546	228,300

16. Cash flow information

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	2025 RM	2024 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 3)	2,972,789	5,422,304
Less: Other payables – balances remained unpaid at financial year end (Note 11)	(1,686,930)	-
	1,285,859	5,422,304

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16. Cash flow information (continued)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Term loans RM	Bankers' acceptances RM	Lease liabilities RM	Others RM	Total RM
2025					
At 1 August	2,060,718	511,000	27,417	-	2,599,135
Changes in Financing Cash Flows					
Proceed of drawdown	238,500	360,000	-	-	598,500
Repayment of principal	(614,771)	-	(14,089)	-	(628,860)
Repayment of interests	(92,026)	(36,347)	(1,061)	(7,579)	(137,013)
Non-cash Changes					
Changes due to reassessment of lease term	-	-	49,842	-	49,842
Interest expense recognised in profit or loss (Note 13)	92,026	36,347	1,061	7,579	137,013
	1,684,447	871,000	63,170	-	2,618,617

16. Cash flow information (continued)

(b) The reconciliations of liabilities arising from financing activities are as follows (cont'd):-

	Term loans RM	Bankers' acceptances RM	Lease liabilities RM	Others RM	Total RM
2024					
At 1 August	662,547	977,000	27,378	-	1,666,925
Changes in Financing Cash Flows					
Proceed of drawdown	1,861,500	-	-	-	1,861,500
Repayment of principal	(463,329)	(466,000)	(13,908)	-	(943,237)
Repayment of interests	(67,706)	(30,387)	(1,092)	(7,196)	(106,381)
Non-cash Changes					
Changes due to reassessment of lease term	-	-	13,947	-	13,947
Interest expense recognised in profit or loss (Note 13)	67,706	30,387	1,092	7,196	106,381
	2,060,718	511,000	27,417	-	2,599,135

16. Cash flow information (continued)

(c) The total cash outflows for leases as a lessee are as follow:-

	2025 RM	2024 RM
Payment of short-term leases	16,418	21,544
Interest paid on lease liabilities	1,061	1,092
Payment of lease liabilities	14,089	13,908
	31,568	36,544

17. Key management personnel compensation

The key management personnel compensation during the financial year are as follows:

	2025 RM	2024 RM
Director:		
- Short-term employee benefits	43,467	43,227
- Defined contribution benefits	5,460	5,460
	48,927	48,687

18. Capital commitments

	2025 RM	2024 RM
Purchase of property, plant and equipment	40,521,450	99,000

19. Financial instruments

The Company's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

19. Financial instruments (continued)

(a) Financial risk management policies

The Company's policies in respect of the major areas of treasury activity are as follows:-

(i) Market risk

(i) Foreign currency risk

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 10 to the financial statements.

Interest rate risk sensitivity analysis

Any reasonably possible change in the interest rates of floating rate borrowings at the end of the reporting period does not have material impact on the profit after taxation and equity of the Company and hence, no sensitivity analysis is presented.

(iii) Equity price risk

The Company does not have any quoted investments and hence, is not exposed to equity price risk.

(ii) Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

19. Financial instruments (continued)

(a) Financial risk management policies (cont'd)

(ii) Credit risk (cont'd)

Credit risk concentration profile

At the end of reporting period, the Company's major concentration of credit risk relates to the amount owing by 3 customers (2024 – 2 customers) which constituted 100% (2024 – 93%) of its trade receivables.

Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Company after deducting any allowance for impairment losses (where applicable).

Assessment of impairment losses

The Company has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Company closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Company evaluate whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Company considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due.

19. Financial instruments (continued)

(a) Financial risk management policies (cont'd)

(ii) Credit risk (cont'd)

Assessment of impairment losses (cont'd)

Trade Receivables

The Company applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

(i) Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Company measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2024 – 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Company has identified the inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

(ii) Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
2025			
Current (not past due)	1,744,874	-	1,744,874
2024			
Current (not past due)	1,168,699	-	1,168,699

19. Financial instruments (continued)

(a) Financial risk management policies (cont'd)

(ii) Credit risk (cont'd)

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9. The identified impairment loss was immaterial and hence, it is not provided for.

Cash and Bank Balances

The Company considers the licensed banks have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

(iii) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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Registration No. 200701035649 (793678-U)

19. Financial instruments (continued)

(a) Financial risk management policies (cont'd)

(iii) Liquidity risk (cont'd)

Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 2 years RM	2 – 5 years RM	Over 5 years RM
2025							
Secured term loans	4.45	1,684,447	1,940,412	353,514	352,644	1,057,932	176,322
Bankers' acceptances	3.45	871,000	871,000	871,000	-	-	-
Lease liabilities	4.11	63,170	65,800	16,800	16,800	32,200	-
Trade payables	-	378,588	378,588	378,588	-	-	-
Other payables and accruals	-	2,251,098	2,251,098	2,251,098	-	-	-
		5,248,303	5,506,898	3,871,000	369,444	1,090,132	176,322

Registration No. 200701035649 (793678-U)

19. Financial instruments (continued)

(a) Financial risk management policies (cont'd)

(iii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

	Contractual interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 – 2 years RM	2 – 5 years RM	Over 5 years RM
2024							
Secured term loans	4.95	2,060,718	2,658,216	706,680	364,638	1,057,932	528,966
Bankers' acceptances	3.77	511,000	511,000	511,000	-	-	-
Lease liabilities	4.79	27,417	28,750	15,000	13,750	-	-
Trade payables	-	430,177	430,177	430,177	-	-	-
Other payables and accruals	-	532,345	532,345	532,345	-	-	-
		3,561,657	4,160,488	2,195,202	378,388	1,057,932	528,966

19. Financial instruments (continued)

(b) Capital risk management

The Company manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Company includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the Company. The debt-to-equity ratio of the Company at the end of the reporting period was as follows:-

	2025 RM	2024 RM
Term loans (Note 9)	1,684,447	2,060,718
Bankers' acceptances (Note 9)	871,000	511,000
	2,555,447	2,571,718
Less: Cash and bank balances	(1,742,695)	(360,060)
Net debt	812,752	2,211,658
Total equity	9,658,484	8,049,687
Debt-to-equity ratio	0.08	0.27

There was no change in the Company's approach to capital management during the financial year.

(c) Classification of financial instruments

	2025 RM	2024 RM
Financial Assets		
Amortised Cost		
Trade receivables (Note 6)	1,744,874	1,168,699
Other receivables and deposit (Note 6)	133,853	127,848
Cash and bank balances	1,742,695	360,060
	3,621,422	1,656,607

19. Financial instruments (continued)

(c) Classification of financial instruments (cont'd)

	2025 RM	2024 RM
Financial Liabilities		
Amortised Cost		
Lease liabilities (Note 8)	63,170	27,417
Term loans (Note 9)	1,684,447	2,060,718
Bankers' acceptances (Note 9)	871,000	511,000
Trade payables (Note 11)	378,588	430,177
Other payables and accruals (Note 11)	2,251,098	532,345
	5,248,303	3,561,657

(d) Gains or losses arising from financial instruments

	2025 RM	2024 RM
Financial Assets		
Amortised Cost		
Net gains recognised in profit or loss	29,733	14,358
Financial Liabilities		
Amortised Cost		
Net losses recognised in profit or loss	(137,013)	(106,380)

(e) Fair value information

The fair values of the financial liabilities of the Company which are maturity within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

19. Financial instruments (continued)

(e) Fair value information (cont'd)

The following table sets out the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM
2025					
Financial Liability					
Term loans	-	1,684,447	-	1,684,447	1,684,447
2024					
Financial Liability					
Term loans	-	2,060,718	-	2,060,718	2,060,718

Fair value of financial instruments not carried at fair value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- The fair values of the term loan that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

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

We, Muaz Bin Jema Anton Khan and Yeo Yek Meng, being two of the directors of Jaycorp Green Energy Sdn. Bhd., state that, in the opinion of the directors, the financial statements set out on pages 6 to 38 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards 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 31 July 2025 and of its financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 6 November 2025.

....

Muaz Bin Jema Anton Khan

....

Yeo Yek Meng

AUDITED FINANCIAL STATEMENTS OF JGE FOR THE FYE 31 JULY 2025 (CONTINUED)

40

Registration No. 200701035649 (793678-U)

Jaycorp Green Energy Sdn. Bhd.

(Incorporated in Malaysia)

Statutory Declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Muaz Bin Jema Anton Khan**, being the director primarily responsible for the financial management of Jaycorp Green Energy Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 6 to 38 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 abovementioned in the State of Melaka on 6 November 2025.

....
Muaz Bin Jema Anton Khan

Before me:

PESURUHJAYA SUMPAH
No: M 084
Name: SHAHRIZAH BINTI YAHYA
BC/S/1135
1/1/2025 - 31/12/2027
MALAYSIA
No. 4, Jalan TMR 32
Taman Melaka Raya,
75000 Melaka

Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
52 Jalan Kota Laksamana 2/15
Taman Kota Laksamana, Seksyen 2
75200 Melaka
Malaysia
Main +6 06 282 5995
Fax +6 06 283 6449
www.crowe.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JAYCORP GREEN ENERGY SDN. BHD.

(Registration No. 200701035649 (793678-U))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Jaycorp Green Energy Sdn. Bhd., which comprise the statement of financial position of the Company as at 31 July 2025, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 July 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, 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 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.

Crowe

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAYCORP GREEN ENERGY SDN. BHD. (CONT'D)

(Registration No. 200701035649 (793678-U))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 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 the financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting 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 Company's ability 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.

Crowe

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JAYCORP GREEN ENERGY SDN. BHD. (CONT'D)
(Registration No. 200701035649 (793678-U))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As a 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.

- 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 Company's internal control.

- 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 Company's ability 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 achieves fair presentation.

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.

Crowe

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JAYCORP GREEN ENERGY SDN. BHD. (CONT'D)
(Registration No. 200701035649 (793678-U))
(Incorporated in Malaysia)

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.

Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Tan Guan Seng
03387/08/2026 J
Chartered Accountant

Melaka

6 November 2025

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

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

3. DECLARATION OF CONFLICT OF INTEREST

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

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

5. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

	RM'000
Property, plant and equipment	[(1)]33,556

Note:-

(1) *Includes a material commitment of RM32.61 million attributable to JGE as provided in* ***Section 6*** *of* ***Appendix II*** *of this Circular.*

6. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there are no material contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

	RM'000
Unsecured corporate guarantees in favour of bankers for providing banking facilities to subsidiaries and joint venture companies	101,306

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at JA 1880, Batu 22 1/2, Parit Perawas, 77400 Sungai Rambai, Melaka, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

(i) the Constitution of our Company;

(ii) the SSA;

(iii) the audited consolidated financial statements of our Group for the past 2 financial years up to and including the FYE 31 July 2025 and the latest unaudited consolidated quarterly financial results of our Group for the 6-month FPE 31 January 2026;

(iv) the audited financial statements of JGE for the past 2 financial years up to and including the FYE 31 July 2025 and the latest unaudited financial results of JGE for the 6-month FPE 31 January 2026; and

(v) the letters of consent and declarations of conflict of interest referred to in **Sections 2** and **3** of this **Appendix IV.**

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JAYCORP Berhad
(Registration No.: 199801003663 (459789-X))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of Jaycorp Berhad (the "**Company**") will be held at Meeting Room 3, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 29 June 2026 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY THE COMPANY OF 2,330,195 ORDINARY SHARES IN JAYCORP GREEN ENERGY SDN BHD [REGISTRATION NO.: 200701035649 (793678-U)] ("JGE"), REPRESENTING APPROXIMATELY 40.0% EQUITY INTEREST IN JGE FROM MICROBAN (M) SDN BHD [REGISTRATION NO.: 198701001071 (159738-U)] ("MICROBAN") FOR A TOTAL PURCHASE CONSIDERATION OF RM15.0 MILLION TO BE SATISFIED ENTIRELY VIA CASH ("PROPOSED ACQUISITION")

"**THAT** subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or parties being obtained (if required), approval be and is hereby given to the Company to undertake the Proposed Acquisition (the details of which are set out in the circular to shareholders of the Company dated 12 June 2026 ("**Circular**")), in accordance with the terms and conditions as stipulated in the share sale agreement dated 30 April 2026 entered into between the Company and Microban (the salient terms of which are set out in **Appendix I** of the Circular), and on such other terms and conditions as the parties thereto may mutually agree upon in writing or which are imposed by the relevant authorities.

AND THAT approval be and is hereby given to the Board of Directors of the Company ("**Board**") to give effect to the Proposed Acquisition with full powers and authority to:-

(a) enter into any arrangement, transaction, agreement and/or undertaking and to execute, sign and deliver for and on behalf of the Company, all such agreements, instruments, documents and/or deeds (including, without limitation, the affixing of the Company's common seal in accordance with the Constitution of the Company, where necessary) as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition;

(b) assent and/or give effect to any condition, variation, modification, revaluation, addition and/or amendment in respect of the Proposed Acquisition and/or any provision, term and condition thereof as may be required or permitted by any relevant authorities and to deal with matters relating thereto and/or as the Board may in its absolute discretion deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition in the best interest of the Company; and

(c) take all such steps and do all such acts, deeds and things including giving undertakings as the Board may from time to time deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete all transactions contemplated under the Proposed Acquisition."

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF THE COMPANY TO INCLUDE THE INVESTMENT, DEVELOPMENT AND/OR OPERATION OF RENEWABLE ENERGY ASSETS AND RELATED ACTIVITIES, INCLUDING BUT NOT LIMITED TO SOLAR, BIOMASS, BIOGAS AND WASTE TO ENERGY ("PROPOSED DIVERSIFICATION")

"**THAT** subject to the passing of Ordinary Resolution 1, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the approvals of all relevant authorities and/or parties being obtained (if required), approval be and is hereby given to the Company to undertake the Proposed Diversification (the details of which are set out in the Circular), as the Board anticipates that the Renewable Energy (as defined in the Circular) segment is expected to result in either:-

(i) the diversion of 25.0% or more of the net assets of the Company and its subsidiaries (the "**Group**") to an operation which differ widely from the operations currently carried on by the Group; or

(ii) the contribution from such an operation of 25.0% or more of the net profits of the Group,

pursuant to Paragraph 10.13(1) of the Listing Requirements of Bursa Securities.

AND THAT approval be and is hereby given to the Board to give effect to the Proposed Diversification with full powers and authority to:-

(a) enter into any arrangement, transaction, agreement and/or undertaking and to execute, sign and deliver for and on behalf of the Company, all such agreements, instruments, documents and/or deeds (including, without limitation, the affixing of the Company's common seal in accordance with the Constitution of the Company, where necessary) as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed Diversification;

(b) assent and/or give effect to any condition, variation, modification, revaluation, addition and/or amendment in respect of the Proposed Diversification and/or any provision, term and condition thereof as may be required or permitted by any relevant authorities and to deal with matters relating thereto and/or as the Board may in its absolute discretion deem necessary, expedient or appropriate for or in connection with the Proposed Diversification in the best interest of the Company; and

(c) take all such steps and do all such acts, deeds and things including giving undertakings as the Board may from time to time deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete all transactions contemplated under the Proposed Diversification."

By Order of the Board,
JAYCORP BERHAD

MAK CHOOI PENG
(MAICSA 7017931)
(SSM PC No.: 201908000889)
Company Secretary

Kuala Lumpur
12 June 2026

Notes:-

(1) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 June 2026 ("**General Meeting Record of Depositors**") shall be entitled to attend, speak and vote at this Extraordinary General Meeting ("**EGM**").*

(2) *A member entitled to attend and vote at this EGM is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this EGM shall have the same rights as the member to speak at the EGM.*

(3) *A member may appoint more than one (1) proxy to attend this EGM. Where a member appoints more than one (1) proxy to attend and vote at this EGM, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

(4) *Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

(5) *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

(6) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorized.*

(7) *The Proxy Form must be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or submitted via email to bsr.proxy@boardroomlimited.com, not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.*

(8) *All resolutions set out in this Notice of EGM will be put to vote by way of poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.*

(9) *By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.*

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JAYCORP BERHAD
Registration No.: 199801003663 (459789-X)
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

PROXY FORM

(Before completing this form please refer to the notes below)

I/We * .... NRIC No./Passport No./Registration. No. * ....
(Full name in Block)

of ....
(Full Address)

with Email Address : .... Mobile Phone No.: ....

being a member/members* of **JAYCORP BERHAD** (“**the Company**”) hereby appoint(s):

Full Name (in Block) :	**NRIC No./Passport No. :**	**Proportion of Shareholdings**	
		No. of Shares	**Percentage (%)**
Full Address :			
Email Address :			
Mobile Phone No. :			

and/or*

Full Name (in Block) :	**NRIC No./Passport No. :**	**Proportion of Shareholdings**	
		No. of Shares	**Percentage (%)**
Full Address :			
Email Address :			
Mobile Phone No. :			

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *my/our behalf at the Extraordinary General Meeting (“**EGM**”) of the Company to be held at Meeting Room 3, Holiday Inn Melaka, Jalan Syed Abdul Aziz, 75000 Melaka, Malaysia on Monday, 29 June 2026 at 10:30 a.m. or any adjournment thereof in the manner as indicated below:

RESOLUTIONS RELATING TO:		**FIRST PROXY**		**SECOND PROXY**	
		FOR	**AGAINST**	**FOR**	**AGAINST**
ORDINARY RESOLUTION					
1.	**PROPOSED ACQUISITION**				
2.	**PROPOSED DIVERSIFICATION**				

Please indicate with an “X” in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signature of Shareholder(s)/Common Seal .... Dated this .... day of 2026

* *Strike out whichever is not applicable.*

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 June 2026 (“**General Meeting Record of Depositors**”) shall be entitled to attend, speak and vote at this Extraordinary General Meeting (“**EGM**”).

2. A member entitled to attend and vote at this EGM is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this EGM shall have the same rights as the member to speak at the EGM.

3. A member may appoint more than one (1) proxy to attend this EGM. Where a member appoints more than one (1) proxy to attend and vote at this EGM, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorized.

7. The Proxy Form must be deposited at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or submitted via email to bsr.proxy@boardroomlimited.com, not less than forty-eight (48) hours before the time for holding the EGM or any adjournment thereof.

8. All resolutions set out in this Notice of EGM will be put to vote by way of poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

9. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

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AFFIX
STAMP

The Poll Administrator
JAYCORP BERHAD
(Registration No.: 199801003663 (459789-X))
C/O BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor,
Malaysia

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