

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014.**

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 1st Quarter unaudited financial results for the financial period ended 31 March 2014.

|   | <u>Individual Period</u>   |  | <u>Cumulative Period</u>   |  |
|---|--|--|--|--|
|   | Current<br>Year<br>Quarter<br>ended<br>31-Mar-2014<br><br>RM'000 | Preceding<br>Year<br>Quarter<br>ended<br>31-Mar-2013<br><br>RM'000 | Current<br>Year<br>3 months<br>period ended<br>31-Mar-2014<br><br>RM'000 | Preceding<br>Year<br>3 months<br>period ended<br>31-Mar-2013<br><br>RM'000 |
| Revenue   | 109,680  | N/A  | 109,680  | N/A  |
| Cost of Sales   | (87,252)   | N/A  | (87,252)   | N/A  |
| Gross Profit  | 22,428   | N/A  | 22,428   | N/A  |
| Other Operating Income  | 30   | N/A  | 30   | N/A  |
| Other Operating, Administrative,<br>Selling and Distribution expenses | (10,856)   | N/A  | (10,856)   | N/A  |
| Operating Profit before finance cost                                  | 11,602   | N/A  | 11,602   | N/A  |
| Finance cost  | (3,727)  | N/A  | (3,727)  | N/A  |
| Profit Before Taxation  | 7,875  | N/A  | 7,875  | N/A  |
| Taxation  | (3,166)  | N/A  | (3,166)  | N/A  |
| Net Profit For The Period   | 4,709  | N/A  | 4,709  | N/A  |
| Other Comprehensive Income  | -  | N/A  | -  | N/A  |
| Total Comprehensive Income for the Period                             | 4,709  | N/A  | 4,709  | N/A  |
| <u>Total Comprehensive Income for the Period</u>                      |  |  |  |  |
| <u>Attributable to :</u>  |  |  |  |  |
| Owners of the Company   | 879  | N/A  | 879  | N/A  |
| Non-Controlling Interests   | 3,830  | N/A  | 3,830  | N/A  |
|   | 4,709  | N/A  | 4,709  | N/A  |
| <br>Earnings Per Share attributable to                                |  |  |  |  |
| Owners of the Company (sen) :   |  |  |  |  |
| - Basic   | 0.20   | N/A  | 0.20   | N/A  |
| - Diluted   | N/A  | N/A  | N/A  | N/A  |

Notes :

- There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter / year following the change in the financial year end from October 2013 to December 2013.
- The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 and the accompanying notes attached to the interim financial statements.

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014.**

|   | <b>(Unaudited)</b> | <b>(Audited)</b>   |
|---|--------------------|--------------------|
|   | <b>As At</b>       | <b>As At</b>       |
|   | <b>End Of</b>      | <b>End Of</b>      |
|   | <b>Financial</b>   | <b>Financial</b>   |
|   | <b>Period End</b>  | <b>Year End</b>    |
|   | <b>31-Mar-2014</b> | <b>31-Dec-2013</b> |
|   | <b>RM'000</b>      | <b>RM'000</b>      |
| <b>ASSETS</b>   |                    |                    |
| <b>Non-current Assets</b>   |                    |                    |
| Property, Plant and Equipment   | 37,054             | 37,975             |
| Investment properties   | 213                | 213                |
| Development Expenditure   | 107,572            | 107,065            |
| Golf Club memberships   | 537                | 537                |
| Goodwill on Consolidation   | 185,225            | 185,225            |
| Deferred Tax Assets   | 9,631              | 9,631              |
| Land held for Development   | 56,494             | 56,494             |
|   | <u>396,726</u>     | <u>397,140</u>     |
| <b>Current Assets</b>   |                    |                    |
| Inventories   | 15,045             | 15,622             |
| Property Development Costs  | 420,189            | 412,336            |
| Amount due from customers for contract works                          | 84,712             | 81,431             |
| Trade and Other Receivables   | 286,816            | 222,250            |
| Deposits placed with licensed banks                                   | 45,117             | 38,222             |
| Cash and bank balances  | 66,804             | 94,189             |
|   | <u>918,683</u>     | <u>864,050</u>     |
| <b>Total Assets</b>   | <u>1,315,409</u>   | <u>1,261,190</u>   |
| <b>EQUITY AND LIABILITIES</b>   |                    |                    |
| <b>Equity attributable to owners of the parent</b>                    |                    |                    |
| Share Capital   | 438,361            | 438,361            |
| Share Premium   | 8,369              | 8,369              |
| Accumulated Losses  | (229)              | (1,108)            |
|   | <u>446,501</u>     | <u>445,622</u>     |
| <b>Non-controlling interests</b>                                      | 72,709             | 68,879             |
| <b>TOTAL EQUITY</b>   | <u>519,210</u>     | <u>514,501</u>     |
| <b>Non-Current Liabilities</b>  |                    |                    |
| Long Term Borrowings  | 182,504            | 193,925            |
| Deferred Tax Liabilities  | 203                | 203                |
|   | <u>182,707</u>     | <u>194,128</u>     |
| <b>Current Liabilities</b>  |                    |                    |
| Trade and Other Payables  | 348,061            | 264,356            |
| Tax Payable   | 10,136             | 7,588              |
| Bank borrowings   | 194,684            | 240,184            |
| Bank overdraft  | 60,611             | 40,433             |
|   | <u>613,492</u>     | <u>552,561</u>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   | <u>1,315,409</u>   | <u>1,261,190</u>   |
| <b>Net Assets Per Share attributable to Owners of the parent (RM)</b> | <u>1.02</u>        | <u>1.02</u>        |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
(COMPANY NO. 585648-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014.**

|  | Current Year<br>3 months<br>period ended<br>31-Mar-2014 | Audited<br>14 months<br>period ended<br>31-Dec-2013 |
|--|---|---|
|  | RM'000  | RM'000  |
| <b>Cash flows from operating activities</b>              |   |   |
| Profit for the period                                    | 879   | 7,503   |
| Adjustment for:  |   |   |
| Depreciation and amortisation                            | 999   | 5,164   |
| Taxation   | 3,166   | 9,126   |
| Interest expense   | 4,008   | 18,536  |
| Interest income  | (281)   | (767)   |
| Loss / (Gain) on disposal of property, plant & equipment | -   | (12)  |
| Non-Controlling interests                                | 3,830   | 3,154   |
| Allowance for impairment                                 | -   | 25  |
| Property, Plant & Equipment write-off                    | -   | 1   |
| Written down of inventories                              | -   | 97  |
| Impairment of receivables no longer required             | -   | (32)  |
| Operating profit before working capital changes          | 12,601  | 42,795  |
| (Increase)/Decrease in working capital                   |   |   |
| Inventories  | 577   | (2,529)   |
| Amount due from customers for contract works             | (3,281)   | 73,275  |
| Trade and other receivables                              | (64,251)  | 20,247  |
| Property Development Expenditure                         | (7,853)   | (53,443)  |
| Trade and other payables                                 | 83,705  | (7,025)   |
|  | 8,897   | 30,525  |
|  | 21,498  | 73,320  |
| Interest paid  | (2,721)   | (16,093)  |
| Income tax paid  | (933)   | (13,760)  |
| <b>Net Operating Cash Flow</b>                           | <b>17,844</b>   | <b>43,467</b>                                       |
| <b>Cash flows from investing activities</b>              |   |   |
| Development expenditure                                  | (507)   | (13,679)  |
| Interest received  | 281   | 767   |
| Acquisition of subsidiary company net of cash acquired   | -   | (40,137)  |
| Purchase of property, plant & equipment                  | (78)  | (1,332)   |
| Proceeds from disposal of property, plant & equipment    | -   | 60  |
| <b>Net Investing Cash Flow</b>                           | <b>(304)</b>  | <b>(54,321)</b>                                     |
| <b>Cash flows from financing activities</b>              |   |   |
| Interest paid  | (1,287)   | (2,445)   |
| Drawdown / (Repayment) of short term borrowings          | (14,663)  | 25,284  |
| Drawdown (Repayment) of hire purchase liabilities        | (566)   | (2,691)   |
| Drawdown / (Repayment) of bank term loans                | (41,692)  | 86,152  |
| Fixed Deposits held as security value                    | (6,895)   | (21,517)  |
| <b>Net Financing Cash Flow</b>                           | <b>(65,103)</b>   | <b>84,783</b>                                       |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014. (Cont.)**

|   | Current Year<br>3 months<br>period ended<br>31-Mar-2014 | Audited<br>14 months<br>ended<br>31-Dec-2013 |
|---|---|--|
|   | RM'000  | RM'000                                       |
| <b>Net Change in Cash &amp; Cash Equivalents</b>                | (47,563)  | 73,929                                       |
| <b>Cash &amp; Cash Equivalents at<br/>beginning of the year</b> | 52,622  | (21,307)                                     |
| <b>Cash &amp; Cash Equivalents at<br/>end of the period.</b>    | 5,059   | 52,622                                       |

**Cash and Cash Equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

|  |          |          |
|--|----------|----------|
| Deposits placed with licensed banks    | 45,117   | 38,222   |
| Cash & bank balances                   | 66,804   | 94,189   |
| Bank overdrafts                        | (60,611) | (40,433) |
|  | 51,310   | 91,978   |
| Less : Deposit held as security values | (45,117) | (38,222) |
| Debt service reserves account          | (1,134)  | (1,134)  |
|  | 5,059    | 52,622   |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014.**

|  | <u>Attributable to Equity Holders of the Company</u> |                            |  |                     | Non-Controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|--|----------------------------|--|---------------------|---------------------------------------|---------------------------|
|  | <u>Non-Distributable</u>                             |                            | <u>Distributable</u>                                 |                     |                                       |                           |
|  | Share<br>Capital<br>RM'000                           | Share<br>Premium<br>RM'000 | Retained Earnings/<br>(Accumulated Losses)<br>RM'000 | Sub-Total<br>RM'000 |                                       |                           |
| <b>Current Year</b><br><b>3 Months period ended</b><br><b>31 March 2014.</b>       |  |                            |  |                     |                                       |                           |
| <b>Balance as at</b><br><b>1 January 2014</b>                                      | 438,361  | 8,369                      | (1,108)  | 445,622             | 68,879                                | 514,501                   |
| <b>Total Comprehensive</b><br><b>Income / (Loss) for the Period</b>                | -  | -                          | 879  | 879                 | 3,830                                 | 4,709                     |
| <b>Balance as at</b><br><b>31 March 2014.</b>                                      | 438,361  | 8,369                      | (229)  | 446,501             | 72,709                                | 519,210                   |
| <b>Preceding Year</b><br><b>14 Months period ended</b><br><b>31 December 2013.</b> |  |                            |  |                     |                                       |                           |
| <b>Balance as at</b><br><b>1 November 2012</b>                                     | 438,361  | 8,369                      | (8,611)  | 438,119             | 5,005                                 | 443,124                   |
| <b>Acquisition of a subsidiary</b>   | -  | -                          | -  | -                   | 60,720                                | 60,720                    |
| <b>Total Comprehensive</b><br><b>Income / (Loss) for the Period</b>                | -  | -                          | 7,503  | 7,503               | 3,154                                 | 10,657                    |
| <b>Balance as at</b><br><b>31 December 2013.</b>                                   | 438,361  | 8,369                      | (1,108)  | 445,622             | 68,879                                | 514,501                   |
|  |  |                            |  |                     |                                       |                           |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 and the accompanying notes attached to the interim financial statements).

**A. NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis of Preparation.**

The interim financial report is unaudited and has been prepared in compliance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the period ended 31 December 2013.

The accounting policies and methods of computations followed by the Group in this interim financial report are consistent with those adopted in financial statements of the Group for the year ended 31 December 2013, except for the adoption of the relevant new FRSs, amendments to FRSs and 1C Interpretations that are effective for year beginning on or after 1 January 2014.

The adoption of the new FRSs, amendments to FRSs and 1C Interpretations does not have any material impact on the financial position and results of the Group.

The Group falls within the definition of "Transitioning Entities" and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2015.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs Framework").

The MFRSs Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and/or IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. On 7 August 2013, MASB further deferred the effective date of MFRS Framework for Transitioning Entities for an additional one year from 1 January 2014 to 1 January 2015.

The Group falls within the definition of Transitioning Entities and have opted to defer adoption of the new MFRSs Framework. Accordingly, the Group will prepare its financial statements using the MFRSs Framework in its first MFRSs financial statements for the financial year ending 31 December 2015.

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**2. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial period ended 31 December 2013 have been reported on without any audit qualification.

**3. Seasonal or Cyclical Factors.**

The business activities of the Group are not significantly affected by seasonal and cyclical factors except during Hari Raya and Chinese New Year festive seasons where business activities were generally lower.

**4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows.**

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period under review.

**5. Material changes in estimates**

There are no material changes in estimates for the period under review.

**6. Issuance and Repayment of Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period under review.

**7. Dividend**

No dividend has been paid respect of the financial period under review.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**8. Segmental Information for the Financial Period Ended 31 March 2014.**

Segment information was presented in respect of the Group's business segment. Inter-segment pricing was determined based on a negotiated basis.

**Business Segments**

|                           | Construction<br>RM'000 | Property<br>Development<br>RM'000 | Trading<br>RM'000 | Manufacturing<br>RM'000 | Investment<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|---------------------------|------------------------|-----------------------------------|-------------------|-------------------------|----------------------|-----------------------|-----------------|
| REVENUE                   |                        |                                   |                   |                         |                      |                       |                 |
| External Revenue          | 23,481                 | 71,004                            | 13,126            | 2,070                   | -                    | -                     | 109,681         |
| Inter-Company             | 71,566                 | -                                 | 3,938             | 866                     | 930                  | (77,300)              | -               |
|                           | 95,047                 | 71,004                            | 17,064            | 2,936                   | 930                  | (77,300)              | 109,681         |
| Segment Results           | 2,659                  | 9,467                             | 1,560             | (1,689)                 | (425)                |                       | 11,572          |
| Other Income              |                        |                                   |                   |                         |                      |                       | 30              |
| Finance Cost              |                        |                                   |                   |                         |                      |                       | (3,727)         |
| Profit Before Taxation    |                        |                                   |                   |                         |                      |                       | 7,875           |
| Taxation                  |                        |                                   |                   |                         |                      |                       | (3,166)         |
| Profit After Taxation     |                        |                                   |                   |                         |                      |                       | 4,709           |
| <u>Attributable to:</u>   |                        |                                   |                   |                         |                      |                       |                 |
| Owners of the Company     |                        |                                   |                   |                         |                      |                       | 879             |
| Non-Controlling Interests |                        |                                   |                   |                         |                      |                       | 3,830           |
|                           |                        |                                   |                   |                         |                      |                       | 4,709           |

**9. Valuation of Property, Plant & Equipment**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statement for the period ended 31 December 2013.



**JAKS RESOURCES BERHAD (Company No. 585648-T)**

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**10. Subsequent Events.**

There were no significant subsequent events between the date of the last financial statements used in the preparation of this report and the date of this report, which will affect materially the content of this report.

**11. Effect of Changes in the Composition of the Group**

There were no changes in the composition of the Group during the period under review save as listed below:

On 6 March 2014, a 51% owned subsidiary of the Company, MNH Global Assets Management Sdn Bhd had acquired a wholly-owned subsidiary, Evolve Concept Mall Sdn Bhd with authorized capital of RM400,000.00 and issued and paid-up capital of RM2.00.

**12. Changes in Contingent Liabilities**

The changes in contingent liabilities of the Group since 31 December 2013 until 31 March 2014 were as follows: -

|   | As at<br>31 Mar 2014<br>RM'000 | As at<br>31 Dec 2013<br>RM'000 |
|---|--------------------------------|--------------------------------|
| Bank guarantees issued for<br>- execution of contracts of<br>the Company or<br>Subsidiaries company | 135,576                        | 110,271                        |
| Guarantees given to suppliers<br>Of goods for credit terms<br>granted to subsidiaries               | 2,000                          | 2,000                          |
|   | -----<br>137,576<br>=====      | -----<br>112,271<br>=====      |

**14. Capital Commitment**

As at 31 March 2014, Capital commitment contracted for but not provided in the financial statements amounted to RM5,531.54 million.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**1. Review of Financial Performance.**

The Group achieved revenue of RM109.7 million in the current quarter ended 31 March 2014. The revenue achieved were mainly derived from the Construction division of RM23.5 million and Property Development division RM71.0 million following the progress billings achieved. In addition, the Trading's division generated revenue of RM13.1 million as the Group continued to pursue its strategy to focus on the trading activities.

The Construction, Property Development and Trading divisions achieved profit before tax of RM1.9 million, RM9.8 million and RM711,000 respectively for the current quarter under review. However, the Manufacturing and Investment divisions recorded a loss before tax of RM1.7 million and RM2.8 million respectively. The losses in the Manufacturing division were due to competitive market and higher unit cost as the production levels could not be optimized. The Investment losses arose mainly from the higher interest expense incurred arising from the acquisition of the new subsidiary company in the previous year.

Following the change of financial year end from 31 October 2013 to December 2013 in the preceding year, no comparative figures for preceding year corresponding quarter are presented.

**2. Variation of Results against Preceding Period.**

|                   | Current Year<br>Quarter<br>(3 months)<br>1/1/14-31/3/14<br>RM'000 | Immediate<br>Preceding period<br>(2 months)<br>1/11/13 – 31/12/13<br>RM'000 |
|-------------------|---|---|
| Revenue           | 109,680   | 76,457  |
| Profit before tax | 7,875   | 1,060   |

The higher revenue and profit before tax in the quarter ended 31 March 2014 was due to the recognition of revenue and profit for three months as compared with only recognition of two months result in the preceding period.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**3. Prospects.**

For the current financial year, the Construction and Property Development divisions will continue to drive the revenues and profit for the Group as it is able to recognize them from the construction projects that are already in progress as well as the encouraging property sales.

Barring any unforeseen circumstances, the Group can expect to see improvement in the current financial year.

**4. Profit Forecast / Guarantee**

The Company did not issue any profit forecast or guarantees.

**5. Taxation**

Included in the taxation are the following:

|                 | Current Quarter<br>Ended<br>31 March 2014<br>RM'000 | Period-to-date<br>Ended<br>31 March 2013<br>RM'000 |
|-----------------|---|--|
| <u>Taxation</u> |   |  |
| Current Year    | 3,166   | 3,166  |

The tax provision was based on the estimated taxable amount. The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilized to set off against losses of other companies within the Group.

The deferred tax asset of the Group is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**6. Status of the Corporate Exercise**

There were no corporate proposals announced but not completed as at the date of this report except as stated in Note B, Item 13 in relation to the Proposed Joint Venture.

**7. Group Borrowings**

**JAKS RESOURCES BERHAD (Company No. 585648-T)****B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

Group borrowings as at 31 March 2014 including interest denominated in Ringgit Malaysia are as follows: -

|                       | <u>Secured</u><br><u>RM'000</u> | <u>Unsecured</u><br><u>RM'000</u> | <u>Total</u><br><u>RM'000</u> |
|-----------------------|---------------------------------|-----------------------------------|-------------------------------|
| Short term borrowings | 194,684                         | -                                 | 194,684                       |
| Overdraft             | 60,611                          | -                                 | 60,611                        |
| Long term borrowings  | 182,504                         | -                                 | 182,504                       |
| Total                 | <u>437,799</u>                  | <u>-</u>                          | <u>437,799</u>                |

**8. Realised and Unrealised Profit or Loss**

The breakdown of the Group's retained profits / (accumulated losses) as at 31 March 2014 into realised and unrealised profits or losses are as follows:

|                                       | As At<br>31 March 2014<br>RM'000 | As At<br>31 December 2013<br>RM'000 |
|---------------------------------------|----------------------------------|-------------------------------------|
| Retained profits / Accumulated losses |                                  |                                     |
| - Realised                            | (9,657)                          | (10,536)                            |
| - Unrealised                          | 9,428                            | 9,428                               |
|                                       | <u>(229)</u>                     | <u>(1,108)</u>                      |

**9. Notes to the statement of comprehensive income**

The profit before taxation is derived after taking into consideration the following:

| Expense / (Income)                                 | Current<br>Period-to-date<br>31 March 2014<br>RM'000 |
|--|--|
| Rental Income                                      | (60)   |
| Interest Income                                    | (281)  |
| Interest Expense                                   | 4,008  |
| Depreciation and amortization                      | 999  |
| Provision for and write off                        |  |
| Of receivables no longer required                  | -  |
| Provision for and write off                        |  |
| Of inventories                                     | -  |
| Gain on disposal of property,<br>Plant & equipment | -  |
| Impairment of Assets                               | -  |
| Foreign exchange gain or loss                      | -  |
| Exceptional item                                   | -  |

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**10. Changes in Material Litigation**

On 19 October 2006, the Company announced that its subsidiary company, JAKS-KDEB Consortium Sdn Bhd ("JKDEB") had on 6 October 2006 filed a civil suit against Perbadanan Urus Air Selangor Berhad ("PUAS"), Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") and Government of the State of Selangor Darul Ehsan ("Selangor Government") (collectively referred as the "Defendants") for the breach of the Supply Agreement dated 25 October 2001 ("Supply Agreement") awarded by the Selangor Government to supply pipes and fittings in the whole State of Selangor Darul Ehsan including the Federal Territory of Kuala Lumpur and Putrajaya. JKDEB had claimed for declarations, damages and injunctions to restrain PUAS and SYABAS from purchasing pipes and fittings all water projects being carried out in Selangor, Federal Territory of Kuala Lumpur and Putrajaya except from JKDEB and the specific performance of the Supply Agreement. On 5 October 2011, the Kuala Lumpur High Court dismissed the action taken by JKDEB against the three defendants with cost.

JKDEB then served the Notice of Appeal against the Kuala Lumpur High Court decision on 3 November 2011. Subsequent to a number of case management, the Court of Appeal on 14 November 2013 dismissed the appeal.

On 4 February 2014, JKDEB then filed to the Federal Court a Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013. The leave to appeal is still under case management and the Federal Court has fixed 6 May 2014 and later postponed to 5 August 2014 for further hearing of the case management.

**11. Dividend**

No dividend has been declared for the quarter under review.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**12. Earnings Per Ordinary Share**

**a) Basic Earnings Per Share**

The earnings per share has been calculated based on the Group's profit attributable to owners of the Company for the period and the weighted average number of ordinary shares outstanding as at end of the period.

|   | <u>Individual Period</u>             |  | <u>Cumulative Period</u>             |  |
|---|--------------------------------------|--|--------------------------------------|--|
|   | Current Year Ended 31/3/14<br>RM'000 | Preceding Year Ended 31/3/13<br>RM'000 | Current Year Ended 31/3/14<br>RM'000 | Preceding Year Ended 31/3/13<br>RM'000 |
| Profit for the period attributable to owners of the Company | 879                                  | N/A                                    | 879                                  | N/A                                    |
| Weighted average Number of Share in issue (RM1.00 each)     | 438,361                              | 438,361                                | 438,361                              | 438,361                                |
| Basic Earnings Per Share (sen)                              | 0.20                                 | N/A                                    | 0.20                                 | N/A                                    |

**b) Diluted Earnings Per Share**

This is not applicable, as there exists no share option, warrants or other financial instruments that will dilute or have the effect of diluting the basic earnings per share.

**13. Independent Power Plant Venture in Vietnam**

The Group was awarded the contract to undertake the design, engineering, construction, operation and maintenance of a 2 x 600 megawatt coal-fired thermal power plant project ("IPP Project") in Hai Doung Province in Vietnam pursuant to a Build-Operate-Transfer contract ("BOT Contract") for a 25-year operation term in June 2011.

On 16 April 2013, the Company announced that the following agreements had been entered into on 15 April 2013 to facilitate the Proposed Joint Venture between JAKS Power Holding Limited ("JPH") and Wuhan Kaidi Electric Power Engineering Co., Ltd ("Kaidi") under a 60:40 shareholding structure:-

- (a) subscription agreement between JAKS Pacific Power Limited (a wholly-owned subsidiary of JPH which in turn is a wholly-owned subsidiary of JRB) and Kaidi for Kaidi to subscribe for 80 JPP Shares at the subscription price of HKD1.00 per JPP Share; and

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

- (b) shareholders' agreement and supplemental shareholders' agreement between JPH, Kaidi and JPP to regulate their proposed relationship inter se as shareholders of JPP as well as certain other matters relating to the management of JPP and also to govern their relationship inter se in respect of matters related to JAKS Hai Duong Power Company Limited.

On 28 June 2013, the shareholders of the Company approved the Proposed Joint Venture at an Extraordinary General Meeting held so that it can proceed with the joint venture partner in raising the required funding to fully implement the project. One of the important milestones in the BOT Contract relates to the Financial Close ("FC") date where the Proposed Joint Venture will have to make available the project financing for the IPP Project.

On 26 March 2014, the Group received approval from the Ministry of Industry and Trade for an extension of 12 months from 30 October 2013 to 31 October 2014 to achieve the FC of the IPP Project. However, despite efforts made with the joint venture partner, Kaidi to proceed with the IPP project, on 1 April 2014, the Company announced that the Kaidi Subscription Agreement, Shareholders' Agreement, and Supplement shareholders' Agreement signed on 15 April 2013 have lapsed following the non-fulfilment of the condition precedents by Kaidi on or before the extended cut-off date of 31 March 2014. Accordingly, the Kaidi Proposed Joint Venture shall not take effect.

The Group is currently evaluating new potential partners and is confident of attracting the right potential partner within the extended financial close deadline and achieve the above endeavour considering the various strengths the project holds.

**14. Authorisation for issue**

The interim financial statements were authorized for issue by the Board of Directors on 30 May 2014.

**Date : 30 May 2014.**

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013**

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 1<sup>st</sup> Quarter unaudited financial results for the financial period ended 31 January 2013.

|   | Individual Period  |  | Cumulative Period  |  |
|---|--|--|--|--|
|   | Current<br>Year<br>Quarter<br>ended<br>31-Jan-2013<br>RM'000 | Preceding<br>Year<br>Quarter<br>ended<br>31-Jan-2012<br>RM'000 | Current<br>Year<br>To-Date<br>ended<br>31-Jan-2013<br>RM'000 | Preceding<br>Year<br>To-Date<br>ended<br>31-Jan-2012<br>RM'000 |
| Revenue   | 94,866   | 80,514   | 94,866   | 80,514   |
| Cost of Sales   | (83,276)   | (70,988)   | (83,276)   | (70,988)   |
| Gross Profit  | 11,590   | 9,526  | 11,590   | 9,526  |
| Other Operating Income  | 46   | -  | 46   | -  |
| Other Operating, Administrative,<br>Selling and Distribution expenses | (6,549)  | (5,079)  | (6,549)  | (5,079)  |
| Operating Profit before finance cost                                  | 5,087  | 4,447  | 5,087  | 4,447  |
| Finance cost  | (3,457)  | (2,900)  | (3,457)  | (2,900)  |
| Profit Before Taxation  | 1,630  | 1,547  | 1,630  | 1,547  |
| Taxation  | (957)  | (1,022)  | (957)  | (1,022)  |
| Net Profit For The Period   | 673  | 525  | 673  | 525  |
| Other Comprehensive Income  | -  | -  | -  | -  |
| Total Comprehensive Income for the Period                             | 673  | 525  | 673  | 525  |
| <u>Total Comprehensive Income for the Period</u>                      |  |  |  |  |
| <u>Attributable to :</u>  |  |  |  |  |
| Owners of the Parent  | 766  | 677  | 766  | 677  |
| Non-Controlling Interests   | (93)   | (152)  | (93)   | (152)  |
|   | 673  | 525  | 673  | 525  |
| Earnings Per Share attributable to<br>Owners of the parent (sen) :    |  |  |  |  |
| - Basic   | 0.17   | 0.15   | 0.17   | 0.15   |
| - Diluted   | N/A  | N/A  | N/A  | N/A  |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 and the accompanying notes attached to the interim financial statements).



**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013.**

|   | (Unaudited)<br>As At<br>End Of<br>Financial<br>Period End<br>31-Jan-2013 | (Audited)<br>As At<br>End Of<br>Financial<br>Year End<br>31-Oct-2012 |
|---|--|--|
|   | RM'000   | RM'000   |
| <b>ASSETS</b>   |  |  |
| <b>Non-current Assets</b>   |  |  |
| Property, Plant and Equipment   | 95,250   | 96,295   |
| Investment properties   | 219  | 219  |
| Development Expenditure   | 95,947   | 93,385   |
| Golf Club memberships   | 545  | 545  |
| Goodwill on Consolidation   | 155,223  | 155,223  |
| Deferred Tax Assets   | 10,617   | 10,617   |
|   | 357,801  | 356,284  |
| <b>Current Assets</b>   |  |  |
| Inventories   | 11,393   | 13,188   |
| Property Development Costs  | 184,265  | 184,507  |
| Amount due from customers for contract works                          | 159,735  | 154,706  |
| Trade and Other Receivables   | 108,522  | 111,167  |
| Deposits placed with licensed banks                                   | 21,429   | 17,839   |
| Cash and bank balances  | 13,530   | 16,920   |
|   | 498,874  | 498,327  |
| <b>Total Assets</b>   | 856,675  | 854,611  |
| <b>EQUITY AND LIABILITIES</b>   |  |  |
| <b>Equity attributable to owners of the parent</b>                    |  |  |
| Share Capital   | 438,361  | 438,361  |
| Share Premium   | 8,369  | 8,369  |
| Accumulated Losses  | (7,846)  | (8,612)  |
|   | 438,884  | 438,118  |
| <b>Non-controlling interests</b>                                      | 4,912  | 5,005  |
| <b>TOTAL EQUITY</b>   | 443,796  | 443,123  |
| <b>Non-Current Liabilities</b>  |  |  |
| Long Term Borrowings  | 31,062   | 3,122  |
| Deferred Tax Liabilities  | 789  | 789  |
|   | 31,851   | 3,911  |
| <b>Current Liabilities</b>  |  |  |
| Trade and Other Payables  | 184,810  | 223,872  |
| Tax Payable   | 3,859  | 3,414  |
| Bank borrowings   | 154,766  | 142,065  |
| Bank overdraft  | 37,593   | 38,226   |
|   | 381,028  | 407,577  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   | 856,675  | 854,611  |
| <br>Net Assets Per Share attributable to<br>Owners of the parent (RM) | <br>1.00   | <br>1.00   |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
(COMPANY NO. 585648-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013.**

|   | Current<br>Year-to-date<br>ended<br>31-Jan-2013<br>RM'000 | Preceding<br>Year-to-date<br>ended<br>31-Jan-2012<br>RM'000 |
|---|---|---|
| <b>Cash flows from operating activities</b>       |   |   |
| Profit for the period                             | 766   | 677   |
| Adjustment for:                                   |   |   |
| Depreciation and amortisation                     | 1,046   | 960   |
| Taxation  | 957   | 1,022   |
| Interest expense                                  | 3,457   | 2,900   |
| Non-Controlling interests                         | (93)  | (152)   |
| Operating profit before working capital changes   | 6,133   | 5,407   |
| (Increase)/Decrease in working capital            |   |   |
| Inventories                                       | 1,795   | (2,779)   |
| Amount due from customers for contract works      | (5,029)   | 246   |
| Trade and other receivables                       | 2,698   | (227)   |
| Development expenditure                           | (2,562)   | (2,264)   |
| Property Development Expenditure                  | 242   | (2,809)   |
| Trade and other payables                          | (39,062)  | 9,020   |
|   | (41,918)  | 1,187   |
|   | (35,785)  | 6,594   |
| Interest paid                                     | (3,291)   | (2,753)   |
| Income tax paid                                   | (564)   | (1,889)   |
| <b>Net Operating Cash Flow</b>                    | <b>(39,640)</b>   | <b>1,952</b>  |
| <b>Cash flows from investing activities</b>       |   |   |
| Purchase of property, plant & equipment           | -   | (522)   |
| <b>Net Investing Cash Flow</b>                    | <b>-</b>  | <b>(522)</b>  |
| <b>Cash flows from financing activities</b>       |   |   |
| Interest paid                                     | (167)   | (148)   |
| Drawdown / (Repayment) of short term borrowings   | 13,197  | (7,212)   |
| Drawdown (Repayment) of hire purchase liabilities | (555)   | 153   |
| Drawdown / (Repayment) of bank term loans         | 28,000  | -   |
| Fixed Deposits held as security value             | (3,591)   | (1,098)   |
| <b>Net Financing Cash Flow</b>                    | <b>36,884</b>   | <b>(8,305)</b>  |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013. (Cont.)**

|   | Current<br>Year-to-date<br>ended<br>31-Jan-2013<br>RM'000 | Preceding<br>Year-to-date<br>ended<br>31-Jan-2012<br>RM'000 |
|---|---|---|
| <b>Net Change in Cash &amp; Cash Equivalents</b>                | (2,756)   | (6,875)   |
| <b>Cash &amp; Cash Equivalents at<br/>beginning of the year</b> | (21,307)  | (16,139)  |
| <b>Cash &amp; Cash Equivalents at<br/>end of the period.</b>    | (24,063)  | (23,014)  |

**Cash and Cash Equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

|  |          |          |
|--|----------|----------|
| Deposits placed with licensed banks    | 21,429   | 12,945   |
| Cash & bank balances                   | 13,530   | 12,025   |
| Bank overdrafts                        | (37,593) | (35,039) |
|  | (2,634)  | (10,069) |
| Less : Deposit held as security values | (21,429) | (12,945) |
|  | (24,063) | (23,014) |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD 31 JANUARY 2013.**

|   | Attributable to Equity Holders of the Parent |                            |  |                     | Non-Controlling<br>Interest<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|--|---------------------|---------------------------------------|---------------------------|
|   | Non-Distributable                            |                            | Distributable  |                     |                                       |                           |
|   | Share<br>Capital<br>RM'000                   | Share<br>Premium<br>RM'000 | Retained Earnings/<br>(Accumulated Losses)<br>RM'000 | Sub-Total<br>RM'000 |                                       |                           |
| <b>Year-to-date Ended<br/>31 January 2013.</b>        |  |                            |  |                     |                                       |                           |
| Balance as at<br>1 November 2012                      | 438,361                                      | 8,369                      | (8,612)  | 438,118             | 5,005                                 | 443,123                   |
| Total Comprehensive<br>Income / (Loss) for the Period | -  | -                          | 766  | 766                 | (93)                                  | 673                       |
| Balance as at<br>31 January 2013.                     | 438,361                                      | 8,369                      | (7,846)  | 438,884             | 4,912                                 | 443,796                   |
| <b>Year-to-date Ended<br/>31 January 2012.</b>        |  |                            |  |                     |                                       |                           |
| Balance as at<br>1 November 2011                      | 438,361                                      | 8,369                      | (11,362)   | 435,368             | 5,741                                 | 441,109                   |
| Total Comprehensive<br>Income / (Loss) for the Period | -  | -                          | 677  | 677                 | (152)                                 | 525                       |
| Balance as at<br>31 January 2012.                     | 438,361                                      | 8,369                      | (10,685)   | 436,045             | 5,589                                 | 441,634                   |
|   |  |                            |  |                     |                                       |                           |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 and the accompanying notes attached to the interim financial statements).

## JAKS RESOURCES BERHAD (Company No. 585648-T)

### A. NOTES TO THE INTERIM FINANCIAL REPORT

#### 1. Basis of Preparation.

The interim financial report is unaudited and has been prepared in compliance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2012.

The accounting policies and methods of computations followed by the Group in this interim financial report are consistent with those adopted in financial statements of the Group for the year ended 31 October 2012.

#### 2. Changes in Accounting Policies.

The significant accounting policies applied in the quarterly report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 October 2012 except for the adoption of the following FRSs, IC Interpretations, amendments to FRSs and IC interpretations issued by Malaysia Accounting Standard Board ("MASB") that are mandatory for the Group.

The following revised FRS, amendments/improvements to FRS, IC Interpretations and amendments to IC Interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group are as follows:-

|                     |   | <b>Effective for<br/>financial periods<br/>beginning on<br/>or after</b> |
|---------------------|---|--|
| <u>New FRSs</u>     |   |  |
| FRS 9               | Financial Instruments                       | 1 January 2015   |
| FRS 10              | Consolidated Financial Statements           | 1 January 2013   |
| FRS 11              | Joint Arrangements                          | 1 January 2013   |
| FRS 12              | Disclosure of Interests in Other Entities   | 1 January 2013   |
| FRS 13              | Fair Value Measurement                      | 1 January 2013   |
| <u>Revised FRSs</u> |   |  |
| FRS 119             | Employee Benefits                           | 1 January 2013   |
| FRS 124             | Related Party Disclosures                   | 1 January 2012   |
| FRS 127             | Separate Financial Statements               | 1 January 2013   |
| FRS 128             | Investment in Associates and Joint Ventures | 1 January 2013   |

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

Amendments / Improvements to FRSs

|                             |   | <b>Effective for<br/>financial periods<br/>beginning on<br/>or after</b> |
|-----------------------------|---|--|
| FRS 1                       | First-time Adoption of Financial Reporting Standards      | 1 January 2012<br>and 1 January<br>2013                                  |
| FRS 7                       | Financial Instruments : Disclosures                       | 1 January 2012<br>and 1 January<br>2013                                  |
| FRS 10                      | Consolidated Financial Statements                         | 1 January 2013   |
| FRS 11                      | Joint Arrangements  | 1 January 2013   |
| FRS 12                      | Disclosure of Interests in Other Entities                 | 1 January 2013   |
| FRS 101                     | Presentation of Financial Statements                      | 1 July 2012 and<br>1 January 2013  |
| FRS 112                     | Income Taxes  | 1 January 2012   |
| FRS 116                     | Property, Plant and Equipment                             | 1 January 2013   |
| FRS 132                     | Financial Instruments: Presentation                       | 1 January 2013<br>and 1 January<br>2014                                  |
| FRS 134                     | Interim Financial Reporting                               | 1 January 2013   |
| <u>New IC Int</u>           |   |  |
| IC Int 20                   | Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013   |
| <u>Amendments to IC Int</u> |   |  |
| IC Int 2                    | Members' Share in Co-operative Entities                   | 1 January 2013   |

**3. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial year ended 31 October 2012 have been reported on without any audit qualification.

**4. Seasonal or Cyclical Factors.**

The business activities of the Group are not significantly affected by seasonal and cyclical factors except during Hari Raya and Chinese New Year festive seasons where business activities were generally lower.

**5. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows.**

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the quarter under review.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**6. Material changes in estimates**

There are no material changes in estimates for the quarter under review.

**7. Issuance and Repayment of Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period under review.

**8. Dividend**

No dividend has been paid respect of the financial period under review.

**9. Segmental Information for the Financial Period Ended 31 January 2013.**

Segment information was presented in respect of the Group's business segment. Inter-segment pricing was determined based on a negotiated basis.

**Business Segments**

|                           | Construction and Property Development<br>RM'000 | Trading<br>RM'000 | Manufacturing<br>RM'000 | Investment<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|---------------------------|---|-------------------|-------------------------|----------------------|-----------------------|-----------------|
| REVENUE                   |   |                   |                         |                      |                       |                 |
| External Revenue          | 88,749  | 1,245             | 4,812                   | 60                   | -                     | 94,866          |
| Inter-Company             | 18,570  | 18,092            | 808                     | 1,170                | (38,640)              | -               |
|                           | 107,319   | 19,337            | 5,620                   | 1,230                | (38,640)              | 94,866          |
| Segment Results           | 5,478   | 124               | (349)                   | (212)                |                       | 5,041           |
| Other Income              |   |                   |                         |                      |                       | 46              |
| Finance Cost              |   |                   |                         |                      |                       | (3,457)         |
| Profit Before Taxation    |   |                   |                         |                      |                       | 1,630           |
| Taxation                  |   |                   |                         |                      |                       | 957             |
| Profit After Taxation     |   |                   |                         |                      |                       | 673             |
| <u>Attributable to:</u>   |   |                   |                         |                      |                       |                 |
| Owners of the parent      |   |                   |                         |                      |                       | 766             |
| Non-Controlling Interests |   |                   |                         |                      |                       | (93)            |
|                           |   |                   |                         |                      |                       | 673             |

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**10. Valuation of Property, Plant & Equipment**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statement for the year ended 31 October 2012.

**11. Subsequent Events.**

There were no significant subsequent events between the date of the last financial statements used in the preparation of this report and the date of this report, which will affect materially the content of this report.

**12. Effect of Changes in the Composition of the Group**

There were no changes in the composition of the Group during the period under review save as listed below:

On 19 March 2013, the Company acquired Harbour Town Sdn Bhd ("Harbour Town") at a consideration of RM2.00 to facilitate the Company's venture into new investments in property development. Harbour Town has an authorized capital of RM100,000.00 and an issued paid up capital of RM2.00.

**13. Changes in Contingent Liabilities**

The changes in contingent liabilities of the Group since 31 October 2012 until 31 January 2013 were as follows: -

|   | As at<br>31 January 2013<br>RM'000 | As at<br>31 October 2012<br>RM'000 |
|---|------------------------------------|------------------------------------|
| Bank guarantees issued for<br>- execution of contracts of<br>the Company or<br>Subsidiaries company | 112,686                            | 110,564                            |

**14. Capital Commitment**

As at 31 January 2013, Capital commitment contracted for but not provided in the financial statements amounted to RM5,488.57 million.



**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**1. Review of Financial Performance.**

The Group achieved revenue of RM94.8 million for the current quarter ended 31 January 2013, an increase of 18% from the previous year's corresponding quarter of RM80.5 million. The Construction and Property Development division's revenue for the quarter under review increased by RM22.3 million from the previous year's corresponding quarter due to higher recognition of works done on current projects which progressed according to schedule. Revenue from the Manufacturing division for the same comparative quarters reduced by RM8.7 million as the Group ceased one of the production line as a measure to improve the Group's overall profitability position. Efforts were concerted on the trading division that has better margin.

The Group achieved a profit before tax of RM1.6 million in the current quarter as compared to a profit before tax of RM1.5 million in the preceding year's corresponding quarter. With the higher revenue recognition, the Construction and Property Development division achieved a profit before tax of RMRM3.4 million for the quarter under review. The Manufacturing and Investment divisions recorded a loss before tax of RM0.9 million and RM1.6 million respectively. The losses in the Manufacturing division were due to competitive market and higher unit cost as the production levels could not be optimized.

**2. Variation of Results against Preceding Quarter.**

The Group's achieved RM94.8 million revenue for the current quarter, a decrease of 26% from the revenue of RM127.5 million in the preceding quarter ended 31 October 2012 as the preceding quarter revenue of the Group was boosted by additional revenue in respect of the joint venture with IJM Construction Sdn Bhd on the Pahang-Selangor Raw Water Transfer Project. The Group achieved a profit before tax of RM1.6 million compared with a profit before tax of RM2.2 million in the preceding quarter.

**3. Prospects.**

The Group's construction division is expected to perform better going forward from improved construction progress and with the projects-in-hand.

As for the manufacturing division, the Group will continue its cost-cutting measures to ensure that the other manufacturing units will not affect the overall performance of the Group.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory performance for the new financial year.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**4. Profit Forecast / Guarantee**

The Company did not issue any profit forecast or guarantees.

**5. Taxation**

Included in the taxation are the following:

| <u>Taxation</u> | Current Quarter<br>Ended<br>31 January 2013<br>RM'000 | Period-to-date<br>Ended<br>31 January 2013<br>RM'000 |
|-----------------|---|--|
| Current Year    | 957   | 957  |

The tax provision was based on the estimated taxable amount. The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilized to set off against losses of other companies within the Group.

The deferred tax asset of the Group is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**6. Status of the Corporate Exercise**

There were no corporate proposals announced but not completed as at the date of this report except as stated in Note B, Item 13 in relation to the Proposed Joint Venture.

**7. Group Borrowings**

Group borrowings as at 31 January 2013 including interest denominated in Ringgit Malaysia are as follows: -

|                       | <u>Secured</u><br><u>RM'000</u> | <u>Unsecured</u><br><u>RM'000</u> | <u>Total</u><br><u>RM'000</u> |
|-----------------------|---------------------------------|-----------------------------------|-------------------------------|
| Short term borrowings | 154,766                         | -                                 | 154,766                       |
| Overdraft             | 37,593                          | -                                 | 37,593                        |
| Long term borrowings  | 31,062                          | -                                 | 31,062                        |
| Total                 | <u>223,421</u>                  | <u>-</u>                          | <u>223,421</u>                |

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**8. Realised and Unrealised Profit or Loss**

The breakdown of the Group's retained profits / (accumulated losses) as at 31 January 2013 into realised and unrealised profits or losses are as follows:

|                                       | As At<br>31 January 2013<br>RM'000 | As At<br>31 October 2012<br>RM'000 |
|---------------------------------------|------------------------------------|------------------------------------|
| Retained profits / Accumulated losses |                                    |                                    |
| - Realised                            | (17,673)                           | (18,439)                           |
| - Unrealised                          | 9,827                              | 9,827                              |
|                                       | <u>(7,846)</u>                     | <u>(8,612)</u>                     |

**9. Notes to the statement of comprehensive income**

The profit before taxation is derived after taking into consideration the following:

| Expense / (Income)                                 | Current<br>Period-to-date<br>31 January 2013<br>RM'000 |
|--|--|
| Rental Income                                      | (60)   |
| Interest Income                                    | -  |
| Interest Expense                                   | 3,457  |
| Depreciation and amortization                      | 1,046  |
| Provision for and write off                        |  |
| Of receivables no longer required                  | -  |
| Provision for and write off                        |  |
| Of inventories                                     | -  |
| Gain on disposal of property,<br>Plant & equipment | -  |
| Impairment of Assets                               | -  |
| Foreign exchange gain or loss                      | -  |
| Exceptional item                                   | -  |

**10. Material Litigation**

On 19 October 2006, the Company announced that its subsidiary company, JAKS-KDEB Consortium Sdn Bhd ("JKDEB") has on 6 October 2006 filed a civil suit against Perbadanan Urus Air Selangor Berhad ("PUAS"), Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") and Government of the State of Selangor Darul Ehsan ("Selangor Government") (collectively referred as the "Defendants") for the breach of the Supply Agreement dated 25 October 2001 ("Supply Agreement")

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

awarded by the Selangor Government to supply pipes and fittings in the whole State of Selangor Darul Ehsan including the Federal Territory of Kuala Lumpur and Putrajaya.

JKDEB has claimed for declarations, damages and injunctions to restrain PUAS and SYABAS from purchasing pipes and fittings all water projects being carried out in Selangor, Federal Territory of Kuala Lumpur and Putrajaya except from JKDEB and the specific performance of the Supply Agreement.

On 5 October 2011, the Kuala Lumpur High Court dismissed the action taken by JKDEB against the three defendants with cost. However, the Company has served the Notice of Appeal against the Kuala Lumpur High Court decision on 3 November 2011. The Record of Appeal was filed and served on 17 February 2012. As of to-date, the appeal has not been fixed for case management nor hearing.

**11. Dividend**

No dividend has been declared for the quarter under review.

**12. Earnings Per Ordinary Share**

**a) Basic Earnings Per Share**

The earnings per share has been calculated based on the Group's profit attributable to owners of the Parent for the period and the weighted average number of ordinary shares outstanding as at end of the period.

|  | <u>Individual Quarter</u>                    |  | <u>Cumulative Year</u>                       |  |
|--|--|--|--|--|
|  | Current Year<br>Quarter<br>31/1/13<br>RM'000 | Preceding Year<br>Quarter<br>31/1/12<br>RM'000 | Current Year<br>To-date<br>31/1/13<br>RM'000 | Preceding Year<br>To-date<br>31/1/12<br>RM'000 |
| Profit for the period attributable to owners of the Parent | 766  | 677  | 766  | 677  |
| Weighted average Number of Share in issue (RM1.00 each)    | 438,361                                      | 438,361  | 438,361                                      | 438,361  |
| Basic Earnings Per Share (sen)                             | 0.17   | 0.15   | 0.17   | 0.15   |

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**b) Diluted Earnings Per Share**

This is not applicable, as there exists no share option, warrants or other financial instruments that will dilute or have the effect of diluting the basic earnings per share.

**13. Report on the 2 x 600 MW Hai Duong Thermal Power Plant Project in Vietnam.**

The Company made announcements on 13 December 2012 and 19 December 2012 in relation to the termination of various agreements with Meiya Power (HD) Limited and the EPC contractors on the joint venture to invest in a 2 X 600 Megawatt Coal-Fired Thermal Power Plant in Vietnam (“IPP Project”) and the entry into new subscription and shareholders agreements with Wuhan Kaidi Electric Power Engineering Co., Ltd and Sanjung Merpati Sdn. Bhd to regulate the relationship and responsibilities of the parties on the IPP Project (“New Joint Venture”).

Further to this, the Company is making the necessary arrangements for the approval to be sought so that it can proceed with the new joint venture partners in raising the required funding to fully implement the project.

**14. Authorisation for issue**

The interim financial statements were authorized for issue by the Board of Directors on 28 March 2013.

**Date : 28 March 2013.**