

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015.

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 2015.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 31-Mar-2015	Preceding Year Quarter ended 31-Mar-2014	Current Year To-date ended 31-Mar-2015	Preceding Year To-date ended 31-Mar-2014
	RM'000	RM'000	RM'000	RM'000
Revenue	111,831	109,680	111,831	109,680
Cost of Sales	(87,428)	(87,252)	(87,428)	(87,252)
Gross Profit	24,403	22,428	24,403	22,428
Other Operating Income	488	30	488	30
Other Operating, Administrative, Selling and Distribution expenses	(13,081)	(10,856)	(13,081)	(10,856)
Operating Profit before finance cost	11,810	11,602	11,810	11,602
Finance cost	(3,569)	(3,727)	(3,569)	(3,727)
Profit Before Taxation	8,241	7,875	8,241	7,875
Taxation	(2,638)	(3,166)	(2,638)	(3,166)
Net Profit For The Period	5,603	4,709	5,603	4,709
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	5,603	4,709	5,603	4,709
<u>Total Comprehensive Income for the Period</u>				
<u>Attributable to :</u>				
Owners of the Company	3,072	879	3,072	879
Non-Controlling Interests	2,531	3,830	2,531	3,830
	5,603	4,709	5,603	4,709
Earnings Per Share attributable to				
Owners of the Company (sen) :				
- Basic	0.70	0.20	0.70	0.20
- Diluted	N/A	N/A	N/A	N/A

Notes :

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 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 2015.

	(Unaudited)	(Audited)
	As At	As At
	End Of	End Of
	Financial	Financial
	Period End	Year End
	31-Mar-2015	31-Dec-2014
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	28,438	28,026
Investment properties	334,560	291,651
Development Expenditure	154,743	153,359
Golf Club memberships	529	529
Goodwill on Consolidation	178,501	178,501
Deferred Tax Assets	9,277	9,277
Land held for Development	38,781	38,580
	744,829	699,923
Current Assets		
Inventories	16,144	25,662
Property Development Costs	323,114	272,053
Amount due from customers for contract works	56,932	63,022
Trade and Other Receivables	215,774	191,005
Deposits placed with licensed banks	69,435	92,082
Cash and bank balances	41,643	80,342
	723,042	724,166
Asset classified as held for sale	19,684	19,048
Total Assets	1,487,555	1,443,137
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	438,361	438,361
Share Premium	8,369	8,369
Accumulated Profit / (Losses)	15,987	12,915
	462,717	459,645
Non-controlling interests	91,749	89,217
TOTAL EQUITY	554,466	548,862
Non-Current Liabilities		
Long Term Borrowings	330,191	343,085
Deferred Tax Liabilities	198	198
	330,389	343,283
Current Liabilities		
Trade and Other Payables	323,346	282,996
Tax Payable	7,938	7,338
Bank borrowings	199,874	205,886
Bank overdraft	71,542	54,772
	602,700	550,992
TOTAL EQUITY AND LIABILITIES	1,487,555	1,443,137
Net Assets Per Share attributable to Owners of the parent (RM)	1.06	1.05

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 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 2015.

	Current Year 3 months period ended 31-Mar-2015	Preceding Year 3 months period ended 31-Mar-2014
	RM'000	RM'000
Cash flows from operating activities		
Profit for the period	3,072	879
Adjustment for:		
Depreciation and amortisation	951	999
Taxation	2,638	3,166
Interest expense	4,042	4,008
Interest income	(473)	(281)
Non-Controlling interests	2,531	3,830
Operating profit before working capital changes	12,761	12,601
(Increase)/Decrease in working capital		
Inventories	9,518	577
Amount due from customers for contract works	6,090	(3,281)
Trade and other receivables	(25,255)	(64,251)
Property Development Expenditure	(51,061)	(7,853)
Trade and other payables	40,350	83,705
Land held for property development	(201)	-
	(20,559)	8,897
	(7,798)	21,498
Interest paid	(3,057)	(2,721)
Interest received	473	281
Income tax paid	(1,552)	(933)
Net Operating Cash Flow	(11,934)	18,125
Cash flows from investing activities		
Development expenditure	(1,384)	(507)
Purchase of property, plant & equipment	(1,363)	(78)
Addition to investment properties	(42,909)	-
Addition to asset classified as held for sale	(636)	-
Net Investing Cash Flow	(46,292)	(585)
Cash flows from financing activities		
Interest paid	(984)	(1,287)
Drawdown / (Repayment) of short term borrowings	(8,752)	(14,663)
Drawdown (Repayment) of hire purchase liabilities	236	(566)
Drawdown / (Repayment) of bank term loans	(10,390)	(41,692)
Withdrawal / (Placement) of Fixed Deposits	22,647	(6,895)
Net Financing Cash Flow	2,757	(65,103)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015. (Cont.)**

	Current Year 3 months period ended 31-Mar-2015	Preceding Year 3 months period ended 31-Mar-2014
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(55,469)	(47,563)
Cash & Cash Equivalents at beginning of the year	24,424	52,622
Cash & Cash Equivalents at end of the period.	(31,045)	5,059

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	69,435	45,117
Cash & bank balances	41,643	66,804
Bank overdrafts	(71,542)	(60,611)
	39,536	51,310
Less : Deposit held as security values	(69,435)	(45,117)
Debt service reserves account	(1,146)	(1,134)
	(31,045)	5,059

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 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 2015.

	Attributable to Equity Holders of the Company				Non-Controlling Interest	Total Equity
	Non-Distributable		Distributable			
	Share Capital	Share Premium	Retained Earnings/ (Accumulated Losses)	Sub-Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Current Year						
3 Months period ended						
31 March 2015.						
Balance as at 1 January 2015	438,361	8,369	12,915	459,589	89,218	548,619
Total Comprehensive Income for the Period	-	-	3,072	3,072	2,531	5,603
Balance as at 31 March 2015.	438,361	8,369	15,987	462,717	91,749	554,466
Preceding Year						
3 Months period ended						
31 March 2014.						
Balance as at 1 January 2014	438,361	8,369	(1,108)	445,622	68,879	514,501
Total Comprehensive Income for the Period	-	-	879	879	3,830	4,709
Balance as at 31 March 2014.	438,361	8,369	(229)	446,501	72,709	519,210

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 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 year ended 31 December 2014.

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 2014, except for the adoption of the relevant new FRSs, amendments to FRSs and IC Interpretations that are effective and not yet adopted. The adoption of the new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

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, including its parent, significant investor and venturer (herein called “Transitioning Entities” collectively).

On 2 September 2014, MASB announced that Transitioning Entities shall be required to adopt the MFRSs framework and prepare their first MFRSs financial statements for annual periods beginning on or after 1 January 2017.

The Company falls within the scope definition of Transitioning Entities and accordingly, will prepare its first set of MFRSs financial statements for the financial year ending 31 December 2017.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 December 2014 have been reported on without any audit qualification.

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

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 in 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 2015.

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 RM'000	Property Development RM'000	Trading RM'000	Manufacturing RM'000	Investment RM'000	Elimination RM'000	Total RM'000
REVENUE							
External Revenue	61,339	31,584	17,068	1,840	-	-	111,831
Inter-Company	74,597	-	2,197	639	930	(78,363)	-
	135,936	31,584	19,265	2,479	930	(78,363)	111,831
Segment Results	5,271	6,492	495	(418)	(518)		11,322
Other Income							488
Finance Cost							(3,569)
Profit Before Taxation							8,241
Taxation							(2,638)
Profit After Taxation							<u>5,603</u>
<u>Attributable to:</u>							3,072
Owners of the Company							2,531
Non-Controlling Interests							<u>5,603</u>

JAKS RESOURCES BERHAD (Company No. 585648-T)

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

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 year ended 31 December 2014.

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.

12. Changes in Contingent Liabilities.

The changes in contingent liabilities of the Group since 31 December 2014 until 31 March 2015 were as follows: -

	As at 31 Mar 2015 RM'000	As at 31 Dec 2014 RM'000
Bank guarantees issued for - execution of contracts of the Company or Subsidiaries company	179,709	177,739
Guarantees given to suppliers Of goods for credit terms granted to subsidiaries	2,000	2,000
	----- 181,709 =====	----- 179,739 =====

13. Capital Commitment

As at 31 March 2015, Capital commitment contracted for but not provided in the financial statements amounted to RM6,265 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 RM111.8 million for the current quarter ended 31 March 2015, an increase of 2% from the previous year's corresponding quarter of RM109.7 million. The current quarter's revenue was contributed mainly by the Construction division of RM61.3 million and Property Development division of RM31.6 million following the progress billings achieved. The Trading and Manufacturing divisions generated aggregate revenue of RM18.9 million in the quarter under review.

The Group achieved a profit before tax of RM8.2 million in the current quarter as compared to a profit before tax of RM7.9 million in the preceding year's corresponding quarter. This is in line with the higher revenue recognition. The Construction and Property Development divisions achieved a profit before tax of RM3.9 million and RM6.5 million respectively for the quarter under review. The Investment, Trading and Manufacturing divisions continue to record a loss before tax of RM2.0 million, RM308,000 and RM427,000. The high finance cost as well as the competitive market with higher unit cost were the main cause of the losses. The production levels could not be optimised in the manufacturing division but corresponding to the first quarter in 2014, the Manufacturing division loss has reduced from RM1.7 million.

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/1/15-31/3/15 RM'000	Immediate Preceding Quarter 1/10/14 – 31/12/14 RM'000
Revenue	111,831	189,375
Profit before tax	8,241	22,787

The Group's achieved RM111.8 million revenue for the current quarter, a decrease of 40% from the revenue of RM189.4 million in the preceding quarter ended 31 December 2014 as the preceding quarter revenue of the Group was boosted by the higher revenue achieved by the Property Development division. As a result of the reduced in revenue, the Group recorded a profit before tax of RM8.2 million as compared with a profit before tax of RM22.8 million achieved in the preceding quarter.

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

3. Prospects.

The Group's Construction and Property Development divisions are expected to perform better going forward from improved construction progress and with the projects-in-hand and the recognition of revenue from property sales.

As for the manufacturing division, the Group will continue its cost-cutting measures to ensure that the other divisions will not be affected on its overall performance.

Barring any adverse developments, the Group will endeavor to achieve a commendable performance for 2015.

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 Ended 31 Mar 2015 RM'000	Period-to-date Ended 31 Mar 2015 RM'000
<u>Taxation</u>		
Current Year	2,638	2,638

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 and development of the power plant project in Vietnam.

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

7. Group Borrowings.

Group borrowings as at 31 March 2015 including interest denominated in Ringgit Malaysia are as follows: -

	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Short term borrowings	199,874	-	199,874
Overdraft	71,542	-	71,542
Long term borrowings	330,191	-	330,191
Total	<u>601,607</u>	<u>-</u>	<u>601,607</u>

8. Realised and Unrealised Profit or Loss.

The breakdown of the Group's retained profits as at 31 March 2015 into realised and unrealised profits are as follows:

	As At 31 Mar 2015 RM'000	As At 31 Dec 2014 RM'000
Retained profits		
- Realised	6,908	3,836
- Unrealised	9,079	9,079
	<u>15,987</u>	<u>12,915</u>

9. Notes to the statement of comprehensive income.

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

(Expense) / Income	Current Period-to-date 31 Mar 2015 RM'000
Interest Income	473
Interest Expense	(4,042)
Depreciation and amortization	(951)

10. Changes in Material Litigation.

There were no pending material litigations for the period under review.

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

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 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 31/3/15 RM'000	Preceding Year Ended 31/3/14 RM'000	Current Year Ended 31/3/15 RM'000	Preceding Year Ended 31/3/14 RM'000
Profit for the period attributable to owners of the Company	3,072	879	3,072	879
Weighted average Number of Share in issue (RM1.00 each)	438,361	438,361	438,361	438,361
Basic Earnings Per Share (sen)	0.70	0.20	0.70	0.20

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:-

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

- (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) 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-fulfillment 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.

On 28 October 2014, the Group announced that its wholly-owned subsidiary, JAKS Pacific Power Limited, had vide its letter dated 24 October 2014 requested MOIT to extend the required date for completion of the preconditions of the Project (including to achieve financial close) to 31 October 2015 due to the unanticipated delay.

The Group is currently evaluating new potential strategic partners and is confident of securing the right potential strategic partner and obtaining further extension of the above financial close date considering the various strengths the project holds.

14. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 21 May 2015.

Date : 21 May 2015.