

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2013

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 2nd Quarter unaudited financial results for the financial period ended 30 April 2013.

	Individual Period		Cumulative Period	
	Current Year Quarter ended 30-Apr-2013 RM'000	Preceding Year Quarter ended 30-Apr-2012 Restated RM'000	Current Year To-Date ended 30-Apr-2013 RM'000	Preceding Year To-Date ended 30-Apr-2012 Restated RM'000
Revenue	128,289	117,557	223,155	198,071
Cost of Sales	(116,109)	(108,965)	(199,385)	(179,953)
Gross Profit	12,180	8,592	23,770	18,118
Other Operating Income	34	1,363	80	1,363
Other Operating, Administrative, Selling and Distribution expenses	(6,289)	(5,158)	(12,838)	(10,237)
Operating Profit before finance cost	5,925	4,797	11,012	9,244
Finance cost	(3,199)	(2,167)	(6,656)	(5,067)
Profit Before Taxation	2,726	2,630	4,356	4,177
Taxation	(909)	(2,391)	(1,866)	(3,413)
Net Profit For The Period	1,817	239	2,490	764
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	1,817	239	2,490	764
<u>Total Comprehensive Income for the Period</u>				
<u>Attributable to :</u>				
Owners of the Parent	1,852	536	2,618	1,213
Non-Controlling Interests	(35)	(297)	(128)	(449)
	1,817	239	2,490	764
Earnings Per Share attributable to Owners of the parent (sen) :				
- Basic	0.42	0.12	0.60	0.28
- 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 30 APRIL 2013.

	(Unaudited) As At End Of Financial Period End 30-Apr-2013 RM'000	(Audited) As At End Of Financial Year End 31-Oct-2012 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	94,517	96,295
Investment properties	219	219
Development Expenditure	96,023	93,385
Golf Club memberships	545	545
Goodwill on Consolidation	155,223	155,223
Deferred Tax Assets	10,617	10,617
	<u>357,144</u>	<u>356,284</u>
Current Assets		
Inventories	11,885	13,188
Property Development Costs	207,845	184,507
Amount due from customers for contract works	162,421	154,706
Trade and Other Receivables	131,043	111,167
Deposits placed with licensed banks	23,290	17,839
Cash and bank balances	16,422	16,920
	<u>552,906</u>	<u>498,327</u>
Total Assets	<u>910,050</u>	<u>854,611</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	438,361	438,361
Share Premium	8,369	8,369
Accumulated Losses	(5,994)	(8,612)
	<u>440,736</u>	<u>438,118</u>
Non-controlling interests	4,877	5,005
TOTAL EQUITY	<u>445,613</u>	<u>443,123</u>
Non-Current Liabilities		
Long Term Borrowings	31,155	3,122
Deferred Tax Liabilities	789	789
	<u>31,944</u>	<u>3,911</u>
Current Liabilities		
Trade and Other Payables	209,963	223,872
Tax Payable	4,127	3,414
Bank borrowings	176,131	142,065
Bank overdraft	42,272	38,226
	<u>432,493</u>	<u>407,577</u>
TOTAL EQUITY AND LIABILITIES	<u>910,050</u>	<u>854,611</u>
Net Assets Per Share attributable to Owners of the parent (RM)	<u>1.01</u>	<u>1.00</u>

(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 30 APRIL 2013.

	Current Year-to-date ended 30-Apr-2013 RM'000	Preceding Year-to-date ended 30-Apr-2012 Restated RM'000
Cash flows from operating activities		
Profit for the period	2,618	1,213
Adjustment for:		
Depreciation and amortisation	2,135	2,006
Taxation	1,866	3,413
Interest expense	6,713	5,624
Interest income	(57)	(557)
Loss / (Gain) on disposal of property, plant & equipment	-	(1,335)
Non-Controlling interests	(128)	(449)
Operating profit before working capital changes	13,147	9,915
(Increase)/Decrease in working capital		
Inventories	1,303	(17,061)
Amount due from customers for contract works	(7,715)	(2,756)
Trade and other receivables	(19,845)	22,078
Development expenditure	(2,638)	(3,795)
Property Development Expenditure	(23,338)	(8,131)
Trade and other payables	(13,909)	25,967
	(66,142)	16,302
	(52,995)	26,217
Interest paid	(6,388)	(5,299)
Interest received	57	557
Income tax paid	(1,184)	(5,191)
Net Operating Cash Flow	(60,510)	16,284
Cash flows from investing activities		
Purchase of property, plant & equipment	(357)	(1,528)
Proceeds from disposal of property, plant & equipment	-	3,600
Net Investing Cash Flow	(357)	2,072
Cash flows from financing activities		
Interest paid	(325)	(325)
Drawdown / (Repayment) of short term borrowings	37,124	(15,762)
Drawdown (Repayment) of hire purchase liabilities	(1,096)	455
Drawdown / (Repayment) of bank term loans	26,072	-
Fixed Deposits held as security value	(5,451)	(2,430)
Net Financing Cash Flow	56,324	(18,062)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2013. (Cont.)**

	Current Year-to-date ended 30-Apr-2013 RM'000	Preceding Year-to-date ended 30-Apr-2012 Restated RM'000
Net Change in Cash & Cash Equivalents	(4,543)	294
Cash & Cash Equivalents at beginning of the year	(21,307)	(16,139)
Cash & Cash Equivalents at end of the period.	(25,850)	(15,845)

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	23,290	14,276
Cash & bank balances	16,422	22,585
Bank overdrafts	(42,272)	(38,430)
	(2,560)	(1,569)
Less : Deposit held as security values	(23,290)	(14,276)
	(25,850)	(15,845)

(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 30 APRIL 2013.

	Attributable to Equity Holders of the Parent				Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable		Distributable			
	Share Capital RM'000	Share Premium RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Sub-Total RM'000		
Year-to-date Ended 30 April 2013.						
Balance as at 1 November 2012	438,361	8,369	(8,612)	438,118	5,005	443,123
Total Comprehensive Income / (Loss) for the Period	-	-	2,618	2,618	(128)	2,490
Balance as at 30 April 2013.	438,361	8,369	(5,994)	440,736	4,877	445,613
Year-to-date Ended 30 April 2012.						
Balance as at 1 November 2011	438,361	8,369	(11,362)	435,368	5,741	441,109
Total Comprehensive Income / (Loss) for the Period	-	-	1,213	1,213	(449)	764
Balance as at 30 April 2012.	438,361	8,369	(10,149)	436,581	5,292	441,873

(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:-

		Effective for financial periods beginning on or after
<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)

<u>Amendments / Improvements to FRSs</u>		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012 and 1 January 2013
FRS 7	Financial Instruments : Disclosures	1 January 2012 and 1 January 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 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 and 1 January 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 30 April 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 RM'000	Trading RM'000	Manufacturing RM'000	Investment RM'000	Elimination RM'000	Total RM'000
REVENUE						
External Revenue	199,447	15,021	8,567	120	-	223,155
Inter-Company	29,037	25,826	2,968	2,340	(60,171)	-
	228,484	40,847	11,535	2,460	(60,171)	223,155
Segment Results	12,338	387	(1,308)	(485)		10,932
Other Income						80
Finance Cost						(6,656)
Profit Before Taxation						4,356
Taxation						(1,866)
Profit After Taxation						<u>2,490</u>
<u>Attributable to:</u>						
Owners of the parent						2,618
Non-Controlling Interests						<u>(128)</u>
						<u>2,490</u>

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 30 April were as follows: -

	As at 30 April 2013 RM'000	As at 31 October 2012 RM'000
Bank guarantees issued for - execution of contracts of the Company or Subsidiaries company	112,686	110,564
	<u>112,686</u>	<u>110,564</u>

14. Capital Commitment

As at 30 April 2013, 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 RM128.3 million for the current quarter ended 30 April 2013, an increase of RM10.7 million or 9% from the previous year's corresponding quarter of RM117.6 million. The Construction and Property Development division's revenue for the quarter under review increased by RM5.7 million from the previous year's corresponding quarter with higher recognition of works done on the current projects which progressed according to schedule. Revenue from the Manufacturing division for the same comparative quarters reduced by RM8.0 million as one of the production plant ceased operation as a measure to improve the Group's overall profitability position. Efforts were concerted on the trading division that generated an increase in revenue of RM12.9 million from that achieved in the second quarter of last year.

On the back of the higher revenue, the Group's profit before tax of RM2.7 million in the quarter under review was an improvement to the profit before tax of RM2.6 million in the preceding year's corresponding quarter. The Construction and Property Development and Trading division achieved profit before tax of RM4.7 million and RM1.0 million respectively for the quarter under review. However, the Manufacturing and Investment divisions recorded a loss before tax of RM1.4 million and RM1.5 million respectively. The losses in the Manufacturing division were due to the highly 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 RM128.3 million revenue for the current quarter, an increase of 35% from the revenue of RM94.8 million in the preceding quarter ended 31 January 2013, mainly contributed by the Construction and Property Development division. With the increase in revenue, the Group achieved a profit before tax of RM2.7 million compared with a profit before tax of RM1.6 million in the preceding quarter.

3. Prospects.

With the higher construction progress planned from the projects-in-hand, the Group's Construction and Property Development division will be the main driver of the Group's revenue and profitability.

The performance of the manufacturing division has been affected by the oversupply situation in the whole first half of 2013 and likely to continue into the second half of the year. Without the necessary optimal production volumes and with volatility of prices of raw materials and finished products, the manufacturing division would still have to grapple with higher unit cost. Nonetheless, the Group will continue its cost-cutting measures to ensure that the Manufacturing Division's results do not deteriorate further.

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:

	Current Quarter Ended 30 April 2013 RM'000	Period-to-date Ended 30 April 2013 RM'000
<u>Taxation</u>		
Current Year	909	1,866
	=====	=====

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 Proposed Acquisition.

7. Group Borrowings

Group borrowings as at 30 April 2013 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	176,131	-	176,131
Overdraft	42,272	-	42,272
Long term borrowings	31,155	-	31,155
Total	249,558	-	249,558

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 30 April 2013 into realised and unrealised profits or losses are as follows:

	As At 30 April 2013 RM'000	As At 31 October 2012 RM'000
Retained profits / Accumulated losses		
- Realised	(15,821)	(18,439)
- Unrealised	9,827	9,827
	-----	-----
	(5,994)	(8,612)
	=====	=====

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 30 April 2013 RM'000
Rental Income	(120)
Interest Income	(57)
Interest Expense	6,713
Depreciation and amortization	2,135
Provision for and write off	
Of receivables no longer required	-
Provision for and write off	
Of inventories	-
Gain on disposal of property, 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") 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.

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

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 January 2012.

On 22 May 2013, the Court of Appeal had adjourned the hearing of the Appeal filed against the High Court dated 5 October 2011 which had dismissed JKDEB's claim, to a date which will be fixed later by the Court of Appeal.

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 Quarter	Preceding Year Quarter	Current Year To-date	Preceding Year To-date
	30/4/13	30/4/12	30/4/13	30/4/12
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to owners of the Parent	1,852	536	2,618	1,213
Weighted average Number of Share in issue (RM1.00 each)	438,361	438,361	438,361	438,361
Basic Earnings Per Share (sen)	0.42	0.12	0.60	0.28

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.

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

13. Corporate Proposals

i) Proposed Joint Venture

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) 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.

Further to this, the Company is making the necessary arrangements for the shareholders’ approval at a convened Extraordinary General Meeting to be held on 28 June 2013 so that it can proceed with the joint venture partners in raising the required funding to fully implement the project.

ii) Proposed Acquisition

On 29 March 2013, the Company announced that Harbour Town Sdn Bhd, a wholly-owned subsidiary of JRB, had entered into a Share Sales and Purchase agreement with Island Circle Development (M) Sdn Bhd to acquire 51% equity interest in MNH Global Assets Management Sdn Bhd for a total cash consideration of RM93.2 million. The Company will be convening an Extraordinary General Meeting to seek shareholders’ approval on the Proposed Acquisition.

JAKS RESOURCES BERHAD (Company No. 585648-T)

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

14. Comparative figures

The following comparative have been restated to conform to the current year's presentation:

	As Restated	As previously reported.
	RM'000	RM'000
<u>Items in the consolidated Statement</u>		
<u>Of Comprehensive Income</u>		
Revenue	198,071	160,870
Cost of Sales	(179,398)	(146,332)
Gross Profit	<u>18,673</u>	<u>14,538</u>
Share of Profit of a Jointly Controlled Entity	-	4,135

The Consolidated Statement of Cash Flows has also been restated to reflect the above reclassifications.

15. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors on 21 June 2013.

Date : 21 June 2013.