

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015.

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 2nd Quarter unaudited financial results for the financial period ended 30 June 2015.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Jun-2015	Preceding Year Quarter ended 30-Jun-2014	Current Year To-date ended 30-Jun-2015	Preceding Year To-date ended 30-Jun-2014
	RM'000	RM'000	RM'000	RM'000
Revenue	88,265	98,310	200,096	207,990
Cost of Sales	(65,363)	(68,164)	(152,791)	(155,416)
Gross Profit	22,902	30,146	47,305	52,574
Other Operating Income	495	67	983	97
Other Operating, Administrative, Selling and Distribution expenses	(11,058)	(11,549)	(24,139)	(22,405)
Operating Profit before finance cost	12,339	18,664	24,149	30,266
Finance cost	(3,905)	(4,032)	(7,474)	(7,759)
Profit Before Taxation	8,434	14,632	16,675	22,507
Taxation	(3,171)	(4,791)	(5,809)	(7,957)
Net Profit For The Period	5,263	9,841	10,866	14,550
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	5,263	9,841	10,866	14,550
<u>Total Comprehensive Income for the Period</u> <u>Attributable to :</u>				
Owners of the Company	3,261	3,402	6,333	4,281
Non-Controlling Interests	2,002	6,439	4,533	10,269
	5,263	9,841	10,866	14,550
Earnings Per Share attributable to Owners of the Company (sen) :				
- Basic	0.74	0.78	1.44	0.98
- 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 30 JUNE 2015.

	(Unaudited) As At End Of Financial Period End 30-Jun-2015	(Audited) As At End Of Financial Year End 31-Dec-2014
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	28,604	28,026
Investment properties	360,735	291,651
Development Expenditure	165,155	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
	781,582	699,923
Current Assets		
Inventories	15,692	25,662
Property Development Costs	299,296	272,053
Amount due from customers for contract works	72,718	63,022
Trade and Other Receivables	193,085	191,005
Deposits placed with licensed banks	73,858	92,082
Cash and bank balances	21,994	80,342
	676,643	724,166
Asset classified as held for sale	19,684	19,048
Total Assets	1,477,909	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)	19,248	12,915
	465,978	459,645
Non-controlling interests	93,751	89,217
TOTAL EQUITY	559,729	548,862
Non-Current Liabilities		
Long Term Borrowings	342,529	343,085
Deferred Tax Liabilities	198	198
	342,727	343,283
Current Liabilities		
Trade and Other Payables	297,179	282,996
Tax Payable	10,283	7,338
Bank borrowings	190,221	205,886
Bank overdraft	77,770	54,772
	575,453	550,992
TOTAL EQUITY AND LIABILITIES	1,477,909	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 30 JUNE 2015.

	Current Year 6 months period ended 30-Jun-2015	Preceding Year 6 months period ended 30-Jun-2014
	RM'000	RM'000
Cash flows from operating activities		
Profit for the period	6,333	4,281
Adjustment for:		
Depreciation and amortisation	1,899	1,882
Taxation	5,809	7,957
Interest expense	8,136	8,857
Interest income	(662)	(1,098)
Non-Controlling interests	4,533	10,269
Operating profit before working capital changes	<u>26,048</u>	<u>32,148</u>
(Increase)/Decrease in working capital		
Inventories	9,970	3,510
Amount due from customers for contract works	(9,696)	(12,954)
Trade and other receivables	(2,670)	(15,394)
Property Development Expenditure	(27,243)	(30,966)
Trade and other payables	14,183	(5,204)
Land held for property development	(201)	-
	<u>(15,657)</u>	<u>(61,008)</u>
	10,391	(28,860)
Interest paid	(6,184)	(6,345)
Interest received	662	1,098
Income tax paid	(2,274)	(10,251)
Net Operating Cash Flow	<u>2,595</u>	<u>(44,358)</u>
Cash flows from investing activities		
Development expenditure	(11,796)	(31,576)
Purchase of property, plant & equipment	(2,477)	(2,325)
Addition to investment properties	(69,084)	-
Addition to asset classified as held for sale	(636)	-
Net Investing Cash Flow	<u>(83,993)</u>	<u>(33,901)</u>
Cash flows from financing activities		
Interest paid	(1,952)	(2,511)
Drawdown / (Repayment) of short term borrowings	(14,179)	(27,316)
Drawdown (Repayment) of hire purchase liabilities	(122)	535
Drawdown / (Repayment) of bank term loans	(1,919)	152,096
Withdrawal / (Placement) of Fixed Deposits	18,224	(64,994)
Net Financing Cash Flow	<u>52</u>	<u>57,810</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015. (Cont.)**

	Current Year 6 months period ended 30-Jun-2015	Preceding Year 6 months period ended 30-Jun-2014
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(81,346)	(20,449)
Cash & Cash Equivalents at beginning of the year	24,424	52,622
Cash & Cash Equivalents at end of the period.	(56,922)	32,173

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	73,858	103,216
Cash & bank balances	21,994	74,359
Bank overdrafts	(77,770)	(41,052)
	18,082	136,523
Less : Deposit held as security values	(73,858)	(103,216)
Debt service reserves account	(1,146)	(1,134)
	(56,922)	32,173

(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 30 JUNE 2015.

	Attributable to Equity Holders of the Company				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		
Current Year 6 Months period ended 30 June 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	-	-	6,333	6,333	4,533	10,866
Balance as at 30 June 2015.	438,361	8,369	19,248	465,978	93,751	559,729
Preceding Year 6 Months period ended 30 June 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	-	-	4,281	4,281	10,269	14,550
Balance as at 30 June 2014.	438,361	8,369	3,173	449,903	79,148	529,051

(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 FRSSs, amendments to FRSSs and 1C Interpretations that are effective and not yet adopted. The adoption of the new FRSSs, amendments to FRSSs and 1C 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 (“MFRSSs Framework”).

The MFRSSs 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 MFRSSs framework and prepare their first MFRSSs 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 MFRSSs 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 30 June 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	112,583	43,831	41,830	1,852	-	-	200,096
Inter-Company	125,471	-	3,773	658	1,680	(131,582)	-
	238,054	43,831	45,603	2,510	1,680	(131,582)	200,096
Segment Results	11,008	11,714	1,784	(1,403)	63		23,166
Other Income							983
Finance Cost							(7,474)
Profit Before Taxation							16,675
Taxation							(5,809)
Profit After Taxation							10,866
<u>Attributable to :</u>							
Owners of the Company							6,333
Non-Controlling Interests							4,533
							10,866

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 30 June 2015 were as follows: -

	As at 30 Jun 2015 RM'000	As at 31 Dec 2014 RM'000
Bank guarantees issued for - execution of contracts of the Company or Subsidiaries company	199,557	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 30 June 2015, Capital commitment contracted for but not provided in the financial statements amounted to RM6,265 million. However, the EPC Contract with Wuhan Kaidi Electric Power Engineering Co Ltd was subsequently terminated on 31 July 2015.

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 RM88.3 million for the current quarter ended 30 June 2015, a decrease of approximately 10% from the previous year's corresponding quarter of RM98.3 million. The current quarter's revenue was contributed mainly by the Construction division of RM51.2 million following the progress billings achieved. The Trading and Property Development divisions generated revenue of RM24.7 million and RM12.2 million respectively in the quarter under review.

The Group achieved a profit before tax of RM8.4 million in the current quarter as compared to a profit before tax of RM14.6 million in the preceding year's corresponding quarter. This is in line with the higher revenue recognition in previous year period. The Construction, Property Development and Trading divisions achieved profit before tax of RM4.8 million, RM5.6 million and RM525,000 respectively for the quarter under review. The Investment and Manufacturing divisions continue to record loss before tax of RM1.5 million and RM994,000. The high finance cost as well as the competitive market with higher unit cost were the main causes of the losses. The production levels could not be optimised in the manufacturing division.

2. Variation of Results against Preceding Period.

	Current Year Quarter 1/4/15-30/6/15 RM'000	Immediate Preceding Quarter 1/1/15 – 31/3/15 RM'000
Revenue	88,265	111,831
Profit before tax	8,434	8,241

The Group's achieved RM88.3 million revenue for the current quarter, a decrease of 21% from the revenue of RM111.8 million in the preceding quarter ended 31 March 2015 as the preceding quarter's revenue of the Group was boosted by the higher revenue achieved by the Property Development division. However, the Group still managed to maintain its profitability following the better margins achieved in the Property Development division.

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

3. Prospects.

The Construction division existing order book will continue to be the main driver of the Group performance. The performance of the Property Development division has been affected as it faced challenges such as tighter lending from banks as a result of the property cooling measures introduced by Bank Negara Malaysia and weak buyer sentiment. The Group expects the performance of the Property Development division to be flat for the second half of the year.

The performance of the manufacturing and trading divisions have been affected by the dumping of cheap steel products by China steel mills. There would be some rationalization of the operations of these divisions as the dumping issue is not expected to lessen soon.

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 30 Jun 2015 RM'000	Period-to-date Ended 30 Jun 2015 RM'000
<u>Taxation</u>		
Current Year	3,171	5,809

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.

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

6. Status of the Corporate Exercise.

Save as disclosed below, there are no other outstanding corporate exercise, which has been announced by the Company but not yet completed:

- (a) Proposed Joint Venture and development of the power plant project in Vietnam. The Proposed Joint Venture is subject to approval of shareholders of JAKS Resources Berhad. The circular and notice convening the Extraordinary General Meeting is currently pending the approval of Bursa Securities for release.

7. Group Borrowings.

Group borrowings as at 30 June 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	190,221	-	190,221
Overdraft	77,770	-	77,770
Long term borrowings	342,529	-	342,529
Total	<u>610,520</u>	<u>-</u>	<u>610,520</u>

8. Realised and Unrealised Profit or Loss.

The breakdown of the Group's retained profits as at 30 June 2015 into realised and unrealised profits are as follows:

	As At 30 Jun 2015 RM'000	As At 31 Dec 2014 RM'000
Retained profits		
- Realised	10,169	3,836
- Unrealised	9,079	9,079
	<u>19,248</u>	<u>12,915</u>

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

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 Jun 2015 RM'000
Interest Income	662
Interest Expense	(8,136)
Depreciation and amortization	(1,899)

10. Changes in Material Litigation.

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

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 30/6/15 RM'000	Preceding Year Ended 30/6/14 RM'000	Current Year Ended 30/6/15 RM'000	Preceding Year Ended 30/6/14 RM'000
Profit for the period attributable to owners of the Company	3,261	3,402	6,333	4,281
Weighted average Number of Share in issue (RM1.00 each)	438,361	438,361	438,361	438,361
Basic Earnings Per Share (sen)	0.74	0.78	1.44	0.98

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. Authorisation for issue.

The interim financial statements were authorised for issue by the Board of Directors on 26 August 2015.

Date : 26 August 2015.