UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2014

A. <u>NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE</u> FORTH QUARTER ENDED 31 DECEMBER 2014

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: *Interim Financial Reporting in Malaysia* and ACE Market ("ACE") Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements do not included all the information required for full annual financial statements and should be read together with audited financial statements of Ideal Jacobs (Malaysia) Corporation Bhd ("the Group") for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report. The audited financial statements of the Group for the financial year ended 31 December 2013 were prepared in accordance with MFRS.

The accounting policies and method of computation adopted for the interim financial reports are consistent with those adopted in audited financial statements for financial year ended 31 December 2013. The adoption of new MFRSs has not resulted in any material impact on the financial statements of the Group.

A2. Audit Report of Preceding Annual Financial Statements

The preceding year annual audited financial statements were not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group's operations were not subject to any seasonal or cyclical changes.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A5. Material Changes in Estimates

There were no material changes in estimates for the quarter ended 31 December 2014.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A7. Dividend Paid

There were no dividends declared or paid by the Group for the current quarter under review.

A8. Segment Information

(i) Business	Segment	Laser/	Fabrication	Trading of		
Period ended	Industrial <u>labels</u>	die-cut <u>products</u>	of plastic <u>parts</u>	non-core <u>products</u>	<u>Elimination</u>	<u>Total</u>
31/12/2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:-						
External customers	10,886	14,035	12,813	803	-	38,537
Inter-segment	270	4,545	1,098	3	(5,916)	-
_	11,156	18,580	13,911	806	(5,916)	38,537
Results:- Interest income Finance costs Depreciation and Other non-cash e Taxation Segment loss		ı				131 (220) (960) (3,429) (895) (5,106)
Assets:- Additions to non- Unallocated corp		ts (b)				5,919 37,921
<u>Liabilities:-</u> Unallocated corp	orate liabilitie	es			_	17,708

Period ended 31/12/2013	Industrial <u>labels</u> RM'000	Laser/ die-cut <u>products</u> RM'000	Fabrication of plastic <u>parts</u> RM'000	Trading of non-core products RM'000	Elimination RM'000	<u>Total</u> RM'000
Revenue:-						
External customers	9,456	15,332	8,980	2,268	-	36,036
Inter-segment	276	4,092	742	-	(5,110)	-
	9,732	19,424	9,722	2,268	(5,110)	36,036
Results:- Interest income Finance costs Depreciation Other non-cash in Taxation Segment profit	ncome (a)					40 (116) (841) 459 (1,054) 309
Assets:- Additions to non-current assets (b) Unallocated corporate assets					4,210 33,074	
<u>Liabilities:-</u> Unallocated corp	orate liabilitie	9 S				12,831

Notes:

(a) Notes to other non-cash (expenses)/income consist of the following item:

	Current Year to-Date 31/12/2014 RM'000	Preceding Year Period 31/12/2013 RM'000
Fair value gain adjustment on investment property	-	78
Share-based compensation pursuant to ESOS granted	(1,800)	-
(Loss)/Gain on disposal of property, plant and equipment	(24)	2,098
Loss on deconsolidation of subsidiary company	-	(45)
Impairment loss on trade receivables	-	(1,440)
Impairment loss on other receivables	(54)	-
Impairment loss on disposal of property, plant & equipment	(861)	-
Inventories written down	(570)	(23)
Reversal of Impairment loss on trade receivable	104	-
Unrealised foreign exchange loss	(190)	(159)
Property, plant and equipment written off	(34)	(50)
	(3,429)	459

(b) Additional to non-current assets consist of:

	Current Year to-Date 31/12/2014 RM'000	Preceding Year Period 31/12/2013 RM'000
Property, plant and equipment Prepaid land lease payments	5,919 - 5,919	2,779 1,431 4,210

- (c) It was not practicable to separate out the segment results for its business segments as the Directors of the Company are of the opinion that excessive costs would be incurred.
- (d) Unallocated assets and liabilities were jointly used by four products segments.
- (e) Inter-segment revenues are eliminated on consolidation.

(ii) Geographical Segments for Revenue

	Individual Quarter Ended 31/12/2014			Quarter Ended 2/2014
	Revenue	Non-Current Asset	<u>Revenue</u>	Non-Current Asset
	RM'000	RM'000	RM'000	RM'000
PRC	5,155	11,872	22,733	11,872
Singapore	1,212	-	4,187	-
Netherlands	503	-	3,626	-
Thailand	491	-	1,864	=
France	106	-	1,560	-
Malaysia	99	51	543	51
USA	65	-	2,576	-
England	62	-	316	-
Hong Kong	49	-	468	-
Israel	47	-	275	-
New Zealand	40	-	85	-
Canada	39	-	123	-
Taiwan	21	-	67	-
India	13	-	34	-
Poland	7	-	22	-
Vietnam	4	-	32	-
Australia	-	-	7	-
Lithuania	-	-	8	-
German	-	-	1	-
Japan	-	-	9	-
Philippines		<u>-</u> _	1	<u>-</u> _
	7,913	11,923	38,537	11,923

	Individual Quarter Ended 31/12/2013			Quarter Ended 2/2013
	<u>Revenue</u>	Non-Current Asset	Revenue	Non-Current Asset
	RM'000	RM'000	RM'000	RM'000
PRC	7,777	7,686	21,545	7,686
Singapore	1,056	-	3,065	-
Netherlands	976	-	2,146	-
USA	828	-	3,294	-
France	735	-	1,133	-
Thailand	301	-	1,897	-
Malaysia	143	77	1,175	77
Hong Kong	101	-	736	-
England	41	-	116	-
Canada	19	-	36	-
India	14	-	27	-
Slovenia	12	-	19	-
New Zealand	9	-	138	-
Israel	8	-	52	-
Taiwan	6	-	18	-
Brazil	3	-	496	-
German	3	-	4	-
Finland	2 2	-	4	-
Poland		-	21	-
Japan	1	-	94	-
Philippines	1	-	1	-
Australia	-	-	9	-
Lithuania		-	10	-
	12,038	7,763	36,036	7,763

Non-currents asset information presented above consist of the following items as presented in the consolidated statement of financial position:

	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
Property, plant and equipment	8,978	4,904
Prepaid land lease payments	1,520	1,475
Investment property	1,316	1,275
Other investment	109	109
	11,923	7,763

(iii) Information About Major Customers

On the period to date basis, revenue from a major customer amounted to RM4.27 million (2013: RM4.91 million) with the majority arising from sales of by the Laser/Die-cut segment (2013: Industrial Labels segment).

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

A10. Valuation of Investment Property

The Group has undertaken a revaluation on the investment property during the current quarter under review and stated at fair value. Revaluation reserve was taken up as follows:

	Carrying	Revaluation	Revaluation
	Value	Value	Reserve
	RM'000	RM'000	RM'000
Investment property	1,275	1,316	128

A11. Changes in The Composition Of The Group

There were no changes in the composition of the Group during the current quarter under review.

A12. Contingent Liabilities

	As at 31/12/2014 RM'000	As at 31/12/2013 RM'000
Unsecured Corporate guarantee given by a subsidiary company to financial institution on the banking facilities granted to a corporate shareholder of a		
subsidiary company – utilised amount	575	739

A13. Capital Commitments

Commitments not provided for in the financial statements are as follows:-

Capital commitment

	As at	As at
	31/12/2014	31/12/2013
	RM'000	RM'000
Capital expenditure		
- Authorised and contracted for:		
- Property, plant & equipment	6,693	12,506

Investment commitment

As at 31 December 2014, the total investment commitment is USDNil (2013: USD3,500,000). The Group has invested with an accumulated investment of USD3,500,000 (2013: USD700,000) and it still has a balance of USDNil (2013: USD2,800,000) to be invested in the next financial period.

A14. Related Party Disclosures

The Group has the following transactions with the related parties at negotiated terms agree between the parties during the interim financial period:

	Current Year to-Date 31/12/2014 RM'000	Preceding Year Period 31/12/2013 RM'000
Sales to a corporate shareholder	939	890
Sales to a corporate shareholder of a subsidiary Company	757	713
Purchases from a corporate shareholder	69	63
Purchases from corporate shareholder of a subsidiary company		50
Commission paid to a corporate shareholder	385	47
Licensing fees paid to a corporate shareholder	302	257
Sales to a company in which director of a subsidiary companies has interest	<u> </u>	670
Management fee charged by a corporate shareholder of a subsidiary company	961	311

A15. Material Events Subsequent to The End Of The Reporting Quarter

Saved as disclosed below, there were no material events subsequent to the current financial quarter ended 31 December 2014 up to the date of this report which is likely to substantially affect the results or the operations of the Group.

On 27 January 2015, M&A had on behalf of the Board, announced that Bursa Securities had vide its letter dated 27 January 2015, approved the application of the extension of time to submit the agreements with the vendors of Cekap Technical Services Sdn Bhd ("CTSSB") and Mecip Global Engineers Sdn Bhd ("Mecip") for a proposed reverse take-over ("Proposed Reverse Take-Over") exercise as per stated in Note B8 (iii) to the relevant authorities up till 18 March 2015.

B. <u>ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE ACE MARKET</u> LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

<u>Quarter Ended</u>					
	31/12/2014 31/12/2013 Varia				
	RM'000	RM'000	RM'000	<u>%</u>	
Revenue	7,913	12,038	(4,125)	(34)	
(Loss)/Profit from operation	(3,196)	203	(3,399)	>(100)	
(Loss)/Profit before tax	(3,108)	347	(3,455)	>(100)	
(Loss)/Profit after tax	(3,234)	119	(3,353)	>(100)	

For the quarter under review, the Group revenue decreased at 34% from RM12.04 million to RM7.91 million as compared to the preceding financial year corresponding quarter.

Except slight increase in revenue from Industrial Labels at RM0.23 million, the decreases of revenue were from:-

- (i) Laser/Die-cut dropped by RM1.83 million due to strong competition and weak demand for smartphone components;
- (ii) Drop in revenue from Fabrication of Plastic Parts at RM2.11 million; and
- (iii) Trading of Non-core Products segment at RM0.42 million.

The Group recorded lower gross profit margin as a result of the competitive pricing for Fabrication of Plastic Parts Products and relatively low margin from sales of smartphone components, which is categorized under Laser/Die-cut segment.

The Group recorded a loss before and after tax of RM3.11 million and RM3.23 million as compared to preceding financial year corresponding quarter which registered a profit before and after tax of RM0.35 million and RM0.12 million respectively. The losses mainly due to lower revenue generated and the exceptional expenses incurred during the quarter under review:-

- (i) Payment of withholding tax for the dividend declared by a subsidiary company outside Malaysia.
- (ii) Inventories written down by subsidiary companies in PRC.
- (iii) Impairment loss on disposal of property, plant & machinery by a subsidiary company in PRC.
- (iv) Increase in expenses included professional fees and travelling expenses.

	Cumulative Quarter Ended			
	31/12/2014 31/12/2013 Varia			nce
	RM'000	RM'000	RM'000	<u>%</u>
Revenue	38,537	36,036	2,501	7
Loss from operation	(4,545)	(1,012)	(3,533)	>(100)
Loss/(Profit) before tax	(4,211)	1,363	(5,574)	>(100)
Loss/(Profit) after tax	(5,106)	309	(5,415)	>(100)

On the year to date basis, the Group registered total revenue of RM38.54 million and loss before tax of RM4.21 million as compared to previous year revenue of RM36.04 million and profit before tax of RM1.36 million.

Higher revenue recorded for the financial period ended 31 December 2014 was from the increase in Core Products at RM3.97 million but was offset by a drop form Trading of Non-core Products at RM1.47 million. The Group had ceased trading of electrical powered vehicles and trading of IT products.

The Group recorded higher revenue but lower gross profit margin as a result of the competitive pricing for Fabrication of Plastic Parts Products segment and with relatively low margin from sales of smartphone components, which is categorized under Laser/Die-cut segment.

The recorded loss from operation as compared to previous financial year was due to the exceptional expenses incurred during the year under review:-

- (i) Fair value loss adjustment to share option granted which was charged to income statement under operating expenses.
- (ii) Payment of withholding tax for the dividend declared by a subsidiary company outside Malaysia.
- (iii) Inventories written down by subsidiary companies in PRC.
- (iv) Impairment loss on disposal of property, plant & machinery by a subsidiary company in PRC.
- (v) Management fees incurred by a subsidiary in Singapore for the management services provided by a related party.
- (vi) Increase in expenses included entertainment expenses, professional fees, travelling expenses and provision of bonus.

B2. Comparison to the Results of the preceding quarter

	<u>Quarte</u>	<u>er Ended</u>			
	31/12/2014 30/09/2014 Var		<u>Varia</u>	<u>iance</u>	
	RM'000	RM'000	RM'000	<u>%</u>	
Revenue	7,913	8,983	(1,070)	(12)	
Loss from operation	(3,196)	(763)	(2,433)	>(100)	
Loss before tax	(3,108)	(794)	(2,314)	>(100)	
Loss after tax	(3,234)	(927)	(2,307)	>(100)	

The Group revenue dropped by RM1.07 million to RM7.91 million during the current quarter compared to the revenue of RM8.98 million recorded in the immediate preceding quarter.

The drop was mainly from Fabrication of Plastic Parts segments at RM0.83 million due to slowdown in orders from major customers.

The quarter under review observed higher loss before tax and after tax due to the exceptional expenses incurred during the quarter under review as per below:

- (i) Payment of withholding tax for the dividend declared by a subsidiary company outside Malaysia.
- (ii) Inventories written down by subsidiary companies in PRC.
- (iii) Impairment loss on disposal of property, plant & machinery by a subsidiary company in PRC.

B3. Prospects

The sales from all segments except for Industrial Labels had declined in the 4th quarter of 2014 as compared to the previous year corresponding quarter. On year to year basis, the Group recorded higher sales with lower gross profit margin due to the competitive pricing and this unfavorable trend is expected to continue. In these regards, the Board is anticipating a challenging year ahead.

B4. Profit Forecast

The Group did not announce any profit forecast in any publicly available documents or announcement.

B5. Taxation

	Individual Quarter		Cumulative Quarter		
	Current Year Preceding		Current Year	Preceding	
	Quarter	Year Quarter	to- Date	Year Period	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	
Current income tax:					
 Malaysia 	-	9	-	9	
- Foreign	126	219	895	1,045	
	126	228	895	1,054	

Included herein the income tax provision are income tax payable by a subsidiary company in PRC, and it is calculated based on the statutory income tax rate of 15% (2013: 15%) in accordance with the relevant PRC income tax rules.

B6. Unquoted Investments and Properties

There were no acquisitions or disposals of unquoted investments and properties during the financial quarter under review and the financial year-to-date.

B7. Quoted Securities

There were no acquisitions or disposals of quoted securities for the financial quarter under review and the financial year-to-date.

B8. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of issuance of this announcement.

(i) Right Issue

On 4 July 2012, the Board of the Company announced that the Company proposed to undertake the following:

(a) Proposed renounceable rights issue of up to 60,000,500 new ordinary shares of RM0.10 each in the Company ("Rights Shares") together with up to 60,000,500 free detachable warrants ("Warrants") on the basis of one (1) Rights Share for every two (2) existing ordinary shares of RM0.10 each held in the Company ("IJM Shares") together with one (1) Warrant for every Rights Shares subscribed at an indicative issue price of RM0.20 per Rights Share and at an entitlement date to be determined later ("Proposed Rights Issue with Warrants"); and

(b) Proposed exemption for Ideal Jacobs Corporation, Andrew Conrad Jacobs and persons acting in concert with them under Practice Note 9, Paragraph 16.1 of the Malaysian Code on Take-Overs and Mergers, 2010 from the obligation to undertake a mandatory general offer for all the remaining IJM Shares not already owned by them pursuant to their subscription of the Rights Shares in relation to the Proposed Rights Issue with Warrants ("Proposed Exemption").

The Proposed Right Issue with Warrants and the Proposed Exemption shall collectively be referred to as the "Proposal".

The Proposal is subject to approval of the shareholders of the Company at an EGM to be convened and any other relevant authorities.

On 13 September 2012, the Board had announced that the proposal will not be submitted as previously announced and the Board is deliberating on amending certain terms of the Proposal due to changes in the investment climate and the funding requirements of the Company. Further announcement on the amendments to the terms of the Proposal will be announced in due course.

On 19 August 2014, the Board had announced that the Company had decided not to proceed with the Proposal as it is the Board's intention to undertake a proposed reverse take-over exercise.

(ii) ESOS

On 23 October 2013, on behalf of the Board of IJACOBS ("the Board"), M&A Securities Sdn Bhd ("M&A") announced that the Company has proposed to establish and implement an ESOS for the eligible employees and directors of IJACOBS and its subsidiaries (excluding dormant subsidiaries) ("IJACOBS Group" or "Group") ("Proposed ESOS").

Subsequently on 12 December 2013, M&A had on behalf of the Board, announced that Bursa Securities had vide its letter dated 11 December 2013, approved the listing and quotation for the new IJACOBS Shares, representing up to fifteen percent (15%) of the total issued and paid-up share capital of the Company, to be issued pursuant to the exercise of the ESOS option granted under Proposed ESOS.

The proposed ESOS had been approved by the shareholders of the Company via Extraordinary General Meeting on 28 February 2014 and the effective date of implementation of the proposed ESOS is 19 March 2014.

(iii) Reverse Take-Over

On 18 August 2014, the Board of the Company announced that the Company had entered into the agreements with the vendors of Cekap Technical Services Sdn Bhd ("CTSSB") and MECIP Global Engineers Sdn Bhd ("Mecip") for the Proposed Reverse Take-Over ("Proposed Reverse Take-Over") as per follows:

- (a) Conditional share acquisition agreement with Md Nazir Bin Md Kassim and Sofiyan Bin Yahya, the vendors of CTSSB ("CTSSB Vendors") to acquire the entire equity interest in CTSSB comprising 1,008,000 ordinary shares of RM1.00 each ("CTSSB Shares") from the CTSSB Vendors for a purchase consideration of RM86,000,000 to be satisfied entirely via the allotment and issuance of 344,000,000 new ordinary shares of RM0.10 each in CMOG Group Sdn Bhd ("CMOG")(a newly incorporated special purpose vehicle) (CMOG Shares") to the CTSSB Vendors and/or their nominees at an issue price of RM0.25 per CMOG Share ("Proposed CTSSB Acquisition");
- (b) Conditional share acquisition agreement with Ir. Ahmad Nazari Bin Ashari, Ir. Mohd Nor Bin Abd Basar, Nor Hanani Binti Muhamad and Mecip (M) Sdn Bhd, the vendors of Mecip ("Mecip Vendors") to acquire the entire equity interest in Mecip comprising 1,000,000 ordinary shares of RM1.00 each ("Mecip Shares") from the Mecip Vendors for a purchase consideration of RM43,000,000 to be satisfied entirely via the allotment and issuance of 172,000,000 new CMOG Shares to the Mecip Vendors and/or their nominees at an issue price of RM0.25 per CMOG Share ("Proposed Mecip Acquisition");
- (c) Master restructuring agreement with the Company, CTSSB Vendors, Mecip Vendors and Ideal Jacobs Holdings Sdn Bhd, being the purchaser for the proposed management buy-out, to undertake a series of proposals to facilitate the Proposed Reverse Take-Over. Pursuant thereto, the Proposed Reverse Take-Over shall comprise the following:-
 - (I) Proposed Acquisitions comprising the Proposed CTSSB Acquisition and Proposed Mecip Acquisition;
 - (II) Proposed Scheme of Arrangement with Shareholders:
 - (III) Proposed Issuance of Shares:
 - (IV) Proposed Offer for Sale;
 - (V) Proposed Transfer of Listing Status; and
 - (VI) Proposed Management Buy-Out.
- (d) Conditional share sale agreement with Ideal Jacobs Holdings Sdn Bhd ("MBO Purchaser") for the disposal by CMOG of all the entire issued and paid-up share capital of IJacobs of up to RM13,800,115 comprising up to 138,001,150 IJacobs Shares for a cash consideration of RM19,500,000 to the MBO Purchaser.

Submission to the relevant authorities shall be made upon the satisfactory completion of the due diligence exercise.

On 27 January 2015, M&A had on behalf of the Board, announced that Bursa Securities had vide its letter dated 27 January 2015, approved the application of the extension of time to submit the above mentioned Proposals to the relevant authorities up till 18 March 2015.

B9. Group's Borrowings and Debt Securities

The Group's secured borrowings as at end of the reporting quarter are as follows:-

	Short Term RM'000	Long Term RM'000
Term Loan	8,804	
RMB	3,670	-
USD	5,134	

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off-balance sheet risk as at the date of this interim report.

B11. Material Litigation

There were no material litigations involving the Group as at the date of this interim report.

B12. Dividends

No dividends have been declared or paid during the quarter under review.

B13. (Losses)/Earnings Per Share ("EPS")

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31/12/2014	Preceding Year Quarter 31/12/2013	Current Year to Date 31/12/2014	Preceding Year Period 31/12/2013
(i)	Basic EPS				
	Net (loss)/profit for the period (RM'000)	(2,480)	837	(3,790)	1,226
	Weighted average number of ordinary shares issued ('000)	125,372	120,001	125,372	120,001
	Basic (loss)/ earnings per share (sen)	(1.98)	0.70	(3.02)	1.02
(ii)	Diluted EPS				
	Net (loss)/profit for the period (RM'000)	(2,480)	837	(3,790)	1,226
	Weighted average number of ordinary shares issued adjusted for the effects of dilutive potential ordinary shares ('000)	129,640	120,001	129,640	120,001
	Basic (loss)/ earnings per share (sen)	(1.91)	0.70	(2.92)	1.02

- (i) The basic EPS is calculated by dividing the net (loss)/ profit attributable to the owners of the Parent by the weighted average number of shares in issued during the period.
- (ii) The diluted EPS is calculated by dividing the net (loss)/profit attributable to the owners of the Parent by the weighted average numbers of shares in issued during the period adjusted for the effects of dilutive potential ordinary shares.

B14. Realised & Unrealised Profits

	As at	As at
	31/12/2014	31/12/2013
	RM'000	RM'000
Total accumulated (losses)/profits for the Group:		
- Realised (loss)/profit	(3,512)	690
- Unrealised loss	(227)	(195)
Total Group's accumulated (losses)/profits as per consolidated statement of financial position	(3,739)	495