

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	(Unaudited) AS AT 30/09/2016 RM'000	(Audited) AS AT 31/12/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	19,685	20,477
Investment property	1,375	1,489
Prepaid land lease payments	1,613	1,752
Other investment	109	109
TOTAL NON-CURRENT ASSETS	22,782	23,827
Current assets		
Inventories	5,093	3,952
Trade receivables	11,424	11,519
Other receivables	1,589	1,629
Amount due from a corporate shareholder	153	1,059
Fixed deposits with licensed bank	7,955	8,224
Cash and bank balances	6,375	7,385
TOTAL CURRENT ASSETS	32,589	33,768
TOTAL ASSETS	55,371	57,595
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	13,570	13,570
Reserves	13,336	12,838
	26,906	26,408
Non-controlling interests	(133)	(127)
TOTAL EQUITY	26,773	26,281
LIABILITIES		
Non-current liabilities		
Bank borrowings	8,060	8,616
Deferred tax liability	36	36
TOTAL NON-CURRENT LIABILITIES	8,096	8,652
Current liabilities		
Trade payables	5,866	4,403
Other payables	2,748	4,429
Tax payable	670	571
Bank borrowings	11,218	13,259
TOTAL CURRENT LIABILITIES	20,502	22,662
TOTAL LIABILITIES	28,598	31,314
TOTAL EQUITY AND LIABILITIES	55,371	57,595
Number of ordinary shares in issue ('000) #	135,701	135,701
Net assets per share attributable to owners of the parent (RM)	0.20	0.19

Notes :

(i) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

Based on the ordinary shares of RM0.10 each.

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)
UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2015 RM'000	CURRENT YEAR TO DATE 30/09/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2015 RM'000
Revenue	10,372	9,122	29,726	25,741
Cost of sales	(5,245)	(4,795)	(15,209)	(13,610)
Gross profit	5,127	4,327	14,517	12,131
Operating expenses	(3,482)	(4,687)	(10,885)	(13,228)
Profit/(Loss) from operations	1,645	(360)	3,632	(1,097)
Interest income	47	11	244	207
Other income	(149)	272	631	390
Finance costs	(247)	(101)	(801)	(258)
Profit/(Loss) before tax	1,296	(178)	3,706	(758)
Taxation	(331)	(212)	(870)	(740)
(ii) Profit/(Loss) for the period	965	(390)	2,836	(1,498)
Other comprehensive income/(loss)				
Item that will be reclassified subsequently to profit or loss				
Foreign exchange translation difference	932	3,242	(2,344)	5,554
Total comprehensive income for the period	1,897	2,852	492	4,056
Profit/(Loss) for the period attributable to:				
Owners of the parent	965	(397)	2,837	(1,315)
Non-controlling interests	-	7	(1)	(183)
	965	(390)	2,836	(1,498)
Total comprehensive income for the period attributable to:				
Owners of the parent	1,894	3,134	498	4,705
Non-controlling interests	3	(282)	(6)	(649)
	1,897	2,852	492	4,056
Weighted average number of ordinary shares issued ('000)	135,701	135,701	135,701	134,470
Weighted average number of ordinary shares issued adjusted for the effects of dilutive potential ordinary shares ('000)	135,701	135,701	135,701	135,037
EPS - Basic (Sen)	0.71	(0.29)	2.09	(0.98)
EPS - Diluted (Sen)	0.71	(0.29)	2.09	(0.97)

Notes:

(i) The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statement for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

(ii) Profit/(Loss) for the period has been determined after (crediting)/charging amongst other items the following:-

	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Amortisation of prepaid land lease payments	9	9	26	25
Corporate exercise expenses expensed off	(509)	-	(509)	1,720
Depreciation	346	233	922	596
Interest expenses	247	101	801	258
Interest income	(47)	(11)	(244)	(207)
Loss on disposal of property, plant and equipment	-	1	-	46
Property, plant and equipment written off	-	-	2	-
Impairment loss/(Reversal of impairment loss) on trade receivables	-	8	-	(66)
Realised gain on foreign exchange	(63)	(242)	(238)	(246)
Unrealised loss/(gain) on foreign exchange	246	353	(305)	643

Other than the items highlighted above which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, no other additional disclosures item in relation to Rule 16 of Appendix 9B Chapter 9 of the Listing Requirements were incurred for the current quarter and period ended 31 December 2015.

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016**

	←-----Non Distributable-----→						Distributable		Non-Controlling Interests RM'000	TOTAL EQUITY RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Statutory Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings/ (Accumulated losses) RM'000	TOTAL RM'000		
As at 01 January 2015	13,170	6,423	3,284	630	2,413	128	(3,811)	22,237	(2,094)	20,143
Issued at premium pursuant to:-										
- Exercise of ESOS	400	840	-	(400)	-	-	-	840	-	840
Total profit or loss and other comprehensive income for the period	-	-	6,020	-	-	-	(1,315)	4,705	(649)	4,056
As at 30 September 2015	<u>13,570</u>	<u>7,263</u>	<u>9,304</u>	<u>230</u>	<u>2,413</u>	<u>128</u>	<u>(5,126)</u>	<u>27,782</u>	<u>(2,743)</u>	<u>25,039</u>
As at 01 January 2016	13,570	7,263	7,486	230	2,969	128	(5,238)	26,408	(127)	26,281
Total profit or loss and other comprehensive income for the period	-	-	(2,339)	-	-	-	2,837	498	(6)	492
As at 30 September 2016	<u>13,570</u>	<u>7,263</u>	<u>5,147</u>	<u>230</u>	<u>2,969</u>	<u>128</u>	<u>(2,401)</u>	<u>26,906</u>	<u>(133)</u>	<u>26,773</u>

Note :

- (i) 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 2015 and the accompanying explanatory notes attached to the interim financial statements.

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016**

	(Unaudited) Current Year To Date 30/09/2016 RM ' 000	(Unaudited) Preceding Year To Date 30/09/2015 RM ' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	3,706	(758)
Adjustments:		
Depreciation	922	596
Amortisation of prepaid land lease payments	26	25
Interest expenses	801	258
Interest income	(244)	(207)
Loss on disposal of property, plant and equipment	-	46
Property, plant and equipment written off	2	-
Reversal of impairment loss on trade receivables	-	(66)
Unrealised (gain)/loss on foreign exchange	(305)	643
Operating profit before changes in working capital	4,908	537
Corporate shareholder	838	(431)
Director	-	(53)
Inventories	(1,396)	(768)
Receivables	(701)	208
Payables	573	1,129
Cash from operating activities	4,222	622
Tax paid	(734)	(850)
Interest received	244	207
Interest paid	(801)	(258)
Net cash from/(used in) operating activities	2,931	(279)
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits pledged to banks	(261)	(1,606)
Purchase of property, plant and equipment	(1,420)	(8,495)
Proceeds from disposal of property, plant and equipment	-	127
Proceeds from disposal of assets held for sales	-	437
Net cash used in investing activities	(1,681)	(9,537)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdowns of term loans	11,118	16,200
Repayments of term loans	(12,501)	(7,056)
Proceeds from issuance of share pursuant of ESOS exercised	-	840
Net cash (used in)/from financing activities	(1,383)	9,984
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(133)	168
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,385	6,620
EFFECT OF EXCHANGE RATE CHANGES	(877)	1,605
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,375	8,393
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with a licensed bank	7,955	8,703
Cash and bank balances	6,375	8,393
Less: Fixed deposits pledge with licensed bank	(7,955)	(8,703)
	6,375	8,393

Note :

- (i) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

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 2015 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 2015 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 2015. 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 30 September 2016.

A6. Debt and Equity Securities

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

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

A7. Dividend Paid

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

A8. Segment Information

Business Segment

Period ended	Industrial <u>labels</u>	Laser/ die-cut <u>products</u>	Fabrication of plastic <u>parts</u>	Trading of non-core <u>products</u>	<u>Elimination</u>	<u>Total</u>
30/09/2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue:-

External customers	10,442	11,558	7,470	256	-	29,726
Inter-segment	264	1,403	1,596	10	(3,273)	-
	<u>10,706</u>	<u>12,961</u>	<u>9,066</u>	<u>266</u>	<u>(3,273)</u>	<u>29,726</u>

Results:-

Interest income	244
Finance costs	(801)
Depreciation and amortisation	(948)
Other non-cash income/(expenses) (a)	303
Taxation	(870)
Segment profit	<u>2,836</u>

Assets:-

Additions to non-current assets (b)	1,420
Unallocated corporate assets	<u>55,371</u>

Liabilities:-

Unallocated corporate liabilities	<u>28,598</u>
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IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

A8. Segment Information (continued)

Business Segment (continued)

Period ended	Industrial labels	Laser/ die-cut products	Fabrication of plastic parts	Trading of non-core products	Elimination	Total
30/09/2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue:-</u>						
External customers	9,342	9,368	6,791	240	-	25,741
Inter-segment	199	612	520	4	(1,335)	-
	<u>9,541</u>	<u>9,980</u>	<u>7,311</u>	<u>244</u>	<u>(1,335)</u>	<u>25,741</u>
<u>Results:-</u>						
Interest income						207
Finance costs						(258)
Depreciation and amortisation						(621)
Other non-cash income/(expenses) (a)						(623)
Taxation						(740)
Segment loss						<u>(1,498)</u>
<u>Assets:-</u>						
Additions to non-current assets (b)						8,495
Unallocated corporate assets						<u>59,046</u>
<u>Liabilities:-</u>						
Unallocated corporate liabilities						<u>34,007</u>

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A8. Segment Information (continued)

Notes:

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

	Current Year to-Date 30/09/2016 RM'000	Preceding Year Period 30/09/2015 RM'000
Loss on disposal of property, plant and equipment	-	(46)
Property, plant and equipment written off	(2)	-
Reversal of impairment loss on trade receivables	-	66
Unrealised gain/(loss) on foreign exchange	305	(643)
	<u>303</u>	<u>(623)</u>

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

	Current Year to-Date 30/09/2016 RM'000	Preceding Year Period 30/09/2015 RM'000
Property, plant and equipment	<u>1,420</u>	<u>8,495</u>

(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.

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IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

A8. Segment Information (continued)

(e) Inter-segment revenues are eliminated on consolidation

(i) Geographical Segments for Revenue and Non-Current Assets

	<u>Individual Quarter Ended</u> 30/09/2016		<u>Cumulative Quarter Ended</u> 30/09/2016	
	<u>Revenue</u>	<u>Non-Current Assets</u>	<u>Revenue</u>	<u>Non-Current Assets</u>
	RM'000	RM'000	RM'000	RM'000
PRC	6,424	22,742	18,756	22,742
USA	836	-	3,034	-
Thailand	1,405	-	3,482	-
Hong Kong	629	-	1,265	-
Malaysia	212	40	777	40
UK	94	-	315	-
Canada	3	-	165	-
Netherlands	64	-	174	-
Israel	270	-	686	-
Taiwan	43	-	313	-
New Zealand	18	-	95	-
Sweden	193	-	257	-
Poland	15	-	45	-
Japan	-	-	22	-
Philippines	9	-	26	-
Vietnam	21	-	46	-
India	16	-	47	-
Singapore	7	-	34	-
Lithuania	8	-	16	-
Germany	3	-	14	-
Mexico	63	-	99	-
France	2	-	10	-
Romania	25	-	27	-
Switzerland	-	-	2	-
Hungary	2	-	7	-
Finland	3	-	5	-
Spain	5	-	5	-
Australia	2	-	2	-
	<u>10,372</u>	<u>22,782</u>	<u>29,726</u>	<u>22,782</u>

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

A8. Segment Information (continued)

(e) Inter-segment revenues are eliminated on consolidation (continued)

(i) Geographical Segments for Revenue and Non-Current Assets (continued)

	<u>Individual Quarter</u> <u>Ended</u> 30/09/2015		<u>Cumulative Quarter</u> <u>Ended</u> 30/09/2015	
	<u>Revenue</u> RM'000	<u>Non-Current</u> <u>Assets</u> RM'000	<u>Revenue</u> RM'000	<u>Non-Current</u> <u>Assets</u> RM'000
PRC	6,483	23,565	18,878	23,565
USA	966	-	2,455	-
Thailand	834	-	1,796	-
Hong Kong	163	-	625	-
Taiwan	60	-	304	-
Malaysia	159	42	441	42
Netherlands	77	-	221	-
UK	93	-	312	-
Israel	109	-	255	-
France	30	-	96	-
India	18	-	53	-
New Zealand	12	-	53	-
Vietnam	18	-	62	-
Singapore	23	-	46	-
Japan	24	-	33	-
Australia	5	-	14	-
Poland	8	-	19	-
Canada	36	-	71	-
Lithuania	-	-	2	-
Mexico	-	-	1	-
Finland	2	-	2	-
Korea	2	-	2	-
	<u>9,122</u>	<u>23,607</u>	<u>25,741</u>	<u>23,607</u>

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A8. Segment Information (continued)

(e) Inter-segment revenues are eliminated on consolidation (continued)

(i) Geographical Segments for Revenue and Non-Current Assets (continued)

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

	As at 30/09/2016 RM'000	As at 30/09/2015 RM'000
Property, plant and equipment	19,685	20,127
Prepaid land lease payments	1,613	1,864
Investment property	1,375	1,507
Other investment	109	109
	<u>22,782</u>	<u>23,607</u>

(ii) Information About Major Customers

On the period to date basis, revenue from major customers amounted to RM4.35 million (2015: RM4.77 million) with the majority arising from sales of by the Laser/Die-cut and Fabrication of Plastic Parts segment (2015: Laser/Die-cut and Fabrication of Plastic Parts 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 did not revalue any of its investment property during the current quarter under review.

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

There were no material contingent liabilities as at the end of the quarter.

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

A13. Capital Commitment

Commitment not provided for in the financial statements is as follows:-

Capital commitment

	As at 30/09/2016 RM'000	As at 30/09/2015 RM'000
Capital expenditure		
- Authorised and contracted for:		
- Property, plant & equipment	<u>522</u>	<u>2,090</u>

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 30/09/2016 RM'000	Preceding Year Period 30/09/2015 RM'000
Sales to a corporate shareholder	<u>1,222</u>	<u>1,612</u>
Purchases from a corporate shareholder	<u>88</u>	<u>70</u>
Commission paid to a corporate shareholder	<u>14</u>	<u>24</u>

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

There were no material events subsequent to the current financial quarter ended 30 September 2016 up to the date of this report which is likely to substantially affect the results or the operations of the Group.

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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

	<u>Quarter Ended</u>		<u>Variance</u>	
	<u>30/09/2016</u>	<u>30/09/2015</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	10,372	9,122	1,250	14
Profit/(Loss) from operation	1,645	(360)	2,005	557
Profit/(Loss) before tax	1,296	(178)	1,474	828
Profit/(Loss) after tax	965	(390)	1,355	347

For the quarter under review, the Group's revenue increased by 14% to RM10.37 million from RM9.12 million in the preceding financial year corresponding quarter.

Revenue from all products segment observed increases except for revenue from Trading of Non-core Products segment which recorded comparable revenue as per preceding financial year corresponding quarter. The increases in revenue were from:-

- (i) Fabrication of Plastic Parts increased by RM0.63 million mainly due to recovery in orders from existing customers and increases in orders from new customers;
- (ii) Industrial Labels segment increased by RM0.34 million mainly due to increases in orders from new and existing customers; and
- (iii) Laser/Die-cut segment increased by RM0.28 million mainly due to increases in orders from new and existing customers.

The Group recorded profit after tax of RM0.97 million in the current quarter as compared to preceding financial year corresponding quarter's loss after tax of RM0.39 million.

The improvement was mainly due to higher sales recorded in the current quarter and reversal of corporate exercise expenses over accrued of RM0.51 million in the current quarter.

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B1. Review of Performance (continued)

	<u>Cumulative Quarter Ended</u>		<u>Variance</u>	
	<u>30/09/2016</u>	<u>30/09/2015</u>	<u>RM'000</u>	<u>%</u>
Revenue	<u>29,726</u>	<u>25,741</u>	<u>3,985</u>	<u>15</u>
Profit/(Loss) from operation	<u>3,632</u>	<u>(1,097)</u>	<u>4,729</u>	<u>431</u>
Profit/(Loss) before tax	<u>3,706</u>	<u>(758)</u>	<u>4,464</u>	<u>589</u>
Profit/(Loss) after tax	<u>2,836</u>	<u>(1,498)</u>	<u>4,334</u>	<u>289</u>

On the year to date basis, the Group's revenue increased by 15% to RM29.73 million from RM25.74 million recorded in the preceding financial year corresponding period.

Revenue from all products segment observed increases. The increases in revenue were from:-

- (i) Laser/Die-cut segment increased by RM2.19 million mainly due to increases in orders from new and existing customers;
- (ii) Industrial Labels segment increased by RM1.10 million mainly due to increases in orders from new and existing customers; and
- (iii) Fabrication of Plastic Parts segment and Trading of Non-core Products segment increased by RM0.68 million and RM0.02 million respectively.

The Group recorded a profit after tax of RM2.84 million as compared to preceding financial year corresponding period's loss after tax of RM1.50 million. The improvement was mainly due to increased orders from new and existing customers, favourable unrealised and realised gain on foreign exchange of RM0.54 million, reversal of corporate exercise expenses over accrued of RM0.51 million and cessation of the loss making manufacturing activity for smartphone components in the preceding financial year. Included in the preceding financial year corresponding period were net exchange loss of RM0.40 million and corporate exercise expenses of RM1.72 million expensed off.

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B2. Comparison to the Results of the preceding quarter

	<u>Quarter Ended</u>		<u>Variance</u>	
	<u>30/09/2016</u>	<u>30/06/2016</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	10,372	10,055	317	3
Profit from operation	1,645	1,415	230	16
Profit before tax	1,296	1,537	(241)	(16)
Profit after tax	965	1,208	(243)	(20)

The Group's revenue increased by RM0.31 million to RM10.37 million in the current quarter as compared to the revenue of RM10.06 million recorded in the immediate preceding quarter mainly due to recovery in orders from existing customers and increases in orders from new customers from the Fabrication of Plastic Parts segment.

The quarter under review observed a profit after tax of RM0.97 million as compared to profit after tax of RM1.21 million in the preceding quarter. The decrease was mainly due to unfavourable foreign exchange movements recorded in the current quarter.

B3. Prospects

The sales from all segments had improved in period ended 30 September 2016 as compared to the previous year corresponding period. With the existing well-diversified customer base and vast variety of products and services, the sustainability of the Group is ensured. Barring any unforeseen circumstances, the Board is confident that the Group is capable of delivering a satisfactory financial result for the financial year ending 31 December 2016.

B4. Profit Forecast

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

B5. Taxation

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u>	<u>Preceding</u>	<u>Current Year</u>	<u>Preceding</u>
	<u>Quarter</u>	<u>Year Quarter</u>	<u>to- Date</u>	<u>Year Period</u>
	<u>30/09/2016</u>	<u>30/09/2015</u>	<u>30/09/2016</u>	<u>30/09/2015</u>
Current income tax:				
- Malaysia	-	-	-	-
- Foreign	331	212	870	740
	<u>331</u>	<u>212</u>	<u>870</u>	<u>740</u>

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% (2015: 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

There was no corporate proposal announced but not completed as at the date of issuance of this announcement.

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	<u>11,218</u>	<u>8,060</u>
RMB	3,720	8,060
USD	<u>7,498</u>	<u>-</u>

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.

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B13. Earnings/(Loss) Per Share (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/09/2016	Preceding Year Quarter 30/09/2015	Current Year to Date 30/09/2016	Preceding Year Period 30/09/2015
(i) Basic EPS				
Net profit/(loss) for the period (RM'000)	965	(397)	2,837	(1,315)
Weighted average number of ordinary shares issued ('000)	135,701	135,701	135,701	134,470
Basic earnings/(loss) per share (sen)	0.71	(0.29)	2.09	(0.98)
(ii) Diluted EPS				
Net profit/(loss) for the period (RM'000)	965	(397)	2,837	(1,315)
Weighted average number of ordinary shares issued adjusted for the effects of dilutive potential ordinary shares ('000)	135,701	135,701	135,701	135,037
Basic earnings/(loss) per share (sen)	0.71	(0.29)	2.09	(0.97)

- (i) The basic EPS is calculated by dividing the net profit/(loss) 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 profit/(loss) 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.

IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)

B14. Realised And Unrealised Profits And Losses

	As at 30/09/2016 RM'000	As at 30/09/2015 RM'000
Total accumulated losses for the Group :		
- Realised loss	(2,496)	(5,274)
- Unrealised gain/(loss)	269	(643)
	<u>(2,227)</u>	<u>(5,917)</u>
 Add: Consolidation adjustments	 (174)	 791
	<u>(2,401)</u>	<u>(5,126)</u>
Total Group's accumulated losses as per consolidated statement of financial position	<u><u>(2,401)</u></u>	<u><u>(5,126)</u></u>

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