

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	(Unaudited) AS AT 31/12/2016 RM'000	(Audited) AS AT 31/12/2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,176	20,477
Investment property	1,461	1,489
Prepaid land lease payments	1,672	1,752
Other investment	109	109
TOTAL NON-CURRENT ASSETS	23,418	23,827
Current assets		
Inventories	4,744	3,952
Trade receivables	12,971	11,519
Other receivables	1,375	1,629
Amount due from a corporate shareholder	279	1,059
Fixed deposits with licensed bank	8,370	8,307
Cash and bank balances	9,362	7,302
TOTAL CURRENT ASSETS	37,101	33,768
TOTAL ASSETS	60,519	57,595
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	13,570	13,570
Reserves	13,955	12,838
	<u>27,525</u>	<u>26,408</u>
Non-controlling interests	(171)	(127)
TOTAL EQUITY	27,354	26,281
LIABILITIES		
Non-current liabilities		
Bank borrowings	5,168	8,616
Deferred tax liability	36	36
TOTAL NON-CURRENT LIABILITIES	5,204	8,652
Current liabilities		
Trade payables	5,380	4,403
Other payables	5,079	4,429
Tax payable	1,166	571
Bank borrowings	16,336	13,259
TOTAL CURRENT LIABILITIES	27,961	22,662
TOTAL LIABILITIES	33,165	31,314
TOTAL EQUITY AND LIABILITIES	60,519	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 4TH QUARTER ENDED 31 DECEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 31 DECEMBER 2016				
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2015 RM'000	CURRENT YEAR TO DATE 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2015 RM'000
Revenue	13,022	11,014	42,748	36,755
Cost of sales	(6,898)	(6,366)	(22,107)	(19,976)
Gross profit	6,124	4,648	20,641	16,779
Operating expenses	(7,451)	(3,509)	(18,336)	(16,737)
(Loss)/Profit from operations	(1,327)	1,139	2,305	42
Interest income	5	24	249	231
Other income	623	1,934	1,254	2,324
Finance costs	(236)	(134)	(1,037)	(392)
(Loss)/Profit before tax	(935)	2,963	2,771	2,205
Taxation	(554)	(154)	(1,424)	(894)
(ii) (Loss)/Profit for the period	(1,489)	2,809	1,347	1,311
Other comprehensive income/(loss)				
Item that will be reclassified subsequently to profit or loss				
Foreign exchange translation difference	2,070	(1,567)	(274)	3,987
Total comprehensive income for the period	581	1,242	1,073	5,298
(Loss)/Profit for the period attributable to:				
Owners of the parent	(1,243)	444	1,594	(871)
Non-controlling interests	(246)	2,365	(247)	2,182
	(1,489)	2,809	1,347	1,311
Total comprehensive income for the period attributable to:				
Owners of the parent	619	(1,374)	1,117	3,331
Non-controlling interests	(38)	2,616	(44)	1,967
	581	1,242	1,073	5,298
Weighted average number of ordinary shares issued ('000)	135,701	135,701	135,701	134,271
Weighted average number of ordinary shares issued adjusted for the effects of dilutive potential ordinary shares ('000)	135,701	135,701	135,701	134,572
EPS - Basic (Sen)	(0.92)	0.33	1.17	(0.65)
EPS - Diluted (Sen)	(0.92)	0.33	1.17	(0.65)

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	10	35	35
Corporate exercise expenses expensed off	-	26	(509)	1,746
Depreciation	371	248	1,293	844
Interest expenses	236	134	1,037	392
Interest income	(5)	(24)	(249)	(231)
Inventories written down	-	117	-	117
Reversal of inventories written down	(6)	-	(6)	-
Loss on disposal of property, plant and equipment	39	1	39	47
Loss on deconsolidation of a subsidiary	419	-	419	-
Trade receivables written off	559	-	559	-
Other receivables written off	14	50	14	50
Property, plant and equipment written off	162	160	164	160
Reversal of impairment loss on trade receivables	(593)	(27)	(593)	(93)
Reversal of impairment on other receivables	-	(50)	-	(50)
Realised loss/(gain) on foreign exchange	211	183	(27)	(63)
Unrealised loss/(gain) on foreign exchange	353	(571)	48	72
Waiver of debts from a corporate shareholder of a subsidiary	-	(1,964)	-	(1,964)

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 4TH QUARTER ENDED 31 DECEMBER 2016

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2016**

	←-----Non Distributable-----→						Distributable			
	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	Non- Controlling Interests RM'000	TOTAL EQUITY 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	-	-	4,202	-	556	-	(1,427)	3,331	1,967	5,298
As at 30 December 2015	<u>13,570</u>	<u>7,263</u>	<u>7,486</u>	<u>230</u>	<u>2,969</u>	<u>128</u>	<u>(5,238)</u>	<u>26,408</u>	<u>(127)</u>	<u>26,281</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	-	-	(477)	-	744	-	850	1,117	(44)	1,073
As at 31 December 2016	<u>13,570</u>	<u>7,263</u>	<u>7,009</u>	<u>230</u>	<u>3,713</u>	<u>128</u>	<u>(4,388)</u>	<u>27,525</u>	<u>(171)</u>	<u>27,354</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 4TH QUARTER ENDED 31 DECEMBER 2016
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2016**

	(Unaudited) Current Year To Date 31/12/2016 RM ' 000	(Audited) Preceding Year To Date 31/12/2015 RM ' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,771	2,205
Adjustments:		
Depreciation	1,293	844
Amortisation of prepaid land lease payments	35	35
Interest expenses	1,037	392
Interest income	(249)	(231)
Inventories written down	-	117
Reversal of inventories written down	(6)	-
Loss on disposal of property, plant and equipment	39	47
Loss on deconsolidation of a subsidiary	419	-
Trade receivables written off	559	-
Other receivables written off	14	50
Property, plant and equipment written off	164	160
Reversal of impairment loss on trade receivables	(593)	(93)
Reversal of impairment loss on other receivables	-	(50)
Unrealised loss on foreign exchange	48	72
Waiver of debts from a corporate shareholder of a subsidiary	-	(1,964)
Operating profit before changes in working capital	5,531	1,584
Corporate shareholder	754	(629)
Director	-	(58)
Inventories	(854)	(150)
Receivables	(1,177)	(1,012)
Payables	1,693	1,294
Cash from operating activities	5,947	1,029
Tax paid	(837)	(996)
Interest received	249	231
Interest paid	(1,037)	(392)
Net cash from/(used in) operating activities	4,322	(128)
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits pledged to bank	(63)	(1,722)
Purchase of property, plant and equipment	(1,721)	(10,481)
Proceeds from disposal of property, plant and equipment	11	102
Proceeds from disposal of assets held for sales	-	447
Net cash used in investing activities	(1,773)	(11,654)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdowns of term loans	12,494	17,906
Repayments of term loans	(12,825)	(7,376)
Proceeds from issuance of share pursuant of ESOS exercised	-	840
Net cash (used in)/from financing activities	(331)	11,370
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,218	(412)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,385	6,620
EFFECT OF EXCHANGE RATE CHANGES	(158)	1,094
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9,445	7,302
CASH AND CASH EQUIVALENTS COMPRISE:		
Fixed deposits with a licensed bank	8,370	8,307
Cash and bank balances	9,362	7,302
	17,732	15,609
Less: Fixed deposits pledge with licensed bank	(8,287)	(8,224)
	9,445	7,385

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 TWELVE MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2016

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 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 31 December 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.

A7. Dividend Paid

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

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

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>Other</u>	<u>Elimination</u>	<u>Total</u>
31/12/2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Revenue:-

External customers	14,687	15,760	11,964	337	-	-	42,748
Inter-segment	352	1,810	1,962	17	699	(4,840)	-
	<u>15,039</u>	<u>17,570</u>	<u>13,926</u>	<u>354</u>	<u>699</u>	<u>(4,840)</u>	<u>42,748</u>

Results:-

Interest income							249
Finance costs							(1,037)
Depreciation and amortisation							(1,328)
Other non-cash (expenses)/income (a)							(644)
Taxation							(1,424)
Segment profit							<u>1,347</u>

Assets:-

Additions to non-current assets (b)							1,721
Unallocated corporate assets							<u>60,519</u>

Liabilities:-

Unallocated corporate liabilities							<u>33,165</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
31/12/2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue:-</u>						
External customers	13,234	13,898	9,285	338	-	36,755
Inter-segment	269	889	1,264	15	(2,437)	-
	<u>13,503</u>	<u>14,787</u>	<u>10,549</u>	<u>353</u>	<u>(2,437)</u>	<u>36,755</u>
<u>Results:-</u>						
Interest income						231
Finance costs						(392)
Depreciation and amortisation						(879)
Other non-cash (expenses)/income (a)						1,661
Taxation						(894)
Segment profit						<u>1,311</u>
<u>Assets:-</u>						
Additions to non-current assets (b)						10,481
Unallocated corporate assets						<u>57,595</u>
<u>Liabilities:-</u>						
Unallocated corporate liabilities						<u>31,314</u>

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A8. Segment Information (continued)

Notes:

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

	Current Year to-Date	Preceding Year Period
	31/12/2016	31/12/2015
	RM'000	RM'000
Inventories written down	-	(117)
Reversal of inventories written down	6	-
Loss on disposal of property, plant and equipment	(39)	(47)
Loss on deconsolidation of a subsidiary	(419)	-
Trade receivables written off	(559)	-
Other receivables written off	(14)	(50)
Property, plant and equipment written off	(164)	(160)
Reversal of impairment loss on trade receivables	593	93
Reversal of impairment loss on other receivables	-	50
Unrealised loss on foreign exchange	(48)	(72)
Waiver of debts from a corporate shareholder of a subsidiary	-	1,964
	<u>(644)</u>	<u>1,661</u>

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

	Current Year to-Date	Preceding Year Period
	31/12/2016	31/12/2015
	RM'000	RM'000
Property, plant and equipment	<u>1,721</u>	<u>10,481</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> 31/12/2016		<u>Cumulative Quarter Ended</u> 31/12/2016	
	<u>Revenue</u> RM'000	<u>Non-Current Assets</u> RM'000	<u>Revenue</u> RM'000	<u>Non-Current Assets</u> RM'000
PRC	8,077	23,378	26,833	23,378
USA	1,194	-	4,228	-
Thailand	1,187	-	4,669	-
Hong Kong	715	-	1,980	-
Malaysia	429	40	1,206	40
UK	84	-	399	-
Canada	3	-	168	-
Netherlands	184	-	358	-
Israel	210	-	896	-
Taiwan	55	-	368	-
New Zealand	65	-	160	-
Sweden	583	-	840	-
Poland	6	-	51	-
Japan	-	-	22	-
Philippines	36	-	62	-
Vietnam	59	-	105	-
India	10	-	57	-
Singapore	24	-	58	-
Lithuania	13	-	29	-
Germany	4	-	18	-
Mexico	70	-	169	-
France	9	-	19	-
Romania	3	-	30	-
Switzerland	-	-	2	-
Hungary	2	-	9	-
Finland	-	-	5	-
Spain	-	-	5	-
Australia	-	-	2	-
	<u>13,022</u>	<u>23,418</u>	<u>42,748</u>	<u>23,418</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>Cumulative Quarter</u>	
	<u>Ended</u>		<u>Ended</u>	
	31/12/2015		31/12/2015	
	<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	7,746	23,787	26,624	23,787
USA	1,526	-	3,981	-
Thailand	663	-	2,459	-
Hong Kong	295	-	920	-
Taiwan	46	-	350	-
Malaysia	220	40	661	40
Netherlands	76	-	297	-
UK	87	-	399	-
Israel	215	-	470	-
France	7	-	103	-
India	10	-	63	-
New Zealand	18	-	71	-
Vietnam	31	-	93	-
Singapore	15	-	61	-
Japan	10	-	43	-
Australia	1	-	15	-
Poland	6	-	25	-
Canada	31	-	102	-
Lithuania	7	-	9	-
Mexico	-	-	1	-
Finland	-	-	2	-
Korea	-	-	2	-
Hungary	4	-	4	-
	<u>11,014</u>	<u>23,827</u>	<u>36,755</u>	<u>23,827</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 31/12/2016 RM'000	As at 31/12/2015 RM'000
Property, plant and equipment	20,176	20,477
Prepaid land lease payments	1,672	1,752
Investment property	1,461	1,489
Other investment	109	109
	<u>23,418</u>	<u>23,827</u>

(ii) Information About Major Customers

On the period to date basis, revenue from major customers amounted to RM5.91 million (2015: RM6.25 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.

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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 31/12/2016 RM'000	As at 31/12/2015 RM'000
Capital expenditure		
- Authorised and contracted for:		
- Property, plant & equipment	<u>524</u>	<u>808</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 31/12/2016 RM'000	Preceding Year Period 31/12/2015 RM'000
Sales to a corporate shareholder	<u>1,492</u>	<u>2,649</u>
Purchases from a corporate shareholder	<u>95</u>	<u>79</u>
Licensing fee paid to a corporate shareholder	<u>446</u>	<u>421</u>
Commission paid to a corporate shareholder	<u>20</u>	<u>30</u>

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

There were no material events subsequent to the current financial quarter ended 31 December 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

	Quarter Ended		Variance	
	31/12/2016	31/12/2015	RM'000	%
	RM'000	RM'000	RM'000	
Revenue	13,022	11,014	2,008	18
(Loss)/Profit from operation	(1,327)	1,139	(2,466)	(217)
(Loss)/Profit before tax	(935)	2,963	(3,898)	(132)
(Loss)/Profit after tax	(1,489)	2,809	(4,298)	(153)

For the quarter under review, the Group's revenue increased by 18% to RM13.02 million from RM11.01 million in the preceding financial year corresponding quarter.

The changes in revenue as compared to preceding financial year corresponding quarter were from:-

- (i) Fabrication of Plastic Parts segment increased by RM2.00 million mainly due to recovery in orders from existing customers and increases in orders from new customers;
- (ii) Industrial Labels segment increased by RM0.35 million mainly due to increases in orders from new and existing customers;
- (iii) Laser/Die-cut segment decreased by RM0.33 million mainly due to lower orders from existing customers; and
- (iv) Revenue from Trading of Non-core Products segment decreased slightly by RM0.01 million.

The Group recorded loss after tax of RM1.49 million in the current quarter as compared to preceding financial year corresponding quarter's profit after tax of RM2.81 million.

The significant profit after tax recorded in the preceding financial year corresponding quarter was mainly due to other income of RM1.96 million arising from waivers of debts from a corporate shareholder of a subsidiary and favorable foreign exchange movements of RM0.39 million.

The result of the current quarter under review is also affected by the unfavorable foreign exchange losses of RM0.56 million, loss on deconsolidation of a subsidiary of RM0.42 million, higher income tax expenses by RM0.40 million and higher business development related expenses incurred.

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B1. Review of Performance (continued)

	<u>Cumulative Quarter Ended</u>		<u>Variance</u>	
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>RM'000</u>	<u>%</u>
Revenue	42,748	36,755	5,993	16
Profit from operation	2,305	42	2,263	5,388
Profit before tax	2,771	2,205	566	26
Profit after tax	1,347	1,311	36	3

On the year to date basis, the Group's revenue increased by 16% to RM42.75 million from RM36.76 million recorded in the preceding financial year corresponding period.

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. The increases in revenue were from:-

- (i) Fabrication of Plastic Parts segment increased by RM2.68 million mainly due to recovery in orders from existing customers and increases in orders from new customers;
- (ii) Laser/Die-cut segment increased by RM1.86 million mainly due to increases in orders from new and existing customers; and
- (iii) Industrial Labels segment increased by RM1.45 million mainly due to increases in orders from new and existing customers.

The Group recorded a profit after tax of RM1.35 million as compared to preceding financial year corresponding period's profit after tax of RM1.31 million. The improvement was mainly due to increased orders from new and existing customers, 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 was corporate exercise expenses of RM1.75 million expensed off which was mitigated by other income of RM1.96 million arising from waivers of debts from a corporate shareholder of a subsidiary.

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B2. Comparison to the Results of the preceding quarter

	<u>Quarter Ended</u>		<u>Variance</u>	
	<u>31/12/2016</u>	<u>30/09/2016</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	13,022	10,372	2,650	26
(Loss)/Profit from operation	(1,327)	1,645	(2,972)	(181)
(Loss)/Profit before tax	(935)	1,296	(2,231)	(172)
(Loss)/Profit after tax	(1,489)	965	(2,454)	(254)

The Group's revenue increased by RM2.65 million to RM13.02 million in the current quarter as compared to the revenue of RM10.37 million recorded in the immediate preceding quarter mainly due to recovery in orders from existing customers and increases in orders from new customers especially from the Fabrication of Plastic Parts segment.

The quarter under review observed a loss after tax of RM1.49 million as compared to profit after tax of RM0.97 million in the preceding quarter. The increased loss was mainly due to increased foreign exchange loss of RM0.38 million recorded in the current quarter, loss on deconsolidation of a subsidiary of RM0.42 million, absence of reversal of corporate exercise expenses over accrued of RM0.51 million and higher business development related expenses incurred.

B3. Prospects

On year to year basis, the sales from all core segments had improved. With the existing well-diversified customer base and vast variety of products and services, the sustainability of the Group is ensured.

Recent data related to industrial production, manufacturing, electricity output and retail sales all indicate that the China economy continues to decelerate which is adversely affecting market demands of the Group's products and services. In this regard, 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.

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B5. Taxation

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31/12/2016	Preceding Year Quarter 31/12/2015	Current Year to- Date 31/12/2016	Preceding Year Period 31/12/2015
Current income tax:				
- Malaysia	-	-	-	-
- Foreign	554	154	1,424	894
	<u>554</u>	<u>154</u>	<u>1,424</u>	<u>894</u>

Included herein the income tax provision are income tax payable by subsidiaries 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 borrowings as at end of the reporting quarter are as follows:-

	Short Term RM'000	Long Term RM'000
<u>Secured</u> Term Loan	<u>13,946</u>	<u>5,168</u>
<u>Unsecured</u> Term Loan	<u>2,390</u>	<u>-</u>
RMB	8,203	5,168
USD	<u>8,133</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 31/12/2016	Preceding Year Quarter 31/12/2015	Current Year to Date 31/12/2016	Preceding Year Period 31/12/2015
(i) Basic EPS				
Net (loss)/profit for the period (RM'000)	(1,243)	444	1,594	(871)
Weighted average number of ordinary shares issued ('000)	135,701	135,701	135,701	134,271
Basic (loss)/earnings per share (sen)	(0.92)	0.33	1.17	(0.65)
(ii) Diluted EPS				
Net (loss)/profit for the period (RM'000)	(1,243)	444	1,594	(871)
Weighted average number of ordinary shares issued adjusted for the effects of dilutive potential ordinary shares ('000)	135,701	135,701	135,701	134,572
Basic (loss)/earnings per share (sen)	(0.92)	0.33	1.17	(0.65)

- (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.

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B14. Realised And Unrealised Profits And Losses

	As at 31/12/2016 RM'000	As at 31/12/2015 RM'000
Total accumulated losses for the Group :		
- Realised loss	(3,628)	(5,112)
- Unrealised profit/(loss)	15	(10)
	<hr/>	<hr/>
	(3,613)	(5,122)
 Add: Consolidation adjustments	 (775)	 (116)
	<hr/>	<hr/>
Total Group's accumulated losses as per consolidated statement of financial position	<hr/> <hr/> (4,388)	<hr/> <hr/> (5,238)

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