

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

	<b>(Unaudited) AS AT 30/06/2017 RM'000</b>	<b>(Audited) AS AT 31/12/2016 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	18,834	20,176
Investment property	2,236	1,461
Prepaid land lease payments	1,622	1,672
Other investment	109	109
<b>TOTAL NON-CURRENT ASSETS</b>	<b>22,801</b>	<b>23,418</b>
<b>Current assets</b>		
Inventories	6,467	4,744
Trade receivables	11,895	12,971
Other receivables	3,836	1,375
Amount due from a corporate shareholder	1,005	279
Fixed deposits with licensed bank	8,128	8,370
Cash and bank balances	7,800	9,362
<b>TOTAL CURRENT ASSETS</b>	<b>39,131</b>	<b>37,101</b>
<b>TOTAL ASSETS</b>	<b>61,932</b>	<b>60,519</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	20,833	13,570
Reserves	8,755	13,955
	<u>29,588</u>	<u>27,525</u>
<b>Non-controlling interests</b>	(173)	(171)
<b>TOTAL EQUITY</b>	<b>29,415</b>	<b>27,354</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bank borrowings	3,168	5,168
Deferred tax liability	36	36
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,204</b>	<b>5,204</b>
<b>Current liabilities</b>		
Trade payables	6,655	5,380
Other payables	3,288	5,079
Tax payable	661	1,166
Bank borrowings	18,709	16,336
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,313</b>	<b>27,961</b>
<b>TOTAL LIABILITIES</b>	<b>32,517</b>	<b>33,165</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>61,932</b>	<b>60,519</b>
Number of ordinary shares in issue ('000)	135,701	135,701
Net assets per share attributable to owners of the parent (RM)	0.22	0.20

Note\ :

- (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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)**
**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2017**

<b>UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 2ND QUARTER ENDED 30 JUNE 2017</b>				
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER 30/06/2017 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 30/06/2016 RM'000</b>	<b>CURRENT YEAR TO DATE 30/06/2017 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30/06/2016 RM'000</b>
Revenue	12,542	10,055	24,098	19,354
Cost of sales	(6,508)	(5,115)	(12,321)	(9,964)
Gross profit	6,034	4,940	11,777	9,390
Operating expenses	(4,376)	(3,525)	(8,873)	(7,403)
Profit from operations	1,658	1,415	2,904	1,987
Interest income	118	187	121	197
Other income	639	147	840	780
Finance costs	(248)	(212)	(483)	(554)
Profit before tax	2,167	1,537	3,382	2,410
Taxation	(417)	(329)	(738)	(539)
(ii) Profit for the period	1,750	1,208	2,644	1,871
Other comprehensive loss				
Item that will be reclassified subsequently to profit or loss				
Foreign exchange translation difference	(390)	(424)	(583)	(3,276)
Total comprehensive income/(loss) for the period	1,360	784	2,061	(1,405)
Profit for the period attributable to:				
Owners of the parent	1,752	1,209	2,646	1,872
Non-controlling interests	(2)	(1)	(2)	(1)
	1,750	1,208	2,644	1,871
Total comprehensive income/(loss) for the period attributable to:				
Owners of the parent	1,362	783	2,063	(1,396)
Non-controlling interests	(2)	1	(2)	(9)
	1,360	784	2,061	(1,405)
Weighted average number of ordinary shares issued ('000)	135,701	135,701	135,701	135,701
Weighted average number of ordinary shares issued adjusted for the effects of dilutive potential ordinary shares ('000)	136,358	135,701	136,224	135,701
EPS - Basic (Sen)	1.29	0.89	1.95	1.38
EPS - Diluted (Sen)	1.28	0.89	1.94	1.38

**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 2016 and the accompanying explanatory notes attached to the interim financial statements.
- (ii) Profit 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	8	18	17
Depreciation	325	285	667	576
Government grant received	(336)	(5)	(344)	(6)
Interest expenses	248	212	483	554
Interest income	(118)	(187)	(121)	(197)
Property, plant and equipment written off	1	2	1	2
Realised loss on foreign exchange	274	(221)	368	(175)
Unrealised gain on foreign exchange	(266)	53	(386)	(551)

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 30 June 2017.

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 2ND QUARTER ENDED 30 JUNE 2017**

	←-----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	Accumulated losses RM'000	TOTAL RM'000		
<b>As at 01 January 2016</b>	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
<b>As at 31 December 2016</b>	<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>
<b>As at 01 January 2017</b>	13,570	7,263	7,009	230	3,713	128	(4,388)	27,525	(171)	27,354
Transfer to share capital	7,263	(7,263)	-	-	-	-	-	-	-	-
Total profit or loss and other comprehensive income for the period	-	-	(583)	-	-	-	2,646	2,063	(2)	2,061
<b>As at 30 June 2017</b>	<u>20,833</u>	<u>-</u>	<u>6,426</u>	<u>230</u>	<u>3,713</u>	<u>128</u>	<u>(1,742)</u>	<u>29,588</u>	<u>(173)</u>	<u>29,415</u>

Notes :

- (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 2016 and the accompanying explanatory notes attached to the interim financial statements.
- (ii) The new Companies Act, 2016 in Malaysia, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the new act.

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER ENDED 30 JUNE 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 2ND QUARTER ENDED 30 JUNE 2017**

	<b>(Unaudited) Current Year To Date 30/06/2017 RM'000</b>	<b>(Unaudited) Preceding Year To Date 30/06/2016 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,382	2,410
Adjustments:		
Depreciation	667	576
Amortisation of prepaid land lease payments	18	17
Interest expenses	483	554
Interest income	(121)	(197)
Property, plant and equipment written off	1	2
Unrealised gain on foreign exchange	(386)	(551)
<b>Operating profit before changes in working capital</b>	<b>4,044</b>	<b>2,811</b>
Corporate shareholder	(737)	492
Inventories	(1,829)	(807)
Receivables	(1,681)	632
Payables	(325)	496
Cash (used in)/from operating activities	(528)	3,624
Tax paid	(1,223)	(780)
Interest received	121	197
Interest paid	(483)	(554)
<b>Net cash (used in)/from operating activities</b>	<b>(2,113)</b>	<b>2,487</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reduction/(Placement of) in fixed deposits pledged to bank	82	(295)
Purchase of property, plant and equipment	(513)	(1,289)
<b>Net cash used in investing activities</b>	<b>(431)</b>	<b>(1,584)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdowns of term loans	16,256	4,715
Repayments of term loans	(15,239)	(4,528)
<b>Net cash from financing activities</b>	<b>1,017</b>	<b>187</b>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,527)	1,090
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	9,445	7,385
EFFECT OF EXCHANGE RATE CHANGES	(118)	(1,297)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>7,800</b>	<b>7,178</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Fixed deposits with a licensed bank	8,128	7,763
Cash and bank balances	7,800	7,178
	15,928	14,941
Less: Fixed deposits pledged with a licensed bank	(8,128)	(7,763)
	<b>7,800</b>	<b>7,178</b>

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2017**

**A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2017**

**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 2016 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 2016 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 2016. The adoption of new MFRSs has not resulted in any material impact on the financial statements of the Group.

The new Companies Act, 2016 in Malaysia, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the new act.

The adoption of the Companies Act, 2016 in Malaysia did not have any significant financial impact on the Group and on the Company for the current financial period ended 30 June 2017 and is not expected to have any significant financial impact on the Group and on the Company for the financial year ending 31 December 2017.

**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 June 2017.

**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**

Business Segment

Period ended	Industrial labels	Laser/ Die-cut products	Fabrication of plastic parts	Trading of non-core products	Other	Elimination	Total
30/06/2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue:-</u>							
External customers	7,856	9,005	7,130	107	-	-	24,098
Inter-segment	163	847	901	24	959	(2,894)	-
	8,019	9,852	8,031	131	959	(2,894)	24,098

Results:-

Interest income	121
Finance costs	(483)
Depreciation and amortisation	(685)
Other non-cash income (a)	385
Taxation	(738)
Segment profit	<u>2,644</u>

Assets:-

Additions to non-current assets (b)	1,349
Unallocated corporate assets	<u>61,932</u>

Liabilities:-

Unallocated corporate liabilities	<u>32,517</u>
-----------------------------------	---------------

*[The rest of this page is intentionally left blank]*

**A8. Segment Information (continued)**

Business Segment (continued)

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>
30/06/2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue:-</u>						
External customers	6,729	8,042	4,385	198	-	19,354
Inter-segment	157	962	1,358	7	(2,484)	-
	<u>6,886</u>	<u>9,004</u>	<u>5,743</u>	<u>205</u>	<u>(2,484)</u>	<u>19,354</u>

Results:-

Interest income	197
Finance costs	(554)
Depreciation and amortisation	(593)
Other non-cash income (a)	549
Taxation	(539)
Segment profit	<u>1,871</u>

Assets:-

Additions to non-current assets (b)	1,289
Unallocated corporate assets	<u>53,530</u>

Liabilities:-

Unallocated corporate liabilities	<u>28,654</u>
-----------------------------------	---------------

*[The rest of this page is intentionally left blank]*

**A8. Segment Information (continued)**

Notes:

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

	Current Year to-Date	Preceding Year Period
	30/06/2017	30/06/2016
	RM'000	RM'000
Property, plant and equipment written off	(1)	(2)
Unrealised gain on foreign exchange	386	551
	<u>385</u>	<u>549</u>

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

	Current Year to-Date	Preceding Year Period
	30/06/2017	30/06/2016
	RM'000	RM'000
Property, plant and equipment	<u>513</u>	<u>1,289</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.

*[The rest of this page is intentionally left blank]*



**A8. Segment Information (continued)**

(e) Inter-segment revenues are eliminated on consolidation

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Ended</u>		<u>Ended</u>	
	30/06/2017		30/06/2017	
	<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	7,848	22,764	15,402	22,764
USA	1,740	-	3,229	-
Thailand	934	-	2,046	-
Hong Kong	174	-	316	-
Malaysia	310	37	638	37
UK	128	-	254	-
Canada	31	-	64	-
Netherlands	315	-	353	-
Israel	130	-	314	-
Taiwan	500	-	599	-
New Zealand	46	-	64	-
Sweden	166	-	443	-
Poland	5	-	9	-
Japan	13	-	19	-
Vietnam	20	-	62	-
India	2	-	18	-
Singapore	5	-	32	-
Lithuania	15	-	28	-
Germany	5	-	7	-
Mexico	108	-	142	-
France	1	-	9	-
Romania	-	-	1	-
Australia	-	-	3	-
Finland	2	-	2	-
Philippines	11	-	11	-
Slovakia	33	-	33	-
	<u>12,542</u>	<u>22,801</u>	<u>24,098</u>	<u>22,801</u>

*[The rest of this page is intentionally left blank]*

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> 30/06/2016		<u>Cumulative Quarter</u> <u>Ended</u> 30/06/2016	
	<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	6,387	22,327	12,332	22,327
USA	1,221	-	2,198	-
Thailand	1,083	-	2,077	-
Hong Kong	408	-	636	-
Malaysia	245	38	565	38
UK	117	-	221	-
Canada	103	-	162	-
Netherlands	97	-	110	-
Israel	95	-	416	-
Taiwan	64	-	270	-
New Zealand	61	-	77	-
Sweden	61	-	64	-
Poland	19	-	30	-
Japan	17	-	22	-
Philippines	17	-	17	-
Vietnam	13	-	25	-
India	12	-	31	-
Singapore	11	-	27	-
Lithuania	8	-	8	-
Germany	6	-	11	-
Mexico	3	-	36	-
France	3	-	8	-
Romania	2	-	2	-
Switzerland	2	-	2	-
Hungary	-	-	5	-
Finland	-	-	2	-
	<u>10,055</u>	<u>22,365</u>	<u>19,354</u>	<u>22,365</u>

[The rest of this page is intentionally left blank]

**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 30/06/2017 RM'000	As at 30/06/2016 RM'000
Property, plant and equipment	18,834	19,317
Prepaid land lease payments	1,622	1,577
Investment property	2,236	1,362
Other investment	109	109
	<u>22,801</u>	<u>22,365</u>

(ii) Information About Major Customers

On the period to date basis, revenue from major customers amounted to RM3.04 million (2016: RM3.21 million) with the majority arising from sales of by the Laser/Die-cut and Fabrication of Plastic Parts segment (2016: 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.

*[The rest of this page is intentionally left blank]*

**A13. Capital Commitment**

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

Capital commitment

	As at 30/06/2017 RM'000	As at 30/06/2016 RM'000
Capital expenditure		
- Authorised and contracted for:		
- Property, plant & equipment	<u>369</u>	<u>507</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 30/06/2017 RM'000	Preceding Year Period 30/06/2016 RM'000
Sales to a corporate shareholder	<u>1,492</u>	<u>1,064</u>
Purchases from a corporate shareholder	<u>60</u>	<u>65</u>
Commission paid to a corporate shareholder	<u>23</u>	<u>3</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 June 2017 up to the date of this report which is likely to substantially affect the results or the operations of the Group.

*[The rest of this page is intentionally left blank]*

**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>30/06/2017</u>	<u>30/06/2016</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Revenue	12,542	10,055	2,487	24
Profit from operation	1,658	1,415	243	17
Profit before tax	2,167	1,537	630	41
Profit after tax	1,750	1,208	542	45

For the quarter under review, the Group's revenue increased by 24% to RM12.54 million from RM10.06 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 RM1.30 million mainly due to increases in orders from new and existing customers;
- (ii) Laser/Die-cut segment increased by RM0.88 million mainly due to increases in orders from existing customers;
- (iii) Industrial Labels segment increased by RM0.33 million mainly due to increases in orders from new and existing customers; and
- (iv) Revenue from Trading of Non-core Products segment decreased slightly by RM0.02 million.

The Group recorded profit after tax of RM1.75 million in the current quarter as compared to preceding financial year corresponding quarter's profit after tax of RM1.21 million.

The improvement was mainly due to higher sales recorded, government grant of RM0.34 million received and the net gain on foreign exchange of RM0.01 million recorded in the current quarter as compared to net loss on foreign exchange of RM0.17 million recorded in the preceding financial year corresponding quarter.

*[The rest of this page is intentionally left blank]*

**B1. Review of Performance (continued)**

	<u>Cumulative Quarter Ended</u>		<u>Variance</u>	
	<u>30/06/2017</u>	<u>30/06/2016</u>	<u>RM'000</u>	<u>%</u>
Revenue	24,098	19,354	4,744	25
Profit from operation	2,904	1,987	917	46
Profit before tax	3,382	2,410	972	40
Profit after tax	2,644	1,871	773	41

On the year to date basis, the Group's revenue increased by 25% to RM24.10 million from RM19.35 million recorded in the preceding financial year corresponding period.

Revenue from all the major products segment observed increases except for revenue from Trading of Non-core Products segment which decreased marginally by RM0.09 million. The increases in revenue were from:-

- (i) Fabrication of Plastic Parts segment increased by RM2.74 million mainly due to increases in orders from new and existing customers;
- (ii) Industrial Labels segment increased by RM1.13 million mainly due to increases in orders from existing customers; and
- (iii) Laser/Die-cut segment increased by RM0.96 million mainly due to increases in orders from existing customers.

The Group recorded a profit after tax of RM2.64 million as compared to preceding financial year corresponding period's profit after tax of RM1.87 million.

The improvement was mainly due to increased orders from new and existing customers and government grant of RM0.34 million received although the net gain on foreign exchange of RM0.02 million was RM0.71 million lower than recorded in the preceding financial year corresponding period.

*[The rest of this page is intentionally left blank]*

**B2. Comparison to the Results of the preceding quarter**

	<u>Quarter Ended</u>		<u>Variance</u>	
	<u>30/06/2017</u>	<u>31/03/2017</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Revenue	12,542	11,556	986	9
Profit from operation	1,658	1,246	412	33
Profit before tax	2,167	1,215	952	78
Profit after tax	1,750	894	856	96

The Group's revenue increased by RM0.99 million to RM12.54 million during the current quarter as compared to the revenue of RM11.56 million recorded in the immediate preceding quarter due to increased business activity after PRC observed a long festive celebration in first quarter of Year 2017.

The quarter under review observed a profit after tax of RM1.75 million as compared to profit after tax of RM0.89 million in the preceding quarter. The improvement in result was mainly due to higher sales recorded and government grant of RM0.34 million received in the current quarter.

**B3. Prospects**

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

The Group is anticipating increasing challenging economic conditions, stricter government policies and increased competitions from our domestic competitors during the year. In this regard, the Board is anticipating the rest of year to remain challenging.

**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>30/06/2017</u>	<u>30/06/2016</u>	<u>30/06/2017</u>	<u>30/06/2016</u>
Current income tax:				
- Malaysia	-	-	-	-
- Foreign	417	329	738	539
	<u>417</u>	<u>329</u>	<u>738</u>	<u>539</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**

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

On 18 August 2017, On behalf of the Board of Directors of Ideal Jacobs (“Board”), Kenanga Investment Bank Berhad (“Kenanga IB”) announced that Ideal Jacobs has entered into the following agreements:

- (i) Conditional sale and purchase agreement with Widad Business Group Sdn Bhd (“Vendor”) for the Proposed Acquisition by the Company of 10,000,000 ordinary shares in Widad Builders Sdn Bhd, representing the entire equity interest in Widad Builders Sdn Bhd, for a purchase consideration of RM520.0 million (“Purchase Consideration”).

The Purchase Consideration will be satisfied through a combination of cash and the issuance of 1,782,608,695 new IJ Shares (“Consideration Shares”) at an issue price of RM0.23 per Consideration Share (“Consideration Issue Price”) in the following proportions:

	RM'million
Cash *	110.0
Issuance of Consideration Shares	410.0
Total	<u>520.0</u>

\* *The cash portion of the Purchase Consideration will be funded using the proceeds raised from the Proposed Placement,*

- (ii) Conditional sale and purchase agreement with Oriental Dragon Incorporation Limited for the Proposed Disposal by the Company of its subsidiaries incorporated in Hong Kong, namely Ideal Jacobs (HK) Corporation Ltd, and the People’s Republic of China, namely Ideal Jacobs (Xiamen) Corporation (including its subsidiaries) for a total cash consideration of RM28.0 million.

Upon completion of the Proposed Acquisition and Proposed Disposal, Ideal Jacobs and its subsidiaries will no longer be involved in manufacturing, fabrication and trading businesses, and will instead be principally involved in integrated facilities management and construction activities. Upon completion of the Proposed Acquisition, the Vendor will emerge as Ideal Jacobs’ new controlling shareholder.

In conjunction with the above, the Company also proposes to implement the Proposed Placement and Proposed Free Warrants.



**B8. Status of Corporate Proposals (continued)**

The Company proposes to issue and allot up to 534,032,115 Placement Shares to 3<sup>rd</sup> party placees to be identified later in order to:

- (i) Raise funds to finance the cash portion of the Purchase Consideration; and
- (ii) Ensure that the Company complies with the Public Spread Requirement following the issuance of the Consideration Shares.

The Proposed Placement will be implemented under Paragraph 6.06 of the Listing Requirements, i.e. with specific approval of the Company's shareholders to be sought at an extraordinary general meeting to be convened.

The Proposed Placement will be implemented through a bookbuilding exercise. As such, the issue price of the Placement Shares will be determined upon the completion of the bookbuilding exercise.

The Company proposes to issue free Warrants on the basis of 1 Warrant for every 5 existing IJ Shares held by Ideal Jacobs' shareholders whose names appear in the Company's Record of Depositors as at the close of business on an entitlement date to be determined later.

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

**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>16,808</u>	<u>3,168</u>
<u>Unsecured</u> Term Loan	<u>1,901</u>	<u>-</u>
RMB	11,403	3,168
USD	<u>7,306</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.

**B13. Earnings Per Share (“EPS”)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/06/2017	Preceding Year Quarter 30/06/2016	Current Year to Date 30/06/2017	Preceding Year Period 30/06/2016
<b>(i) Basic EPS</b>				
Net profit for the period (RM'000)	1,752	1,209	2,646	1,872
Weighted average number of ordinary shares issued ('000)	135,701	135,701	135,701	135,701
Basic earnings per share (sen)	1.29	0.89	1.95	1.38
<b>(ii) Diluted EPS</b>				
Net profit for the period (RM'000)	1,752	1,209	2,646	1,872
Weighted average number of ordinary shares issued adjusted for the effects of dilutive potential ordinary shares ('000)	136,358	135,701	136,224	135,701
Basic earnings per share (sen)	1.28	0.89	1.94	1.38

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

*[The rest of this page is intentionally left blank]*

**B14. Realised And Unrealised Profits And Losses**

	As at 30/06/2017 RM'000	As at 30/06/2016 RM'000
Total accumulated losses for the Group:		
- Realised loss	(1,515)	(3,649)
- Unrealised profit	448	515
	<u>(1,067)</u>	<u>(3,134)</u>
 Add: Consolidation adjustments	 (675)	 (232)
 Total Group's accumulated losses as per consolidated statement of financial position	 <u>(1,742)</u>	 <u>(3,366)</u>

*[The rest of this page is intentionally left blank]*