

## **JAKS RESOURCES BERHAD (Company No. 585648-T)**

### **A. NOTES TO THE INTERIM FINANCIAL REPORT**

#### **1. Basis of Preparation.**

The interim financial report is unaudited and has been prepared in compliance with FRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2009.

The accounting policies and methods of computations followed by the Group in this interim financial report are consistent with those adopted in financial statements of the Group for the year ended 31 October 2009.

#### **2. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial year ended 31 October 2009 have been reported on without any audit qualification.

#### **3. Seasonal or Cyclical Factors.**

The business activities of the Group are not significantly affected by seasonal and cyclical factors except during Hari Raya and Chinese New Year festive seasons where business activities were generally lower.

#### **4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows**

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the quarter under review.

#### **5. Material changes in estimates**

There are no material changes in estimates for the quarter under review.

#### **6. Issuance and Repayment of Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period under review.

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**7. Dividend**

The Group has not declared nor paid any dividends in respect of the financial period under review.

**8. Segmental Information for the Financial Period Ended 31 July 2010**

Segment information was presented in respect of the Group's business segment. Inter-segment pricing was determined based on a negotiated basis.

**Business Segments**

	Manufacturing RM'000	Trading RM'000	Construction RM'000	Investment RM'000	Elimination RM'000	Total RM'000
<b>REVENUE</b>						
External Revenue	64,308	11,097	96,113	-	-	171,518
Inter-Company	27,803	-		3,405	(31,208)	-
	92,111	11,097	96,113	3,405	(31,208)	171,518
Segment Results	(1,128)	743	7,686	(228)		7,073
Finance Cost						(5,164)
Profit Before Taxation						1,909
Taxation						(835)
Profit After Taxation						1,074
<u>Attributable to :</u>						
Equity holders of the parent						1,083
Minority Interests						(9)
						1,074

**9. Valuation of Property, Plant & Equipment**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statement for the year ended 31 October 2009.

**10. Subsequent Events**

Save for the status of Corporate Exercise as described in Note 8 in Part B, there were no significant subsequent events between the date of the last financial statements used in the preparation of this report and the date of this report which will affect materially the content of this report.

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**11. Effect of Changes in the Composition of the Group**

There were no changes in the composition of the Group during the period under review save as listed below:

On 8 December 2009, the Company subscribed for 1 ordinary shares of USD1 each at par in the paid-up share capital of Gain World Trading Limited and Golden Keen Holdings Limited. Both companies, which are incorporated in the British Virgin Island representing a 100% owned subsidiaries company of the Company.

On 29 December 2009, the subsidiary company of the Company, JAKS Sdn Bhd (JSB) subscribed for 510,000 ordinary shares of RM1.00 each at par in the paid-up share capital of JAKS Island Circle Sdn Bhd for a consideration of RM510,000.00, representing a 51% owned subsidiary of JSB.

**12. Changes in Contingent Liabilities**

The changes in contingent liabilities of the Group since 31 October 2009 until 31 July 2010 were as follows: -

	As at 31 July 2010 RM'000	As at 31 October 2009 RM'000
Bank guarantees issued for - execution of contracts of the company or subsidiaries company	55,521 =====	45,566 =====

**13. Capital Commitment**

There were no major material capital commitments as at the date of this report.