

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 3rd Quarter unaudited financial results for the financial period ended 31 July 2011.

	Individual Period		Cumulative Period	
	Current Year Quarter ended 31-Jul-2011 RM'000	Preceding Year Quarter ended 31-Jul-2010 RM'000	Current Year To-Date ended 31-Jul-2011 RM'000	Preceding Year To-Date ended 31-Jul-2010 RM'000
Revenue	83,415	63,391	233,448	171,518
Operating Expenses	(78,866)	(60,110)	(221,330)	(166,400)
Other Operating Income	89	151	89	1,955
Profit / (Loss) From Operations	4,638	3,432	12,207	7,073
Finance cost	(2,771)	(2,162)	(7,345)	(5,164)
Profit / (Loss) Before Taxation	1,867	1,270	4,862	1,909
Taxation	(1,215)	(511)	(2,869)	(835)
Net Profit / (Loss) For The Period	652	759	1,993	1,074
<u>Attributable to :</u>				
Equity holders of the parent	813	557	2,231	1,083
Minority Interest	(161)	202	(238)	(9)
Net Profit / (Loss) For The Period	652	759	1,993	1,074
Earnings / (Loss) Per Share attributable to Equity holders of the parent (sen) :				
- Basic	0.19	0.13	0.51	0.25
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 JULY 2011

	(Unaudited) As At End Of Financial Period End 31-Jul-2011 RM'000	(Audited) As At End Of Financial Year End 31-Oct-2010 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	95,118	95,471
Prepaid land lease payments	988	1,004
Development Expenditure	70,926	66,365
Property Development Expenditure	2,528	588
Other Investments	560	560
Goodwill	181,091	181,091
Deferred Tax Assets	10,386	10,386
	361,597	355,465
Current Assets		
Inventories	66,669	42,515
Amount due from customers for contract works	120,683	98,746
Trade and Other Receivables	81,022	104,704
Fixed Deposits	9,884	8,069
Cash and bank balances	10,790	32,384
	289,048	286,418
Total Assets	650,645	641,883
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	438,361	438,361
Share Premium	8,369	8,369
Retained Profits	13,765	11,534
TOTAL SHAREHOLDERS' EQUITY	460,495	458,264
Minority shareholders' interest	5,720	5,910
	466,215	464,174
Non-Current Liabilities		
Long Term Liabilities	1,617	1,452
Deferred Tax Liabilities	1,363	1,363
	2,980	2,815
Current Liabilities		
Trade and Other Payables	13,481	14,633
Provision for taxation	4,713	5,563
Bank borrowings	143,927	142,486
Bank overdraft	19,329	12,212
	181,450	174,894
Total Equity and Liabilities	650,645	641,883
Net Assets Per Share attributable to Ordinary Equity Holders of the parent (RM)	1.05	1.05

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011

	Current Period-to-date ended 31-Jul-2011 RM'000	Preceding Period-to-date ended 31-Jul-2010 RM'000
Cash flows from operating activities		
Profit/ (Loss) for the period	2,231	1,083
Adjustment for:		
Depreciation and amortisation	2,651	2,558
Taxation	2,869	835
Interest expense	7,345	5,164
Loss / (Gain) on disposal of property, plant & equipment	(89)	(1,910)
Minority Interest	(238)	(9)
Operating profit/(loss) before working capital changes	14,769	7,721
(Increase)/Decrease in working capital		
Inventories	(24,154)	(42,501)
Amount due from customers for contract works	(21,937)	3,228
Trade and other receivables	23,998	(31,324)
Development expenditure	(4,561)	(8,675)
Property Development Expenditure	(1,940)	-
Trade and other payables	(1,152)	14,344
	(29,746)	(64,928)
	(14,977)	(57,207)
Interest paid	(7,007)	(4,538)
Income tax paid	(4,035)	(642)
Net Operating Cash Flow	(26,019)	(62,387)
Cash flows from investing activities		
Purchase of property, plant & equipment	(2,382)	(911)
Proceeds from disposal of property, plant & equipment	190	3,912
Additional investment in subsidiary by minority shareholders	49	-
Net Investing Cash Flow	(2,143)	3,001
Cash flows from financing activities		
Interest paid	(341)	(626)
Drawdown / (Repayment) of short term borrowings	(4,353)	57,849
Drawdown (Repayment) of hire purchase liabilities	1,347	180
Drawdown / (Repayment) of bank term loans	4,612	(326)
Fixed Deposits held as security value	(1,814)	(805)
Net Financing Cash Flow	(549)	56,272

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2011. (Cont.)**

	Current Period-to-date ended 31-Jul-2011 RM'000	Preceding Period-to-date ended 31-Jul-2010 RM'000
Net Change in Cash & Cash Equivalents	(28,711)	(2,624)
Cash & Cash Equivalents at beginning of the year	20,172	3,450
Cash & Cash Equivalents at end of the period.	(8,539)	826

Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

Fixed Deposit	9,884	4,018
Cash & bank balances	10,790	13,176
Bank overdrafts	(19,329)	(12,350)
	1,345	4,844
Less : Deposit held as security values	(9,884)	(4,018)
	(8,539)	826

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010 and the accompanying notes attached to the interim financial statements).

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 31 JULY 2011.

	Attributable to Equity Holders of the Parent				Minority Interests RM'000	Total Equity RM'000
	Non-Distributable		Distributable			
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Sub-Total RM'000		
Period-to-date Ended 31 July 2011.						
Balance as at 1 November 2010	438,361	8,369	11,534	458,264	5,909	464,173
Additional investment in subsidiary by minority shareholders	-	-	-	-	49	49
	438,361	8,369	11,534	458,264	5,958	464,222
Profit / (Loss) for the Period	-	-	2,231	2,231	(238)	1,993
Balance as at 31 July 2011.	438,361	8,369	13,765	460,495	5,720	466,215
Period-to-date Ended 31 July 2010.						
Balance as at 1 November 2009	438,361	8,369	9,256	455,986	5,259	461,245
Additional investment in subsidiary by minority shareholders	-	-	-	-	490	490
	438,361	8,369	9,256	455,986	5,749	461,735
Profit / (Loss) for the Period	-	-	1,083	1,083	(9)	1,074
Balance as at 31 July 2010.	438,361	8,369	10,339	457,069	5,740	462,809

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2010 and the accompanying notes attached to the interim financial statements).

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 2010.

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 2010.

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial year ended 31 October 2010 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.

JAKS RESOURCES BERHAD (Company No. 585648-T)**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 2011

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
REVENUE						
External Revenue	70,968	7,151	155,149	180	-	233,448
Inter-Company	14,866	-	61,184	3,375	(79,425)	-
	85,834	7,151	216,333	3,555	(79,425)	233,448
Segment Results	(1,227)	339	11,072	2,023		12,027
Finance Cost						(7,345)
Profit Before Taxation						4,862
Taxation						(2,869)
Profit After Taxation						1,993
<u>Attributable to:</u>						
Equity holders of the parent						2,231
Minority Interests						(238)
						1,993

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 2010.

10. Subsequent Events.

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.

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

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 16 November 2010, the Company announced that its wholly-owned subsidiary, JAKS Power Holding Limited, has incorporated a wholly owned subsidiary company, JAKS Pacific Power Limited ("JPPL") in Hong Kong with a total issued and paid-up capital of HK\$100.00.

On 30 June 2011, with the issuance of the Investment Certificate, JAKS Hai Duong Power Company Limited ("JAKS Hai Duong"), a Vietnam registered company was duly incorporated to undertake the coal-fired power plant project in the province of Hai Duong, Vietnam. JAKS Hai Duong is a wholly-owned subsidiary of JPPL.

On 12 July 2011, the Company acquired 2 ordinary shares of RM1.00 each and subscribed for additional 50,998 ordinary shares of RM1.00 each in JAKS Offshore Sdn Bhd ("JOSB"). The total consideration of RM51,000.00 representing a 51% equity interest in JOSB.

12. Changes in Contingent Liabilities

The changes in contingent liabilities of the Group since 31 October 2010 until 31 July 2011 were as follows: -

	As at 31 July 2011 RM'000	As at 31 October 2010 RM'000
Bank guarantees issued for - execution of contracts of the Company or Subsidiaries company	69,330	55,616

13. Capital Commitment

As at 31 July 2011, Capital commitment contracted for but not provided in the financial statements amounted to RM600,000.

JAKS RESOURCES BERHAD (Company No. 585648-T)

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

1. Review of Financial Performance.

The Group achieved revenue of RM83.4 million for the current quarter ended 31 July 2011, an increase of 32% from the previous year's corresponding quarter of RM63.4 million. The increase was mainly due to higher revenue recognition of works done for the projects in the construction division.

Corresponding with the increase in revenue, the Group was able to achieve a profit before tax of RM1.9 million for the current quarter as compared to a profit before tax of RM1.3 million in the preceding year's corresponding quarter.

For the financial year under review, the Group achieved revenue of RM233.4 million, an increase of 36% from the previous financial year's revenue of RM171.5 million. The higher revenue and better margins lead to the increase of profit before tax by more than two folds with the Group ending the financial year 31 July 2011 with profit before tax of RM4.9 million compared with RM1.9 million in the previous financial year.

2. Variation of Results against Preceding Quarter.

The Group's revenue for the current quarter of RM83.4 million represents a 13% increase from the revenue of RM73.8 million in the preceding quarter ended 30 April 2011. Despite the increase in revenue, the Group's profit before tax in the current quarter of RM1.9 million was at about the same level of profit as in the preceding quarter due to higher finance cost in the current quarter.

3. Prospects.

Moving forward, the Group is continually seeking to secure profitable projects to enhance shareholders' value. The Group's good track record and experience in the water infrastructure construction industry couple with a strong and professional management team plus its improving financial position will provide the Group with competitive advantages to secure and undertake new major water infrastructure projects.

On the Section 13 Petaling Jaya property that the Group has acquired, the approvals from the relevant authorities are expected to be forthcoming and the development on this property is expected to start contribution to the Group towards the end of 2012.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

Abroad, the Group's venture in the Independent Power Plant Project in Vietnam will substantially improve the Group's presence in Vietnam and will strengthen the Group as a power player in the industry. A steady long-term stream of recurring income is expected to commence upon the commercial operations of the power plant in 2017.

Against this outlook and barring unforeseen circumstances, the Board is determine and optimistic that it will be able to improve further on its performance in the new financial year 2012.

4. Profit Forecast / Guarantee

The Company did not issue any profit forecast or guarantees.

5. Taxation

Included in the taxation are the following:

	Current Quarter Ended 31 July 2011 RM'000	Year-to-date Ended 31 July 2011 RM'000
Taxation		
- Current Year	1,215	2,869

The tax provision was based on the estimated taxable amount. The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilized to set off against losses of other companies within the Group.

The deferred tax asset of the Group is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

JAKS RESOURCES BERHAD (Company No. 585648-T)

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

6. Unquoted Investments and Properties

There were no purchases or sale of unquoted investments and properties for the quarter under review save as listed below:

On 19 August 2011, JAKS Island Circle Sdn Bhd (JIC), which is 51% owned by JAKS Sdn Bhd, a wholly-owned subsidiary of JAKS executed the Sale and Purchase Agreement to acquire from the Star Publications (Malaysia) Berhad a leasehold land located along Jalan University in Section 13, Petaling Jaya, Selangor Darul Ehsan ("the said Land") for a consideration of RM135,000,000.00 ("the Acquisition") to be satisfied by cash of RM500,000.00 and the balance of RM134,500,000.00 to be satisfied by the completion, delivery and transfer of legal title, with vacant possession and Certificate of Completion and Compliance, free from all encumbrances of Tower A, which shall not be less than the gross built-up area of 270,000 square feet equivalent to a market value of RM135,000,000.

JIC had applied and obtained appropriate authorities, the approval for the development of the said Land into a mixed development consisting of residential, commercial, office and recreational area. The Acquisition is now pending the approval of the relevant authorities.

7. Purchase / Disposal of Quoted Securities

There were no purchases or disposal of quoted securities for the quarter under review.

8. Status of the Corporate Exercise

There were no corporate proposals announced but not completed as at the date of this report.

9. Group Borrowings

Group borrowings as at 31 July 2011 including interest denominated in Ringgit Malaysia are as follows: -

	Secured <u>RM'000</u>	Unsecured <u>RM'000</u>	Total <u>RM'000</u>
Short term borrowings	143,927	-	143,927
Overdraft	19,329	-	19,329
Long term borrowings	1,617	-	1,617
Total	<u>164,873</u>	<u>-</u>	<u>164,873</u>

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

10. Realised and Unrealised Profit or Loss

The breakdown of the Group's retained profits / (accumulated losses) as at 31 July 2011 into realised and unrealised profits or losses are as follows:

	As At 31 July 2011 RM'000	As At 31 October 2010 RM'000
Retained profits / Accumulated losses		
- Realised	(69,939)	(72,675)
- Unrealised	9,025	9,023
	-----	-----
	(60,914)	(63,652)
Less : Consolidation adjustments	74,679	75,186
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	<u>13,765</u>	<u>11,534</u>

11. Off Balance Sheet Financial Instruments

As at 27 September 2011, the Group does not have any off balance sheet financial instruments.

12. Material Litigation

On 19 October 2006, the Company announced that its subsidiary company, JAKS-KDEB Consortium Sdn Bhd ("JKDEB") has on 6 October 2006 filed a civil suit against Perbadanan Urus Air Selangor Berhad ("PUAS"), Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") and Government of the State of Selangor Darul Ehsan ("Selangor Government") (collectively referred as the "Defendants") for the breach of the Supply Agreement dated 25 October 2001 ("Supply Agreement") awarded by the Selangor Government to supply pipes and fittings in the whole State of Selangor Darul Ehsan including the Federal Territory of Kuala Lumpur and Putrajaya.

JKDEB has claimed for declarations, damages and injunctions to restrain PUAS and SYABAS from purchasing pipes and fittings all water projects being carried out in Selangor, Federal Territory of Kuala Lumpur and Putrajaya except from JKDEB and the specific performance of the Supply Agreement.

The case management in respect of the legal suit commenced on 29 May 2008 is still on-going and the final Case Management will be on 12 October 2010 to ensure

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

all issues to be tried and statement of agreed facts are resolved. The trial date has been fixed on 16 December 2010, 17 December 2010, 20 January 2011 and 21 January 2011. The oral submissions were heard on 24 January 2011 to 26 January 2011.

After the Case Management on 16 December 2010 and 17 December 2010, the Kuala Lumpur High Court has fixed trial dates to begin on 28 March 2011, 29 March 2011, 5 May 2011, 6 May 2011, 20 May 2011, 8 June 2011, 9 June 2011 and 10 June 2011. The trial has concluded on 9 June 2011 and the matter which was fixed for decision on 12 September 2011 has subsequently been postponed to 5 October 2011.

13. Dividend

No dividend has been declared nor paid for the quarter under review.

14. Earnings or Loss Per Ordinary Share

a) Basic Earnings or Loss Per Share

The earnings or loss per share has been calculated based on the Group's profit or loss attributable to ordinary shareholders for the period and the weighted average number of ordinary shares outstanding as at end of the period.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter 31/7/11 RM'000	Preceding Year Quarter 31/7/10 RM'000	Current Year To-date 31/7/11 RM'000	Preceding Year To-date 31/7/10 RM'000
Profit / (Loss) for the period attributable to Ordinary Shareholders	813	557	2,231	1,083
Weighted average Number of Share in issue (RM1.00 each)	438,361	438,361	438,361	438,361
Basic Earnings / (Loss) Per Share (sen)	0.19	0.13	0.51	0.25

b) Diluted Earnings or Loss Per Share

This is not applicable, as there exists no share option, warrants or other financial instruments that will dilute or have the effect of diluting the basic earnings or loss per share.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

15. Report on the 2 x 600 MW Hai Duong Thermal Power Plant Project in Vietnam.

The Company ("JAKS") announced on 17 October 2008 that it had received a letter dated 10 October 2008 from the Ministry of Industry and Trade of Vietnam ("MOIT") to prepare for submission, the Investment Project ("IP") Report for the above power plant in Hai Duong Province in Northern Vietnam ("Project"). The IP Report also includes the Environmental Impact Assessment ("EIA") Report for submission and approval of the Ministry of Natural Resources and Environment ("MONRE").

The Company appointed Institute of Energy, an Electricity of Vietnam ("EVN") owned consultancy to prepare the IP and EIA Reports, which has been submitted to MOIT and MONRE respectively in August 2009. Appraisal for the IP Report has been completed by MOIT on 15 January 2010 while the EIA has been approved by MONRE in 27 February 2010.

The MOIT has also approved that the project be carried out on a Build-Own-Transfer ("BOT") Basis and a Memorandum of Understanding ("MOU") was signed on 13 May 2009 to this effect. Negotiations for the Principle Agreement, which sets out the common principles for all the project agreements was completed and signed on 10 July 2009.

On 8 April 2010, after intensive negotiations, the relevant authorities and Government agencies in Vietnam entered into various Memorandum of Agreements ("MOA") with JAKS to confirm the parties agreement to the terms and conditions of the documents as follows:

- a) MOA with MOIT, in relation to the BOT Contract, where the parties confirmed their agreement on all terms of the BOT Contract except for two issues which have been identified.
- b) MOA with EVN, in relation to the Power Purchase Agreement ("PPA") where the parties confirmed their agreement to the terms and conditions to the PPA (subject to the finalization of the BOT Contract), including without limitation the tariff stated therein.
- c) MOA with Vietnam National Coal-Mineral Industries Group ("Vinacomin") in relation to the Coal Supply Agreement ("CSA") where the parties confirmed their agreement to the terms and conditions to the CSA, including without limitation the coal price as stated therein.

B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)

- d) MOA with the Department of Natural Resources and Environment of Hai Duong People's Committee, in relation to the Land Lease Agreement where the parties confirmed their agreement to the terms and conditions for the lease of the project site land.
- e) In addition, the Company also executed an MOA with China Huadian Engineering Co. Ltd ("CHEC"), in relation to the Engineering, Procurement and Construction ("EPC") Contract where the parties confirmed their agreement to the terms and conditions for the EPC Contract.

Following the execution of the above MOAs, an application for the Investment Certificate was submitted and on 30 June 2011, The Ministry of Planning and Investment of Vietnam granted the Investment Certificate to JAKS Hai Duong to undertake the coal-fired power plant project in the province of Hai Duong, Vietnam.

On 26 August 2011, JAKS Hai Duong entered into various project agreements for the Project, the details of which are as follows:-

- a) BOT Contract with MOIT and the Government Guarantee and Undertakings Agreement with the Government of the Socialist Republic of Vietnam;
- b) Power Purchase Agreement with EVN;
- c) Coal Supply Agreement with Vinacomin; and
- d) Land Lease Agreement with Department of Natural Resources and Environment of Hai Duong People's Committee.

The Board is currently reviewing various investments and funding options, including identifying strategic investors and other suitable parties to undertake the project.

By Order of the Board

Ang Lam Poah
Managing Director
27 September 2011.