

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2011**

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 4<sup>th</sup> Quarter unaudited financial results for the financial year ended 31 October 2011.

|   | Individual Period  |  | Cumulative Period  |  |
|---|--|--|--|--|
|   | Current<br>Year<br>Quarter<br>ended<br>31-Oct-2011<br>RM'000 | Preceding<br>Year<br>Quarter<br>ended<br>31-Oct-2010<br>RM'000 | Current<br>Year<br>To-Date<br>ended<br>31-Oct-2011<br>RM'000 | Preceding<br>Year<br>To-Date<br>ended<br>31-Oct-2010<br>RM'000 |
| Revenue                                     | 93,238   | 85,742   | 326,686  | 257,260  |
| Operating Expenses                          | (88,931)   | (81,269)   | (310,261)  | (247,669)  |
| Other Operating Income                      | 11   | 91   | 100  | 2,046  |
| Profit / (Loss) From Operations             | 4,318  | 4,564  | 16,525   | 11,637   |
| Other Operating Expenses                    | (25,868)   | -  | (25,868)   | -  |
| Finance cost                                | (2,550)  | (2,034)  | (9,895)  | (7,198)  |
| Profit / (Loss) Before Taxation             | (24,100)   | 2,530  | (19,238)   | 4,439  |
| Taxation                                    | (1,006)  | (1,166)  | (3,875)  | (2,001)  |
| Net Profit / (Loss) For The Year            | (25,106)   | 1,364  | (23,113)   | 2,438  |
| <u>Attributable to :</u>                    |  |  |  |  |
| Equity holders of the parent                | (25,127)   | 1,195  | (22,896)   | 2,278  |
| Minority Interest                           | 21   | 169  | (217)  | 160  |
| Net Profit / (Loss) For The Year            | (25,106)   | 1,364  | (23,113)   | 2,438  |
| Earnings / (Loss) Per Share attributable to |  |  |  |  |
| Equity holders of the parent (sen) :        |  |  |  |  |
| - Basic                                     | (5.73)   | 0.27   | (5.22)   | 0.52   |
| - 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 OCTOBER 2011**

|  | (Unaudited)<br>As At<br>End Of<br>Financial<br>Year End<br>31-Oct-2011<br><br>RM'000 | (Audited)<br>As At<br>End Of<br>Financial<br>Year End<br>31-Oct-2010<br><br>RM'000 |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current Assets</b>  |  |  |
| Property, Plant and Equipment  | 95,853   | 95,471   |
| Prepaid land lease payments  | 983  | 1,004  |
| Development Expenditure  | 77,746   | 66,365   |
| Property Development Expenditure   | 4,043  | 588  |
| Other Investments  | 552  | 560  |
| Goodwill   | 155,223  | 181,091  |
| Deferred Tax Assets  | 10,386   | 10,386   |
|  | 344,786  | 355,465  |
| <b>Current Assets</b>  |  |  |
| Inventories  | 31,216   | 42,515   |
| Amount due from customers for contract works                                       | 134,940  | 98,746   |
| Trade and Other Receivables  | 97,628   | 104,704  |
| Fixed Deposits   | 11,847   | 8,069  |
| Cash and bank balances   | 15,699   | 32,384   |
|  | 291,330  | 286,418  |
| <b>Total Assets</b>  | 636,116  | 641,883  |
| <b>EQUITY AND LIABILITIES</b>  |  |  |
| <b>Equity attributable to equity holders of the parent</b>                         |  |  |
| Share Capital  | 438,361  | 438,361  |
| Share Premium  | 8,369  | 8,369  |
| Retained Profits   | (11,362)   | 11,534   |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>  | 435,368  | 458,264  |
| Minority shareholders' interest  | 5,741  | 5,910  |
|  | 441,109  | 464,174  |
| <b>Non-Current Liabilities</b>   |  |  |
| Long Term Liabilities  | 3,051  | 1,452  |
| Deferred Tax Liabilities   | 1,317  | 1,363  |
|  | 4,368  | 2,815  |
| <b>Current Liabilities</b>   |  |  |
| Trade and Other Payables   | 16,670   | 14,633   |
| Provision for taxation   | 3,255  | 5,563  |
| Bank borrowings  | 138,876  | 142,486  |
| Bank overdraft   | 31,838   | 12,212   |
|  | 190,639  | 174,894  |
| <b>Total Equity and Liabilities</b>  | 636,116  | 641,883  |
| Net Assets Per Share attributable to<br>Ordinary Equity Holders of the parent (RM) | 0.99   | 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 YEAR ENDED 31 OCTOBER 2011**

|  | Current<br>Year-to-date<br>ended<br>31-Oct-2011<br>RM'000 | Preceding<br>Year-to-date<br>ended<br>31-Oct-2010<br>RM'000 |
|--|---|---|
| <b>Cash flows from operating activities</b>                  |   |   |
| Profit/ (Loss) for the year                                  | (22,896)  | 2,278   |
| Adjustment for:  |   |   |
| Depreciation and amortisation                                | 3,730   | 3,484   |
| Taxation   | 3,875   | 2,001   |
| Dividend income  | -   | (4)   |
| Interest expense   | 9,895   | 7,198   |
| Interest income  | -   | (76)  |
| Loss / (Gain) on disposal of property, plant & equipment     | (100)   | (1,911)   |
| Loss / (Gain) on disposal of investment                      | -   | (94)  |
| Minority Interest  | (217)   | 160   |
| Impairment Loss on Goodwill                                  | 25,868  | -   |
| Operating profit/(loss) before working capital changes       | 20,155  | 13,036  |
| (Increase)/Decrease in working capital                       |   |   |
| Inventories  | 11,299  | (14,090)  |
| Amount due from customers for contract works                 | (36,194)  | (437)   |
| Trade and other receivables                                  | 7,191   | (16,725)  |
| Development expenditure                                      | (11,381)  | (15,626)  |
| Property Development Expenditure                             | (3,455)   | -   |
| Trade and other payables                                     | 2,037   | 109   |
|  | (30,503)  | (46,769)  |
|  | (10,348)  | (33,733)  |
| Interest paid  | (9,435)   | (6,489)   |
| Interest received  | -   | 76  |
| Income tax paid  | (6,343)   | (709)   |
| <b>Net Operating Cash Flow</b>                               | <b>(26,126)</b>   | <b>(40,855)</b>   |
| <b>Cash flows from investing activities</b>                  |   |   |
| Purchase of property, plant & equipment                      | (951)   | (321)   |
| Proceeds from disposal of property, plant & equipment        | 229   | 3,912   |
| Proceeds from disposal of investment                         | -   | 183   |
| Additional investment in subsidiary by minority shareholders | 49  | 490   |
| <b>Net Investing Cash Flow</b>                               | <b>(673)</b>  | <b>4,264</b>  |
| <b>Cash flows from financing activities</b>                  |   |   |
| Interest paid  | (461)   | (710)   |
| Drawdown / (Repayment) of short term borrowings              | (8,909)   | 56,392  |
| Drawdown (Repayment) of hire purchase liabilities            | (977)   | (645)   |
| Drawdown / (Repayment) of bank term loans                    | 4,612   | (786)   |
| Fixed Deposits held as security value                        | (3,777)   | (942)   |
| <b>Net Financing Cash Flow</b>                               | <b>(9,512)</b>  | <b>53,309</b>   |

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

|   | Current<br>Year-to-date<br>ended<br>31-Oct-2011<br>RM'000 | Preceding<br>Year-to-date<br>ended<br>31-Oct-2010<br>RM'000 |
|---|---|---|
| <b>Net Change in Cash &amp; Cash Equivalents</b>                | (36,311)  | 16,722  |
| <b>Cash &amp; Cash Equivalents at<br/>beginning of the year</b> | 20,172  | 3,450   |
| <b>Cash &amp; Cash Equivalents at<br/>end of the year</b>       | (16,139)  | 20,172  |

**Cash and Cash Equivalents**

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

|  |          |          |
|--|----------|----------|
| Fixed Deposit                          | 11,847   | 4,155    |
| Cash & bank balances                   | 15,699   | 32,384   |
| Bank overdrafts                        | (31,838) | (12,212) |
|  | (4,292)  | 24,327   |
| Less : Deposit held as security values | (11,847) | (4,155)  |
|  | (16,139) | 20,172   |

(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 YEAR 31 OCTOBER 2011.**

|   | Attributable to Equity Holders of the Parent |                            |                                |                     | Minority<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|--------------------------------|---------------------|---------------------------------|---------------------------|
|   | <u>Non-Distributable</u>                     |                            | <u>Distributable</u>           |                     |                                 |                           |
|   | Share<br>Capital<br>RM'000                   | Share<br>Premium<br>RM'000 | Retained<br>Earnings<br>RM'000 | Sub-Total<br>RM'000 |                                 |                           |
| <b>Year-to-date Ended<br/>31 October 2011.</b>                  |  |                            |                                |                     |                                 |                           |
| Balance as at<br>1 November 2010                                | 438,361                                      | 8,369                      | 11,534                         | 458,264             | 5,909                           | 464,173                   |
| Additional investment in subsidiary<br>by minority shareholders | -  | -                          | -                              | -                   | 49                              | 49                        |
|   | 438,361                                      | 8,369                      | 11,534                         | 458,264             | 5,958                           | 464,222                   |
| Profit / (Loss) for the Year                                    | -  | -                          | (22,896)                       | (22,896)            | (217)                           | (23,113)                  |
| Balance as at<br>31 October 2011.                               | 438,361                                      | 8,369                      | (11,362)                       | 435,368             | 5,741                           | 441,109                   |
| <b>Year-to-date Ended<br/>31 October 2010.</b>                  |  |                            |                                |                     |                                 |                           |
| Balance as at<br>1 November 2009                                | 438,361                                      | 8,369                      | 9,256                          | 455,986             | 5,259                           | 461,245                   |
| Additional investment in subsidiary<br>by minority shareholders | -  | -                          | -                              | -                   | 490                             | 490                       |
|   | 438,361                                      | 8,369                      | 9,256                          | 455,986             | 5,749                           | 461,735                   |
| Profit / (Loss) for the Year                                    | -  | -                          | 2,278                          | 2,278               | 160                             | 2,438                     |
| Balance as at<br>31 October 2010.                               | 438,361                                      | 8,369                      | 11,534                         | 458,264             | 5,909                           | 464,173                   |
|   |  |                            |                                |                     |                                 |                           |

(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).

**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 Year Ended 31 October 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<br>RM'000 | Trading<br>RM'000 | Construction<br>RM'000 | Investment<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|---------------------------------|-------------------------|-------------------|------------------------|----------------------|-----------------------|-----------------|
| <b>REVENUE</b>                  |                         |                   |                        |                      |                       |                 |
| External Revenue                | 87,342                  | 8,541             | 215,483                | 15,321               | -                     | 326,687         |
| Inter-Company                   | 27,607                  | -                 | 75,359                 | 4,500                | (107,466)             | -               |
|                                 | 114,949                 | 8,541             | 290,842                | 19,821               | (107,466)             | 326,687         |
| Segment Results                 | (1,229)                 | 408               | 15,233                 | 2,013                |                       | 16,425          |
| Other Income                    |                         |                   |                        |                      |                       | 100             |
| Other<br>Operating Expenses     |                         |                   |                        |                      |                       | (25,868)        |
| Finance Cost                    |                         |                   |                        |                      |                       | (9,895)         |
| Profit Before Taxation          |                         |                   |                        |                      |                       | (19,238)        |
| Taxation                        |                         |                   |                        |                      |                       | (3,875)         |
| Profit After Taxation           |                         |                   |                        |                      |                       | <u>(23,113)</u> |
| <u>Attributable to :</u>        |                         |                   |                        |                      |                       |                 |
| Equity holders of the<br>parent |                         |                   |                        |                      |                       | (22,896)        |
| Minority Interests              |                         |                   |                        |                      |                       | (217)           |
|                                 |                         |                   |                        |                      |                       | <u>(23,113)</u> |

**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.

On 12 December 2011, the Company wholly-owned subsidiary, JAKS Power Holding Limited incorporated a wholly-owned subsidiary company, JAKS-MPC (HD) Limited in British Virgin Islands with a total share capital of USD1.00.

#### 12. Changes in Contingent Liabilities

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

|   | As at<br>31 October 2011<br>RM'000 | As at<br>31 October 2010<br>RM'000 |
|---|------------------------------------|------------------------------------|
| Bank guarantees issued for<br>- execution of contracts of<br>the Company or<br>Subsidiaries company | 66,822<br>=====                    | 55,616<br>=====                    |

#### 13. Capital Commitment

As at 31 October 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 RM93.2 million for the current quarter ended 31 October 2011, an increase of 9% from the previous year's corresponding quarter of RM85.7 million. The increase was mainly due to higher revenue recognition of works done for the projects in the construction division.

Corresponding to the increase in revenue, the Group had achieved a profit before tax of RM1.8 million in the current quarter and having to take into account a goodwill impairment adjustment of RM25.9 million, arising from the adoption of FRS136 "Impairment of Assets", the Group ended the quarter with a loss before tax of RM24.1 million as compared to profit before tax of RM2.5 million in the preceding year's corresponding quarter.

For the financial year under review, the Group achieved revenue of RM326.7 million, an increase of 27% from the previous financial year's revenue of RM257.3 million. The higher revenue lead to the increase in profit before tax from RM4.4 million in the previous financial year to RM6.6 million before the goodwill impairment adjustment of RM25.9 million.

**2. Variation of Results against Preceding Quarter.**

The Group's revenue for the current quarter of RM93.2 million represents a 12% increase from the revenue of RM83.4 million in the preceding quarter ended 31 July 2011.

For the quarter under review, the Group had to make an adjustment arising from the adoption of FRS136 due to the goodwill impairment of RM25.9 million and this resulted in the Group's recording a loss before tax of RM24.1 million in the current quarter as compared to a profit before tax of RM1.8 million in the preceding quarter.

**3. Prospects.**

The Group's construction division has been the main contributor to the Group and this is expected to continue in the new financial year as construction projects are expected to gain momentum.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory performance for the new financial year.

**4. Profit Forecast / Guarantee**

The Company did not issue any profit forecast or guarantees.

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

**5. Taxation**

Included in the taxation are the following:

|                | Current Quarter<br>Ended<br>31 October 2011<br>RM'000 | Year-to-date<br>Ended<br>31 October 2011<br>RM'000 |
|----------------|---|--|
| Taxation       |   |  |
| - Current Year | 756   | 3,625  |
| - Prior Year   | 250   | 250  |
|                | -----   | -----  |
|                | 1,006   | 3,875  |
|                | =====   | =====  |

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.

**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.

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

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

**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: -

|                       | <u>Secured</u><br><u>RM'000</u> | <u>Unsecured</u><br><u>RM'000</u> | <u>Total</u><br><u>RM'000</u> |
|-----------------------|---------------------------------|-----------------------------------|-------------------------------|
| Short term borrowings | 138,876                         | -                                 | 138,876                       |
| Overdraft             | 31,838                          | -                                 | 31,838                        |
| Long term borrowings  | 3,051                           | -                                 | 3,051                         |
| Total                 | <u>173,765</u>                  | <u>-</u>                          | <u>173,765</u>                |

**10. Realised and Unrealised Profit or Loss**

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

|                                       | As At<br>31 October 2011<br>RM'000 | As At<br>31 October 2010<br>RM'000 |
|---------------------------------------|------------------------------------|------------------------------------|
| Retained profits / Accumulated losses |                                    |                                    |
| - Realised                            | (69,965)                           | (72,675)                           |
| - Unrealised                          | 9,068                              | 9,023                              |
|                                       | -----                              | -----                              |
|                                       | (60,897)                           | (63,652)                           |
| Less : Consolidation adjustments      | 49,535                             | 75,186                             |
|                                       | -----                              | -----                              |
|                                       | <u>(11,362)</u>                    | <u>11,534</u>                      |

**11. Off Balance Sheet Financial Instruments**

As at 28 December 2011, the Group does not have any off balance sheet financial instruments.

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

**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 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.

On 5 October 2011, the Kuala Lumpur High Court has dismissed the action taken by JKDEB against the three defendants with cost. On 3 November 2011, the Company filed the Notice of Appeal at the Court of Appeal and Kuala Lumpur High Court and served the same copy of Notice of Appeal to the 1st and 2nd Defendant and State Legal Advisors of Selangor office.

**13. Dividend**

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

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

**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 Quarter</u>                       |   | <u>Cumulative Year</u>                          |   |
|--|---|---|---|---|
|  | Current<br>Year<br>Quarter<br>31/7/11<br>RM'000 | Preceding<br>Year<br>Quarter<br>31/7/10<br>RM'000 | Current<br>Year<br>To-date<br>31/7/11<br>RM'000 | Preceding<br>Year<br>To-date<br>31/7/10<br>RM'000 |
| Profit / (Loss) for the period attributable to Ordinary Shareholders | (25,127)  | 1,195   | (22,896)  | 2,278   |
| Weighted average Number of Share in issue (RM1.00 each)              | 438,361   | 438,361   | 438,361   | 438,361   |
| Basic Earnings / (Loss) Per Share (sen)                              | (5.73)  | 0.27  | (5.22)  | 0.52  |

**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.

**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").

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

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.
- 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.

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

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.

On 21 October 2011, JAKS revoked the MOA with CHEC in relation to the EPC Contract and JAKS Hai Duong entered into a new EPC Contract with a consortium consisting of China National Technical Import & Export Corporation and Tianjin Electric Power Construction Company, both of which are established under the laws of the People's Republic of China, as the Contractor.

The Board is in the finalization stages of the investment and funding proposals for this Project.

**By Order of the Board**

**Ang Lam Aik  
Executive Director  
30 December 2011.**