

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013**

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 1<sup>st</sup> Quarter unaudited financial results for the financial period ended 31 January 2013.

	Individual Period		Cumulative Period	
	Current Year Quarter ended 31-Jan-2013 RM'000	Preceding Year Quarter ended 31-Jan-2012 RM'000	Current Year To-Date ended 31-Jan-2013 RM'000	Preceding Year To-Date ended 31-Jan-2012 RM'000
Revenue	94,866	80,514	94,866	80,514
Cost of Sales	(83,276)	(70,988)	(83,276)	(70,988)
Gross Profit	11,590	9,526	11,590	9,526
Other Operating Income	46	-	46	-
Other Operating, Administrative, Selling and Distribution expenses	(6,549)	(5,079)	(6,549)	(5,079)
Operating Profit before finance cost	5,087	4,447	5,087	4,447
Finance cost	(3,457)	(2,900)	(3,457)	(2,900)
Profit Before Taxation	1,630	1,547	1,630	1,547
Taxation	(957)	(1,022)	(957)	(1,022)
Net Profit For The Period	673	525	673	525
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	673	525	673	525
<u>Total Comprehensive Income for the Period</u>				
<u>Attributable to :</u>				
Owners of the Parent	766	677	766	677
Non-Controlling Interests	(93)	(152)	(93)	(152)
	673	525	673	525
Earnings Per Share attributable to				
Owners of the parent (sen) :				
- Basic	0.17	0.15	0.17	0.15
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 and the accompanying notes attached to the interim financial statements).

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013.**

	(Unaudited) As At End Of Financial Period End 31-Jan-2013	(Audited) As At End Of Financial Year End 31-Oct-2012
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	95,250	96,295
Investment properties	219	219
Development Expenditure	95,947	93,385
Golf Club memberships	545	545
Goodwill on Consolidation	155,223	155,223
Deferred Tax Assets	10,617	10,617
	357,801	356,284
<b>Current Assets</b>		
Inventories	11,393	13,188
Property Development Costs	184,265	184,507
Amount due from customers for contract works	159,735	154,706
Trade and Other Receivables	108,522	111,167
Deposits placed with licensed banks	21,429	17,839
Cash and bank balances	13,530	16,920
	498,874	498,327
<b>Total Assets</b>	856,675	854,611
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	438,361	438,361
Share Premium	8,369	8,369
Accumulated Losses	(7,846)	(8,612)
	438,884	438,118
<b>Non-controlling interests</b>	4,912	5,005
<b>TOTAL EQUITY</b>	443,796	443,123
<b>Non-Current Liabilities</b>		
Long Term Borrowings	31,062	3,122
Deferred Tax Liabilities	789	789
	31,851	3,911
<b>Current Liabilities</b>		
Trade and Other Payables	184,810	223,872
Tax Payable	3,859	3,414
Bank borrowings	154,766	142,065
Bank overdraft	37,593	38,226
	381,028	407,577
<b>TOTAL EQUITY AND LIABILITIES</b>	856,675	854,611
 Net Assets Per Share attributable to Owners of the parent (RM)	 1.00	 1.00

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 and the accompanying notes attached to the interim financial statements).

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013.**

	Current Year-to-date ended 31-Jan-2013 RM'000	Preceding Year-to-date ended 31-Jan-2012 RM'000
<b>Cash flows from operating activities</b>		
Profit for the period	766	677
Adjustment for:		
Depreciation and amortisation	1,046	960
Taxation	957	1,022
Interest expense	3,457	2,900
Non-Controlling interests	(93)	(152)
Operating profit before working capital changes	6,133	5,407
(Increase)/Decrease in working capital		
Inventories	1,795	(2,779)
Amount due from customers for contract works	(5,029)	246
Trade and other receivables	2,698	(227)
Development expenditure	(2,562)	(2,264)
Property Development Expenditure	242	(2,809)
Trade and other payables	(39,062)	9,020
	(41,918)	1,187
	(35,785)	6,594
Interest paid	(3,291)	(2,753)
Income tax paid	(564)	(1,889)
<b>Net Operating Cash Flow</b>	<b>(39,640)</b>	<b>1,952</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	-	(522)
<b>Net Investing Cash Flow</b>	<b>-</b>	<b>(522)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(167)	(148)
Drawdown / (Repayment) of short term borrowings	13,197	(7,212)
Drawdown (Repayment) of hire purchase liabilities	(555)	153
Drawdown / (Repayment) of bank term loans	28,000	-
Fixed Deposits held as security value	(3,591)	(1,098)
<b>Net Financing Cash Flow</b>	<b>36,884</b>	<b>(8,305)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2013. (Cont.)**

	Current Year-to-date ended 31-Jan-2013 RM'000	Preceding Year-to-date ended 31-Jan-2012 RM'000
<b>Net Change in Cash &amp; Cash Equivalents</b>	(2,756)	(6,875)
<b>Cash &amp; Cash Equivalents at beginning of the year</b>	(21,307)	(16,139)
<b>Cash &amp; Cash Equivalents at end of the period.</b>	(24,063)	(23,014)

**Cash and Cash Equivalents**

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

Deposits placed with licensed banks	21,429	12,945
Cash & bank balances	13,530	12,025
Bank overdrafts	(37,593)	(35,039)
	(2,634)	(10,069)
Less : Deposit held as security values	(21,429)	(12,945)
	(24,063)	(23,014)

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 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 JANUARY 2013.**

	Attributable to Equity Holders of the Parent				Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable		Distributable			
	Share Capital RM'000	Share Premium RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Sub-Total RM'000		
<b>Year-to-date Ended 31 January 2013.</b>						
Balance as at 1 November 2012	438,361	8,369	(8,612)	438,118	5,005	443,123
Total Comprehensive Income / (Loss) for the Period	-	-	766	766	(93)	673
Balance as at 31 January 2013.	438,361	8,369	(7,846)	438,884	4,912	443,796
<b>Year-to-date Ended 31 January 2012.</b>						
Balance as at 1 November 2011	438,361	8,369	(11,362)	435,368	5,741	441,109
Total Comprehensive Income / (Loss) for the Period	-	-	677	677	(152)	525
Balance as at 31 January 2012.	438,361	8,369	(10,685)	436,045	5,589	441,634

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2012 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 Paragraph 9.22 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 2012.

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 2012.

#### 2. Changes in Accounting Policies.

The significant accounting policies applied in the quarterly report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 October 2012 except for the adoption of the following FRSs, IC Interpretations, amendments to FRSs and IC interpretations issued by Malaysia Accounting Standard Board ("MASB") that are mandatory for the Group.

The following revised FRS, amendments/improvements to FRS, IC Interpretations and amendments to IC Interpretations that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group are as follows:-

		Effective for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
<u>Revised FRSs</u>		
FRS 119	Employee Benefits	1 January 2013
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013

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

Amendments / Improvements to FRSs

		<b>Effective for financial periods beginning on or after</b>
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012 and 1 January 2013
FRS 7	Financial Instruments : Disclosures	1 January 2012 and 1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
FRS 112	Income Taxes	1 January 2012
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134	Interim Financial Reporting	1 January 2013
<u>New IC Int</u>		
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>		
IC Int 2	Members' Share in Co-operative Entities	1 January 2013

**3. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial year ended 31 October 2012 have been reported on without any audit qualification.

**4. 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.

**5. 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.

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

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

**6. Material changes in estimates**

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

**7. 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.

**8. Dividend**

No dividend has been paid respect of the financial period under review.

**9. Segmental Information for the Financial Period Ended 31 January 2013.**

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

**Business Segments**

	Construction and Property Development RM'000	Trading RM'000	Manufacturing RM'000	Investment RM'000	Elimination RM'000	Total RM'000
REVENUE						
External Revenue	88,749	1,245	4,812	60	-	94,866
Inter-Company	18,570	18,092	808	1,170	(38,640)	-
	107,319	19,337	5,620	1,230	(38,640)	94,866
Segment Results	5,478	124	(349)	(212)		5,041
Other Income						46
Finance Cost						(3,457)
Profit Before Taxation						1,630
Taxation						957
Profit After Taxation						673
<u>Attributable to:</u>						
Owners of the parent						766
Non-Controlling Interests						(93)
						673



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

**10. 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 2012.

**11. 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.

**12. 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 19 March 2013, the Company acquired Harbour Town Sdn Bhd ("Harbour Town") at a consideration of RM2.00 to facilitate the Company's venture into new investments in property development. Harbour Town has an authorized capital of RM100,000.00 and an issued paid up capital of RM2.00.

**13. Changes in Contingent Liabilities**

The changes in contingent liabilities of the Group since 31 October 2012 until 31 January 2013 were as follows: -

	As at 31 January 2013 RM'000	As at 31 October 2012 RM'000
Bank guarantees issued for - execution of contracts of the Company or Subsidiaries company	112,686	110,564

**14. Capital Commitment**

As at 31 January 2013, Capital commitment contracted for but not provided in the financial statements amounted to RM5,488.57 million.

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

**1. Review of Financial Performance.**

The Group achieved revenue of RM94.8 million for the current quarter ended 31 January 2013, an increase of 18% from the previous year's corresponding quarter of RM80.5 million. The Construction and Property Development division's revenue for the quarter under review increased by RM22.3 million from the previous year's corresponding quarter due to higher recognition of works done on current projects which progressed according to schedule. Revenue from the Manufacturing division for the same comparative quarters reduced by RM8.7 million as the Group ceased one of the production line as a measure to improve the Group's overall profitability position. Efforts were concerted on the trading division that has better margin.

The Group achieved a profit before tax of RM1.6 million in the current quarter as compared to a profit before tax of RM1.5 million in the preceding year's corresponding quarter. With the higher revenue recognition, the Construction and Property Development division achieved a profit before tax of RMRM3.4 million for the quarter under review. The Manufacturing and Investment divisions recorded a loss before tax of RM0.9 million and RM1.6 million respectively. The losses in the Manufacturing division were due to competitive market and higher unit cost as the production levels could not be optimized.

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

The Group's achieved RM94.8 million revenue for the current quarter, a decrease of 26% from the revenue of RM127.5 million in the preceding quarter ended 31 October 2012 as the preceding quarter revenue of the Group was boosted by additional revenue in respect of the joint venture with IJM Construction Sdn Bhd on the Pahang-Selangor Raw Water Transfer Project. The Group achieved a profit before tax of RM1.6 million compared with a profit before tax of RM2.2 million in the preceding quarter.

**3. Prospects.**

The Group's construction division is expected to perform better going forward from improved construction progress and with the projects-in-hand.

As for the manufacturing division, the Group will continue its cost-cutting measures to ensure that the other manufacturing units will not affect the overall performance of the Group.

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

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

**4. Profit Forecast / Guarantee**

The Company did not issue any profit forecast or guarantees.

**5. Taxation**

Included in the taxation are the following:

<u>Taxation</u>	Current Quarter Ended 31 January 2013 RM'000	Period-to-date Ended 31 January 2013 RM'000
Current Year	957	957

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. Status of the Corporate Exercise**

There were no corporate proposals announced but not completed as at the date of this report except as stated in Note B, Item 13 in relation to the Proposed Joint Venture.

**7. Group Borrowings**

Group borrowings as at 31 January 2013 including interest denominated in Ringgit Malaysia are as follows: -

	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Short term borrowings	154,766	-	154,766
Overdraft	37,593	-	37,593
Long term borrowings	31,062	-	31,062
Total	<u>223,421</u>	<u>-</u>	<u>223,421</u>

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

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

The breakdown of the Group's retained profits / (accumulated losses) as at 31 January 2013 into realised and unrealised profits or losses are as follows:

	As At 31 January 2013 RM'000	As At 31 October 2012 RM'000
Retained profits / Accumulated losses		
- Realised	(17,673)	(18,439)
- Unrealised	9,827	9,827
	<u>(7,846)</u>	<u>(8,612)</u>

**9. Notes to the statement of comprehensive income**

The profit before taxation is derived after taking into consideration the following:

Expense / (Income)	Current Period-to-date 31 January 2013 RM'000
Rental Income	(60)
Interest Income	-
Interest Expense	3,457
Depreciation and amortization	1,046
Provision for and write off	
Of receivables no longer required	-
Provision for and write off	
Of inventories	-
Gain on disposal of property, Plant & equipment	-
Impairment of Assets	-
Foreign exchange gain or loss	-
Exceptional item	-

**10. 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")

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

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.

On 5 October 2011, the Kuala Lumpur High Court dismissed the action taken by JKDEB against the three defendants with cost. However, the Company has served the Notice of Appeal against the Kuala Lumpur High Court decision on 3 November 2011. The Record of Appeal was filed and served on 17 February 2012. As of to-date, the appeal has not been fixed for case management nor hearing.

**11. Dividend**

No dividend has been declared for the quarter under review.

**12. Earnings Per Ordinary Share**

**a) Basic Earnings Per Share**

The earnings per share has been calculated based on the Group's profit attributable to owners of the Parent 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 Year Quarter 31/1/13 RM'000	Preceding Year Quarter 31/1/12 RM'000	Current Year To-date 31/1/13 RM'000	Preceding Year To-date 31/1/12 RM'000
Profit for the period attributable to owners of the Parent	766	677	766	677
Weighted average Number of Share in issue (RM1.00 each)	438,361	438,361	438,361	438,361
Basic Earnings Per Share (sen)	0.17	0.15	0.17	0.15

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

**b) Diluted Earnings 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 per share.

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

The Company made announcements on 13 December 2012 and 19 December 2012 in relation to the termination of various agreements with Meiya Power (HD) Limited and the EPC contractors on the joint venture to invest in a 2 X 600 Megawatt Coal-Fired Thermal Power Plant in Vietnam (“IPP Project”) and the entry into new subscription and shareholders agreements with Wuhan Kaidi Electric Power Engineering Co., Ltd and Sanjung Merpati Sdn. Bhd to regulate the relationship and responsibilities of the parties on the IPP Project (“New Joint Venture”).

Further to this, the Company is making the necessary arrangements for the approval to be sought so that it can proceed with the new joint venture partners in raising the required funding to fully implement the project.

**14. Authorisation for issue**

The interim financial statements were authorized for issue by the Board of Directors on 28 March 2013.

**Date : 28 March 2013.**