

JAKS RESOURCES BERHAD
(COMPANY NO. 585648-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014.

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 3rd Quarter unaudited financial results for the financial period ended 30 September 2014.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Sep-2014	Preceding Year Quarter ended 30-Sep-2013	Current Year 9 months period ended 30-Sep-2014	Preceding Year 9 months period ended 30-Sep-2013
	RM'000	RM'000	RM'000	RM'000
Revenue	93,775	N/A	301,765	N/A
Cost of Sales	(71,769)	N/A	(227,185)	N/A
Gross Profit	22,006	N/A	74,580	N/A
Other Operating Income	78	N/A	175	N/A
Other Operating, Administrative, Selling and Distribution expenses	(10,694)	N/A	(33,099)	N/A
Operating Profit before finance cost	11,390	N/A	41,656	N/A
Finance cost	(2,766)	N/A	(10,525)	N/A
Profit Before Taxation	8,624	N/A	31,131	N/A
Taxation	(3,068)	N/A	(11,025)	N/A
Net Profit For The Period	5,556	N/A	20,106	N/A
Other Comprehensive Income	-	N/A	-	N/A
Total Comprehensive Income for the Period	5,556	N/A	20,106	N/A
<u>Total Comprehensive Income for the Period</u>				
<u>Attributable to :</u>				
Owners of the Company	2,780	N/A	7,061	N/A
Non-Controlling Interests	2,776	N/A	13,045	N/A
	5,556	N/A	20,106	N/A
Earnings Per Share attributable to				
Owners of the Company (sen) :				
- Basic	0.63	N/A	1.61	N/A
- Diluted	N/A	N/A	N/A	N/A

Notes :

- 1 There are no comparative figures disclosed for the current quarter and the cumulative year-to-date of the preceding quarter / year following the change in the financial year end from October 2013 to December 2013.
- 2 The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 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 30 SEPTEMBER 2014.

	(Unaudited) As At End Of Financial Period End 30-Sep-2014	(Audited) As At End Of Financial Year End 31-Dec-2013
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	35,950	37,975
Investment properties	213	213
Development Expenditure	149,558	107,065
Golf Club memberships	537	537
Goodwill on Consolidation	185,225	185,225
Deferred Tax Assets	9,631	9,631
Land held for Development	56,494	56,494
	437,608	397,140
Current Assets		
Inventories	12,448	15,622
Property Development Costs	492,677	412,336
Amount due from customers for contract works	75,455	81,431
Trade and Other Receivables	296,762	222,250
Deposits placed with licensed banks	97,986	38,222
Cash and bank balances	61,262	94,189
	1,036,590	864,050
Total Assets	1,474,198	1,261,190
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	438,361	438,361
Share Premium	8,369	8,369
Accumulated Profit / (Losses)	5,953	(1,108)
	452,683	445,622
Non-controlling interests	81,924	68,879
TOTAL EQUITY	534,607	514,501
Non-Current Liabilities		
Long Term Borrowings	285,784	193,925
Deferred Tax Liabilities	203	203
	285,987	194,128
Current Liabilities		
Trade and Other Payables	322,475	264,356
Tax Payable	5,679	7,588
Bank borrowings	256,193	240,184
Bank overdraft	69,257	40,433
	653,604	552,561
TOTAL EQUITY AND LIABILITIES	1,474,198	1,261,190
Net Assets Per Share attributable to Owners of the parent (RM)	1.03	1.02

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 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 30 SEPTEMBER 2014.

	Current Year 9 months period ended 30-Sep-2014	Audited 14 months period ended 31-Dec-2013
	RM'000	RM'000
Cash flows from operating activities		
Profit for the period	7,061	7,503
Adjustment for:		
Depreciation and amortisation	3,065	5,164
Taxation	11,025	9,126
Interest expense	13,525	18,536
Interest income	(3,000)	(767)
Loss / (Gain) on disposal of property, plant & equipment	3,002	(12)
Non-Controlling interests	13,045	3,154
Allowance for impairment	-	25
Property, Plant & Equipment write-off	-	1
Written down of inventories	-	97
Impairment of receivables no longer required	-	(32)
Operating profit before working capital changes	47,723	42,795
(Increase)/Decrease in working capital		
Inventories	3,174	(2,529)
Amount due from customers for contract works	5,976	73,275
Trade and other receivables	(73,217)	20,247
Property Development Expenditure	(80,341)	(53,443)
Trade and other payables	58,119	(7,025)
	(86,289)	30,525
	(38,566)	73,320
Interest paid	(10,005)	(16,093)
Income tax paid	(14,229)	(13,760)
Net Operating Cash Flow	(62,800)	43,467
Cash flows from investing activities		
Development expenditure	(42,493)	(13,679)
Interest received	3,000	767
Acquisition of subsidiary company net of cash acquired	-	(40,137)
Purchase of property, plant & equipment	(4,843)	(1,332)
Proceeds from disposal of property, plant & equipment	800	60
Net Investing Cash Flow	(43,536)	(54,321)
Cash flows from financing activities		
Interest paid	(3,519)	(2,445)
Drawdown / (Repayment) of short term borrowings	(39,787)	25,284
Drawdown (Repayment) of hire purchase liabilities	1,573	(2,691)
Drawdown / (Repayment) of bank term loans	146,083	86,152
Fixed Deposits held as security value	(59,765)	(21,517)
Net Financing Cash Flow	44,585	84,783

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014. (Cont.)**

	Current Year 9 months period ended 30-Sep-2014	Audited 14 months ended 31-Dec-2013
	RM'000	RM'000
Net Change in Cash & Cash Equivalents	(61,751)	73,929
Cash & Cash Equivalents at beginning of the year	52,622	(21,307)
Cash & Cash Equivalents at end of the period.	(9,129)	52,622

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	97,986	38,222
Cash & bank balances	61,262	94,189
Bank overdrafts	(69,257)	(40,433)
	89,991	91,978
Less : Deposit held as security values	(97,986)	(38,222)
Debt service reserves account	(1,134)	(1,134)
	(9,129)	52,622

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 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 ENDED 30 SEPTEMBER 2014.

	Attributable to Equity Holders of the Company				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		
Current Year 9 Months period ended 30 September 2014.						
Balance as at 1 January 2014	438,361	8,369	(1,108)	445,622	68,879	514,501
Total Comprehensive Income / (Loss) for the Period	-	-	7,061	7,061	13,045	20,106
Balance as at 30 September 2014.	438,361	8,369	5,953	452,683	81,924	534,607
Preceding Year 14 Months period ended 31 December 2013.						
Balance as at 1 November 2012	438,361	8,369	(8,611)	438,119	5,005	443,124
Acquisition of a subsidiary	-	-	-	-	60,720	60,720
Total Comprehensive Income / (Loss) for the Period	-	-	7,503	7,503	3,154	10,657
Balance as at 31 December 2013.	438,361	8,369	(1,108)	445,622	68,879	514,501

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2013 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 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 period ended 31 December 2013.

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 December 2013, except for the adoption of the relevant new FRSs, amendments to FRSs and 1C Interpretations that are effective for year beginning on or after 1 January 2014.

The adoption of the new FRSs, amendments to FRSs and 1C Interpretations does not have any material impact on the financial position and results of the Group.

The Group falls within the definition of "Transitioning Entities" and accordingly, will adopt the MFRS Framework for the financial year beginning on 1 July 2015.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs Framework").

The MFRSs Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and/or IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. On 7 August 2013, MASB further deferred the effective date of MFRS Framework for Transitioning Entities for an additional one year from 1 January 2014 to 1 January 2015.

The Group falls within the definition of Transitioning Entities and have opted to defer adoption of the new MFRSs Framework. Accordingly, the Group will prepare its financial statements using the MFRSs Framework in its first MFRSs financial statements for the financial year ending 31 December 2015.

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

2. Qualification of Audit Report on Financial Statements.

The financial statements of JAKS for the financial period ended 31 December 2013 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 period under review.

5. Material changes in estimates

There are no material changes in estimates for the period 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.

7. Dividend.

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

JAKS RESOURCES BERHAD (Company No. 585648-T)

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

8. Segmental Information for the Financial Period Ended 30 September 2014.

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 RM'000	Property Development RM'000	Trading RM'000	Manufacturing RM'000	Investment RM'000	Elimination RM'000	Total RM'000
REVENUE							
External Revenue	92,961	161,890	37,882	9,032	-	-	301,765
Inter-Company	186,102	-	9,410	4,529	6,540	(206,581)	-
	279,063	161,890	47,292	13,561	6,540	(206,581)	301,765
Segment Results	7,563	33,796	(196)	(2,685)	3,003		41,481
Other Income							175
Finance Cost							(10,525)
Profit Before Taxation							31,131
Taxation							(11,025)
Profit After Taxation							<u>20,106</u>
<u>Attributable to :</u>							
Owners of the Company							7,061
Non-Controlling Interests							13,045
							<u><u>20,106</u></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 period ended 31 December 2013.

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

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.

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 6 March 2014, a 51% owned subsidiary of the Company, MNH Global Assets Management Sdn Bhd had acquired a wholly-owned subsidiary, Evolve Concept Mall Sdn Bhd with authorized capital of RM400,000.00 and issued and paid-up capital of RM2.00.

12. Changes in Contingent Liabilities.

The changes in contingent liabilities of the Group since 31 December 2013 until 30 September 2014 were as follows: -

	As at 30 Sep 2014 RM'000	As at 31 Dec 2013 RM'000
Bank guarantees issued for - execution of contracts of the Company or Subsidiaries company	187,050	110,271
Guarantees given to suppliers Of goods for credit terms granted to subsidiaries	2,000	2,000
	----- 189,050 =====	----- 112,271 =====

13. Capital Commitment

As at 30 September 2014, Capital commitment contracted for but not provided in the financial statements amounted to RM5,531.54 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 RM93.8 million in the current quarter ended 30 September 2014, contributed mainly by the Construction division of RM36.3 million and Property Development division of RM43.4 million following the progress billings achieved. The Trading division generated revenue of RM12.4 million in the quarter under review.

For the third quarter of 2014, the Group achieved profit before tax of RM8.6 million. The Property Development division was the main contributor as it achieved profit before tax of RM11.0 million. The Construction division and Investment division also contributed about RM1.1 million profit each. However, the Trading and Manufacturing divisions recorded loss before tax of RM3.7 million and RM747,000 respectively. The loss in the Trading division was mainly due to the loss of RM3.0 million arising from the disposal of old and obsolete machineries in the current quarter. The Manufacturing division continue to incur a loss due to the competitive market and higher unit cost as the production levels could not be optimized.

For the nine months ended 30 September 2014, the Group achieved revenue of RM301.8 million and profit before tax of RM31.1 million. The profit was largely contributed by the Property Development Division and Construction Division that achieved profit before tax of RM36.5 million and RM4.6 million respectively on the back of recognition of profits on the progress billings. For the 9 months period, the Trading division achieved profit before tax of RM240,000 despite the recognition of the loss on disposal of machineries. The Manufacturing division incurred losses of RM2.7 million as the revenue achieved was insufficient to cover the operational cost. The Investment division had incurred losses of RM4.4 million for the period under review as the revenue achieved was insufficient to cover the high interest cost for the additional borrowings taken to finance the investment.

Following the change of financial year end from 31 October 2013 to December 2013 in the preceding year, no comparative figures for preceding year corresponding quarter or period are presented.

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

2. Variation of Results against Preceding Period.

	Current Year Quarter (3 months) 1/7/14-30/9/14 RM'000	Immediate Preceding Quarter (3 months) 1/4/14 – 30/6/14 RM'000
Revenue	93,775	98,310
Profit before tax	11,626	14,632

There was lower revenue recognition in the current quarter compared to the preceding quarter as some phases of the property development had completed. Corresponding to the lower revenue, the Group achieved lower profit before tax in the current quarter ended 30 September 2014.

3. Prospects.

For the nine months ended 30 September 2014, the Group achieved profit to-date before tax of RM31.1 million. Compared with the profit before tax of RM19.8 million achieved in the 14 months ended 31 December 2013 and profit before tax of RM18.7 million in the 12 months ended 31 October 2012, the Group has shown that its venture into property development has improved its profitability.

For the current financial year, the Construction and Property Development divisions will continue to drive the revenues and profit for the Group as it is able to recognize them from the construction projects that are already in progress as well as the encouraging property sales.

Barring any unforeseen circumstances, the Group can expect to see improvement in the current 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:

<u>Taxation</u>	Current Quarter Ended 30 Sep 2014 RM'000	Period-to-date Ended 30 Sep 2014 RM'000
Current Year	3,068	11,025

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 30 September 2014 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	256,193	-	256,193
Overdraft	69,257	-	69,257
Long term borrowings	285,784	-	285,784
Total	<u>611,234</u>	<u>-</u>	<u>611,234</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 30 September 2014 into realised and unrealised profits or losses are as follows:

	As At 30 Sep 2014 RM'000	As At 31 December 2013 RM'000
Retained profits / Accumulated losses		
- Realised	(3,475)	(10,536)
- Unrealised	9,428	9,428
	----- 5,953 =====	----- (1,108) =====

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 30 Sep 2014 RM'000
Rental Income	180
Interest Income	3,000
Interest Expense	(13,525)
Depreciation and amortization	(3,065)
Provision for and write off	
Of receivables no longer required	-
Provision for and write off	
Of inventories	-
Loss on disposal of property, Plant & equipment	(3,002)
Impairment of Assets	-
Foreign exchange gain or loss	-
Exceptional item	-

10. Changes in Material Litigation

On 4 February 2014, JAKS-KDEB Consortium Sdn Bhd ("JKDEB") filed to the Federal Court a Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal dated 14 November 2013. On 5 August 2014, the Federal Court dismissed JKDEB's Notice of Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal.

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

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 Company 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 Ended 30/9/14 RM'000	Preceding Year Ended 30/9/13 RM'000	Current Year Ended 30/9/14 RM'000	Preceding Year Ended 30/9/13 RM'000
Profit for the period attributable to owners of the Company	2,780	N/A	7,061	N/A
Weighted average Number of Share in issue (RM1.00 each)	438,361	438,361	438,361	438,361
Basic Earnings Per Share (sen)	0.63	N/A	1.61	N/A

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. Independent Power Plant Venture in Vietnam

The Group was awarded the contract to undertake the design, engineering, construction, operation and maintenance of a 2 x 600 megawatt coal-fired thermal power plant project ("IPP Project") in Hai Doung Province in Vietnam pursuant to a Build-Operate-Transfer contract ("BOT Contract") for a 25-year operation term in June 2011.

On 16 April 2013, the Company announced that the following agreements had been entered into on 15 April 2013 to facilitate the Proposed Joint Venture between JAKS Power Holding Limited ("JPH") and Wuhan Kaidi Electric Power Engineering Co., Ltd ("Kaidi") under a 60:40 shareholding structure:-

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

- (a) subscription agreement between JAKS Pacific Power Limited (a wholly-owned subsidiary of JPH which in turn is a wholly-owned subsidiary of JRB) and Kaidi for Kaidi to subscribe for 80 JPP Shares at the subscription price of HKD1.00 per JPP Share; and
- (b) shareholders' agreement and supplemental shareholders' agreement between JPH, Kaidi and JPP to regulate their proposed relationship inter se as shareholders of JPP as well as certain other matters relating to the management of JPP and also to govern their relationship inter se in respect of matters related to JAKS Hai Duong Power Company Limited.

On 28 June 2013, the shareholders of the Company approved the Proposed Joint Venture at an Extraordinary General Meeting held so that it can proceed with the joint venture partner in raising the required funding to fully implement the project. One of the important milestones in the BOT Contract relates to the Financial Close ("FC") date where the Proposed Joint Venture will have to make available the project financing for the IPP Project.

On 26 March 2014, the Group received approval from the Ministry of Industry and Trade for an extension of 12 months from 30 October 2013 to 31 October 2014 to achieve the FC of the IPP Project. However, despite efforts made with the joint venture partner, Kaidi to proceed with the IPP project, on 1 April 2014, the Company announced that the Kaidi Subscription Agreement, Shareholders' Agreement, and Supplement shareholders' Agreement signed on 15 April 2013 have lapsed following the non-fulfillment of the condition precedents by Kaidi on or before the extended cut-off date of 31 March 2014. Accordingly, the Kaidi Proposed Joint Venture shall not take effect.

On 28 October 2014, the Group announced that its wholly-owned subsidiary, JAKS Pacific Power Limited, had vide its letter dated 24 October 2014 requested MOIT to extend the required date for completion of the preconditions of the Project (including to achieve financial close) to 31 October 2015.

The Group is still evaluating the potential partners and is confident of attracting the right potential partner to invest in the project considering the various strengths the project holds.

14. Authorisation for issue.

The interim financial statements were authorized for issue by the Board of Directors on 27 November 2014.

Date : 27 November 2014.