NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements .

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Group since the year ended 31 December 2010.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new FRSs, Amendments to FRSs and Interpretations by the Group for annual periods beginning on or after 1 July 2010 as disclosed below:

FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3 Business Combinations (Revised)
FRS 127 Consolidated and Separate Financial Statements
Amendments to FRS 2 Share-based Payment
Amendments to FRS 5 Non-current Assets Held for Sale and
Discontinued Operations
Amendments to FRS 138 Intangible Assets
Amendments to IC Interpretation 9 Reassessment of
Embedded Derivatives
IC Interpretation 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
Amendments to FRS 132 Classification of Rights Issues
Amendment to FRS 1 Limited Exemption from Comparative
FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 Additional Exemptions for First-time Adopters

A2. Changes in Accounting Policies (continue)

Amendments to FRS 1 First-time Adoption of Financing Reporting
Standards [Improvements to FRSs (2010)]
Amendments to FRS 2 Group Cash-settled Share-based
Payment Transactions
Amendments to FRS 3 Business Combinations
[Improvements to FRSs (2010)]
Amendments to FRS 7 Improving Disclosures about
Financial Instruments
Amendments to FRS 7 Financial Instruments - Disclosures
[Improvements to FRSs (2010)]
Amendments to FRS 101 Presentation of Financial Statements
[Improvements to FRSs (2010)]
Amendments to FRS 121 The Effects of Changes in Foreign
Exchange Rates [Improvements to FRSs (2010)]
Amendments to FRS 128 Investments in Associates
[Improvements to FRSs (2010)]
Amendments to FRS 131 Interests in Joint Ventures
[Improvements to FRSs (2010)]
Amendments to FRS 132 Financial Instruments Presentation
[Improvements to FRSs (2010)]
Amendments to FRS 134 Interim Financial Reporting
[Improvements to FRSs (2010)]
Amendments to FRS 139 Financial Instruments: Recognition and
Measurement [Improvements to FRSs (2010)]
Amendments to IC Interpretation 13 Customer Loyalty Programme
[Improvements to FRSs (2010)]
IC Interpretation 4 Determining whether an Arrangement
contains a Lease
IC Interpretation 18 Transfers of Assets from Customers

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2010 was not qualified.

A4. Segment Information

Period ended 30 June 2011

Business Segments	Construction and Property RM'000	Hostel Management RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue from External customer	17,851	2,927	49,969	-	70,747
Inter-segment revenue	83	-	-	(83)	-
Total revenue	17,934	2,927	49,969	(83)	70,747
Operating (loss)/profit	(908)	(1,870)	2,445	-	(333)
Financing expenses					(1,159)
Financing income					31
Loss before tax					(1,461)
Taxation					(130)
Loss after tax					(1,591)

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 June 2011.

A6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter's results.

A7. Comments about Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical factors for the financial period under review.

A8. Dividends Paid

No dividend has been paid out during the quarter under review.

A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment of the Group have been brought forward without amendment from the financial statements for the year ended 31 December 2010.

A10. Debt and Equity Securities

There were no issuances, cancellations, repurchase, resale and repayments of debt and equity securities during the current quarter under review.

A11. Changes in Composition of the Group

a) On 31 January 2011, a wholly owned subsidiary of the Company, Jetson Construction Sdn Bhd ("JCSB"), had incorporated a 70% owned subsidiary known as Jetson Lucksoon Sdn Bhd ("JLSB"). The remaining 30% of the issued and paid-up share capital of JLSB is held by Lucksoon Metal Works Sdn Bhd ("LMWSB").

b) On 24 May 2011, a wholly owned subsidiary of the Company, Jetson Construction Sdn Bhd ("JCSB"), had incorporated a wholly owned subsidiary known as Jetson (UK) Limited ("Jetson UK") in England and Wales.

Other than the above, there were no other changes in the composition of the Group during the period under review.

A12. Capital Commitments

The amount of commitments for the property, plant and equipment not provided for in the interim financial statements as at 30 June 2011 is as follows:

	RM’000
Approved and contracted for	1,119

A13. Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Company refer to bank guarantees and corporate guarantees extended in support of banking and credit facilities utilised by its subsidiaries. Contingent liabilities increased from RM41.84 million as at 31 December 2010 to RM58.54 million as at 30 June 2011.

A14. Subsequent Events

There were no material events subsequent to the end of the quarter under review.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

The Group posted lower revenue of RM40.66 million in the current quarter compared to RM52.16 million in the previous corresponding quarter, representing a decrease of 22%. The decrease in revenue was mainly due to lower revenue contributions from construction and property division while there is a marginal drop in revenue contribution from the manufacturing division.

Despite the lower revenue, the group achieved a higher gross profit as compared to the previous corresponding period. This is mainly driven by the recognition of price variation of the contract sum for the Ijok project. However, increase in the operating expenses as a result from the adaptation of a new Financial Reporting Standard (FRS) (IC12 – Service Concession Agreement) has resulted to a loss before tax of RM0.487 million for the quarter under review compared to loss before tax of RM0.253 million in the previous corresponding quarter.

B2. Comment on Material Change in Results against the Preceding Quarter

The Group’s revenue increased from RM30.09 million in Quarter 1, 2011 to RM40.66 million in the current quarter. The increase was mainly due to higher revenue recognized from Ijok Alam Perdana project by construction and property division.

Accordingly, the Group recorded a lower loss of RM0.487 million for the current quarter as compared to loss before tax of RM0.970 million in the preceding quarter. The lower loss incurred for the current quarter is due to the higher gross profit achieved as compared to the preceding quarter. The higher gross profit is due to the recognition of price variation of the contract sum for the Ijok project as mentioned above.

B3. Commentary on Prospect

The global economy is projected to remain frail with recovery uneven and growth remains highly dependent on the government support as well as domestic consumption. Accordingly, the Directors foresee that the operating environment of the Group remain challenging and competitive. As a result, the Group will continue to exercise prudent management and focus on its affirmative measures to minimize its impact.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Income Tax Expense

	Current Quarter		Cumulative Quarter	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
	RM'000	RM'000	RM'000	RM'000
Continuing Operations:-				
Current tax:				
Current period's provision	48	494	130	611

B6. Sale of Unquoted Investments and Properties

There is no sale of unquoted investments and / or properties during the quarter under review.

B7. Quoted Securities

There was no sale of quoted securities during the quarter under review.

B8. Status of Corporate Proposal

There are no corporate proposals announced but not completed as at 16 August 2011 (being the latest practicable date which is not earlier than 7 days from the date of this announcement).

B9. Borrowings

The Group's borrowings at the end of the quarter under review:

a) are secured by way of negative pledge, legal charge and / or corporate guarantees executed by the Company

b) are segregated into short and long term as follows :

	RM'000
Short Term	32,361
Long Term	18,342

c) are denominated in RM.

B10. Off Balance Sheet Financial Instruments

There is no financial instrument with off balance sheet risk at the date of this report.

B11. Status of Material Litigation

The Group is not in any material litigation for the period under review.

B12. Retained Profits

The breakdown of the retained earnings of the Group and of the Company as at 30 June 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Main Market Listing Requirements, as issued by the Malaysian Institute of Accountants.

Total Retained Earnings of the Group	As at 30.6.11 (RM'000)	As at 31.12.10 (RM'000)
Realised	23,760	25,275
Unrealised	4,089	4,146
	27,849	29,421
Less: Consolidation adjustments	(1,653)	(2,986)
Total	26,196	26,435

B13. Dividend Payable

The Board of Directors has not proposed any dividend for the current period to date.

B14. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing (loss)/profit for the period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares in issue during the financial period.

	Current Quarter		Cumulative Quarter	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
	RM '000	RM '000	RM '000	RM '000
Profit/(Loss) attributable to ordinary equity holders of the company	850	(698)	(239)	283
Weighted average number of ordinary shares in issue	60,957	60,587	60,868	60,497
Effects of conversion of ICULS 2002/2012	3,529	4,029	3,529	4,029
Adjusted weighted average number of ordinary shares in issue and issuable	64,486	64,616	64,397	64,526
Basic earnings/(loss) per share (sen)	1.32	(1.08)	(0.37)	0.44

B14. Earnings Per Share (continued)

(b) Diluted

For the purpose of calculating diluted earnings per share, the (loss)/profit for the period attributable to ordinary equity holders of the company and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. detachable warrants (“Warrants”).

	Current Quarter		Cumulative Quarter	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
	RM ‘000	RM ‘000	RM ‘000	RM ‘000
Profit/(Loss) attributable to ordinary equity holders of the company	850	(698)	(239)	283
Weighted average number of ordinary shares in issue	60,957	60,587	60,868	60,497
Increase in shares on conversion of ICULS 2002/2012	3,529	4,029	3,529	4,029
Effect of dilution - Warrants	1,700	5,001	1,700	5,001
Adjusted weighted average number of ordinary shares in issue and issuable	66,186	69,617	66,097	69,527
Diluted earnings/(loss) per share for (sen)	1.28	(1.00)	(0.36)	0.41