

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention.

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 31 December 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	30,122	5,854	102,588	-	138,564
Inter-segment revenue	160	-	-	(160)	-
Total revenue	30,282	5,854	102,588	(160)	138,564
Operating (loss)/profit	(4,265)	(3,973)	3,670	-	(4,568)
Financing expenses					(2,419)
Financing income					71
Loss before tax					(6,916)
Taxation					(2,672)
Loss after tax					(9,588)

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 quarter under review.

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 quarter under review.

A8. Dividends Paid

On 26 July 2011, the Company paid a first and final dividend of 2% less 25% tax per share, amounting to RM914,350.00 in respect of the financial year ended 31 December 2010.

A9. Carrying Amount of Revalued Assets

Not applicable as the subsidiary in which the revalued assets were held have disposed the assets.

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., 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.
- b) On 24 May 2011, a wholly-owned subsidiary of the Company, Jetson Construction Sdn. Bhd., had incorporated a wholly-owned subsidiary known as Jetson (UK) Limited in England and Wales.
- c) On 12 July 2011, the Company had subscribed 1 ordinary share of RM1.00 representing 50% of the issued and paid-up capital for the incorporation of Jebco Manufacturing Sdn. Bhd. ("Jebco Manufacturing"). Subsequently on 29 July 2011, the Company acquired the remaining 1 ordinary share of RM1.00 of Jebco Manufacturing for a total consideration of RM1.00 and consequent thereto, Jebco Manufacturing becomes a wholly-owned of the Company.

Other than the above, there were no other changes in the composition of the Group during the year 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 31 December 2011 is as follows:

	RM'000
Approved and contracted for	639

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 RM75.46 million as at 31 December 2011.

A14. Subsequent Event

- a. On 8 November 2011, Jetson Development (Asia) Sdn. Bhd., a wholly-owned sub-subsidiary of the Company had entered into a Share Sale Agreement with Datuk Teh Kian An and Dr. Tong Soon Guan to acquire the entire proposed issued and paid-up share capital of Asian Corporation Limited and its subsidiary companies which, subsequent to the Proposed Capitalisation (as defined in Section 2.1(a) of the announcement of the Company announced on 8 November 2011), will comprise 23,584,250 ordinary shares of HKD1 each for a total cash consideration of RM11,000,000 (“Proposed Acquisition of ACL”).

The relevant conditions precedent set out in the Share Sale Agreement dated 8 November 2011 pursuant to the Proposed Acquisition of ACL have been met and/or waived, where relevant. Accordingly, the Proposed Acquisition of ACL is completed on 9 February 2012.

- b. Jetson (Singapore) Pte Ltd (Company No. 200815248N) (“Jetson Singapore”), a dormant wholly-owned subsidiary of the Company incorporated in Singapore with a paid-up share capital of SGD1.00 had been struck off on 10 February 2012.

Except for the above, there were no other 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 RM37.50 million in the current quarter compared to RM44.30 million in the previous corresponding quarter, representing a decrease of 15%. The decrease in revenue was mainly due to lower revenue posted by construction and property division as the Ijok project is nearing completion.

Loss before tax of the group for the current quarter under review is RM2.30 million as compared to a profit before tax of RM1.75 million in the previous corresponding quarter. The loss is mainly caused by additional amortization cost incurred by hostel management division due to the adoption of a new Financial Reporting Standard (FRS) (IC12 – Service Concession Agreement. Lower revenue achieved as explained above has also contributed to the Group's loss for the quarter.

The construction and property division recorded lower revenue by approximately 50% compared to the preceding year corresponding quarter. Revenue from Ijok Alam Perdana dropped from RM15.0 million in the preceding year corresponding quarter to RM6.49 million as the project is at its tail end. Accordingly, the division suffered loss of RM1.14 million as compared to profit before tax of RM1.46 million in the preceding year corresponding quarter.

The manufacturing division however, recorded higher revenue for the quarter amounting to RM26.63 million compared to RM24.90 million in the preceding year corresponding quarter representing an increase of 7%. This is mainly due to increase in revenue from sales of automotive parts which saw an increase of 12.2% during the quarter as compared to preceding year corresponding quarter. Revenue from sales of adhesive however declined by 11% during the quarter as compared to preceding year corresponding quarter. Despite the increase in revenue, the division's profit before tax reduced from RM1.64 million in the preceding year corresponding quarter to RM0.51 million in the current quarter mainly due to higher cost of sales resulted by the price escalation in the material cost.

Hostel management division suffered a loss of RM0.71 million during the quarter compared to a profit before tax of RM1.05 million in the preceding year corresponding quarter due to the implementation of IC 12 as mentioned above.

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

The Group's revenue increased from RM30.32 million in Quarter 3, 2011 to RM37.50 million in the current quarter. The increase in revenue was mainly due to higher revenue from construction division derived from Ijok Alam Perdana project. Higher revenue for the quarter was also contributed by hostel management division as in the preceding quarter, there was delay in the commencement of new semester from July to September by the government effective year 2011.

Accordingly, the Group recorded a lower loss of RM2.30 million for the current quarter as compared to loss before tax of RM3.15 million in the preceding quarter.

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. Profit for the period

	Current Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):-				
Interest income	21	26	71	107
Interest expense	(586)	(492)	(2,419)	(2,273)
Depreciation & amortization	(2,887)	(1,415)	(11,730)	(5,573)
Allowance of impairment losses				
- Trade receivables	(177)	-	(191)	(1,328)
- Other receivables	-	-	-	(794)
Gain/(loss) on disposal of:				
- Property, plant and equipment	(303)	6	60	(30)
Property, plant & equipment written off	(8)	(4)	(10)	(7)
Foreign exchange gain/(loss)	74	235	384	343

Save as disclosed above, the other items as required under Appendix 9B, part A(16) of the Bursa Listing Requirements are not applicable.

B6. Income Tax Expense

	Current Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Continuing Operations:-				
Current tax:				
Current period's provision	(525)	(3)	(619)	(747)
(Under)/over provision in previous year	(203)	2,462	(204)	2,260
Deferred tax	(1,849)	873	(1,849)	(679)
Tax expense for the period	(2,577)	3,332	(2,672)	834

B7. Sale of Unquoted Investments and Properties

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

B8. Quoted Securities

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

B9. Status of Corporate Proposal

There are no corporate proposals announced but not completed as at 17 February 2012 (being the latest practicable date which is not earlier than 7 days from the date of this announcement).

B10. 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, and
- b) are segregated into short and long term as follows :

	RM'000
Short Term	31,447
Long Term	35,026

- c) are denominated in RM.

B11. Off Balance Sheet Financial Instruments

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

B12. Status of Material Litigation

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

B13. Retained Profits

The breakdown of the retained earnings of the Group and of the Company as at 31 December 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 31.12.11 (RM'000)	As at 31.12.10 (RM'000)
Realised	29,143	25,276
Unrealised	2,262	4,146
	31,405	29,422
Less: Consolidation adjustments	(2,009)	(2,986)
Total	29,396	26,436

B14. Dividend Payable

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

B15. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing (loss)/profit for the year 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	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM '000	RM '000	RM '000	RM '000
(Loss)/profit attributable to ordinary equity holders of the company	(2,923)	4,653	(5,280)	4,661
Weighted average number of ordinary shares in issue	60,957	60,587	60,868	60,498
Effects of conversion of ICULS 2002/2012	3,529	3,885	3,529	3,885
Adjusted weighted average number of ordinary shares in issue and issuable	64,486	64,472	64,397	64,383
Basic (loss)/earnings per share (sen)	(4.53)	7.22	(8.20)	7.24

B15. Earnings Per Share (continued)

(b) Diluted

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

	Current Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM ‘000	RM ‘000	RM ‘000	RM ‘000
(Loss)/profit attributable to ordinary equity holders of the company	(2,923)	4,653	(5,280)	4,661
Weighted average number of ordinary shares in issue	60,956	60,587	60,868	60,498
Increase in shares on conversion of ICULS 2002/2012	3,529	3,885	3,529	3,885
Effect of dilution - Warrants	2,544	-	2,544	-
Adjusted weighted average number of ordinary shares in issue and issuable	67,029	64,472	66,941	64,383
Diluted (loss)/earnings per share (sen)	(4.36)	7.22	(7.89)	7.24