A1. Basis of Preparation

The condensed interim financial statements have been prepared on the historical cost basis, unless otherwise stated.

The condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011. 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 2011.

First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS")

The Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS") for periods up to and including the financial year ended 31 December 2011. The Group has adopted MFRS framework issued by MASB with effect from 1 January 2012. The MFRS framework was introduced by MASB in order to fully converge Malaysia's existing Financial Reporting Standards framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standard Board.

These condensed interim financial statements are the Group's first MFRS condensed interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. The Group has applied MFRS 1: First-Time adoption Malaysia Financial Reporting Standards with effect from 1 January 2012. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

A2. Adoption of Revised Financial Reporting Standards

The following MFRSs, Amendment to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRSs, Amendments to MFRSs and IC Interpretation		**Effective for annual periods beginning or after**
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangement	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employees Benefits (2011)	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investment in Associate and Joint Ventures (2011)	1 January 2013
Amendment to MFRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of Surface Mind	1 January 2013
Amendment to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments (2009)	1 January 2015
MFRS 9	Financial Instruments (2010)	1 January 2015

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

A4. Segment Information

Year ended 31 December 2012

Business Segments	Construction and Property RM'000	Hostel Management RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	27,708	6,496	101,788	-	135,992
Inter-segment revenue	89	-	-	(89)	-
Total revenue	27,797	6,496	101,788	(89)	135,992
Operating (loss)/profit	(4,363)	1,067	5,877	-	2,581
Financing expenses					(2,891)
Financing income					48
Loss before taxation					(262)
Taxation					346
Profit after taxation					84

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

No interim or final dividend was paid in the current quarter under review.

A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 31 December 2011.

A10. Debt and Equity Securities

During the 12 months ended 31 December 2012, the issued and paid-up capital of the Company has been increased from RM60,956,620 to RM81,803,506 by way of:-

a) the issuance of 3,703,691 ordinary shares of RM1.00 each pursuant to the conversion of RM3,952,096 of 5% 10 years nominal value Irredeemable Convertible Unsecured Loan Stock 2002/2012 at the exercise price of RM1.08 per ordinary share; and

b) the issuance of 12,643,195 ordinary shares of RM1.00 each arising from the conversion of 12,643,195 2002/2012 warrants at the exercise price of RM1.08 per ordinary share.

c) the issuance of 4,500,000 ordinary shares of RM1.00 each at an issue price of RM1.04 each under private placement.

A11. Changes in Composition of the Group

a) On 8 November 2011, Jetson Development (Asia) Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a Share Sale Agreement (“SSA”) to acquire entire proposed issued and paid-up share capital of Asian Corporation Limited (“ACL”) and its subsidiaries for a total cash consideration of RM11,000,000.

   The SSA was entered into with a director of the Company who also has substantial financial interest in ACL. The conditions precedent set out in the SSA have been met and/or waived, where relevant and accordingly, the acquisition of ACL was completed on 9 February 2012.

b) Jetson (Singapore) Pte Ltd, 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.

c) On 28 June 2011, Kumpulan Jebco (M) Sdn. Bhd. (“Jebco”), a wholly-owned subsidiary of the Company, had entered into a Share Sale Agreement to acquire 168,000 ordinary shares of RM1.00 each from a director of Jebco Engineering Sdn. Bhd. (“JESB”). The acquisition was completed on 14 February 2012. Subsequent to the acquisition, JESB became a 99.99% owned subsidiary of Jebco.

d) On 24 May 2012, Jetson Construction Sdn. Bhd. (“JCSB”), a wholly-owned subsidiary of the Company had incorporated a wholly-owned subsidiary in the Kingdom of Cambodia known as Jetson (Cambodia) Ltd with an issued and paid-up capital of 20,000,000 Riels (equivalent to approximately RM15,500) divided into 1,000 shares of 20,000 Riels each.

A11. Changes in Composition of the Group (Cont'd)

e) On 18 July 2012, the issued and paid-up capital of Jetson Lucksoon Sdn. Bhd. ("JLSB"), a 70% owned subsidiary of JCSB has been increased from RM100,000 to RM750,000 by way of allotment of 650,000 ordinary shares of RM1.00 each, JCSB subscribed 530,000 ordinary shares from this allotment. Subsequent to the allotment, JLSB become 80% owned subsidiary to JCSB.

f) On 30 October 2012, the issued and paid-up capital of Jetson (UK) Limited ("Jetson UK"), a 100% owned subsidiary of JCSB has been increased from GBP1 to GBP1,674 by way of allotment of 1,673 ordinary shares of GBP1.00 each, JCSB subscribed 1,019 ordinary shares from this allotment. Subsequent to the allotment, Jetson UK become 60.93% owned subsidiary to JCSB.

g) On 20 December 2012, the Company subscribed additional 9,475,000 new fully paid-up ordinary shares at par value of RM1.00 each in PJS Development Sdn. Bhd. ("PJSD"), a 51% owned subsidiary of the Company by way of capitalisation of amount owing by PJSD to the Company amounting to RM9,475,000. Subsequent to the subscription, PJSD became a 80.17% owned subsidiary of the Company.

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

A12. Capital Commitments

	31.12.2012 RM'000	31.12.2011 RM'000
Approved and contracted for:-		
Acquisition of shares in subsidiaries	-	9,900
Investment in associate	2,966	2,966
Investment in subsidiary	4,857	-
Property, plant and equipment	226	639
	8,049	13,505

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 RM75.46 million as at 31 December 2011 to RM83.50 million as at 31 December 2012.

A14. Subsequent Events

On 4 January 2013, the Company announced that Lin Shi Deng ("Lin") a citizen of People's Republic of China and a former General Manager of Jetson (Yangzhou) Development Co, Ltd ("Jetson Yangzhou"), a wholly-owned subsidiary of the Company, has filed a statement of claim dated 21 December 2012 against Jetson Yangzhou with the People's Court of Hanjiang District of Yangzhou, claiming the following based on a promissory note dated 2 November 2012 purportedly given by Jetson Yangzhou to Lin ("Promissory Note"):-

a) that Jetson Yangzhou shall repay borrowings amounting to RMB2,312,780 (equivalent to approximately RM1,136,269 based on exchange rate of RMB1.00 : RM0.4913);

b) that Jetson Yangzhou shall pay 20% interest per annum on RMB1,000,000 (equivalent to approximately RM491,300 based on exchange rate of RMB1.00 : RM0.4913)(which is part of the borrowings referred to in paragraph (a) above) with effect from 20 November 2010 up to the date of repayment; and

c) that Jetson Yangzhou shall bear all costs and expenses of the proceedings.

Lin has also claimed that the Promissory Note arose from a request by Jetson Yangzhou that Lin advanced monies to Jetson Yangzhou.

Jetson Yangzhou does not have any record of the Promissory Note being given and denies that Jetson Yangzhou has borrowed any monies from Lin.

Jetson Yangzhou has appointed solicitors in the People's Republic of China ("PRC Solicitors") to defend the matter and to advise on the next course of action. The PRC Solicitors have advised that Lin does not have any valid claim against Jetson Yangzhou and that the Promissory Note had not been properly executed and may instead be fabricated. The PRC Solicitors are also of the view that Lin's claims are baseless and in all likelihood the relevant court will reject the claim.

Except for the above, there were no other material events subsequent to the end of the financial period 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 recorded revenue of RM41.74 million in Q4 2012, an increase of RM4.22 million or 11.2% compared to Q4 2011 of RM37.52 million. Despite higher revenue recognised, the Group reported a higher pre-tax loss of RM2.78 million in Q4 2012 as compared to RM2.03 million in Q4 2011 due to higher loss from construction and property division.

The performance of the respective division for the current quarter is as follows:-

a) Construction and Property Division

Revenue increased from RM8.87 million in Q4 2011 which is mainly derived from Ijok Alam Perdana project to RM13.44 million in current quarter due to the progress of work from MBSA and Menara Bangkok Bank projects. The Ijok Alam Perdana project was nearing its tail end as at the preceding corresponding quarter. Despite the higher revenue recognised, the loss before tax was RM3.37 million, an increase of RM1.17 million as compared to Q4 2011. This is mainly due to the operational costs incurred on the newly solicited projects in London and Cambodia, which are at the preliminary stage and additional provision of tax of approximately RM2.0 million on the gain on disposal of factories by Jetson Yangzhou.

b) Hostel Management Division

The revenue reported in Q4 2012 was RM1.97 million, which was not materially fluctuated as compared to RM2.01 million reported in Q4 2011.

The pre-tax loss recorded for Q4 2012 was RM0.57 million as compared to pre-tax loss of RM0.71 million in Q4 2011. This is mainly due to lower amortisation cost on the concession asset during the current quarter. In 2011, the division adopted the new IC Interpretation 12 - Service Concession Arrangements which resulted to additional amortisation of RM1.41 million being provided in Q4 2011.

c) Manufacturing Division

Revenue recorded in this quarter was RM26.33 million as compared to RM26.64 million in Q4 2011. This is mainly due to lower demand of automotive parts from local and oversea customers. Despite the lower revenue achieved for Q4 2012, profit before taxation increased by approximately RM0.65 million from RM0.51 million in Q4 2011 to RM1.16 million in Q4 2012. This is mainly due to lower rubber price in Q4 2012 as compared to Q4 2011.

B1. Performance Review (Cont'd)

For the twelve months period ended 31 December 2012, the Group's revenue was RM135.99 million, a drop of RM2.59 million or 1.9% as compared to last year. The Group reported pre-tax loss of RM0.26 million for the twelve months period ended 31 December 2012 as compared to pre-tax loss of RM6.64 million for the year ended 31 December 2011.

The performance of the respective division for the twelve months period ended 31 December 2012 is analysed as follows:-

a) Construction and Property Division

Revenue for the twelve months period ended 31 December 2012 reported was RM27.71 million, a decrease of approximately 8% or RM2.42 million as compared to the year ended 31 December 2011, which was recorded at RM30.13 million. This is mainly due to the completion of the Ijok Alam Perdana project which contributed revenue of RM23.93 million in the previous year as compared to RM3.12 million in the current year. Decrease in revenue coupled with operational costs on the new projects in London and Cambodia which are at the preliminary stages has affected the performance of the Division. Pre-tax loss for the year increased by 15% from RM5.2 million in previous year to RM5.96 million.

b) Hostel Management Division

Hostel Management Division reported revenue of RM6.50 million for the twelve months period ended 31 December 2012 as compared to RM5.85 million for the corresponding period ended 31 December 2011. This is mainly due to higher occupancy rate in the period under review.

The pre-tax profit recorded for the current year was RM0.62 million as compared to pre-tax loss of RM4.29 million a year ago, which was mainly due to lower amortisation cost on the concession asset. In 2011, the division adopted the new IC Interpretation 12 - Service Concession Arrangements which resulted in additional amortisation of RM5.62 million being provided.

B1. Performance Review (Cont'd)

c) Manufacturing Division

Revenue recorded in the twelve months period ended 31 December 2012 was RM101.79 million as compared to RM102.60 million in corresponding period ended 31 December 2011. This is mainly due to lower demand of automotive parts from local and oversea customers.

Despite the lower revenue recognised, profit before taxation increased by approximately RM2.15 million from RM2.93 million in corresponding period ended 31 December 2011 to RM5.08 in the twelve months period ended 31 December 2012 attributed mainly to improvement in profit margin for the automotive parts business. This improvement is driven by lower rubber price and savings in operating cost.

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

The Group's revenue increased from RM32.56 million in Q3 2012 to RM41.74 million in the current quarter. This increase in revenue was mainly attributed to the higher revenue contributed by construction division, which is mainly from MBSA and Menara Bangkok Bank projects.

Despite the higher revenue in Q4 2012, the Group recorded loss before taxation of RM2.78 million compared to loss before taxation of RM0.11 million in the preceding quarter which was resulted by operational cost incurred on the new projects and the additional provision of tax on the gain on disposal of factories.

B3. Commentary on Prospect

The global economic outlook remains weak due to debt debacle in the Euro zone. Moving forward, the Group views the path as "rocky". To mitigate the impact, the property and construction division is expected to expand further with the maiden projects in Penang and Yangzhou besides continuing to seek opportunities to form alliance/partnership/ joint venture with other parties to participate in mega projects, whether private or with the Government.

Meanwhile, the manufacturing division will proceed with its plan of setting up its manufacturing facilities in China. The Division will also be continuously on the lookout to diversify its product range as well as to expand the market boundaries.

As part of the precautionary measures, the Group will continue to adopt a more cautious approach; focusing unequivocally on containing costs and place emphasis on the efficient execution and implementation of projects whilst at the same time, continue to explore growth opportunities in the overseas market as a means of diversifying its risk profile arising from focusing on local markets.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Loss before taxation

	3 months ended		12 months ended	
	31.12.2012 RM'000	**31.12.2011 RM'000**	**31.12.2012 RM'000**	**31.12.2011 RM'000**
Loss before taxation is arrived after charging/(crediting):-				
Amortisation of concession assets	467	1,220	1,868	7,010
Bad debts written off	38	-	38	165
Depreciation of property, plant and equipment	788	1,012	3,449	4,281
Interest expense	720	702	2,891	2,418
Property, plant and equipment written off	1	10	1	10
(Reversal of impairment)/Impairment loss on trade receivables	(113)	181	(113)	181
Inventories written down	-	175	-	125
Loss/(Gain) on disposal of property, plant and equipment	1,957	(178)	(2,213)	(60)
Interest income	(14)	(134)	(48)	(90)
Net fair value gain on derivative financial assets	-	(105)	-	(105)
Net gain on foreign exchange - realised	(30)	(187)	(33)	(236)
Net gain on foreign exchange - unrealised	(126)	(121)	(132)	(148)

B6. Taxation

	3 months ended		12 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Current tax:-				
Current period's provision	111	571	394	666
(Over)/Underprovision in prior year	(302)	156	(269)	156
	(191)	727	125	822
Deferred tax:-				
Current period's provision	(611)	(1,131)	(540)	(1,131)
Underprovision in prior year	69	3,367	69	3,367
	(542)	2,236	(471)	2,236
Tax expenses	(733)	2,963	(346)	3,058

B7. Status of Corporate Proposal

KAF Investment Bank Berhad ("KAF") had on 18 October 2012 announced on behalf of the Board of Directors that the Company proposes to undertake a private placement of up to 8,187,658 new ordinary shares of RM1.00 each in the Company ("Placement Shares"), representing up to 10% of the issued and paid-up share capital of the Company ("Proposed Private Placement").

KAF had on 6 November 2012 announced on behalf of the Board of Directors that Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 5 November 2012, approved the Proposed Private Placement.

On 9 November 2012, KAF announced on behalf of the Board of Directors that the Ministry of International Trade and Industry had vide its letter dated 9 November 2012, approved the Proposed Private Placement.

KAF had on 19 November 2012 announced on behalf of the Board of Directors that the Company had fixed the issue price for the first tranche of the Proposed Private Placement comprising 4,500,000 Placement Shares at RM1.04 per Placement Share.

The 4,500,000 Placement Shares issued pursuant to the private placement have been listed on the Main Market of Bursa Securities on 29 November 2012.

The proceeds from the private placement is intended for working capital.

B8. Borrowings

	31.12.2012 RM'000	31.12.2011 RM'000
Current:		
Bank overdrafts	12,475	9,247
Revolving credits	2,343	2,000
Trust receipts and bankers' acceptance	10,561	10,232
Term loans	8,202	9,227
Finance lease payables	960	739
	34,541	31,445
Non-current		
Term loans	28,132	32,767
Finance lease payables	2,058	2,261
	30,190	35,028

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

a) deposits with licensed banks of the subsidiaries;

b) corporate guarantee executed by the Company;

c) negative pledges over all assets of subsidiaries; and

d) legal charge over the concession rights and freehold land of the Group (including property development cost).

B9. Off Balance Sheet Financial Instruments

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

B10. Status of Material Litigation

On 4 January 2013, the Company announced that Lin Shi Deng ("Lin") a citizen of People's Republic of China and a former General Manager of Jetson (Yangzhou) Development Co, Ltd ("Jetson Yangzhou"), a wholly-owned subsidiary of the Company, has filed a statement of claim dated 21 December 2012 against Jetson Yangzhou with the People's Court of Hanjiang District of Yangzhou, claiming the following based on a promissory note dated 2 November 2012 purportedly given by Jetson Yangzhou to Lin ("Promissory Note"):-

a) that Jetson Yangzhou shall repay borrowings amounting to RMB2,312,780 (equivalent to approximately RM1,136,269 based on exchange rate of RMB1.00 : RM0.4913);

b) that Jetson Yangzhou shall pay 20% interest per annum on RMB1,000,000 (equivalent to approximately RM491,300 based on exchange rate of RMB1.00 : RM0.4913)(which is part of the borrowings referred to in paragraph (a) above) with effect from 20 November 2010 up to the date of repayment; and

c) that Jetson Yangzhou shall bear all costs and expenses of the proceedings.

Lin has also claimed that the Promissory Note arose from a request by Jetson Yangzhou that Lin advanced monies to Jetson Yangzhou.

Jetson Yangzhou does not have any record of the Promissory Note being given and denies that Jetson Yangzhou has borrowed any monies from Lin.

Jetson Yangzhou has appointed solicitors in the People's Republic of China ("PRC Solicitors") to defend the matter and to advise on the next course of action. The PRC Solicitors have advised that Lin does not have any valid claim against Jetson Yangzhou and that the Promissory Note had not been properly executed and may instead be fabricated. The PRC Solicitors are also of the view that Lin's claims are baseless and in all likelihood the relevant court will reject the claim.

B11. Retained Profits

The breakdown of the retained earnings of the Group as at 31 December 2012 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.

	31.12.2012 RM'000	**31.12.2011 RM'000**
Total retained earnings of the Group		
- realised	25,546	28,908
- unrealised	2,929	2,537
	28,475	31,445
Total share of retained earnings from associated		
- realised	-	(89)
Less: Consolidation adjustments	(12,181)	(11,646)
Total retained earnings	16,294	19,710

B12. Dividend Payable

No dividend has been recommended by the Board of Directors during the twelve months ended 31 December 2012.

B13. (Loss)/Profit Per Share

(a) Basic

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

	3 months ended		**12 months ended**	
	31.12.2012 RM'000	**31.12.2011 RM'000**	**31.12.2012 RM'000**	**31.12.2011 RM'000**
(Loss)/Profit attributable to the owners of the Company	(1,660)	(2,999)	272	(5,356)
Weighted average number of ordinary shares in issue	73,231	60,957	65,702	60,869
Effect of conversion of 5% ICULS 2002/2012	-	3,659	-	3,659
Adjusted weighted average number of ordinary shares in issue and issuable	73,231	64,616	65,702	64,528
(Loss)/Profit per share (sen)	(2.27)	(4.64)	0.41	(8.30)

B13. (Loss)/Profit Per Share (Cont'd)

(b) Diluted

For the purpose of calculating diluted (loss)/profit per share, the (loss)/profit for the financial 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").

	3 months ended		12 months ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Net loss attributable to the owners of the Company	*	(2,999)	*	(5,356)
Weighted average number of ordinary shares in issue	*	60,957	*	60,869
Effect of conversion of 5% ICULS 2002/2012	*	3,659	*	3,659
	*	64,616	*	64,528
Effect of dilution - Warrants 2002/2012	*	2,544	*	2,544
Adjusted weighted average number of ordinary shares in issue and issuable	*	67,160	*	67,072
Loss per share (sen)	*	(4.47)	*	(7.99)

* Both Warrants 2002/2012 and ICULS 2002/2012 have matured and hence there is no dilution in the earnings per shares of the Company as at 31 December 2012.