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 FRS134: 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 2012. 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 2012.

On 19 November 2011, the MASB issued a new MASB approved accounting standards, the Malaysian Financial Reporting Standards ("MFRSs framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs framework is mandatory for adoption by all Entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141: Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework to financial periods beginning on or after 1 January 2014. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1 January 2015.The Group and the Company will prepare their first MFRSs financial statements using MFRSs framework for the financial year ending 31 December 2015.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2012 was not qualified.

A3. 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.

A4. Segment Information

Financial year ended 31 December 2013

Business Segments	Construction and Property RM'000	Hostel Management RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	106,493	6,664	107,934	-	221,091
Inter-segment revenue	19,957	-	10,206	(30,163)	-
Total revenue	126,450	6,664	118,140	(30,163)	221,091
Operating (loss)/profit	(4,773)	1,842	1,848	-	(1,083)
Finance expenses					(3,285)
Finance income					166
Loss before taxation					(4,202)
Taxation					(2,726)
Loss after taxation					(6,928)

A5. Changes in Estimates

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

A6. 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.

A7. Dividends Paid

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

A8. 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 2012.

A9. Debt and Equity Securities

On 12 April 2013, KAF Investment Bank Berhad ("KAF") announced on behalf of the Board of Directors that the Company had fixed the issue price for the second tranche of the Proposed Private Placement comprising 3,680,000 Placement Shares at RM1.32 per Placement Share.

The 3,680,000 Placement Shares issued pursuant to the Proposed Private Placement have been listed on the Main Market of Bursa Securities on 26 April 2013.

Other than the above, there were no other issuance and repayment of debts and equity securities for the financial period to date.

A10. Changes in Composition of the Group

a) On 14 February 2013, the issued and paid-up capital of Jetson (UK) Limited ("Jetson UK"), a 60.93% owned subsiary of Jetson Construction Sdn. Bhd. ("JCSB") has been increased from GBP1,674 to GBP2,000 by way of allotment of 326 ordinary shares of GBP1.00 each. Subsequent to the allotment, Jetson UK became 51% owned subsidiary to JCSB.

b) On 17 September 2013, JCSB, a wholly-owned subsidiary had acquired the remaining 735,000 ordinary share of RM1.00 of Jetson Development Sdn. Bhd. ("JDSB") for a total consideration of RM735,000 and consequent thereto, JDSB became a wholly-owned subsidiary of the Company.

c) On 17 October 2013, the Company acquired 2 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Sapphire Surplus Sdn Bhd ("SSSB"). Consequent thereupon, SSSB became a wholly-owned subsidiary of the Company.

d) On 30 December 2013, JCSB had acquired 326 ordinary shares in Jetson UK. Following the acquisition of the shares, Jetson UK became a 67.30% owned subsidiary of JCSB.

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

A11. Capital Commitments

	31.12.2013 RM'000	31.12.2012 RM'000
Approved and contracted for:-		
Acquisition of shares in subsidiaries	-	4,857
Investment in associate	2,967	2,967
Property, plant and equipment	3,750	560
	6,717	8,384

A12. 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 RM83.50 million as at 31 December 2012 to RM90.87 million as at 31 December 2013.

A13. Subsequent Events

At the Extraordinary General Meeting of Kumpulan Jetson Berhad ("Jetson") held on 10 February 2014, the shareholders of Jetson had approved the following resolutions:-

(a) Share split involving the subdivision of every one (1) existing ordinary shares of RM1.00 each into two (2) ordinary shares of RM0.50 each ("Share Split");

(b) Increase in authorized share capital from RM100,000,000 comprising 100,000,000 existing ordinary shares of RM1.00 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each; and

(c) Bonus issue of free warrants on the basis of one (1) warrant for every five (5) ordinary shares of RM0.50 each held ("Bonus Issue of Warrants").

The Share Split has been completed following the listing of and quotation for 170,967,012 shares of RM0.50 each on the Main Market of Bursa Malaysia Securities Berhad on 5 February 2014.

The Bonus Issue of Warrants has been completed following the listing of and quotation for the 34,193,402 Warrants on the Main Market of Bursa Malaysia Securities Berhad on 12 February 2014.

Other than the above, there were no other subsequent events during 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 RM55.75 million in Q4 2013, an increase of RM14.35 million or 35% as compared to Q4 2012 of RM41.40 million. Due to higher revenue recognised, the Group reported a lower pre-tax loss of RM0.34 million in Q4 2013 as compared to pre-tax loss of RM2.78 million in Q4 2012.

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

a) *Construction and Property Division*

Revenue increased from RM13.50 million in Q3 2012 to RM25.20 million in current quarter due to recognition of progress work from new contracts namely Ritz Corporate Suites Phase 2, Jaya 14, Johor Bahru 79 units, and VSummer Place. Apart from that, additional workdone recognized for Ritz Corporate Suites Phase 1 and Cambodia project has further raised the revenue in Q4. With higher revenue recognized in current quarter, lower pre-tax loss of RM0.90 million was reported as compared to RM3.38 million in Q4 2012. Loss of previous year corresponding quarter was further aggravated by the incorporation of losses from China of RM0.76 million which in current year been classified under manufacturing division.

b) *Hostel Management Division*

The revenue reported in Q4 2013 was RM1.90 million which is unchanged from Q4 2012.

The pre-tax profit reported for Q4 2013 was RM0.48 million, as opposed to pre-tax loss of RM0.57 million recorded in Q4 2012. The turnaround in results is due to lower operating and finance expenses incurred in current quarter.

c) *Manufacturing Division*

Revenue recorded for the current quarter was RM28.60 million compared to RM26 million in Q4 2012. This is mainly due to higher demand of pail products from local customers. However, the pre-tax profit for current quarter was RM0.11 million, a decrease of RM1.05 million as compared to Q4 2012. This lower pre-tax profit recorded in Q4 2013 was due to higher administrative expenses incurred and incorporation of the loss from China operations which in the previous corresponding quarter was classified under construction and property division.

B1. Performance Review (Cont'd)

For the twelve months ended 31 December 2013, the Group's revenue was RM221.09 million, an increase of RM85.43 million or 63% as compared to last year. Despite higher revenue, the Group reported pre-tax loss of RM4.20 million as compared to pre-tax loss of RM0.26 million a year ago. This was generally resulted from lower profit margin on projects undertaken by the construction & property division and incorporation of full year loss from China operation as opposed to 10 months loss recognized in preceding year.

The performance of the respective division for the twelve months period ended 31 December 2013 is analysed as follows:-

a) Construction and Property Division

Revenue for the year was RM106.49 million, an increase of approximately 284% or RM78.79 million as compared to 2012, which was recorded at RM27.70 million. This is mainly due to revenue contributed from the new projects secured by Construction Division and the disposal of 3 pieces of freehold land in Penang by Property Division. Despite the huge increase in revenue, the pre-tax loss is about the same as 2012 which was approximately RM6 million. The performance of the current year was generally affected by the lower margin on the projects undertaken by the division. In addition, the recognition of variation order on the additional work executed in the Ijok Alam Perdana project had further boosted the profit margin of the division in the previous year. The lower profit in current year was further dragged down by the loss from timber project as well as loss recognized on Cambodia project which has been discontinued due to non-payment by customer.

b) Hostel Management Division

Hostel Management Division reported revenue of RM6.66 million for the twelve months period ended 31 December 2013, a slight increase as compared to RM6.50 million for the preceding year. This is mainly due to higher occupancy rate in the period under review.

The pre-tax profit recorded for twelve months period ended 31 December 2013 was RM1 million as compared to RM0.62 million in the corresponding period ended 31 December 2012, which was mainly due to lower operating and finance expenses incurred.

B1. Performance Review (Cont'd)

c) Manufacturing Division

Revenue recorded for the year was RM107.93 million as compared to RM101.45 million in the corresponding period ended 31 December 2012. This favourable movement is mainly driven by an increase in revenue from sale of pails.

On the contrary, loss before taxation had widened by approximately RM3.94 million from RM0.26 million in previous year to RM4.20 million, mainly attributed to the higher administrative expenses incurred and incorporation of full year losses derived from China operations which in the previous year was classified under construction and property division.

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

The Group's revenue decreased from RM83.67 million in Q3 2013 to RM55.75 million in the current quarter. Higher revenue recorded for Q3 is attributable to the disposal of 3 pieces of freehold land in Penang by property division.

The pre-tax loss for Q4 2013 was approximately RM0.34 million as compared to RM0.15 million in Q3. Lower losses recorded in Q3 is due to recognition of profit from sale of land, mitigated by higher operating expenses.

B3. Commentary on Prospect

Path ahead still remains "rocky" due to somewhat weak sentiment in the global economy. However, it is anticipated that local economy would stay resilient with the ongoing infrastructure and mega projects.

We should witness an increase in construction activities as a result of on-going and newly secured projects. At the same time, the division will continue to pursue for more projects in the building and curtain walling segment aggressively.

Meanwhile, the manufacturing division would pick up its momentum with the impending commencement of operation in Yangzhou China as well on its new business of Nu pail product.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Loss before taxation

	Individual quarter		Cumulative quarter	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loss before taxation is arrived after charging/(crediting):-				
Amortisation of concession assets	467	467	1,868	1,868
Amortisation of land use rights	33	-	128	-
Bad debts written off	-	38	-	38
Depreciation of property, plant and equipment	962	788	3,212	3,449
Impairment loss on trade receivables	426	-	1,899	-
Interest expense	858	720	3,285	2,891
Interest income	(54)	(14)	(91)	(48)
Loss/(Gain) on disposal of property, plant and equipment	-	1,957	10	(2,213)
Net gain on foreign exchange - realised	(150)	(30)	(668)	(33)
Net loss/(gain) on foreign exchange - unrealised	19	(126)	(18)	(132)
Property, plant and equipment written off	115	1	115	1
Reversal of impairment loss on trade receivables	-	(113)	-	(113)

B6. Taxation

	Individual quarter		Cumulative quarter	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current tax:-				
Current period's provision	998	111	1,390	394
Under/(over) provision in prior year	43	(302)	57	(269)
	1,041	(191)	1,447	125
Deferred tax:-				
Current period's provision	752	(611)	972	(540)
Underprovision in prior year	306	69	307	69
	1,058	(542)	1,279	(471)
Tax expenses	2,099	(733)	2,726	(346)

B7. Status of Corporate Proposal

KAF Investment Bank Berhad ("KAF") had on 16 January 2014 announced on behalf of the Board of Directors that the Company proposes to undertake a private placement of up to 17,096,701 new ordinary shares of RM0.50 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 28 January 2014 announced on behalf of the Board of Directors that Bursa Malaysia Securities Berhad had vide its letter dated 27 January 2014, approved the Proposed Private Placement.

On 12 February 2014, KAF announced on behalf of the Board of Directors that the Ministry of International Trade and Industry had vide its letter dated 11 February 2014, approved the Proposed Private Placement.

As at to-date, the Proposed Private Placement is pending completion.

B8. Borrowings

	31.12.2013 RM'000	31.12.2012 RM'000
Curent :		
Bank overdrafts	13,334	12,475
Revolving credits	2,000	4,159
Trust receipts and bankers' acceptance	19,130	8,745
Term loans	6,088	8,202
Finance lease payables	1,561	960
	42,113	34,541
Non-curent :		
Term loans	28,157	28,132
Finance lease payables	2,850	2,058
	31,007	30,190

The bank overdrafts, revolving credits, trust receipts and bankers' acceptances of the Group at the end of the quarter under review are secured by:

a) Negative pledge over all the assets of certain subsidiaries;

b) corporate guarantee from the Company;

c) deposits with licensed banks of a subsidiary; and

d) existing assignment of contract payments.

The term loans of the Group are secured by the following:

a) first fixed and floating charge over all assets of a subsidiary;

b) first part legal assignment of the rights, titles, benefits and proceeds of the privatisation agreement of the university hostel project;

c) assignment of the rights, benefits, proceeds from/ under all insurance policies over the hostel building;

d) property, plant and equipment pledged as collateral;

e) corporate guarantee from the Company; and

f) prepaid land lease payments of a subsidiary.

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.

People's Court of Hanjiang District of Yangzhou has rejected Lin's statement of claim against Jetson Yangzhou and ordered Lin to bear the court fees of RMB28,822 and preservation fee of RMB5,000, Lin has filed an appeal against such judgment before the Intermediate People's Court of Jiangsu District of Yangzhou ("the Intermediate People's Court").

B10. Status of Material Litigation (Continued)

Upon hearing of the matter before the panel which was formed pursuant to the law, the Intermediate People's Court has delivered its verdict dated 4 November 2013 (which was received by the Company on 22 November 2013) as follows:

(a) that the appeal is hereby rejected and the judgment given by the People's Court of Hanjiang District of Yangzhou was upheld.

(b) that the court fees of RMB28,822 shall be borne by Lin.

(c) that this decision is final.

B11. Retained Profits

The breakdown of the retained earnings of the Group as at 31 December 2013 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.

	31.12.2013 RM'000	**31.12.2012 RM'000**
Total retained earnings of the Group		
- realised	2,311	25,729
- unrealised	1,531	2,745
	3,842	28,474
Less: Consolidation adjustments	(133)	(12,180)
	3,709	16,294

B12. Dividend Payable

No dividend has been recommended by the Board of Directors during the three months ended 31 December 2013.

B13. (Loss)/Profit Per Share

(a) Basic

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

	3 months ended		12 months ended	
	31.12.2013 RM'000	**31.12.2012 RM'000**	**31.12.2013 RM'000**	**31.12.2012 RM'000**
Net (loss)/profit attributable to the owners of the Company	(2,512)	(1,659)	(7,571)	273
Adjusted weighted average number of ordinary shares in issue and issuable	85,483	73,321	84,324	65,702
Basic (loss)/earnings per share (sen)	(2.94)	(2.27)	(8.98)	0.41