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 2013. 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 2013.

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 2013 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 30 June 2014

Business Segments	Construction and Property RM'000	Hostel Management RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	19,888	3,599	54,203	-	77,690
Inter-segment revenue	44	-	-	(44)	-
Total revenue	19,932	3,599	54,203	(44)	77,690
Operating (loss)/profit	(3,800)	1,232	1,909	-	(659)
Finance expenses					(1,819)
Finance income					57
Loss before taxation					(2,421)
Taxation					(64)
Loss after taxation					(2,485)

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 2013.

A9. Debt and Equity Securities

1) On 5 February 2014, the Company completed the subdivision of every one existing ordinary shares of RM1.00 each into two ordinary shares of RM0.50 each ("Share Split"). Following the completion of Share Split, the number of Company's share capital has increased from 85,483,506 to 170,967,012 shares on the Main Market of Bursa Malaysia Securities Berhad.

2) 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.

   KAF had on 9 May 2014 announced on behalf of the Board of Directors that the Company has fixed the issue price for the first tranche of the Proposed Private Placement comprising 5,000,000 Placement Shares at RM0.58 per Placement Share. The said issue price of RM0.58 per Placement Share represents a discount of approximately 2.64% from the five (5)-day volume weighted average market traded price of Jetson Shares up to and including 8 May 2014 of approximately RM0.5957 per Jetson Share.

   Pursuant to the Proposed Private Placement of 5,000,000 Placement Shares, the new issued and paid-up capital of the Company after the Proposed Private Placement will be 175,967,012 ordinary shares at RM0.50 per share. The new shares were granted listing and quotation on 16 May 2014.

   KAF had on 24 June 2014 announced on behalf of the Board of Directors that the Company has fixed the issue price for the second tranche of the Proposed Private Placement comprising 12,000,000 Placement Shares at RM0.52 per Placement Share. The said issue price of RM0.52 per Placement Share represents a premium of approximately 2.26% from the five (5)-day volume weighted average market traded price of Jetson Shares up to and including 23 June 2014 of approximately RM0.5085 per Jetson Share.

Apart from 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

There were no other changes in the composition of the Group during the financial period under review.

A11. Capital Commitments

	30.6.2014 RM'000	31.12.2013 RM'000
Approved and contracted for:-		
Investment in associate	2,967	2,967
Property, plant and equipment	2,143	2,212
	5,110	5,179
Approved and not contracted for:-		
Property, plant and equipment	34	1,528

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 decreased from RM90.87 million as at 31 December 2013 to RM80.92 million as at 30 June 2014.

A13. Subsequent Events

Kumpulan Jetson Berhad ("Company") announced that Jetson Development (Asia) Sdn Bhd, a wholly-owned sub-subsidiary of the Company, had on 22 July 2014 entered into a Share Sale Agreement with Hong Kong Oriental Rich & Force Investment Co., Limited to dispose 14,572,034 ordinary shares of HK$1.00 each in Asian Corporation Limited ("**ACL**"), representing 60% of the issued and paid-up share capital of ACL for a disposal consideration of HK$8,500,000 (equivalent to RM3,524,950 based on the exchange rate of RM0.4147 to HK$1).

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 RM42.45 million in Q2 2014, a decrease of RM3.14 million or 6.84% as compared to Q2 2013 of RM45.59 million. Despite lower revenue recognised, the Group reported a lower pre-tax loss of RM0.80 million in Q2 2014 as compared to pre-tax loss of RM1.69 million in Q2 2013. Lower pre-tax loss for the quarter is attributable to lower cost of sales by manufacturing division.

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

a) Construction and Property Division

Revenue decreased from RM16.96 million in Q2 2013 to RM11.77 million in current quarter due to progress work for Ritz Corporate Suites Phase 1 has approached the completion. Despite lower revenue recognised, the loss before tax was RM2.20 million, a decrease of approximately RM0.12 million as compared to Q2 2013. The lower loss in the current quarter was due to lower administrative expenses incurred.

b) Hostel Management Division

The revenue reported in Q2 2014 was RM1.78 million as compared to revenue of RM1.85 million in Q2 2013. This is mainly due to lower occupancy rate achieved in current quarter.

The pre-tax profit recorded for Q2 2014 was RM0.41 million, which was slightly lower compared to RM0.50 million reported in Q2 2013.

c) Manufacturing Division

Revenue recorded in this quarter was RM28.89 million as compared to RM26.77 million in Q2 2013. The better performance in this quarter is mainly due to new customers and new products on replacement market – automotive spare parts and Nu pail. As higher revenue is reported, the pre-tax profit for current quarter was RM0.86 million, an increase of RM0.73 million as compared to Q2 2013. This improvement in profit is also due to lower production cost incurred by the division.

B1. Performance Review (Cont'd)

For the six months ended 30 June 2014 ("H1 2014"), the Group's revenue was RM77.69 million, a decrease of RM3.98 million or 4.88% as compared to the six months ended 30 June 2013 ("H1 2013"). The Group reported pre-tax loss of RM2.42 million for the H1 2014 as compared to pre-tax loss of RM3.72 million for H1 2013. Despite lower revenue reported in H1 2014, a decrease in pre-tax loss of RM1.30 million as compared to H1 2013 was recorded mainly due to lower cost of sales incurred by manufacturing division.

The performance of the respective division for H1 2014 is analysed as follows:-

a) Construction and Property Division

Revenue for H1 2014 reported was RM19.90 million, a decrease of approximately 26% or RM7.00 million as compared to H1 2013, which was recorded at RM26.90 million. This is mainly due to lesser revenue contributed from the existing projects namely Ritz Corporate Suites which is close to completion stage. Despite the huge decrease in revenue, construction and property division recorded the pre-tax loss of RM4.38 million for H1 2014 which is about the same as H1 2013 due to lower administrative expenses incurred.

b) Hostel Management Division

Hostel Management Division reported revenue of RM3.60 million for the H1 2014 as compared to RM3.72 million for the corresponding period in the previous year. This is mainly due to lower occupancy rate in the period under review.

The pre-tax profit recorded for H1 2014 was RM0.82 million as compared to pre-tax profit of RM0.87 million in H1 2013, a slight decrease in pre-tax profit which was mainly due to lower occupancy rate for the period.

c) Manufacturing Division

Revenue recorded in H1 2014 was RM54.20 million as compared to RM51.13 million in H1 2013. This is mainly due to an increase in revenue from sale of automotive spare parts and pail contributed by new customers and new products.

Profit before taxation increased by approximately RM1.00 million from RM0.15 million in H1 2013 to RM1.15 million in H1 2014. Higher pre-tax profit for H1 2014 is mainly due to higher revenue achieved in pail and replacement market, coupled with improvement in the profit margin of the division.

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

The Group's revenue increased from RM35.25 million in Q1 2014 to RM42.45 million in the current quarter. This increase in revenue was mainly attributed to the pickup in the progress of projects for the construction division.

As a result of the higher revenue contributed from construction division, the pre-tax loss for Q2 2014 was RM0.80 million, which is lower by RM0.82 million as compared to Q1 2014.

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.

In addition, the group is also aggressively penetrating into property development either through acquisition of land or joint venture with the land owner.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Loss before taxation

	Individual quarter		Cumulative quarter	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived after charging/(crediting):-				
Amortisation of concession assets	467	467	934	934
Amortisation of land use rights	32	33	65	62
Depreciation of property, plant and equipment	809	706	1,577	1,454
Interest expense	933	843	1,819	1,591
Interest income	(22)	(10)	(57)	(23)
Impairment loss on trade receivable	70	-	70	-
Loss/(gain) on disposal of property, plant and equipment	40	(1)	40	1
Net loss/(gain) on foreign exchange - realised	151	(171)	184	(179)
Net loss/(gain) on foreign exchange - unrealised	7	(16)	10	(16)

B6. Taxation

	Individual quarter		Cumulative quarter	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Current tax:-				
Current period's provision	37	58	64	73
Deferred tax:-				
Current period's provision	-	(3)	-	7
Tax expenses	37	55	64	80

B7. Status of Corporate Proposal

There are no corporate proposals announced but not completed as at 21 August 2014 (being the latest practicable date which is not earlier than 7 days from the date of this announcement).

B8. Borrowings

	30.6.2014 RM'000	31.12.2013 RM'000
Current :		
Bank overdrafts	14,638	13,334
Revolving credits	2,000	2,000
Trust receipts and bankers' acceptance	16,280	19,130
Term loans	5,963	5,985
Finance lease payables	1,564	1,340
	40,445	41,789
Non-current :		
Term loans	26,968	28,471
Finance lease payables	3,269	2,861
	30,237	31,332

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) land use rights 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

Citarasa Haruman Sdn. Bhd. ("CHSB"), subsidiary of the Company, entered into a Joint Development Agreement ("JDA") with LBCN to develop a piece of land in Mukim of Ijok ("the Land") on 28 May 2007.

Under the JDA, LBCN was to provide and make available the Land for development whereas CHSB was identified as the sole and exclusive developer of the Land and had paid RM12 million towards the land cost which constitutes LBCN's sole entitlement pursuant to the JDA.

In the course of carrying out development of the Land, CHSB had incurred costs in respect of improvements to the Land and other development costs. Under the JDA, CHSB is entitled to all gross sale proceeds arising from the JDA.

On 19 December 2009, the Land Administrator of the District of Kuala Selangor ("LADKS") issued a notification to compulsorily acquire the Land with an award of approximately RM50 million to a secured creditor of LBCN and LBCN as the proprietor of the Land ("the Award").

In November 2011, a Land Reference Proceedings was lodged by CHSB, as the person interested in the Land, to object to the Award. Concurrently, LBCN filed a Judicial Review Proceedings against certain local authorities responsible for the acquisition of the Land.

Status of litigation is as follows:

(i) Judicial Review Proceedings by LBCN

In January 2011, LBCN had filed an application for judicial review at the Shah Alam High Court ("The High Court") against Lembaga Perumahan Dan Hartanah Selangor, Pentadbir Tanah Kuala Selangor and Kerajaan Negeri Selangor on the basis that the acquisition of the Land was not valid.

On 6 November 2011, the High Court granted stay of acquisition proceedings pending judicial review.

On 14 November 2011, CHSB had filed an objection under Land Reference Proceedings (as described in (ii) below). The objection has however, been stayed on the basis that the Judicial Review Proceedings are dismissed, barring any further suits or applications that may be filed, CHSB would be able to proceed with its Land Reference Proceedings for compensation.

B10. Status of Material Litigation (Continued)

Status of litigation is as follows:

(i) Judicial Review Proceedings by LBCN (Continued)

On 16 October 2012, Menteri Besar Incorporation Berhad intervened the judicial review as it had made the payments towards the Land. The High Court has directed this application to proceed concurrently with the judicial review.

On 23 May 2013, the High Court dismissed LBCN's application for judicial review. LBCN then lodged an appeal to the Court of Appeal.

In September 2013, LBCN applied for a stay of all Land Reference Proceedings pending its appeal to the Court of Appeal on judicial review. The High Court dismissed this application for a stay on 6 February 2014.

LBCN’s lawyers sought for an adjournment of the matter as it wanted to file further affidavits in the appeal which the court granted the adjournment which then fixed for hearing on 21 August 2014.

(ii) Land Reference Proceedings (“LRP”) by CHSB

On 14 November 2011, pursuant to the Land Acquisition Act, 1960 (the “Act”), CHSB had lodged a land reference to the High Court objected to the Award by LADKS on the following premise:-
- the amount of compensation;
- the persons to whom it is payable; and
- the apportionment of the compensation.

On 9 July 2014 the judge decided that the land was indeed alienated for the purposes of mixed development. In this respect, the land ought to be valued as commercial land taking into account all the infrastructures that were built on the land.

At the case management held on 15 August 2014, LBCN’s solicitors informed the Registrar that they intend to file a new valuation report for their application which the Registrar then fixed the next case management on 17 September 2014.

B11. Retained Profits

The breakdown of the retained earnings of the Group as at 30 June 2014 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.

Retained Profits

	30.6.2014 RM'000	31.12.2013 RM'000
Total retained earnings of the Group		
- realised	(502)	1,718
- unrealised	1,442	1,824
	940	3,542
Less: Consolidation adjustments	(27)	(57)
	913	3,485

B12. Dividend Payable

No dividend has been recommended by the Board of Directors during the three months ended 30 June 2014.

B13. Loss Per Share

(a) Basic

Basic loss per share amounts are calculated by dividing loss 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		6 months ended	
	30.06.2014	**30.06.2013**	**30.06.2014**	**30.06.2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net loss attributable to the owners of the Company	(875)	(1,848)	(2,572)	(3,915)
Adjusted weighted average number of ordinary shares in issue and issuable	173,494	84,473	155,708	83,145
Basic loss per share (sen)	(0.50)	(2.19)	(1.65)	(4.71)

* Pursuant to MFRS 133, Earnings Per Share, the loss per share for the individual and cumulative quarter ended 30 June 2014 have been adjusted for the share split involving the subdivision of every one existing ordinary share of RM1.00 each in the Company into two ordinary shares of RM0.50 each completed on 5 February 2014.

B13. Loss Per Share (Cont'd)

(b) Diluted

For the purpose of calculating diluted loss per share, the loss 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		**6 months ended**	
	30.06.2014 RM'000	**30.06.2013 RM'000**	**30.06.2014 RM'000**	**30.06.2013 RM'000**
Net loss attributable to the owners of the Company	#	*	#	*
Weighted average number of ordinary shares in issue	#	*	#	*
Effect of dilution - Warrants 2014/2019	#	*	#	*
Adjusted weighted average number of ordinary shares in issue and issuable	#	*	#	*
Basic loss per share (sen)	#	*	#	*

There is no dilution in the loss per shares of the Company as at 30 June 2014 as the market value of the above securities was lower than the exercise prices. Accordingly, full conversion of the securities would result in anti dilution.

* There is no dilution in the loss per shares of the Company as at 30 June 2013.