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 2017. 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 2017. The Group and the Company will prepare their first MFRSs financial statements using MFRSs framework for the financial year ending 31 December 2017.

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 September 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	34,970	4,631	80,780	-	120,381
Inter-segment revenue	44	-	-	(44)	-
Total revenue	35,014	4,631	80,780	(44)	120,381
Operating (loss)/profit	(5,737)	1,086	2,895	-	(1,756)
Finance expenses					(2,707)
Finance income					91
Share of results of associates					31
Loss before taxation					(4,341)
Taxation					(266)
Loss after taxation					(4,607)

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 financial period 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

a) 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 listed on the Main Market of Bursa Malaysia Securities Berhad.

b) 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.

   Pursuant to the Proposed Private Placement of 12,000,000 Placement Shares, the new issued and paid-up capital of the Company after the Proposed Private Placement will be 187,967,012 ordinary shares at RM0.50 per share. The new shares were granted listing and quotation on 3 July 2014.

   The Board does not intend to place the remaining Placement Shares to potential investors. As a result, the Private Placement is deemed completed.

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

(a) On 22 July 2014, Jetson Development (Asia) Sdn. Bhd. (“JDA”), a wholly-owned subsidiary of the Company had entered into a Share Sale Agreement (“SSA”) 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). The disposal was completed upon signing of the SSA and subsequent to the disposal, the ACL Group, including Jetson (Yangzhou) Development Co. Ltd and Jebco Yangzhou Technology Co. Ltd ceased to be subsidiaries of JDA and became associates of JDA.

(b) On 29 August 2014, Jetson Development Sdn. Bhd. (“JDSB”), a wholly-owned subsidiary of the Company, had acquired 2 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of Senyuman Saujana Sdn Bhd (“SSSB”). The acquisition was completed on 29 August 2014. Subsequent to the acquisition, SSSB became a 100% owned subsidiary of JDSB.

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

A11. Capital Commitments

	30.9.2014 RM'000	31.12.2013 RM'000
Approved and contracted for:-		
Investment in associate	2,967	2,967
Property, plant and equipment	1,649	2,212
	4,616	5,179
Approved and not contracted for:-		
Property, plant and equipment	-	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 RM81.91 million as at 30 September 2014.

A13. Subsequent Event

Kumpulan Jetson Berhad (“Company”) announced that Jetson Development Sdn Bhd (“JDSB”), a wholly-owned sub-subsidiary of the Company, had on 9 October 2014 acquired two ordinary shares of RM 1.00 each in Strategic Jewel Sdn Bhd (“SJSB”), representing the entire issued and paid-up share capital of SJSB for a total cash consideration of RM 2.00 and consequent thereto, SJSB became a wholly-owned subsidiary of the Company.

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 RM42.69 million in Q3 2014, a decrease of RM40.98 million or 48.98% compared to Q3 2013 of RM83.67 million. Accordingly, the Group reported a pre-tax loss of RM1.92 million in Q3 2014 compared to pre-tax loss of RM0.14 million in Q3 2013.

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

a) Construction and Property Division

Revenue decreased from RM54.47 million in Q3 2013 to RM15.08 million in current quarter due to progress work for its projects nearing completion or has been completed with only Vsummer Place project contributing to the revenue for the current quarter. The higher revenue in Q3 2013 was also due to the contribution from sale of Penang lands amounting to RM29 million.

As a result of lower revenue, the loss before tax was RM2.22 million, an increase of approximately RM1.92 million compared to Q3 2013. Lower gross profit margin recorded by current projects contributed further to the higher loss for the quarter.

b) Hostel Management Division

The revenue reported in Q3 2014 was RM1.03 million compared to revenue of RM1.00 million in Q3 2013. The slight improvement is mainly due to higher occupancy rate for pay direct student achieved in current quarter.

The pre-tax loss recorded for Q3 2014 was RM0.35 million, a slight improvement compared to pre-tax loss of RM0.37 million, reported in Q3 2013.

c) Manufacturing Division

Revenue recorded in this quarter was RM26.58 million compared to RM28.21 million in Q3 2013. The reduction in revenue was due to lower demand for automotive parts. Despite lower revenue, the pre-tax profit for current quarter was slightly higher at RM0.65 million, an increase of RM0.13 million compared to Q3 2013. This is attributed to lower absorption of losses of China operation following the disposal of 60% stake in Asian Corporation Limited group of companies in July 2014.

B1. Performance Review (Cont'd)

For the nine months ended 30 September 2014, the Group's revenue was RM120.38 million, a decrease of RM44.97 million or 27.20% compared to the nine months ended 30 September 2013. The Group reported pre-tax loss of RM4.34 million for the nine months period ended 30 September 2014 compared to pre-tax loss of RM3.86 million for the corresponding period ended 30 September 2013. Higher loss for the current period is mainly contributed by the lower revenue achieved resulting lower gross profit. However, this has been mitigated by lower absorption of losses from China operation following the disposal of 60% interest in Asian Corporation Limited group of companies.

The performance of the respective divisions for the nine months period ended 30 September 2014 is analysed as follows:-

a) Construction and Property Division

Revenue for nine months period ended 30 September 2014 reported was RM34.97 million, a decrease of approximately 57% or RM46.32 million compared to the corresponding period ended 30 September 2013, which was recorded at RM81.29 million. This is mainly due to lower revenue contributed from the projects which are close to the completion stage. In addition, revenue for the previous year corresponding period was boosted by the sales of Penang land amounted to RM29 million.

As a result of lower revenue and higher administrative and other operating expenses, the pre-tax loss for the nine months period ended 30 September 2014 increased from RM1.57 million in previous year corresponding period to RM6.60 million in the current period. Furthermore, loss in the preceding corresponding period was cushioned by the effect of disposal of 3 pieces of freehold lands in Penang by Property Division.

b) Hostel Management Division

Hostel Management Division reported revenue of RM4.63 million for the nine months period ended 30 September 2014 compared to RM4.72 million for the corresponding period in the previous year. This is mainly due to lower occupancy rate in the period under review.

Correspondingly, the pre-tax profit for the period decreased marginally from RM0.50 million to RM0.47 million.

c) Manufacturing Division

Revenue for the division inched up to RM80.78 million from RM79.33 million in the previous financial period, driven mainly by the pick-up in the pail business.

Despite marginal improvement in revenue, pre-tax profit increased from RM0.67 million in the previous financial period to RM1.79 million. The improvement was mainly attributed to lower absorption of losses from China operation following the disposal of 60% stake in Asian Corporation Limited group of companies during the quarter.

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

The Group's revenue increased slightly from RM42.45 million in Q2 2014 to RM42.69 million in the current quarter. The increase in revenue was mainly attributed to the pickup in the construction activities.

Despite higher revenue recorded in third quarter, the pre-tax loss for Q3 2014 was RM1.92 million, which is an increase of RM1.12 million compared to Q2 2014. Higher loss is due to higher administrative and operating expenses incurred while the hostel management division reported losses in Q3 2014 as a result of semester break.

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	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Loss before taxation is arrived after charging/(crediting):-				
Amortisation of concession assets	467	467	1,401	1,401
Amortisation of land use rights	11	33	76	95
Depreciation of property, plant and equipment	831	795	2,421	2,250
Interest expense	888	832	2,707	2,423
Interest income	(34)	(12)	(91)	(34)
Inventories write back	(118)	-	(118)	-
Impairment loss on trade receivable	2	1,474	64	1,474
Loss on disposal of property, plant and equipment	(19)	9	21	10
Gain on disposal of subsidiary	(1,056)	-	(1,056)	-
Plant and equipment written off	3	-	3	-
Net loss/(gain) on foreign exchange exchange - realised	93	(340)	(43)	(518)
Net loss/(gain) on foreign exchange exchange - unrealised	28	(21)	358	(37)

B6. Taxation

	Individual quarter		Cumulative quarter	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Current tax:-				
Current period's provision	74	334	138	406
Under provision in prior year	88	-	88	-
	162	334	226	406
Deferred tax:-				
Current period's provision	40	213	40	221
Tax expenses	202	547	266	627

B7. Status of Corporate Proposal

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

B8. Borrowings

	30.9.2014 RM'000	31.12.2013 RM'000
Current :		
Bank overdrafts	12,422	13,334
Revolving credits	2,000	2,000
Trust receipts and bankers' acceptance	14,948	19,130
Term loans	3,377	5,985
Finance lease payables	1,753	1,340
	34,500	41,789
Non-current :		
Term loans	26,370	28,471
Finance lease payables	3,775	2,861
	30,145	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; and

e) corporate guarantee from the Company.

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 Development Sdn. Bhd. ("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

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

On 14 November 2011, pursuant to the Land Acquisition Act, 1960, 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. A case management has been fixed on 27 October 2014 for them to file new valuation report.

LADKS had filed a Notice of Appeal dated 21 July 2014 against the court decision on the category or usage of land. On 29 October 2014, CHSB had served with the state’s notice of application for stay of proceedings in which CHSB is not agreeable to. A case management held on 3 November 2014 for the state to update the Court on the status of the application for stay of proceedings involving CHSB. Further, on 3 November 2014, parties are instructed to provide their free dates to fix a date for the hearing of the reference proceedings.

B11. Retained Profits

The breakdown of the retained earnings of the Group as at 30 September 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

	30.9.2014 RM'000	**31.12.2013 RM'000**
Total retained earnings of the Group		
- realised	(6,893)	1,718
- unrealised	1,087	1,824
	(5,806)	3,542
Total share of retained earnings from associate		
- realised	32	-
Less: Consolidation adjustments	4,664	(57)
	(1,110)	3,485

B12. Dividend Payable

No dividend has been recommended by the Board of Directors during the financial period ended 30 September 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		9 months ended	
	30.09.2014 RM'000	**30.09.2013 RM'000**	**30.09.2014 RM'000**	**30.09.2013 RM'000**
Net loss attributable to the owners of the Company	(2,024)	(1,144)	(4,596)	(5,059)
Adjusted weighted average number of ordinary shares in issue and issuable	187,706	85,484	166,491	83,933
Basic loss per share (sen)	(1.08)	(1.34)	(2.76)	(6.03)

* Pursuant to MFRS 133, Earnings Per Share, the loss per share for the individual and cumulative quarter ended 30 September 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		9 months ended	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 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 September 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 September 2013.