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 2016. The 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 2016.

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 2018. 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 2018. The Group and the Company will prepare their first MFRSs financial statements using MFRSs framework for the financial year ending 31 December 2018.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2016 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 2017

Business Segments	Construction and Property RM'000	Hostel Management RM'000	Manufacturing RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	12,568	6,677	128,151	-	147,396
Inter-segment revenue	1,235	-	-	(1,235)	-
Total revenue	13,803	6,677	128,151	(1,235)	147,396
Operating (loss)/profit	(5,715)	199	7,384	-	1,868
Finance expenses					(3,088)
Finance income					31
Loss before taxation					(1,189)
Taxation					(1,981)
Loss after taxation					(3,170)

A5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current year'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 year 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 2016.

A9. Debt and Equity Securities

KAF Investment Bank Berhad ("KAF") had on 6 March 2017 announced on behalf of the Board of Directors that the Company proposes to undertake a private placement of up to 22,216,000 new ordinary shares 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 11 April 2017 announced that the Company has fixed the issue price for the first tranche of the private placement comprising 9,000,000 Placement Shares at RM0.36 per Placement Share. The said issue price of RM0.36 per Placement Share represents a discount of approximately 8.98% from the five (5)-day volume weighted average market price of the Company's shares ("Jetson Shares") up to and including 10 April 2017 of approximately RM0.3955 per Jetson Share.

KAF had on 15 May 2017 announced that the Company has fixed the issue price for the second tranche of the private placement comprising 5,000,000 Placement Shares at RM0.355 per Placement Share. The said issue price of RM0.355 per Placement Shares represents a discount of approximately 9.04% from the five (5)-day volume weighted average market price of Jetson Share up to and including 12 May 2017 of approximately RM0.3903 per Jetson Shares.

KAF had on 20 July 2017 announced that the Company has fixed the issue price for the third tranche of the private placement comprising 4,700,000 Placement Shares at RM0.30 per Placement Share. The said issue price of RM0.30 per Placement Shares represents a premium of approximately 1.25% from the five (5)-day volume weighted average market price of Jetson Share up to and including 19 July 2017 of approximately RM0.2963 per Jetson Shares.

KAF had on 27 July 2017 announced on behalf of the Board of Directors that the Private Placement has been fully completed following the listing of and quotation for 4,700,000 Placement Shares, being the third tranche, on the Main Market of Bursa Malaysia Securities Berhad on 27 July 2017. The Company had placed out a total of 18,700,000 Placement Shares to identified investors in three (3) tranches at issue prices per Placement Share ranging from RM0.30 to RM0.36, raising a total of RM6,425,000 for the Company pursuant to Private Placement.

Apart from the above, there were no issuance and repayment of debts and equity securities for the financial year to date.

A10. Changes in Composition of the Group

On 26 January 2017, a wholly-owned subsidiary of the Company, Jetson Construction Sdn. Bhd. ("JCSB") acquired additional 150,000 ordinary shares of RM1 each, representing 20% of the issued and paid-up capital of Jetson Builders (S) Sdn. Bhd. (formerly known as Jetson Aluminium Works Sdn. Bhd.) ("JAWSB") for a consideration of RM1. Consequent thereupon, JAWSB became a wholly-owned subsidiary of JCSB.

On 30 May 2017, Jetson (UK) Limited, a 67.30% owned subsidiary of the Company incorporated in England and Wales with a paid-up share capital of GBP2,000 had been dissolved via voluntary strike-off.

On 27 September 2017, a wholly-owned subsidiary of the Company, Jetson Development Sdn. Bhd. disposed 2 ordinary shares, representing the entire issued and paid-up share capital of Jetson ARDC Sdn. Bhd. ("JARDC") (formerly known as Senyuman Saujana Sdn. Bhd.) to JCSB.

On 3 October 2017, JARDC increased its issued and paid-up capital from RM2 to RM100 by allotment of 98 new ordinary shares at an issue price of RM1 each ("Allotment"). JCSB subscribed 49 ordinary shares of RM1 each in JARDC. Consequent to the Allotment, JARDC became a 51% owned subsidiary of JCSB.

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

A11. Capital Commitments

	31.12.2017 RM'000	31.12.2016 RM'000
Approved and contracted for:-		
Property, plant and equipment	2,778	3,298
Property development cost	-	5,100
	2,778	8,398

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 RM60.39 million as at 31 December 2016 to RM78.49 million as at 31 December 2017.

A13. Subsequent Event

There were no material events subsequent to the end of the financial year reported.

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 RM41.10 million for Q4 2017, a decrease of RM0.08 million or 0.20% against the corresponding period Q4 2016 of RM41.18 million. The Group reported pre-tax profit of RM0.54 million in Q4 2017 as compared to per-tax loss of RM21.93 million in Q4 2016. The substantial loss suffered in Q4 2016 was mainly due to allowance for impairment made on amount receivable from a former associate amounting to RM19.94 million.

The performance of the respective divisions for the current quarter was as follows:-

a) Construction and Property Division

The division generated total revenue of RM8.49 million, which was RM3.47 million higher than the corresponding quarter in previous year of RM5.02 million. Revenue for the quarter was mainly contributed by the division's construction of residential and infrastructure projects namely Pavilion Parks 2 and SUKE Highway project and its' property development activities at Taman Melawati, all of which commenced during the year.

With improved revenue, the division reported lower pre-tax loss of RM0.29 million compared to pre-tax loss of RM4.25 million in Q4 2016 which was further aggravated by the recognition of additional loss on the Ritz Corporate Suite project following the conclusion of the arbitration.

b) Hostel Management Division

There was a slight increase in revenue for the quarter at RM2.01 million compared to RM1.95 million reported in Q4 2016.

The division reported a pre-tax loss of RM0.66 million compared to pre-tax profit of RM0.11 million in Q4 2016 due to impairment made on receivables and concession assets during the quarter.

c) Manufacturing Division

Manufacturing Division registered revenue of RM30.58 million in the current quarter compared to previous year corresponding quarter of RM34.21 million. The decline in revenue was mainly due to lower demand for automotive parts by local automotive manufacturers during the quarter mitigated by higher exports demand.

However, the division reported a lower pre-tax profit of RM1.48 million compared to pre-tax loss of RM17.79 million in the corresponding quarter of previous year. The significant loss incurred in the previous year corresponding quarter was due to an impairment loss of RM19.94 million made to amount receivable from a former associate. Excluding the impairment, the division would have reported pre-tax profit of approximately RM2.15 million.

B1. Performance Review (Cont'd)

For the twelve months ended 31 December 2017, the Group's revenue was RM147.40 million, a decrease of RM5.48 million or 3.59% as compared to the twelve months ended 31 December 2016. Despite lower revenue recorded, the Group reported a lower pre-tax loss of RM1.19 million as opposed to pre-tax loss of RM24.35 million for the preceding year corresponding period. The performance of the previous year was mainly impacted by the impairment loss made on the amount receivable from the former associate.

The performance of the respective division for the twelve months ended 31 December 2017 is analysed as follows:-

a) *Construction and Property Division*

The division reported revenue of RM12.57 million for the current year compared to RM29.22 million in 2016. Most of the division's projects were completed in 2016 while new projects namely SUKE Highway, Pavilion Parks 2, MEX II and Taman Melawati project undertaken by the division only commenced towards the end of second quarter of 2017 thus resulting in significantly lower revenue for the current year. In 2016, Vsummer Place project which was completed in the same year contributed RM24.26 million in revenue.

The pre-tax loss was reported at RM5.95 million compared to RM10.31 million in 2016. Higher losses in preceding year corresponding period was impacted by bad debts written off in relation to the arbitration case of a subsidiary.

b) *Hostel Management Division*

Hostel Management Division reported revenue of RM6.68 million for the current year compared to RM6.65 million in the previous year.

The division reported a pre-tax loss of RM0.29 million compared to pre-tax profit of RM0.55 million in the last financial year, mainly due to allowance for impairment of receivables and concession assets made and higher utility charges incurred for the operation of its hostels.

c) *Manufacturing Division*

Revenue recorded for the current year was RM128.15 million as compared to RM117.02 million in the last financial year. Improvement in revenue of the division during the year was mainly due to increase of export market for automotive and general parts and adhesive products.

Profit before taxation improved from loss before taxation of RM14.58 million in the last financial year to profit before taxation of RM5.06 million for the current year. The result of the division of 2016 was impacted by the impairment made in respect of an amount owing from a former associate amounting to RM19.94 million.

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

The Group's revenue increased from RM34.57 million in the preceding quarter (Q3 2017) to RM41.10 million in the current quarter. The increase in revenue is mainly due to higher contribution from Construction and Property Division as a result of recognition of revenue from Pavilion Parks 2 and Taman Melawati projects.

The Group recorded profit before tax of RM0.54 million compared to pre-tax loss of RM1.79 million in Q3 2017 mainly due to higher recognition of revenue by Construction division during the current quarter.

B3. Commentary on Prospect

Moving forward, the sustainability of the local economy is largely dependent on public and private consumption with the on-going infrastructure and mega projects. The strengthening of the ringgit would have an impact on the export sales of our manufacturing division as the pricing of our products may not be competitive compared to our competitors. In addition, increase in the crude oil prices would also increase the cost of materials of our products thus eating into the profit margin of our products.

The Group is continuing to aggressively pursue for more projects especially in East Malaysia for its Construction Division in order to replenish its order book.

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

The Manufacturing Division will be aggressively strengthening its presence in the export market. Meanwhile, the division is also broadening its product base to accommodate for different market segments. To counter the factors of strengthening ringgit and increase in crude oil prices, the division would continuously source for cheaper or alternative material while emphasizing on improving the efficiency of the production.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Profit/(loss) before taxation

	Individual quarter		Cumulative quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived after charging/(crediting):-				
Amortisation of concession assets	464	467	1,868	1,868
Impairment of concession assets	500	-	500	-
Bad debts written off	125	6,661	132	6,661
Depreciation of property, plant and equipment	1,278	1,397	4,788	4,616
Loss on deconsolidation of a subsidiary	575	-	152	-
Interest expense	751	823	3,088	3,431
Interest income	(5)	(83)	(31)	(200)
Inventories written off	-	79	-	77
(Reversal)/allowance for slow-moving stocks	(15)	-	14	-
Provision for impairment loss on				
- trade receivables	244	16	162	22
- other receivables	-	20,332	-	20,332
Gain on disposal of property, plant and equipment	(8)	(5)	(16)	(78)
Net (gain)/loss on foreign exchange				
- realised	-	(45)	(188)	194
- unrealised	307	(183)	511	(119)
Plant and equipment written off	55	-	94	7

B6. Taxation

	Individual quarter		Cumulative quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Current tax:-				
Current year's provision	704	312	1,252	866
(Over)/Under provision in prior year	(8)	214	38	157
	696	526	1,290	1,023
Deferred tax:-				
Current year's provision	(168)	474	127	505
Under/(Over) provision in prior year	564	(282)	564	(282)
	396	192	691	223
Tax expenses	1,092	718	1,981	1,246

B7. Status of Corporate Proposal

There were no other corporate proposal announced but not completed as at 21 February 2018 (being the latest practicable date which is not earlier than 7 days from the date of this report).

B8. Borrowings

	31.12.2017 RM'000	31.12.2016 RM'000
Current :		
Bank overdrafts	11,575	7,269
Revolving credits	-	2,000
Trust receipts and bankers' acceptance	16,863	15,672
Term loans	8,477	2,904
Finance lease payables	2,700	2,944
	39,615	30,789
Non-current :		
Term loans	17,684	21,036
Finance lease payables	3,970	5,070
	21,654	26,106

The bank overdrafts, revolving credits, trust receipts and bankers' acceptances of the Group at the end of the period 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.

B8. Borrowings (Cont'd)

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 party legal assignment of the rights, titles, benefits and proceeds of the privatisation agreement of the university hostel project;

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

d) freehold land, long leasehold land and buildings pledged as collateral;

e) fresh 2 party assignment between a subsidiary and a financial institution for the rental proceeds generated from the above property;

f) corporate guarantee from the Company;

g) property development cost of the Group; and

h) pledge of fixed deposit placed with a licensed bank.

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

(a) Citarasa Haruman Sdn. Bhd. (“CHSB”), a subsidiary of the Company (pursuant to FRS 10), 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.

(a) 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 (“LPDHS”), Pentadbir Tanah Kuala Selangor (“PTKS”) and Kerajaan Negeri Selangor (“KNS”) 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.

On 16 October 2012, Menteri Besar Incorporation Berhad (“MBIB”) 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.

B10. Status of Material Litigation (Cont'd)

(a) Status of litigation is as follows (cont'd):

(i) Judicial Review Proceedings by LBCN (cont'd)

On 23 May 2013, the High Court dismissed LBCN's application for judicial review. LBCN then lodged an appeal to the Court of Appeal. 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 and fixed for hearing on 20 April 2015.

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. By this, the Land Reference Proceedings are to proceed in the normal way as directed by the High Court.

On 20 April 2015, the Court of Appeal dismissed LBCN's appeal on the High Court's decision to dismiss LBCN's application for judicial review and further awarded costs in the sum of RM15,000 to be paid by LBCN to CHSB.

LBCN then lodged an appeal to the Federal Court and this matter was fixed for case management on 29 February 2016 for purposes of fixing hearing dates.

On 17 May 2016, LBCN had in accordance to the consent order between LBCN and LPDHS, PTKS, KNS and MBIB (collectively, "the Parties"), withdrawn the above appeal with no order as to cost.

(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.

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 was served with LADKS's notice of application for stay of proceedings. Furthermore, on 14 January 2015, a new valuation report has been filed by LADKS and a new case management was held on 29 January 2015 for CHSB to file rebuttal to the valuation report.

B10. Status of Material Litigation (Cont'd)

(a) Status of litigation is as follows (cont'd):

(ii) Land Reference Proceedings ("LRP") by CHSB (cont'd)

On 12 March 2015, the Court of Appeal dismissed LADKS's appeal. On 7 April 2015, LADKS then filed an appeal in the Federal Court against the decision of the Court of Appeal. This matter was fixed for case management on 29 February 2016 for purposes of fixing hearing dates.

On 29 February 2016, the Federal Court fixed a further case management on 19 May 2016 for parties to update the Court as to the status of the on-going settlement discussion between the Parties.

At the case management on 19 May 2016, given that the Parties have yet to finalise the terms of settlement, the Federal Court therefore fixed the matter for case management on 20 June 2016 for the Parties to update the Court on the status of the settlement.

At the case management on 20 June 2016, the Parties informed the Court that the settlement process is still ongoing. The Court fixed a further case management on 19 October 2016 for the Parties to update the Court on the status of the settlement.

At the case management on 19 October 2016, the Parties informed the Court that the matter was now pending settlement in respect of payment of Settlement Sum by LBCN to CHSB. The matter was fixed for further case management on 28 November 2016 for the Parties to update the Court as to the status of the settlement.

At the case management on 28 November 2016, the Court fixed the matter for case management on 28 February 2017 for the Parties to update the Court to the status of settlement between all related parties.

At the case management on 28 February 2017, the Court was informed that the payment in respect of settlement has yet to be received by CHSB. The matter was fixed for case management on 19 April 2017 for parties to update the Court as to the status of settlement between all related parties arising from the settlement between LBCN and the Land Administrator.

At the case management on 19 April 2017, the Court was informed that CHSB is still awaiting payment of Settlement Sum from LBCN. The matter is fixed for further case management on 22 June 2017.

The Court directed for the matter to be fixed for mention on 30 August 2017 for parties to explain to the Court on why the matter cannot be closed and why Settlement Sum remains pending from LBCN to CHSB.

B10. Status of Material Litigation (Cont'd)

(a) Cont'd

(ii) The hearing for the LRP were initially fixed on 26 April 2016 to 28 April 2016. These dates have however been vacated given that Parties are in settlement discussion. The Court has fixed a case management date on 14 October 2016 for Parties to update the Court as to the status of settlement discussions.

On 11 May 2016, the Company announced that CHSB had on even date, entered into a settlement agreement ("SA") with LBCN, Mujur Zaman Sdn Bhd and Liputan Canggih Sdn Bhd to:-

(i) Revoke the written agreement dated 28 May 2007 entered into between LBCN and CHSB ("SPA") pertaining to the sale and purchase of the Land;
(ii) Revoke the JDA dated 28 May 2007 entered into between LBCN and CHSB pertaining to the joint development of the Land;
(iii) Discontinue and withdraw all Judicial Review and the Borang N Application filed by CHSB and includes any appeals therefrom; and
(iv) Carry out all other matters as stipulated in the SA

for a settlement sum of RM15,000,000 ("Settlement Sum"), being the agreed, full and final settlement of all monies due and owing to CHSB under the SPA and JDA arising from or by reason of the mutual revocation of the same.

At the case management on 14 October 2016, CHSB informed the Court that it may only receive payment of the Settlement Sum from LBCN by end of 2016 or early 2017. The Court fixed a case management on 15 November 2016 for the Parties to withdraw the suits upon payment of the Settlement Sum.

At the case management on 15 November 2016, CHSB informed the Court that more time is required for settlement of payment for the Settlement Sum by LBCN to CHSB. The Court fixed a case management date on 14 February 2017 for Parties to update the Court as to the status of the settlement.

Given that the matter have taken too long and CHSB had yet to receive its portion of the Settlement Sum, the Court fixed the matter for final case management on 14 April 2017 to update the High Court as to the settlement status.

At the case management on 14 April 2017, CHSB informed the Court that it is still awaiting payment of Settlement Sum by LBCN. The Court fixed the matter for further case management on 21 June 2017.

At the case management on 21 June 2017, CHSB informed the Court that CHSB is still awaiting payment of Settlement Sum from LBCN and can only withdraw the suit upon the receipt of payment per Consent Order of the Court and the Settlement Agreement. The Court fixed the matter for further case management on 22 August 2017.

B10. Status of Material Litigation (Cont'd)

(a) Cont'd

(ii) On 4 October 2017, CHSB received partial payment of RM5.0 million. In relation thereto, CHSB agreed and proceeded to withdraw the LRP on 19 October 2017. Following that, the LADKS had in accordance to Consent Order, withdraw Federal Court with no order as to costs on 24 October 2017.

The balance of RM10.0 million was settled in the subsequent year.

(b) On 29 June 2017, the Company announced that Jetson Construction Sdn. Bhd. ("JCSB"), a wholly-owned subsidiary of the Company had accepted the sub-contract works for main building works - Package B (preliminaries, demolition and site works, architectural works to basement, podium structural works, elevated carpark, retails, Tower B, sky bridges and facilities floor, external works, hard landscaping works at Jalan Conlay) ("the Project")..

On 3 July 2017, JCSB received a letter from MCC Overseas (M) Sdn. Bhd. ("MCC" or "Defendant") wherein MCC purported to unilaterally rescind the award of the sub-contract relating to the Project on the basis that there was an alleged misrepresentation or non-disclosure of a certain matter namely that one of the substantial shareholders of Company is a director of a third-party consultant to the employer of the Project.

JCSB had on 28 August 2017 through its solicitors filed and served an unsealed Writ of Summons and Statement of Claim against the Defendant.

According to the Writ of Summons and Statement of Claim, the Plaintiff's claim against the Defendants is, amongst others, the following:

(a) a declaration that the termination of the Sub-Contract is unlawful and in breach of the terms of the letter of award dated 16 June 2017 issued by the Defendant;

(b) an order that the Defendant do pay the Plaintiff damages for expenses incurred by the Defendant in the sum of RM792,659.83; and

(c) an order that the Defendant do pay the Plaintiff damages in the form of loss of profit in the sum of RM55,231,602.16.

The sealed Writ of Summons was served on 7 September 2017.

MCC filed the Memorandum of Appearance on 20 September 2017 and Statement of Defence on 27 October 2017. JCSB filed the Statement in Reply and Amended Statement of Claim on 10 November 2017.

The Court fixed 11 December 2017 as the next case management wherein parties are to file their Bundles of Documents, Agreed Facts, Issues to be Tried and List of witnesses. The Court directed parties to attempt mediation at the Kuala Lumpur High Court Mediation Centre. Mediation was fixed for 11 January 2018.

B10. Status of Material Litigation (Cont'd)

(b) Cont'd

On 11 January 2018, parties attended the 1st mediation for the above matter. The mediation was the adjourned to 30 January 2018. As parties could not reach an amicable settlement, the mediation was terminated. The case management for the above matter was fixed for 7 March 2018 to update the Court as to the status of any possible settlement between the parties and to obtain further trial directions.

The Court also fixed the matter for trial on 12 to 15 March 2018.

B11. Accumulated Losses

The breakdown of the accumulated losses of the Group as at 31 December 2017 into realised and unrealised (losses)/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.

	31.12.2017 RM'000	**31.12.2016 RM'000**
Total accumulated losses of the Group		
- realised	(37,444)	(35,131)
- unrealised	(1,238)	71
	(38,682)	(35,060)
Less: Consolidation adjustments	8,159	9,078
	(30,523)	(25,982)

B12. Dividend Payable

No dividend has been recommended by the Board of Directors during the financial year ended 31 December 2017.

B13. Loss Per Share

(a) Basic

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

	3 months ended		**12 months ended**	
	31.12.2017 RM'000	**31.12.2016 RM'000**	**31.12.2017 RM'000**	**31.12.2016 RM'000**
Net loss attributable to the owners of the Company	(1,319)	(22,010)	(3,733)	(24,769)
Adjusted weighted average number of ordinary shares in issue and issuable	206,667	187,967	199,686	187,967
Basic loss per share (sen)	(0.64)	(11.70)	(1.87)	(13.18)

* Pursuant to MFRS 133, Earnings Per Share, the loss per share for the individual and cumulative quarter ended 31 December 2017 and 31 December 2016 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.

(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").

There is no dilution in the loss per share of the Company as at 31 December 2017 and 31 December 2016 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.