

Unaudited Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For The Fourth Quarter Ended 31 December 2022

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER ENDED 31 DEC 2022 RM'000	CORRESPONDING QUARTER ENDED 31 DEC 2021 RM'000 Restated	CURRENT YEAR TO DATE ENDED 31 DEC 2022 RM'000	CORRESPONDING YEAR TO DATE ENDED 31 DEC 2021 RM'000 Restated
Revenue		47,768	55,120	195,532	185,076
Cost of sales		(39,608)	(47,862)	(169,377)	(162,239)
Gross Profit		8,160	7,258	26,155	22,837
Interest (expense)/income		(58)	12	87	75
Other income		123	410	1,626	2,313
Administrative and other expenses		(5,210)	(5,468)	(21,100)	(21,301)
Selling and distribution expenses		(1,307)	(1,555)	(5,050)	(5,126)
Profit/(Loss) from operations		1,708	657	1,718	(1,202)
Impairment losses		(5,075)	(769)	(5,075)	(1,824)
Finance costs		(1,282)	(850)	(4,730)	(3,171)
Loss before tax	B5	(4,649)	(962)	(8,087)	(6,197)
Tax expense	B6	(1,682)	(2,772)	(1,721)	(2,975)
Loss after tax		(6,331)	(3,734)	(9,808)	(9,172)
Other comprehensive income, net of tax					
Revaluation of lands and buildings		-	6,399	-	6,249
Foreign currency translation differences for foreign operations		147	-	(301)	-
Total comprehensive (loss)/income for the financial year		(6,184)	2,665	(10,109)	(2,923)
Loss attributable to:					
Owners of the Company		(6,023)	(3,160)	(8,454)	(8,001)
Non-controlling interests		(308)	(574)	(1,354)	(1,171)
		(6,331)	(3,734)	(9,808)	(9,172)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(5,876)	3,239	(8,755)	(1,752)
Non-controlling interests		(308)	(574)	(1,354)	(1,171)
		(6,184)	2,665	(10,109)	(2,923)
Loss per share attributable to owners of the Company:					
Basic, loss for the financial period (sen)	B12	(2.25)	(1.18)	(3.15)	(2.99)
Diluted, loss for the financial period (sen)	B12	N/A	N/A	N/A	N/A

(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

Unaudited Condensed Consolidated Statement Of Financial Position As At 31 December 2022

	Note	Unaudited As at 31 Dec 2022 RM'000	Restated As at 31 Dec 2021 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		51,529	54,326
Right of used assets		13,011	11,607
Concession right		12,685	15,271
Other investments		15	15
Deferred tax assets		1,508	1,609
		<u>78,748</u>	<u>82,828</u>
Current Assets			
Inventories		53,800	46,075
Trade receivables		44,323	59,376
Other receivables, deposits and prepayment		10,217	7,535
Contract assets		10,336	2,773
Tax assets		228	445
Cash and bank balances		7,864	11,386
		<u>126,768</u>	<u>127,590</u>
Total Assets		<u><u>205,516</u></u>	<u><u>210,418</u></u>
Equity and liabilities			
Current Liabilities			
Trade payables		46,914	43,622
Other payables and accruals		29,286	20,913
Contract liabilities		5,495	10,805
Lease liabilities	B8	1,165	2,851
Borrowings	B8	36,748	37,692
Tax liabilities		799	1,566
		<u>120,407</u>	<u>117,449</u>
Non-current Liabilities			
Borrowings	B8	17,624	19,346
Lease liabilities	B8	8,947	6,035
Deferred tax liabilities		10,140	9,081
		<u>36,711</u>	<u>34,462</u>
Total Liabilities		<u><u>157,118</u></u>	<u><u>151,911</u></u>
Equity attributable to owners of the Company			
Share capital		123,322	123,322
Reserves		(65,414)	(56,659)
		<u>57,908</u>	<u>66,663</u>
Non-controlling interests		(9,510)	(8,156)
Total equity		<u><u>48,398</u></u>	<u><u>58,507</u></u>
Total Equity and Liabilities		<u><u>205,516</u></u>	<u><u>210,418</u></u>
Net assets per share attributable to equity holders of the parent (RM)		0.1806	0.2183

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

Unaudited Condensed Consolidated Statement Of Changes In Equity for the Fourth Quarter Ended 31 December 2022

	----- Attributable to Owners of the Company -----							
	-----Non-Distributable -----							
	Share Capital	Revaluation Reserve	Capital Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 2021								
At 1 Jan 2021								
- as previously stated	113,469	21,866	1,671	(68)	(56,362)	80,576	(6,592)	73,984
- prior year adjustment (Note B13)	-	-	-	-	(20,554)	(20,554)	-	(20,554)
As at 1 Jan 2021	113,469	21,866	1,671	(68)	(76,916)	60,022	(6,592)	53,430
Effect of adoption of MFRS	-	-	-	-	(1,460)	(1,460)	(393)	(1,853)
Loss for the financial year	-	-	-	-	(6,910)	(6,910)	(1,171)	(8,081)
As reported	-	-	-	-	(1,091)	(1,091)	-	(1,091)
Prior year adjustment (Note B13)	-	-	-	-	(8,001)	(8,001)	-	(9,172)
As restated	-	-	-	-	-	-	-	-
Revaluation of lands and buildings surplus, net of tax	-	6,249	-	-	-	6,249	-	6,249
Total comprehensive loss	-	6,249	-	-	(9,461)	(3,212)	(1,564)	(4,776)
Issue of shares pursuant to private placement	9,983	-	-	-	-	9,983	-	9,983
Expenses incurred for private placement in a subsidiary	(130)	-	-	-	-	(130)	-	(130)
Transactions with owners of the Company	9,853	-	-	-	-	9,853	-	9,853
As at 31 December 2021	123,322	28,115	1,671	(68)	(86,377)	66,663	(8,156)	58,507
12 months ended 31 December 2022								
As at 1 Jan 2022	123,322	28,115	1,671	(68)	(86,377)	66,663	(8,156)	58,507
Loss for the financial year	-	-	-	-	(8,454)	(8,454)	(1,354)	(9,808)
Foreign currency translation difference for foreign operations	-	-	-	(301)	-	(301)	-	(301)
Total comprehensive loss	-	-	-	(301)	(8,454)	(8,755)	(1,354)	(10,109)
As at 31 December 2022	123,322	28,115	1,671	(369)	(94,831)	57,908	(9,510)	48,398

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

Unaudited Condensed Consolidated Statement Of Cash Flows For The Fourth Quarter Ended 31 December 2022

	As at End of Current Quarter 31 Dec 2022 RM'000	Preceding Period To Date Ended 31 Dec 2021 RM'000 (Restated)
Cash Flows from Operating Activities		
Loss before tax	(8,087)	(6,197)
Adjustments for:		
Amortisation of concession right	3,101	2,872
Bad debts written off	333	-
Depreciation of property, plant and equipment	6,357	5,106
Depreciation of right-of-use assets	3,021	1,728
Dividend income	(55)	(4)
Loss on disposal of property, plant and equipment	1	91
Gain on modification of lease liabilities	-	(280)
Reversal of impairment loss on trade receivables	-	(17)
Inventories written back	-	(156)
Inventories written down	17	68
Interest expense	4,730	3,171
Interest income	(87)	(75)
Impairment loss on concession right	-	684
Impairment loss on other receivables	876	5
Impairment loss on trade receivables	4,199	1,135
Unrealised loss on foreign exchange	155	141
	<hr/>	<hr/>
Operating profit before working capital changes	14,561	8,272
Net changes in working capital	(6,636)	(5,873)
Tax paid, net of refund	(1,112)	(1,361)
Interest paid	(4,730)	(3,171)
Interest received	87	75
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Net cash from/(used in) operating activities	2,170	(2,058)
Cash flows from Investing Activities		
Withdrawal/(Placement) of pledged bank deposits	1,213	(307)
Additional investment in concession right	(514)	-
Dividend received	55	4
Increase in escrow pledged	-	169
Proceeds from disposal of property, plant and equipment	38	383
Purchase of property, plant and equipment	(3,599)	(1,910)
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Net cash used in investing activities	(2,807)	(1,661)
Cash Flows from Financing Activities		
Proceeds from private placements	-	9,983
Expenses incurred for private placement	-	(131)
Net (repayment)/drawdown of borrowings	(763)	1,177
Advances from director	4,193	495
Net repayment of lease liabilities	(3,198)	(2,388)
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Net cash from financing activities	232	9,136
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Net (decrease)/increase in cash and cash equivalents	(405)	5,417
Effect of exchange rate fluctuations on cash and cash equivalents	-	(3)
Cash and cash equivalents at beginning of the financial year	2,845	(2,569)
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Cash and cash equivalents at end of the financial year	2,440	2,845
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Cash and cash equivalents comprises the followings:-		
Cash in hand and at bank	3,891	6,261
Bank overdrafts	(1,451)	(3,416)
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	2,440	2,845
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(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

A1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2022.

Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2021, except for the adoption of the following New and Revised Malaysian Financial Reporting Standards (“MFRSs”) and amendments/Improvements to MFRS and New IC Interpretations (“IC Int”) for financial periods beginning on or after 1 January 2022:-

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 to 2020	

As at the date of authorisation of the interim financial report, the following new MFRSs, amendments/Improvements to MFRSs and IC Interpretations were issued but not yet effective and have not been adopted by the Group:-

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group will adopt the above pronouncement when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial applications.

A2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2022 was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

The Group's operations were not materially affected by any seasonality or cyclicity for the financial period under review.

A4. Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial period under review.

A5. Changes In Estimates

There were no changes in estimates used for accounting estimates which may have a material effect for the current financial period under review.

A6. Debt And Equity Securities

There were no issuance and repayment of debts and equity securities for the financial period.

A7. Dividends Paid

No dividend has been paid or declared by the Company since the end of the previous financial year.

A8. Segment Information

Segmental information for the 12 months ended 31 December 2022:

Business Segments	Manufacturing RM'000	Construction and Property RM'000	Hostel Management RM'000	Elimination RM'000	Total RM'000
External sales	167,158	23,823	4,551	-	195,532
Inter-segment revenue	-	12,390	-	(12,390)	-
Total revenue	<u>167,158</u>	<u>36,213</u>	<u>4,551</u>	<u>(12,390)</u>	<u>195,532</u>
Operating profit/(loss)	7,361	(6,645)	(476)	1,391	1,631
Impairment losses					(5,075)
Finance costs					(4,730)
Interest income					87
Loss before tax					<u>(8,087)</u>
Tax expense					<u>(1,721)</u>
Loss after tax					<u><u>(9,808)</u></u>
Assets					
Segment assets	<u>132,309</u>	<u>59,346</u>	<u>13,861</u>	<u>-</u>	<u>205,516</u>
Liabilities					
Segment liabilities	<u>84,745</u>	<u>59,714</u>	<u>12,659</u>	<u>-</u>	<u>157,118</u>

A8. Segment Information (Cont'd)

Segmental information for the 12 months ended 31 December 2021:

Business Segments	Manufacturing RM'000	Construction and Property RM'000	Hostel Management RM'000	Elimination RM'000	Total RM'000
External sales	134,560	45,958	4,558	-	185,076
Inter-segment revenue	<u>6,609</u>	<u>5,291</u>	<u>-</u>	<u>(11,900)</u>	<u>-</u>
Total revenue	<u>141,169</u>	<u>51,249</u>	<u>4,558</u>	<u>(11,900)</u>	<u>185,076</u>
Operating profit/(loss)	5,655	(5,613)	(467)	(852)	(1,277)
Impairment losses					(1,824)
Finance costs					(3,171)
Interest income					<u>75</u>
Loss before tax					<u>(6,197)</u>
Tax expense					<u>(2,975)</u>
Loss after tax					<u><u>(9,172)</u></u>
Assets					
Segment assets	<u>129,304</u>	<u>59,215</u>	<u>19,845</u>	<u>2,054</u>	<u>210,418</u>
Liabilities					
Segment liabilities	<u>54,755</u>	<u>67,300</u>	<u>19,209</u>	<u>10,647</u>	<u>151,911</u>

A9. Valuation Of Property, Plant And Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

A10. Subsequent Event

There were no material events subsequent to the end of the reporting period that have not been reflected in these interim financial statements.

A11. Changes In Composition Of The Group

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

A12. Capital Commitments

	As at 31 Dec 2022 RM'000	As at 31 Dec 2021 RM'000
Approved and contracted for:- Property, plant and equipment	<u>2,276</u>	<u>2,839</u>
Approved and not contracted for:- Property, plant and equipment	<u>-</u>	<u>-</u>

A13. Changes In Contingent Liabilities And Contingent Assets

The changes in contingent liabilities were as below:-

	As at 31 Dec 2022 RM'000	As at 31 Dec 2021 RM'000
Bank guarantees	<u>5,284</u>	<u>9,890</u>

A14. Related Party Transactions

There were no related party transactions during the period and the correspondence period.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Financial Review For The Current Quarter

	Revenue		Operating Results	
	Current Quarter Ended	Corresponding Quarter Ended	Current Quarter Ended	Corresponding Quarter Ended
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Operating segment				
Manufacturing	39,983	43,129	2,118	3,185
Construction and Property	10,687	12,620	(1,620)	(18)
Hostel Management	1,144	1,142	(397)	(979)
Elimination	(4,046)	(1,771)	1,665	(1,543)
	<u>47,768</u>	<u>55,120</u>	<u>1,766</u>	<u>645</u>
Impairment losses			(5,075)	(769)
Finance costs			(1,282)	(850)
Interest income			(58)	12
Loss before tax			<u>(4,649)</u>	<u>(962)</u>

The Group recorded revenue of RM47.768 million for current quarter, a decrease of RM7.352 million or 13.34% compared to preceding year's corresponding quarter of RM55.120 million mainly due to significant decrease in revenue from Manufacturing and Construction and Property Division. The Group recorded an operating profit of RM1.766 million in the current quarter compared to an operating profit of RM0.645 million in the preceding year corresponding quarter.

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

a) *Manufacturing Division*

Manufacturing Division registered total revenue of RM39.983 million in the current quarter, which was RM3.146 million lower than the preceding year corresponding quarter of RM43.129 million. The lower in revenue was mainly due to lower sales of pails from Lubricant and Paint industries, lower demand from after sales markets from automotive industry as well as chemical products from adhesive industries.

The division reported operating profit of RM2.118 million, which was RM1.067 million lower than the operating profit of RM3.185 million in the preceding year corresponding quarter. It was mainly due to drop in revenue and increase of raw material costs and freight charges.

b) *Construction and Property Division*

The division generated total revenue of RM10.687 million, which was RM1.933 million lower compared to the preceding year corresponding quarter of RM12.620 million. Revenue for the quarter was mainly contributed by the existing ongoing building works from project APU and Melawati.

B1. Financial Review For The Current Quarter (Cont'd)

b) Construction and Property Division (Cont'd)

Lower revenue was mainly due to slower in construction progress under Construction Division.

The division recorded higher operating loss by RM1.602 million from RM0.018 million to RM1.620 million corresponding quarter mainly due to higher operating costs in current quarter.

c) Hostel Management Division

The division reported a decrease of operating loss by RM0.582 million from RM0.979 million to RM0.397 million corresponding quarter as a result of lower administration expenses incurred during the quarter.

B2. Financial Review For The Current Quarter Compared With Immediate Preceding Quarter

	Revenue		Operating Results	
	Current Quarter Ended	Immediate Preceding Quarter Ended	Current Quarter Ended	Immediate Preceding Quarter Ended
	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Operating segment				
Manufacturing	39,983	43,014	2,118	1,562
Construction and Property	10,687	12,944	(1,620)	(2,498)
Hostel Management	1,144	1,134	(397)	3
Elimination	(4,046)	(2,861)	1,665	526
	<u>47,768</u>	<u>54,231</u>	<u>1,766</u>	<u>(407)</u>
Impairment losses			(5,075)	-
Finance costs			(1,282)	(1,165)
Interest income			(58)	49
Loss before tax			<u>(4,649)</u>	<u>(1,523)</u>

The Group's revenue decreased from RM54.231 million in the immediate preceding quarter to RM47.768 million in the current quarter. The decrease in revenue was mainly from Manufacturing, Construction and Property Division.

The Group recorded operating profit of RM1.766 million as compared to operating loss of RM0.407 million in the immediate preceding quarter mainly due to better cost control at Manufacturing Division over variable cost.

B3. Commentary On Prospect

The core business of the Group and the prospects for year 2022 is as analysed below.

a) *Manufacturing Division*

The Manufacturing Division will still be the main driver for the Group's revenue in 2022.

- Anti-vibration segment

The anti-vibration segment which is supplying to the automotive industry will continue to be the main revenue contributor of the Manufacturing Division. For the local market, we are currently involved in the development of the anti-vibration parts for new car models for Perodua, the anti-vibration parts for new car models for Proton and the localisation of anti-vibration parts for existing Proton models.

Meanwhile the division is also expected to further expand its export market with collaborations with existing and new customers (consist of car manufacturers and major OEM automotive parts manufacturers) in Europe, Japan, US, Thailand, Indonesia, India and China.

- Chemical segment

The adhesive, sealant and cementitious products business will continue to be the main source of revenue of the Chemical Division and the growth is forecasted from the export market such as South East Asia, Pacific Islands, Middle East and Africa countries.

- Plastic segment

This segment is expected to maintain its position as one of the leading manufacturers of industrial pails for the paint, lubricant, joint compound and adhesive industry in Malaysia. At the same time, we will continue to grow our market share in packaging products for the food industries and plastic products for the agriculture sector.

b) *Construction and Property Division*

The division will continuously monitor the construction market, exercise prudence in the selection of projects to participate in or tender for, with emphasis on our strengths as a Design and Build and Construction of infrastructure. Simultaneously, the division will focus to complete the projects that are currently on-going.

c) *Hostel Management Division*

The Hostel Management Division continues to operate and manage the hostels and facilities in University Putra Malaysia ("UPM"), Serdang under the "Build, Operate and Transfer" ("BOT") arrangement with UPM for concession period of 25 years (expiring in 2028).

B4. Profit Forecast

Not applicable as no profit forecast was published.

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B5. Loss Before Tax

	<u>Individual quarter</u>		<u>Cumulative quarter</u>	
	<u>31 Dec 2022</u> RM'000	<u>31 Dec 2021</u> RM'000 Restated	<u>31 Dec 2022</u> RM'000	<u>31 Dec 2021</u> RM'000 Restated
Loss before tax is arrived after charging/(crediting):-				
Amortisation of concession right	775	717	3,101	2,872
Bad debts written off	333	-	333	-
Depreciation of property, plant and equipment	3,876	1,701	6,357	5,106
Depreciation of right-of-use assets	(2,042)	252	3,021	1,728
Dividend income	(55)	(4)	(55)	(4)
Gain on modification of lease liabilities	-	(280)	-	(280)
Loss on disposal of property, plant and equipment	1	93	1	91
Impairment loss on concession right	-	684	-	684
Impairment loss on other receivables	876	-	876	5
Impairment loss on trade receivables	4,199	1,115	4,199	1,135
Finance cost	1,282	850	4,730	3,171
Interest expense/(income)	58	(12)	(87)	(75)
Inventories written back	-	(29)	-	(156)
Inventories written down	17	68	17	68
Reversal of impairment loss on trade receivable	-	(17)	-	(17)
Loss/(Gain) on foreign exchange:				
- realised	(132)	9	(661)	(172)
- unrealised	366	92	155	141

B6. Tax Expense

	Individual quarter		Cumulative quarter	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Income tax:-				
Based on result for current quarter	(18)	(1,284)	(823)	(1,522)
(Under)/Over provision in prior year	(869)	308	(103)	312
	<u>(887)</u>	<u>(976)</u>	<u>(926)</u>	<u>(1,210)</u>
Deferred tax:-				
Origination of temporary differences	1,254	1,124	1,254	1,155
Underprovision in prior year	(2,049)	(2,920)	(2,049)	(2,920)
	<u>(795)</u>	<u>(1,796)</u>	<u>(795)</u>	<u>(1,765)</u>
	<u>(1,682)</u>	<u>(2,772)</u>	<u>(1,721)</u>	<u>(2,975)</u>

The effective tax rate of the Group for the current year is higher than the statutory tax rate principally due mainly to losses incurred by the Company and certain operating subsidiaries.

B7. Status Of Corporate Proposal

On 6 December 2022, on behalf of the Board of Directors of Jetson (“Board”), Malacca Securities Sdn. Bhd. (“MSSB”) wishes to announce that the Company proposes to undertake the following:-

- (i) a proposed shares issuance of up to 114,843,000 Placement Shares, representing approximately 30.0% of Jetson’s enlarged share capital upon completion of the Proposed Shares Issuance (“Proposed Shares Issuance”); and
- (ii) an establishment of an ESS of up to 15.0% of the total number of issued Shares in Jetson (excluding any treasury shares) at any point in time during the tenure of the Scheme for eligible directors and employees of Jetson and its subsidiaries (excluding dormant subsidiaries) (“Proposed ESS”).

MSSB had on 18 January 2023 announced on behalf of the Board that Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 17 January 2023, approved the Proposed Shares Issuance and Proposed ESS subject to the following conditions:-

- (i) The Group and MSSB must fully comply with the relevant provisions under the Main Market Listing Requirements (“LR”) pertaining to the implementation of the Proposed Shares Issuance and Proposed ESS;
- (ii) MSSB to inform Bursa Securities upon the completion of the Proposed Shares Issuance;
- (iii) MSSB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders approving the Proposed Shares Issuance, prior to the listing of the new shares to be issued pursuant to the Proposed Shares Issuance;

B7. Status Of Corporate Proposal (Cont'd)

MSSB had on 18 January 2023 announced on behalf of the Board that Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 17 January 2023, approved the Proposed Shares Issuance and Proposed ESS subject to the following conditions (cont'd):-

- (iv) MSSB to submit a confirmation to Bursa Securities of full compliance of the Proposed ESS pursuant to Paragraph 6.43(1) of the LR and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESS;
- (v) MSSB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’s approval once the Proposed Shares Issuance is completed;
- (vi) The group to furnish Bursa Securities on a quarterly basis a summary of total number of shares listed pursuant to the issuance of new shares under the Proposed ESS as at the end of each quarter together with a detailed computation of listing fees payable; and
- (vii) To incorporate the comments made in the circular to shareholders provided in Attachment 1.

MSSB had on 10 February 2023 announced that MSSB had submitted an application to Bursa Securities to seek an extension of time of six (6) months up to 10 May 2023.

Currently, the Group is awaiting Bursa Securities approval for the proposed extension of time.

There was no other corporate proposal announced but not completed as at 22 February 2023 (being the latest practicable date which is not earlier than 7 days from the date of this report).

B8. Group Borrowings

	As at 31 Dec 2022		
	Long Term	Short Term	Total
	RM'000	RM'000	Borrowing
			RM'000
Secured			
Bank overdrafts	-	3,304	3,304
Trust receipts and bankers' acceptance	-	27,336	27,336
Term loans	17,624	6,108	23,732
Finance lease payables	8,947	1,165	10,112
	<u>26,571</u>	<u>37,913</u>	<u>64,484</u>
	As at 31 Dec 2021		
	Long Term	Short Term	Total
	RM'000	RM'000	Borrowing
			RM'000
Secured			
Bank overdrafts	-	3,354	3,354
Trust receipts and bankers' acceptance	-	31,813	31,813
Term loans	19,346	2,525	21,871
Finance lease payables	6,035	2,851	8,886
	<u>25,381</u>	<u>40,543</u>	<u>65,924</u>

- a) The Group's total borrowing as at 31 December 2022 was RM64.484 million, a decrease of RM1.440 million compared to preceding year corresponding quarter.
- b) The Group does not have any borrowings denominated in foreign currency.

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

Detail of the material litigation should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 December 2022.

- (a) Jetson Construction Sdn Bhd-vs-MCC Overseas (M) Sdn Bhd ('MCC')

Subsequent to the hearing on 11 March 2022, the next hearing has been fixed on 20 April 2022. On 20 April 2022, all parties have completed their submission and the panel has reserved their decision. The decision date which was originally fixed for 29 July 2022 is now revised to 19 August 2022.

B10. Status Of Material Litigation (Cont'd)

(a) Jetson Construction Sdn Bhd-vs-MCC Overseas (M) Sdn Bhd ('MCC') (Cont'd)

On 19 August 2022, the Court of Appeal ('COA') delivered the decision and dismissed JCSB's appeal with cost of RM0.035 million to be paid to MCC. On 15 September 2022, JCSB filed a Notice of Motion for leave to appeal to the Federal Court.

The Leave Application has been fixed for case management on 17 October 2022. At the said case management, the hearing for the Leave Application was fixed on 8 February 2023.

On 13 February 2023, solicitor reverted to JCSB on the hearing outcome that the panel dismissed JCSB's application on the basis that the application does not meet the threshold required for leave as there is no prima facie chance of success in the appeal proper.

Currently, JCSB awaiting for sealed order from the court.

(b) YDI Synergy Sdn Bhd-vs-Jetson Construction Sdn Bhd (AIAC/D/ADM-1121-2022)

Jetson Construction Sdn Bhd ('JCSB'), a wholly-owned subsidiary was served with a 'Notice of Arbitration ("NOA") on 12 May 2022 filed by YDI Synergy Sdn Bhd ("YDI") in demanding that the disputes between JCSB and YDI arising from the Agreements and Conditions of PAM Contract 2018 (With Quantities) ("Agreement") together with a Letter of Award dated 20 March 2020 ("LOA") (read together with the Agreement and Conditions of PAM Contract 2018 (With Quantities) for the construction of "CADANGAN PEMBANGUNAN INSTITUSI PENGAJIAN TINGGI SWASTA YANG MERANGKUMI 3 FASA IAITU:- (a) SEBAHAGIAN FASA 3: 2 TINGKAT TEMPAT LETAK KENDERAAN ARAS 1 DAN 2; (b) FASA 5: 12 TINGKAT BLOK K1 KEDIAMAN PELAJAR, 10 TINGKAT BLOK K2 KEDIAMAN PELAJAR; (c) FASA 6: 7 TINGKAT BLOK C: BENGKEL & MAKMAL KEJURUTERMIN, BILIK KULIAH, TUTORIAL & PERBINCANGAN DAN DEWAN PAMERAN, DI ATAS LOT P.T. 13825, TAMAN TEKNOLOGI MALAYSIA, MUKIM PETALING, BANDARAYA KUALA LUMPUR, WILAYAH PERSEKUTUAN UNTUK TETUAN ASIA PACIFIC UNIVERSITY SDN BHD", be referred to arbitration.

Pursuant to NOA, YDI claims against JCSB the sum of RM9,459,424 plus interest to be adjudged by the arbitrator on the basis that JCSB had allegedly delayed, failed and/or refused to certify and/or make payments to YDI for the works done by YDI.

JCSB counterclaim against YDI in the arbitration is in the estimated sum of RM15.5 million.

An arbitrator has been appointed by AIAC pursuant to a request by the parties. The parties have agreed to the arbitrator's fees and expenses for this matter.

A case management before the arbitrator was fixed for 13.12.2022.

During this case management, it was directed inter alia that YDI shall serve its Statement of Claim to JCSB by 28.2.2023. JCSB shall in turn serve its Statement of Defence and Counterclaim by 28.4.2023.

B11. Dividend Payable

No dividend has been recommended by the Board of Directors during the financial period ended 31 December 2022.

B12. Loss Per Ordinary Share

(a) Basic

Basic loss per ordinary share are calculated by dividing loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

	<u>3 Months Ended</u>		<u>Cummulative Year To-date</u>	
	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>	<u>31 Dec 2022</u>	<u>31 Dec 2021</u>
	<u>RM'000</u>	<u>RM'000</u> <u>Restated</u>	<u>RM'000</u>	<u>RM'000</u> <u>Restated</u>
Net loss attributable to the owners of the Company	<u>(6,023)</u>	<u>(3,160)</u>	<u>(8,454)</u>	<u>(8,001)</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>267,967</u>	<u>267,967</u>	<u>267,967</u>	<u>267,967</u>
Basic loss per share (sen)	<u>(2.25)</u>	<u>(1.18)</u>	<u>(3.15)</u>	<u>(2.99)</u>

(b) Diluted

Diluted loss per ordinary share for the financial period is calculated by dividing the loss for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. The Group had no dilution in its loss per ordinary shares.

B13. Prior Year Adjustments

During the financial periods, the Group made prior year adjustments in relation to the following:

- a) Underprovision of expected credit loss on contract assets and underprovision of contract costs in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.

	As previously stated RM'000	Note (a) RM'000	As restated RM'000
At 31 December 2021			
Consolidated statement of comprehensive income			
Impairment loss	(733)	(1,091)	(1,824)
Consolidated statement of financial position			
Trade receivables	60,467	(1,091)	59,376
Contract asset	11,725	(8,952)	2,773
Other payables	9,311	11,602	20,913
Retained earnings	(64,732)	(21,645)	(86,377)
At 31 December 2020			
Consolidated statement of financial position			
Other payables	(13,241)	(11,602)	(24,843)
Contract asset	10,413	(8,952)	1,461
Retained earnings	(56,362)	(20,554)	(76,916)

B14. Authorised For Issuance

The interim financial statements for the financial period ended 31 December 2022 has been approved by the Board of Directors on 27 February 2023 for release to the Bursa Securities.