

Unaudited Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For The First Quarter Ended 31 March 2023

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER ENDED	CORRESPONDING QUARTER ENDED	CURRENT YEAR TO DATE ENDED	CORRESPONDING YEAR TO DATE ENDED
		31 MAR 2023 RM'000	31 MAR 2022 RM'000	31 MAR 2023 RM'000	31 MAR 2022 RM'000
Revenue		52,048	43,856	52,048	43,856
Cost of sales		(46,673)	(37,178)	(46,673)	(37,178)
Gross Profit		5,375	6,678	5,375	6,678
Interest income		252	-	252	-
Other income		396	108	396	108
Administrative and other expenses		(5,820)	(5,773)	(5,820)	(5,773)
Selling and distribution expenses		(1,008)	(1,130)	(1,008)	(1,130)
Loss from operations		(805)	(117)	(805)	(117)
Finance costs		(1,042)	(702)	(1,042)	(702)
Loss before tax	B5	(1,847)	(819)	(1,847)	(819)
Tax expense	B6	(276)	(293)	(276)	(293)
Loss after tax		(2,123)	(1,112)	(2,123)	(1,112)
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		25	-	25	-
Total comprehensive loss for the financial year		(2,098)	(1,112)	(2,098)	(1,112)
Loss attributable to:					
Owners of the Company		(1,566)	(1,065)	(1,566)	(1,065)
Non-controlling interests		(557)	(47)	(557)	(47)
		(2,123)	(1,112)	(2,123)	(1,112)
Total comprehensive loss attributable to:					
Owners of the Company		(1,541)	(1,065)	(1,541)	(1,065)
Non-controlling interests		(557)	(47)	(557)	(47)
		(2,098)	(1,112)	(2,098)	(1,112)
Loss per share attributable to owners of the Company:					
Basic, earnings/loss for the financial period (sen)	B12	(0.58)	(0.40)	(0.58)	(0.40)
Diluted, earnings/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 March 2023

	Note	Unaudited As at 31 Mar 2023 RM'000	Audited As at 31 Dec 2022 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		13,986	14,659
Right of used assets		12,362	13,300
Concession right		9,966	10,793
Other investments		15	15
		<u>36,329</u>	<u>38,767</u>
Current Assets			
Inventories		47,966	48,837
Trade receivables		52,070	49,019
Other receivables, deposits and prepayment		10,505	9,069
Contract assets		12,070	14,013
Assets held for sale		39,362	39,362
Tax assets		433	251
Cash and bank balances		8,479	8,060
		<u>170,885</u>	<u>168,611</u>
Total Assets		<u><u>207,214</u></u>	<u><u>207,378</u></u>
Equity and liabilities			
Current Liabilities			
Trade payables		52,609	46,710
Other payables and accruals		38,380	33,631
Contract liabilities		1,821	6,675
Lease liabilities	B8	3,381	4,293
Borrowings	B8	35,148	36,813
Tax liabilities		214	822
		<u>131,553</u>	<u>128,944</u>
Non-current Liabilities			
Borrowings	B8	16,698	17,614
Lease liabilities	B8	8,459	8,218
Deferred tax liabilities		9,262	9,262
		<u>34,419</u>	<u>35,094</u>
Total Liabilities		<u><u>165,972</u></u>	<u><u>164,038</u></u>
Equity attributable to owners of the Company			
Share capital		123,322	123,322
Reserves		(70,174)	(68,633)
		<u>53,148</u>	<u>54,689</u>
Non-controlling interests		(11,906)	(11,349)
Total equity		<u><u>41,242</u></u>	<u><u>43,340</u></u>
Total Equity and Liabilities		<u><u>207,214</u></u>	<u><u>207,378</u></u>
Net assets per share attributable to equity holders of the parent (sen)		15.3907	16.1736

(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 First Quarter Ended 31 March 2023

	----- 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
3 months ended 31 March 2022								
At 1 Jan 2022								
- as previously stated	123,322	28,116	1,671	(68)	(64,732)	88,309	(8,157)	80,152
- prior year adjustment	-	-	-	-	(25,095)	(25,095)	(1,287)	(26,382)
As at 1 Jan 2022	123,322	28,116	1,671	(68)	(89,827)	63,214	(9,444)	53,770
Loss for the financial year	-	-	-	-	(1,065)	(1,065)	(47)	(1,112)
Foreign currency translation difference for foreign operations	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(1,065)	(1,065)	(47)	(1,112)
Transactions with owners of the Company	-	-	-	-	-	-	-	-
As at 31 March 2022	123,322	28,116	1,671	(68)	(90,892)	62,149	(9,491)	52,658
3 months ended 31 March 2023								
As at 1 Jan 2023	123,322	28,116	1,671	(72)	(98,348)	54,689	(11,349)	43,340
Loss for the financial year	-	-	-	-	(1,566)	(1,566)	(557)	(2,123)
Foreign currency translation difference for foreign operations	-	-	-	25	-	25	-	25
Total comprehensive loss	-	-	-	25	(1,566)	(1,541)	(557)	(2,098)
Transactions with owners of the Company	-	-	-	-	-	-	-	-
As at 31 March 2023	123,322	28,116	1,671	(47)	(99,914)	53,148	(11,906)	41,242

(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 First Quarter Ended 31 March 2023

	As at End of Current Quarter 31 Mar 2023 RM'000	Preceding Period To Date Ended 31 Mar 2022 RM'000
Cash Flows from Operating Activities		
Loss before tax	(1,847)	(819)
Adjustments for:		
Amortisation of concession right	827	775
Depreciation of property, plant and equipment	888	1,453
Depreciation of right-of-use assets	938	977
Loss on disposal of property, plant and equipment	-	(2)
Inventories written back	-	(126)
Interest expense	1,042	1,052
Interest income	(252)	-
Unrealised loss on foreign exchange	56	48
	<hr/>	<hr/>
Operating profit before working capital changes	1,652	3,358
Net changes in working capital	3,777	(6,662)
Tax paid, net of refund	(1,066)	(5)
Interest paid	(1,042)	(1,052)
Interest received	252	-
	<hr/>	<hr/>
Net cash from/(used in) operating activities	3,573	(4,361)
	<hr/>	<hr/>
Cash flows from Investing Activities		
Purchase of property, plant and equipment	(214)	(973)
Withdrawal of bank deposits	1,014	71
	<hr/>	<hr/>
Net cash from/(used in) investing activities	800	(902)
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Cash Flows from Financing Activities		
Net (repayment)/drawdown of borrowings	(2,722)	1,908
Advances from director	312	707
Net repayment of lease liabilities	(671)	(1,224)
	<hr/>	<hr/>
Net cash (used in)/from financing activities	(3,081)	1,391
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	1,292	(3,872)
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	1,422	2,845
	<hr/>	<hr/>
Cash and cash equivalents at end of period	2,714	(1,027)
	<hr/>	<hr/>
Cash and cash equivalents comprises the followings:-		
Deposits with licensed banks	-	-
Cash in hand and at bank	4,306	4,548
Bank overdrafts	(1,592)	(5,575)
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	2,714	(1,027)
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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 MARCH 2023

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 2022, 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 16	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
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A1. Basis Of Preparation (cont'd)

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

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.

KUMPULAN JETSON BERHAD [197701003095 (34134-H)]**A8. Segment Information**

Segmental information for the 3 months ended 31 March 2023:

Business Segments	Manufacturing RM'000	Construction and Property RM'000	Hostel Management RM'000	Elimination RM'000	Total RM'000
External sales	48,403	2,499	1,146	-	52,048
Inter-segment revenue	-	1,522	-	(1,522)	-
Total revenue	<u>48,403</u>	<u>4,021</u>	<u>1,146</u>	<u>(1,522)</u>	<u>52,048</u>
Operating profit/(loss)	1,950	(2,415)	(592)	-	(1,057)
Impairment losses					-
Finance costs					(1,042)
Interest income					252
Loss before tax					<u>(1,847)</u>
Tax expense					<u>(276)</u>
Loss after tax					<u><u>(2,123)</u></u>
Assets					
Segment assets	<u>138,865</u>	<u>57,934</u>	<u>10,415</u>	<u>-</u>	<u>207,214</u>
Liabilities					
Segment liabilities	<u>98,263</u>	<u>55,070</u>	<u>12,639</u>	<u>-</u>	<u>165,972</u>

KUMPULAN JETSON BERHAD [197701003095 (34134-H)]**A8. Segment Information (Cont'd)**

Segmental information for the 3 months ended 31 March 2022:

Business Segments	Manufacturing RM'000	Construction and Property RM'000	Hostel Management RM'000	Elimination RM'000	Total RM'000
External sales	41,812	911	1,133	-	43,856
Inter-segment revenue	-	1,579	-	(1,579)	-
Total revenue	<u>41,812</u>	<u>2,490</u>	<u>1,133</u>	<u>(1,579)</u>	<u>43,856</u>
Operating profit/(loss)	1,613	(1,644)	(86)	-	(117)
Impairment losses					-
Finance costs					(702)
Interest income					-
Loss before tax					(819)
Tax expense					(293)
Loss after tax					<u>(1,112)</u>
Assets					
Segment assets	<u>168,886</u>	<u>235,386</u>	<u>19,869</u>	<u>(158,836)</u>	<u>265,305</u>
Liabilities					
Segment liabilities	<u>116,177</u>	<u>167,908</u>	<u>19,493</u>	<u>(117,313)</u>	<u>186,265</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 Mar 2023 RM'000	As at 31 Mar 2022 RM'000
Approved and contracted for:- Property, plant and equipment	<u>860</u>	<u>1,581</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 Mar 2023 RM'000	As at 31 Mar 2022 RM'000
Bank guarantees	<u>1,288</u>	<u>4,824</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 31 Mar 2023	Corresponding Quarter Ended 31 Mar 2022	Current Quarter Ended 31 Mar 2023	Corresponding Quarter Ended 31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Operating segment				
Manufacturing	48,403	41,812	1,950	1,613
Construction and Property	4,021	2,490	(2,415)	(1,644)
Hostel Management	1,146	1,133	(592)	(86)
Elimination	(1,522)	(1,579)	-	-
	<u>52,048</u>	<u>43,856</u>	<u>(1,057)</u>	<u>(117)</u>
Impairment losses			-	-
Finance costs			(1,042)	(702)
Interest income			252	-
Loss before tax			<u>(1,847)</u>	<u>(819)</u>

The Group recorded revenue of RM52.048 million for current quarter, an increase of RM8.192 million or 18.7% compared to preceding year's corresponding quarter of RM43.856 million mainly due to increase in revenue from Manufacturing Division. The Group achieved operating loss of RM1.847 million in current quarter compared to operating loss of RM0.819 million in preceding year corresponding quarter, this was mainly due to higher operating costs in Construction & Property Division and increase in finance costs.

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

a) *Manufacturing Division*

Manufacturing Division registered total revenue of RM48.403 million in the current quarter, which was RM6.591 million higher than the preceding year corresponding quarter of RM41.812 million. The increase in revenue was mainly due to higher sales from automotive industries as well as chemical products from adhesive industries.

The division reported a higher operating profit of RM1.950 million as compared to operating profit of RM1.613 million in the preceding year corresponding quarter. It was mainly due to cost saving in administration and other expenses.

b) *Construction and Property Division*

The division generated total revenue of RM4.021 million, which was RM1.531 million higher compared to the corresponding quarter of RM2.490 million. Revenue for the quarter was mainly contributed by the division's existing ongoing projects which include existing ongoing building works namely APU project and its property development activities at Taman Melawati.

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

b) Construction and Property Division (Cont'd)

The division's operating loss for the current quarter increase to RM2.415 million from RM1.644 million in preceding year corresponding quarter mainly due to higher operating costs in current quarter.

c) Hostel Management Division

There was a increase in revenue for the quarter by RM0.013 million from RM1.133 million in preceding year corresponding quarter to RM1.146 million reported in the current quarter.

The division reported operating loss of RM0.592 million as compared to RM0.086 million in the preceding year corresponding quarter as a result of higher administration expenses incurred during the quarter.

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

	Revenue		Operating Results	
	Current Quarter Ended 31 Mar 2023	Immediate Preceding Quarter Ended 31 Dec 2022	Current Quarter Ended 31 Mar 2023	Immediate Preceding Quarter Ended 31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Operating segment				
Manufacturing	48,403	39,983	1,950	2,118
Construction and Property	4,021	10,687	(2,113)	(1,620)
Hostel Management	1,146	1,144	(592)	(397)
Elimination	(1,522)	(4,046)	-	1,665
	<u>52,048</u>	<u>47,768</u>	<u>(755)</u>	<u>1,766</u>
Impairment losses			-	(5,075)
Finance costs			(1,344)	(1,282)
Interest income			252	(58)
(Loss)/Profit before tax			<u>(1,847)</u>	<u>(4,649)</u>

The Group's revenue increased from RM47.768 million in the immediate preceding quarter to RM52.048 million in the current quarter. The increase in revenue was mainly from Manufacturing Division.

The Group recorded a lower operating loss of RM1.847 million as compared to operating loss of RM4.649 million in the immediate preceding quarter mainly due to impairment losses made on concession rights and receivables in the immediate preceding quarter.

B3. Commentary On Prospect

The core business of the Group and the prospects for year 2023 is as follows: -

a) Manufacturing Division

The Manufacturing Division will still be the main driver for the Group's revenue in 2023.

- 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 to be from export markets 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 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. At the same time the division will focus to complete the existing residence development, Tropika Melawati, at Taman Melawati, Selangor, APU hostel works and UPM refurbishment.

B3. Commentary On Prospect (Cont'd)

The core business of the Group and the prospects for year 2022 is as follows: - (Cont'd)

c) Hostel Management Division

The 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.

B5. Loss Before Tax

	<u>Individual quarter</u>		<u>Cumulative quarter</u>	
	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loss before tax is arrived after charging/(crediting):-				
Amortisation of concession right	827	546	827	546
Depreciation of property, plant and equipment	888	1,453	888	1,453
Depreciation of right-of-use assets	938	977	938	977
Interest expense	1,042	702	1,042	702
Interest income	(252)	-	(252)	-
(Gain)/Loss on foreign exchange:				
- realised	(226)	86	(226)	86
- unrealised	56	(4)	56	(4)

B6. Tax Expense

	<u>Individual quarter</u>		<u>Cumulative quarter</u>	
	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax:-				
Based on result for current quarter	(276)	(326)	(276)	(326)
Overprovision in prior year	-	33	-	33
	<u>(276)</u>	<u>(293)</u>	<u>(276)</u>	<u>(293)</u>
Deferred tax:-				
Origination of temporary differences	-	-	-	-
Underprovision in prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(276)</u>	<u>(293)</u>	<u>(276)</u>	<u>(293)</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

A. Proposed Shares Issuance and Proposed ESS

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;

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- (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.

On 15 March 2023, MSSB had announced that the Company will not be proceeding with the Proposals after taking into consideration the ongoing Proposed Disposal of a piece of freehold industrial land held under Title No. GM 256, Lot 1569, Mukim Batu, Gombak District, Negeri Selangor measuring approximately 1.6187 hectares in area together with a factory complex erected thereon and bearing the postal address of Lot. No. 1569, Jalan Kusta, Kawasan Perindustrian Kampung Jaya, 47000 Sungai Buloh, Selangor Darul Ehsan ("Property"), for a total cash consideration of RM35,000,000/- ("the Purchase Price") ("Proposed Disposal") funds to be raised therein.

There was no other corporate proposal announced but not completed as at 12 May 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 March 2023		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Secured			
Bank overdrafts	-	1,592	1,592
Trust receipts and bankers' acceptance	-	27,580	27,580
Term loans	16,698	5,976	22,674
Finance lease payables	8,459	3,381	11,840
	<u>25,157</u>	<u>38,529</u>	<u>63,686</u>
	-	-	
	As at 31 March 2022		
	Long Term RM'000	Short Term RM'000	Total Borrowing RM'000
Secured			
Bank overdrafts	-	3,801	3,801
Trust receipts and bankers' acceptance	-	33,220	33,220
Term loans	16,895	7,968	24,864
Finance lease payables	3,381	1,136	4,516
	<u>20,276</u>	<u>46,124</u>	<u>66,400</u>

- a) The Group's total borrowing as at 31 March 2023 was RM63.686 million, a decrease of RM2.714 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) 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.

JCSB and YDI currently in the midst of settlement negotiation. YDI proposes that:-

- a. the arbitration proceedings be suspended until 31.5.2023, in order to facilitate the settlement negotiations between the parties; and
- b. the filing of YDI's Statement of Claim (which is currently due to be submitted by 28.2.2023) be deferred until after 31.5.2023.

B10. Status Of Material Litigation (Cont'd)

(b) Mercu Binaraya Sdn Bhd-vs-Jetson Construction Sdn Bhd (AIAC/D/ADJ-4673-2023)

Jetson Construction Sdn Bhd ('JCSB'), a wholly-owned subsidiary was served with a 'Notice of Arbitration ("NOA") on 9 February 2023 filed by Mercu Binaraya Sdn. Bhd. ("Mercu Binaraya") under Sections 7 and 8 of the Construction Industry Payment & Adjudication Act 2012 for an amount of RM2,744,528.84.

Mercu Binaraya has raised a claim that JCSB had allegedly delayed, failed and/or refused to certify and/or make payments to Mercu Binaraya for works allegedly done under the PAM Contract for work and/or services as sub-contractor in relation to the Cadangan Pembangunan Institusi Pengajian Tinggi Swasta yang merangkumi 3 fasa iaitu: (i) Sebahagian Fasa 3: 2 Tempat letak kenderaan Aras 1 dan 2; (ii) Fasa 5: 12 tingkat Blok K1 kediaman pelajar dan 10 tingkat Blok K2 kediaman pelajar; (iii) Fasa 6: 7 Tingkat Block C: Bengkel & Makmal Kejuruteraan, Bilik Kuliah, Tutorial & Pembincangan dan Dewan Pameran located at Lot P.T. 13825, Taman Teknologi Malaysia, Mukim Petaling, Bandaraya Kuala Lumpur, Wilayah Persekutuan (Contract reference no. JCSB/JN2003/CONTRACTS/LOA/YDI/20-001) awarded by way of a Letter of Award dated 20 March 2020 for an original contract sum of RM23,432,483.77.

The Company's position is that Mercu Binaraya's alleged claims are without merits and JCSB will vigorously defend its position accordingly. JCSB has sought advice from its solicitors and has instructed the said solicitors to take all necessary steps including possible filing of counterclaim against Mercu Binaraya.

On 30 March 2023, the adjudication proceeding has been duly registered pursuant to the Construction Industry Payment and Adjudication Act 2012 and in accordance with Rule 2 of the AIAC Adjudication Rules & Procedure.

Meanwhile, both parties are also in negotiation for a settlement.

(c) Jetson Construction Sdn Bhd-vs-MCC Overseas 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.

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.

The appeal had been dismissed with costs by the Federal Court in February 2023.

B11. Dividend Payable

No dividend has been recommended by the Board of Directors during the financial period ended 31 March 2023.

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 Mar 2023</u>	<u>31 Mar 2022</u>	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net loss attributable to the owners of the Company	<u>(1,566)</u>	<u>(1,065)</u>	<u>(1,566)</u>	<u>(1,065)</u>
Adjusted weighted average number of ordinary shares in issue (unit)	<u>267,967,012</u>	<u>267,967,012</u>	<u>267,967,012</u>	<u>267,967,012</u>
Basic loss per share (sen)	<u>(0.58)</u>	<u>(0.40)</u>	<u>(0.58)</u>	<u>(0.40)</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. Authorised For Issuance

The interim financial statements for the financial period ended 31 March 2023 has been approved by the Board of Directors on 19 May 2023 for release to the Bursa Securities.