

Unaudited Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For The Third Quarter Ended 30 September 2023

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER ENDED 30 SEP 2023 RM'000	CORRESPONDING QUARTER ENDED 30 SEP 2022 RM'000	CURRENT YEAR TO DATE ENDED 30 SEP 2023 RM'000	CORRESPONDING YEAR TO DATE ENDED 30 SEP 2022 RM'000
Revenue		56,159	54,231	154,112	147,764
Cost of sales		(49,489)	(49,295)	(136,126)	(129,769)
Gross profit		6,670	4,936	17,986	17,995
Interest income		224	49	662	145
Other income		1,010	538	2,131	1,503
Administrative and other expenses		(7,757)	(4,347)	(18,699)	(15,890)
Selling and distribution expenses		(1,468)	(1,534)	(3,293)	(3,743)
(Loss)/Profit from operations		(1,321)	(358)	(1,213)	10
Finance costs		(1,168)	(1,165)	(3,567)	(3,448)
Loss before tax	B5	(2,489)	(1,523)	(4,780)	(3,438)
Tax income/(expense)	B6	1,275	483	855	(39)
Loss after tax		(1,214)	(1,040)	(3,925)	(3,477)
Other comprehensive loss, net of tax					
Foreign currency translation differences for foreign operations		(6)	(153)	(136)	(448)
Total comprehensive loss for the financial year		(1,220)	(1,193)	(4,061)	(3,925)
Loss attributable to:					
Owners of the Company		(502)	(477)	(2,264)	(2,431)
Non-controlling interests		(712)	(563)	(1,661)	(1,046)
		(1,214)	(1,040)	(3,925)	(3,477)
Total comprehensive loss attributable to:					
Owners of the Company		(508)	(630)	(2,400)	(2,879)
Non-controlling interests		(712)	(563)	(1,661)	(1,046)
		(1,220)	(1,193)	(4,061)	(3,925)
Loss per share attributable to owners of the Company:					
Basic, loss for the financial period (sen)	B12	(0.18)	(0.18)	(0.84)	(0.91)
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 30 September 2023

	Note	Unaudited As at 30 Sep 2023 RM'000	Audited As at 31 Dec 2022 RM'000
Assets			
Non-current Assets			
Property, plant and equipment		14,616	14,659
Right of used assets		9,980	13,300
Concession right		9,465	10,793
Other investments		15	15
Deferred tax assets		3	-
		<u>34,079</u>	<u>38,767</u>
Current Assets			
Inventories		45,549	48,837
Trade receivables		47,035	49,019
Other receivables, deposits and prepayment		41,029	9,069
Contract assets		14,574	14,013
Assets held for sale		-	39,362
Tax assets		473	251
Cash and bank balances		12,016	8,060
		<u>160,676</u>	<u>168,611</u>
Total Assets		<u>194,755</u>	<u>207,378</u>
Equity and liabilities			
Current Liabilities			
Trade payables		43,100	46,710
Other payables and accruals		35,031	33,631
Contract liabilities		568	6,675
Lease liabilities	B8	2,872	4,293
Borrowings	B8	35,846	36,813
Tax liabilities		462	822
		<u>117,879</u>	<u>128,944</u>
Non-current Liabilities			
Borrowings	B8	22,425	17,614
Lease liabilities	B8	7,999	8,218
Deferred tax liabilities		7,173	9,262
		<u>37,597</u>	<u>35,094</u>
Total Liabilities		<u>155,476</u>	<u>164,038</u>
Equity attributable to owners of the Company			
Share capital		123,322	123,322
Reserves		(71,033)	(68,633)
		<u>52,289</u>	<u>54,689</u>
Non-controlling interests		(13,010)	(11,349)
Total Equity		<u>39,279</u>	<u>43,340</u>
Total Equity and Liabilities		<u>194,755</u>	<u>207,378</u>
Net assets per share attributable to equity holders of the parent (RM)		0.1466	0.1617

(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 Third Quarter Ended 30 September 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
9 months ended 30 September 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	-	-	-	-	(2,264)	(2,264)	(1,661)	(3,925)
Transfer upon disposal of asset held for sale	-	(28,116)	-	-	28,116	-	-	-
Foreign currency translation difference for foreign operations	-	-	-	(136)	-	(136)	-	(136)
Total comprehensive loss	-	(28,116)	-	(136)	25,852	(2,400)	(1,661)	(4,061)
Transactions with owners of the Company	-	-	-	-	-	-	-	-
As at 30 September 2023	123,322	-	1,671	(208)	(72,496)	52,289	(13,010)	39,279
9 months ended 30 September 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	-	-	-	-	(2,431)	(2,431)	(1,046)	(3,477)
Foreign currency translation difference for foreign operations	-	-	-	(448)	-	(448)	-	(448)
Total comprehensive loss	-	-	-	(448)	(2,431)	(2,879)	(1,046)	(3,925)
Transactions with owners of the Company	-	-	-	-	-	-	-	-
As at 30 September 2022	123,322	28,116	1,671	(516)	(92,258)	60,335	(10,490)	49,845

(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 Third Quarter Ended 30 September 2023

	As at End of Current Quarter 30 Sep 2023 RM'000	Preceeding Period To Date Ended 30 Sep 2022 RM'000
Cash Flows from Operating Activities		
Loss before tax	(4,780)	(3,438)
Adjustments for:		
Amortisation of concession right	2,557	2,326
Depreciation of property, plant and equipment	1,914	2,481
Depreciation of right-of-use assets	3,320	5,063
Gain on disposal of property, plant and equipment	(134)	-
Gain on disposal of asset held for sale	(287)	-
Reversal of impairment loss on trade receivables	(812)	-
Inventories written down	22	-
Interest expense	3,567	3,448
Interest income	(662)	(145)
Unrealised loss/(gain) on foreign exchange	120	(211)
	<hr/>	<hr/>
Operating profit before working capital changes	4,825	9,524
Net changes in working capital	2,307	(6,394)
Tax paid, net of refund	(1,817)	(456)
Interest paid	(3,567)	(3,448)
Interest received	662	145
	<hr/>	<hr/>
Net cash from/(used in) from operating activities	2,410	(629)
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Cash flows from Investing Activities		
Additional investment in concession right	(1,230)	-
Proceeds from disposal of property, plant and equipment	283	-
Proceeds from disposal of asset held for sale	4,650	-
Purchase of property, plant and equipment	(2,020)	(3,577)
Placement of bank deposits	(321)	(460)
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Net cash from/(used in) investing activities	1,362	(4,037)
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Cash Flows from Financing Activities		
Net drawdown of borrowings	4,165	2,091
(Repayment to)/Advances from directors	(2,342)	3,341
Net repayment of lease liabilities	(1,639)	(607)
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Net cash from financing activities	184	4,825
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Net increase in cash and cash equivalents	3,956	159
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the financial year	(605)	2,845
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Cash and cash equivalents at end of the financial year	3,351	3,004
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Cash and cash equivalents comprises the followings:-		
Cash in hand and at bank	6,508	3,399
Bank overdrafts	(3,157)	(395)
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	3,351	3,004
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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 30 SEPTEMBER 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 2023.

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	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 112	International Tax Reform – Pillar Two Model Rules
Amendments to MFRS 107	Supplier Financial Arrangements
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

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 9 months ended 30 September 2023:

Business Segments	Manufacturing RM'000	Construction and Property RM'000	Hostel Management RM'000	Elimination RM'000	Total RM'000
External sales	139,908	10,763	3,441	-	154,112
Inter-segment revenue	1,979	5,314	-	(7,293)	-
Total revenue	<u>141,887</u>	<u>16,077</u>	<u>3,441</u>	<u>(7,293)</u>	<u>154,112</u>
Operating profit/(loss)	8,349	(5,188)	(329)	(4,707)	(1,875)
Finance costs					(3,567)
Interest income					662
Loss before tax					<u>(4,780)</u>
Tax expense					855
Loss after tax					<u><u>(3,925)</u></u>
Assets					
Segment assets	<u>125,060</u>	<u>59,313</u>	<u>10,382</u>	<u>-</u>	<u>194,755</u>
Liabilities					
Segment liabilities	<u>93,998</u>	<u>49,560</u>	<u>11,918</u>	<u>-</u>	<u>155,476</u>

A8. Segment Information (Cont'd)

Segmental information for the 9 months ended 30 September 2022:

Business Segments	Manufacturing RM'000	Construction and Property RM'000	Hostel Management RM'000	Elimination RM'000	Total RM'000
External sales	127,177	17,180	3,407	-	147,764
Inter-segment revenue	-	8,346	-	(8,346)	-
Total revenue	<u>127,177</u>	<u>25,526</u>	<u>3,407</u>	<u>(8,346)</u>	<u>147,764</u>
Operating profit/(loss)	5,244	(5,025)	(79)	(275)	(135)
Impairment losses					-
Finance costs					(3,448)
Interest income					145
Loss before tax					<u>(3,438)</u>
Tax expense					<u>(39)</u>
Loss after tax					<u><u>(3,477)</u></u>
Assets					
Segment assets	<u>134,738</u>	<u>86,570</u>	<u>13,492</u>	<u>-</u>	<u>234,800</u>
Liabilities					
Segment liabilities	<u>86,121</u>	<u>59,349</u>	<u>13,103</u>	<u>-</u>	<u>158,573</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 30 Sep 2023 RM'000	As at 30 Sep 2022 RM'000
Approved and contracted for:- Property, plant and equipment	<u>847</u>	<u>1,276</u>
Approved and not contracted for:- Property, plant and equipment	<u>-</u>	<u>9</u>

A13. Changes In Contingent Liabilities and Contingent Assets

The changes in contingent liabilities were as below:-

	As at 30 Sep 2023 RM'000	As at 30 Sep 2022 RM'000
Bank guarantees	<u>1,338</u>	<u>5,234</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 30 Sep 2023	Corresponding Quarter Ended 30 Sep 2022	Current Quarter Ended 30 Sep 2023	Corresponding Quarter Ended 30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Operating segment				
Manufacturing	48,552	43,014	3,197	1,562
Construction and Property	10,162	12,944	(2,143)	(2,498)
Hostel Management	1,144	1,134	305	3
Elimination	(3,699)	(2,861)	(2,904)	526
	<u>56,159</u>	<u>54,231</u>	<u>(1,545)</u>	<u>(407)</u>
Finance costs			(1,168)	(1,165)
Interest income			224	49
Loss before tax			<u>(2,489)</u>	<u>(1,523)</u>

The Group recorded revenue of RM56.16 million and loss before tax of RM2.49 million for the current quarter ended 30 September 2023 compared to revenue of RM54.23 million and loss before tax of RM1.52 million in the preceding years' corresponding quarter. This representing an increase in revenue of RM1.93 million or 3.5% and increase in loss before tax of RM0.97 million or 63.7%. The higher revenue in the current quarter was mainly due to increased revenue contribution from the Manufacturing Division. However, the higher loss before tax in the current quarter was mainly due to the expenses incurred for relevant authorities, advisory fee, sales commission and legal fee related to the sales of Sungai Buloh Factory during the current quarter.

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

a) *Manufacturing Division*

Manufacturing Division recorded a total revenue of RM48.55 million in the current quarter, which was RM5.54 million higher than the preceding years' corresponding quarter of RM43.01 million. The increase in revenue was mainly due to higher sales from automotive industry, resulting from the launch of new motor vehicle models by customers and higher sales of solvent based chemical products in the trade market.

The Manufacturing Division reported an operating profit of RM3.20 million, reflecting a notable increase of RM1.64 million compared to the operating profit of RM1.56 million in the preceding years' corresponding quarter. This increase was mainly attributed to the increased sales of solvent based chemical products, which contributed a higher gross profit margin to the Division.

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

b) Construction and Property Division

The Construction and Property Division generated a total revenue of RM10.16 million in the current quarter, indicating a decrease of RM2.78 million compared to the preceding years' corresponding quarter of RM12.94 million. The decline in the Division's revenue in the current quarter was mainly attributed to reductions in work in progress from the Division's existing ongoing projects. These projects include various ongoing building works, such as the Asia Pacific University (APU) project, property development activities at Taman Melawati and at refurbishment works University Putra Malaysia (UPM).

c) Hostel Management Division

The revenue generated by the Hostel Management Division from providing Hostel Management Services to UPM remained consistent in the current quarter compared to the preceding years' corresponding quarter revenue.

In the current quarter, the Division reported a higher operating profit of RM0.31 million compared to the preceding years' corresponding quarter. This increase was mainly attributed to lower repair and maintenance expenses incurred during the current quarter.

B2. Financial Review for The Current Quarter Compared with Immediate Preceding Quarter

	Revenue		Operating Results	
	Current Quarter Ended 30 Sep 2023	Immediate Preceding Quarter Ended 30 June 2023	Current Quarter Ended 30 Sep 2023	Immediate Preceding Quarter Ended 30 June 2023
	RM'000	RM'000	RM'000	RM'000
Operating segment				
Manufacturing	48,552	44,932	3,197	3,202
Construction and Property	10,162	1,894	(2,143)	(630)
Hostel Management	1,144	1,151	305	(42)
Elimination	(3,699)	(2,072)	(2,904)	(1,803)
	<u>56,159</u>	<u>45,905</u>	<u>(1,545)</u>	<u>727</u>
Finance costs			(1,168)	(1,357)
Interest income			224	186
Loss before tax			<u>(2,489)</u>	<u>(444)</u>

The Group recorded revenue of RM56.16 million and losses before tax of RM2.49 million for the current quarter ended 30 September 2023 compared to revenue of RM45.91 million and loss before tax of RM0.44 million in the immediate preceding quarter. This represents an increase in revenue of RM10.25 million or 22.3% and an increase in loss before tax of RM2.05 million.

B2. Financial Review for The Current Quarter Compared with Immediate Preceding Quarter (Cont'd)

The increase in revenue in the current quarter was mainly driven by higher sales from automotive industry due to the launch of new motor vehicle models by customers. Furthermore, there were increased sales of solvent based chemical products in the trade market and higher work in progress from the Construction and Property Division's ongoing projects.

However, the higher loss before tax in the current quarter was mainly due to the expenses incurred for relevant authorities, advisory fee, sales commission and legal fee related to the sales of Sungai Buloh Factory during the current quarter.

B3. Commentary On Prospect

The analysis of the Group's core business prospects for the year 2023 is presented below:

a) Manufacturing Division

The Manufacturing Division remains the primary driver of the Group's revenue in 2023.

- Anti-vibration segment

The anti-vibration segment, catering to the automotive industry, remains the primary revenue contributor for the Manufacturing Division. Currently, we are engaged in developing and manufacturing anti-vibration parts for new car models, as well as working on localizing anti-vibration parts for existing car models.

The division is also anticipating further expansion in the export market by collaborating with both existing and new customers, including car manufacturers and major OEM automotive parts manufacturers across Europe, Japan, the 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 and exercise prudence in selecting projects to participate in or tender for. Emphasis will be placed on our strengths in Design and Build as well as Construction of infrastructure. Simultaneously, the division will focus on completing the projects that are currently on-going.

B3. Commentary On Prospect (Cont'd)

c) *Hostel Management Division*

The Hostel Management Division continues to oversee and manage the hostels and facilities at University Putra Malaysia (UPM), Serdang, operating under the 'Build, Operate, and Transfer' (BOT) arrangement. This concession period with UPM spans 25 years, set to expire 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>30 Sep 2023</u>	<u>30 Sep 2022</u>	<u>30 Sep 2023</u>	<u>30 Sep 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	885	775	2,557	2,326
Depreciation of property, plant and equipment	1,176	36	1,914	2,481
Depreciation of right-of-use assets	479	2,840	3,320	5,063
Gain on disposal of property, plant and equipment	(137)	-	(134)	-
Gain on disposal of asset held for sale	(287)	-	(287)	-
Interest expense	1,168	1,165	3,567	3,448
Interest income	(224)	(49)	(662)	(145)
Inventories written down	(9)	-	22	-
Reversal of impairment loss on trade receivable	(776)	-	(812)	-
(Gain)/Loss on foreign exchange:				
- realised	(215)	(449)	(529)	(529)
- unrealised	239	(190)	120	(211)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

B6. Tax Income/(Expense)

	<u>Individual quarter</u>		<u>Cumulative quarter</u>	
	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>	<u>30 Sep 2023</u>	<u>30 Sep 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	509	(250)	89	(805)
Overprovision in prior year	766	733	766	766
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>1,275</u>	<u>483</u>	<u>855</u>	<u>(39)</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 19 January 2023, The Board of Directors (“Board”) of JETSON wishes to announce that Jetson Development (Asia) Sdn. Bhd. [Registration No. 200801024053 (825376-T)] (“JDA”) or “the Vendor”), a wholly-owned subsidiary of the Company had entered into a conditional sale and purchase agreement (“SPA”) with TYH Management Sdn. Bhd. [Registration No. 202101021863 (1422163-A)] (“TYH or “the Purchaser”) for the purpose of disposing 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 consideration of RM35,000,000/- (“the Purchase Price”) (“Proposed Disposal”).

Kumpulan Jetson Berhad (“KJB”) had on 26 January 2023 announced on behalf of the Board that the market value of the property as appraised by Henry Butcher Malaysia (SEL) Sdn. Bhd. using the “Comparison Approach” method, based on its valuation report dated 25 November 2021 is RM 35,000,000.

KJB had on 8 March 2023 announced on behalf of the Board that the Company has appointed M&A Securities Sdn. Bhd. as the Principal Adviser for the Proposed Disposal.

On behalf of the Company, M&A Securities Sdn Bhd wishes to announce that it had on 17 March 2023 submitted an extension of time application to Bursa Securities of two (2) months i.e. up to 19 May 2023 to submit the draft Circular in relation to the Proposed Disposal to the relevant regulatory authorities (“EOT Application”).

On behalf of the Company, M&A Securities Sdn Bhd wishes to announce that after taking into consideration the relevant facts and circumstances, Bursa Securities has vide its letter dated 23 March 2023 (received on 24 March 2023) resolved to approve the EOT Application.

The Board of Directors of the Company wishes to announce that the resolution tabled at the Extraordinary General Meeting (“EGM”) of the Company held on 30 August 2023 as per the Notice of the EGM of the Company dated 15 August 2023 was approved by the shareholders.

There was no other corporate proposal announced but not completed as at 23 November 2023 (being the latest practicable date which is not earlier than 7 days from the date of this report).

B10. Status Of Material Litigation

Detail of the material litigations 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 RM9.5 million 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 Asian International Arbitration Center (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 December 2022.

During this case management, it was directed inter alia that YDI shall serve its Statement of Claim to JCSB by 28 February 2023. JCSB shall in turn serve its Statement of Defence and Counterclaim by 28 April 2023.

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

- a. the arbitration proceedings be suspended until 31 May 2023, in order to facilitate the settlement negotiations between the parties; and
- b. the filing of YDI's Statement of Claim be deferred until after 31 May 2023.

On 14 June 2023, the arbitrator issued Procedural Order No. 2, containing the procedural timeline for the arbitration ("Procedural Timeline").

B10. Status Of Material Litigation (Cont'd)

(a) YDI Synergy Sdn Bhd-vs- Jetson Construction Sdn Bhd (AIAC/D/ADM-1121-2022)
(cont'd)

In compliance with the Procedural Timeline:

- a. On 27 July 2023, YDI served its Statement of Claim ("SOC") to JCSB;
- b. On 21 September 2023, JCSB served its Statement of Defence and Counterclaim ("Defence & Counterclaim") to YDI; and
- c. On 19 October 2023, YDI served its Reply and Defence to Counterclaim to JCSB.

Pursuant to the SOC, YDI claims against JCSB inter alia, the sum of RM14.0 million, general damages and 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 works done by YDI.

JCSB counterclaims against YDI, inter alia, the sum of RM21.3 million, general damages and interest to be adjudged by the arbitrator on the basis that JCSB has incurred losses, damages, costs and expenses arising from YDI's wrongful and/or unlawful termination of the Contract.

JCSB has filed its Reply to Defence to Counterclaim on 16 November 2023.

(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 RM2.7 million.

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 RM23.4 million.

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.

B10. Status Of Material Litigation (Cont'd)

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

The adjudication matter is pending adjudication decision, and decision can only be released once parties have made the full payment of the fees and expenses to be deposited with the Director of AIAC.

The adjudication decision dated 6 November 2023 has been made as such JCSB shall pay in total of RM1,242,834.77, which consist of the adjudication fee, AIAC fee, outstanding amount and late payment interest.

JCSB is filing in an application to High Court to set aside the Adjudication Decision.

B11. Dividend Payable

No dividend has been recommended by the Board of Directors during the financial period ended 30 September 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>Cumulative Year To-date</u>	
	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>	<u>30 Sep 2023</u>	<u>30 Sep 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>(502)</u>	<u>(477)</u>	<u>(2,264)</u>	<u>(2,431)</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>(0.18)</u>	<u>(0.18)</u>	<u>(0.84)</u>	<u>(0.91)</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 30 September 2023 has been approved by the Board of Directors on 29 November 2023 for release to the Bursa Securities.