

Jetson™

Kumpulan Jetson Berhad
34134-H

Jetson™

Kumpulan Jetson Berhad
34134-H

11th Floor, Menara TM Asia Life
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Kumpulan Jetson Berhad 34134-H • annual report 2009



Construction and Property • Interior Architecture • Exhibition and Exposition • Museum and Gallery

annual report
2009

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Corporate Profile

Established in 1977 with a differentiated focus of providing unique construction services to capitalise on the economic prospects of Malaysia, Kumpulan Jetson Berhad (“Company”) steadily rose through the ranks as one of the leading Design and Build conceptual creators in the country. In 1994, the Company was listed on Bursa Malaysia Securities Berhad.

Through innovative strategies, diversified expansion and a focus on maximising resources, the Company has evolved into a dynamic corporation engaged in a wide spectrum of Construction and Property; and Manufacturing activities. The Group has now positioned itself to be a market leader in all its core businesses with a strong commitment to efficiency and excellence.

Today, each Division is a leading force in their respective industries. From Construction and Property to Manufacturing, each individual Division maintains a strong reputation in quality and complete capability. Numerous awards and a constant stream of government and private projects have spurred expansion within each Division.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Third Annual General Meeting of the Company will be held at:

VENUE : Function Room 2 & 3, Level 4
Dynasty Hotel Kuala Lumpur
No. 218, Jalan Ipoh, 51200 Kuala Lumpur
TIME : 9.00 a.m.
DATE : Wednesday, 23 June 2010

for the transaction of the following businesses:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**
2. To approve the payment of Directors' fees for the financial year ended 31 December 2009. **Ordinary Resolution 2**
3. To re-elect the following Directors who retire pursuant to Article 79 of the Articles of Association of the Company:
 - (i) Datuk Teh Kian An **Ordinary Resolution 3**
 - (ii) Mohd Najib Bin Abdul Aziz **Ordinary Resolution 4**
4. To re-elect the following Directors who retire pursuant to Article 86 of the Articles of Association of the Company:
 - (i) Sheikh Mohd Nasarudin **Ordinary Resolution 5**
 - (ii) Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal **Ordinary Resolution 6**
 - (iii) Chow Chee Kin **Ordinary Resolution 7**
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 8**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

6. Authority for the Board of Directors to issue shares pursuant to Section 132D of the Companies Act, 1965 **Ordinary Resolution 9**

"That pursuant to Section 132D of the Companies Act, 1965, the Board of Directors be and is hereby authorised to issue shares in the Company at any time until the conclusion of the next annual general meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10 per centum of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."

Notice of Annual General Meeting (Contd.)

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue in Nature

Ordinary Resolution 10

"That approval be and is hereby given to the Company for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue in nature as detailed in Section 2.4 of the Circular to Shareholders dated 1 June 2010 ("Circular") from time to time with the related parties as specified in Section 2.3 of the Circular ("Related Parties"), which are necessary for the day-to-day operations and carried out in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

That such authority shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:

- (i) the conclusion of the next annual general meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company, after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

And that authority be and is hereby given to any one Director of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

BY ORDER OF THE BOARD

LIEW IRENE (MAICSA 7022609)
WONG WAN THEEN (MAICSA 7039045)
KONG SIEW FOON (MAICSA 7044962)
Company Secretaries

Selangor Darul Ehsan
1 June 2010

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

Notice of Annual General Meeting (Contd.)

2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time of the meeting or any adjournment thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its officer or attorney duly authorised.
4. A member shall be entitled to appoint only one (1) proxy unless he has more than 1,000 shares in which case he may appoint up to ten (10) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
5. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account.
6. Explanatory Notes on Special Business

- (i) Ordinary Resolution 9 - Authority for the Board of Directors to issue shares pursuant to Section 132D of the Companies Act, 1965

This proposed resolution, if passed, will empower the Board of Directors of the Company to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Board of Directors considers would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting.

This authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to the placement of shares, funding of any future investment project(s) and working capital.

This is a renewal of the general mandate obtained from the members at the last annual general meeting held on 25 June 2009 ("Last AGM"). Apart from 5,279,000 ordinary shares of RM1.00 each in the Company issued pursuant to the private placement which was deemed completed on 20 November 2009 ("Private Placement"), no new shares in the Company were issued pursuant to the authority granted at the Last AGM. The details and status of utilisation of proceeds from the Private Placement are set out below:

	RM
Proceeds raised	10,135,680
Details of actual utilisation as at 23 April 2010:	
Working capital	(9,705,680)
Unutilised balance	430,000

- (ii) Ordinary Resolution 10 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue in Nature

This proposed resolution, if passed, will enable the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue in nature which are necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 1 June 2010 which is despatched together with the Company's Annual Report 2009 for more details.

COMPANY NAME

Kumpulan Jetson Berhad

BOARD OF DIRECTORS

Sheikh Mohd Nasarudin
Chairman & Executive Director

**Sheikh Mohd Faliq Bin Sheikh
Mohamad Nasimuddin Kamal**
Vice Chairman & Executive Director

Datuk Teh Kian An
Group Managing Director

Chow Chee Kin
Executive Director

Isnin Bin Rahim
Executive Director

Datuk Dr Ong Ah Soon
Independent Non-Executive Director

Mohd Najib Bin Abdul Aziz
Independent Non-Executive Director

Louise Paul A/L Joseph Paul
Independent Non-Executive Director

AUDIT COMMITTEE

Mohd Najib Bin Abdul Aziz
Chairman

Datuk Dr Ong Ah Soon
Member

Louise Paul A/L Joseph Paul
Member

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 - 7720 1188
Fax : 603 - 7720 1111

BUSINESS ADDRESS

11th Floor, Menara TM Asia Life
No. 189, Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel : 603 - 2162 2282
Fax : 603 - 2162 1282

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : 603 - 2264 3883
Fax : 603 - 2282 1886

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

PRINCIPAL BANKERS

RHB Bank Berhad
257 - 259, Jalan Genting Klang
Setapak, 53300 Kuala Lumpur
Malaysia

Malayan Banking Berhad
No. 12 - 14, Jalan 14/48A
The Boulevard Shopoffice
Off Jalan Sentul
50100 Kuala Lumpur
Malaysia

SECRETARIES

Liew Irene (MAICSA 7022609)
Wong Wan Theen (MAICSA 7039045)
Kong Siew Foon (MAICSA 7044962)

DATE AND PLACE OF INCORPORATION

26 July 1977, Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Ordinary Shares

Stock Name : JETSON
Stock Code : 9083

Irredeemable Convertible

Unsecured Loan Stocks

Stock Name : JETSON-LA
Stock Code : 9083LA

Warrants

Stock Name : JETSON-WA
Stock Code : 9083WA

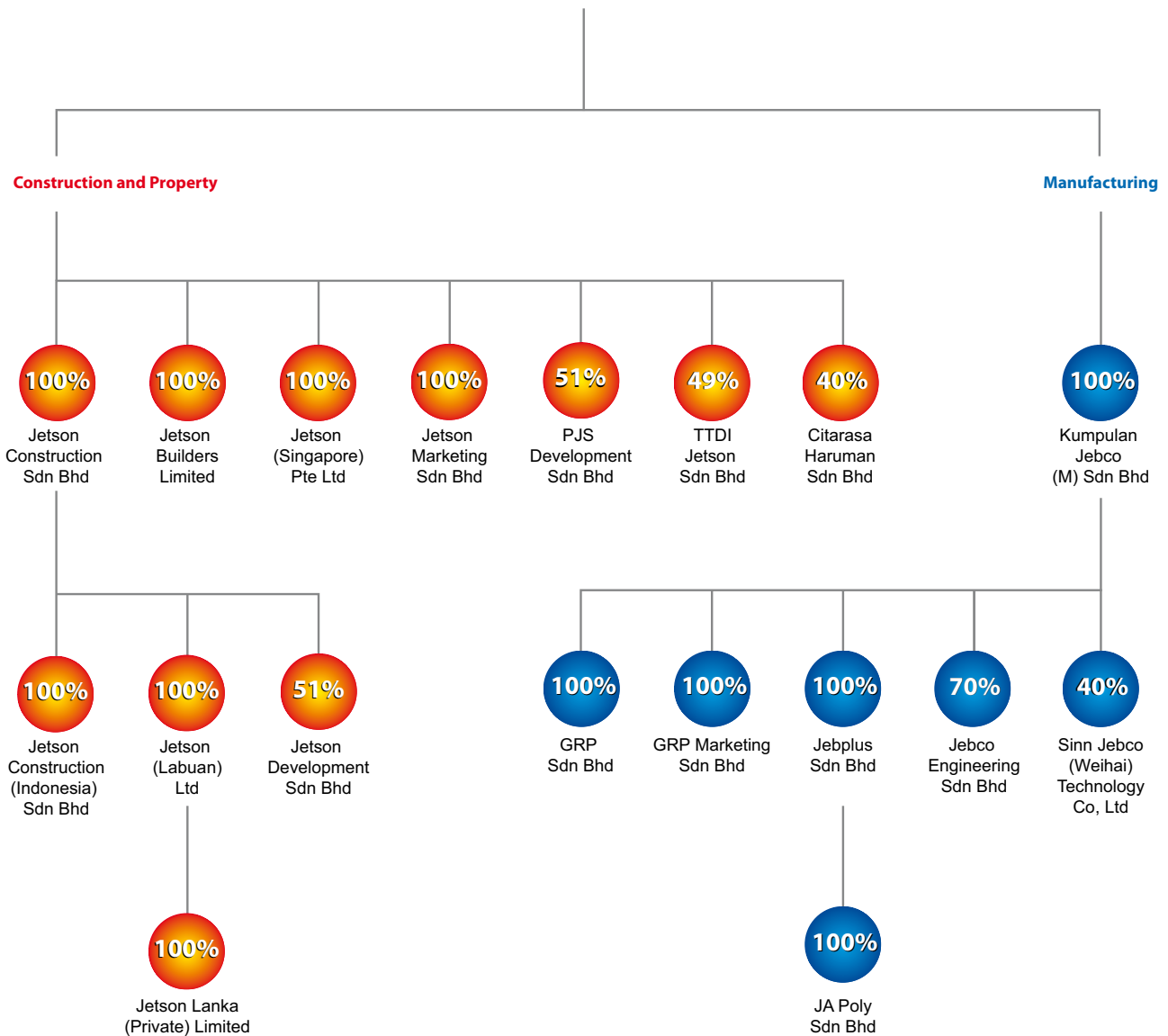
WEBSITE

www.jetson.com.my

KUMPULAN JETSON BERHAD



Construction and Investment Holding



Board of Directors



From Left:

Datuk Dr Ong Ah Soon, Datuk Teh Kian An,
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal,
Sheikh Mohd Nasarudin,
Isnin Bin Rahim, Mohd Najib Bin Abdul Aziz,
Louise Paul A/L Joseph Paul and Chow Chee Kin.

SHEIKH MOHD NASARUDIN

Chairman & Executive Director

Malaysian, aged 26

Date of Appointment: 30 November 2009

Sheikh Mohd Nasarudin holds a Bachelor of Arts (Hons) Degree in Business Economics from the University of Southern California, USA.

He is currently the Chairman of NAZA TTDI Sdn Bhd and Joint Group Executive Chairman & Chief Executive Officer of NAZA Group of Companies. He also holds Chairmanship of Malaysian French Chambers of Commerce & Industry. He began his career with NAZA Kia Sdn Bhd in 2005 under the Familiarization Program before appointed Head of Operations of NAZA Corporation Sdn Bhd in 2006. Subsequently, he held the position of Chief Executive Officer in various companies within the NAZA Group of Companies before assuming the present position.

He is the brother of Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal, the Vice Chairman and a major shareholder (indirect) of the Company.

SHEIKH MOHD FALIQ BIN SHEIKH MOHAMAD NASIMUDDIN KAMAL

Vice Chairman & Executive Director

Malaysian, aged 25

Date of Appointment: 30 November 2009

Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal holds BA in International Business from Regent Business School, London and MA in Entrepreneurial Management from European Business School, London.

He is currently the Group Managing Director of NAZA TTDI Sdn Bhd ("NAZA TTDI"). He joined NAZA TTDI in 2008 as a Director of Marketing & Sales and was subsequently appointed as Deputy Group Managing Director in the same year.

He is the brother of Sheikh Mohd Nasarudin, the Chairman and a major shareholder (indirect) of the Company.

DATUK TEH KIAN AN

Group Managing Director

Malaysian, aged 62

Date of Appointment: 26 July 1977

Datuk Teh Kian An, co-founder of the Company, holds a degree in Polymer Technology from Singapore Polytechnic and Diploma in Work Management from Southampton College of Technology, United Kingdom ("UK").

He is involved in the management of all the companies in the Group and also sits on the board of several private limited companies under the Group.

His past working experience includes being an Executive Director of Kumpulan Suria Sdn Bhd, Senior Technical Executive of International Synthetic Rubber Co Ltd, Southampton, UK and Executive of Associated Plastic Industry Sdn Bhd.

He serves as a member of the Remuneration Committee of the Company and the Chief Risk Officer of the Group.

He attended all 6 Board meetings held during the financial year ended 31 December 2009.

Profile of the Board of Directors (Contd.)

CHOW CHEE KIN

Executive Director

Malaysian, aged 50

Date of Appointment: 30 November 2009

Chow Chee Kin holds a B. Sc (Hons) degree in Mechanical Engineering from the University of Surrey, United Kingdom and he is also a member of the Institute of Chartered Accountant of Scotland.

Prior to joining Kumpulan Jetson Berhad, he was the Group Chief Financial Officer of NAZA Motor Trading Sdn Bhd. In the last 2 decades, he has held various senior positions in other organisations such as General Manager in John Master Industries Berhad in 1992, Personal Assistant to Chairman in Market Bond Sdn Bhd in 1994 and the UMW Group where he spent almost 10 years of his career. He was recruited as the General Manager - Planning & Projects of UMW Corporation Sdn Bhd in 1995 before being transferred to the subsidiary, UMW Toyota Capital Sdn Bhd as the Chief Executive Officer in 1999 and his last position with the UMW Group was Project Director - Auto Cluster (January 2004 - March 2005).

ISNIN BIN RAHIM

Executive Director

Malaysian, aged 59

Date of Appointment: 26 July 1977

Isnin Bin Rahim, co-founder of the Company, graduated from the Nanyang Academy of Fine Arts, Singapore with a Diploma in Fine Arts Sculpture and Baharuddin Institute, Singapore with a Diploma in Creative Arts.

He has over 42 years of experience in advertising, architectural design and interior design.

His passion for creativity makes him the natural leader of the design department of the Company and he is instrumental to the creative process of all projects undertaken.

He also sits on the board of several private limited companies under the Group.

He attended 5 out of 6 Board meetings held during the financial year ended 31 December 2009.

DATUK DR ONG AH SOON

Independent Non-Executive Director

Malaysian, aged 67

Date of Appointment: 26 May 1993

Datuk Dr Ong Ah Soon graduated with a MBBS from the University of Singapore in 1966. He holds a Master of Medicine in Internal Medicine from the same university and is a Fellow of The Royal Australasian College of Physicians. Datuk Dr Ong had worked in government hospitals from 1966 to 1977. He then commenced private practice as a Consultant Physician in Assunta Hospital from 1978, a position he holds until present day.

He serves as the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee of the Company.

He attended 5 out of 6 Board meetings held during the financial year ended 31 December 2009.

MOHD NAJIB BIN ABDUL AZIZ

Independent Non-Executive Director

Malaysian, aged 36

Date of Appointment: 27 December 2001

Mohd Najib Bin Abdul Aziz graduated from the University of New South Wales, Australia with a Bachelor of Commerce (Accounting) Degree and is a member of the Institute of Chartered Accountants in Australia (ICAA) as well as a member of the Malaysian Institute of Accountants (MIA).

He is currently the Managing Director of Corporate-Pacific Holdings Sdn Bhd. Prior to this, he was the Assistant Manager of Global Corporate Finance in Arthur Andersen & Co and had also worked 3 years as a Senior Consultant with the Corporate Recovery Division of KPMG in Perth, Western Australia.

He serves as the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee of the Company.

He attended all 6 Board meetings held during the financial year ended 31 December 2009.

LOUISE PAUL A/L JOSEPH PAUL

Independent Non-Executive Director

Malaysian, aged 48

Date of Appointment: 28 April 2008

Louise Paul A/L Joseph Paul holds a Bachelor of Business Administration from Pacific Western University, US and is an Associate Fellow of the Institute of Bankers Malaysia.

His past working experience includes being a Managing Director and Chief Executive Officer of Capital Investment Bank (L) Ltd, and has Corporate and Investment Banking experience spanning 25 years with United Asian Bank Bhd / Bumiputra-Commerce Bank Berhad, The Mitsubishi Bank Ltd as well as Chief Executive / Executive Vice-President of Bayerische Landesbank, Labuan Branch. He was also the Chairman of the Association of Offshore Banks, Labuan for 4 consecutive terms and a member of the Advisory Committee of the Institute of Bankers Malaysia, Labuan Branch, KLSE's Pro-tem Committee for the establishment of the Labuan International Financial Exchange ("LFX") and subsequently the Exchange Committee of LFX until 2004.

He serves as a member of the Audit Committee of the Company.

He attended all 6 Board meetings held during the financial year ended 31 December 2009.

OTHER INFORMATION ON DIRECTORS

Save as disclosed, none of the Directors has:

- (i) any other directorship of public companies;
- (ii) any family relationship with any Director and / or major shareholder of the Company;
- (iii) any conflict of interest with the Company; and
- (iv) convicted any offence within the past 10 years.

Chairman's Statement

On behalf of the Board, I am pleased to present to you the Annual Report and Audited Financial Statements for the Group and Company for the year ended 31 December 2009.

FINANCIAL HIGHLIGHTS

2009 was a tumultuous year with the economic meltdown that commenced in the US spreaded around the world. It started with the burst of the US housing bubble which quickly led to a credit crunch that severely hit many major economies.

The Group's aggregate profit after tax and minority interest for the year ended 31 December 2009 dropped by almost 36% from RM10.5 million to RM6.8 million although the Group posted a marginal increase in revenue of RM8.7 million to RM122.6 million in 2009 compared with RM113.9 million in the previous year. The 2008 aggregate profit after tax and minority interest of RM10.5 million was mainly because of a one-off gain of RM17.3 million from the divestment of a wholly-owned subsidiary of the Company, Jetson Corporation Sdn Bhd ("JCorp") and its subsidiaries namely Hebat Abadi Sdn Bhd and Segar Prima Sdn Bhd and the associate of JCorp, namely Alam Flora Sdn Bhd, which are collectively known as the Environmental Services Division of the Company. On excluding this one-off profit contribution from the disposal of the investment, the Group would have, otherwise recorded a loss after tax and minority interest of RM6.8 million for the year ended 31 December 2008. Hence, operationally, the Group has performed better in 2009 compared with 2008. The 2009 profit improvement was mainly due to better gross profit margin from the Manufacturing Division as a result of the concerted effort in the implementation of a lean production system to attain lower raw material costs that ultimately translated into lower manufacturing cost.



CONSTRUCTION AND PROPERTY DIVISION

Construction Division

2009 was a challenging year for the construction sector. The prices of building materials were unprecedentedly high while the global financial turmoil intensified which in turn led to a greater credit crunch. Fortunately for Malaysia, the Government's prime pumping strategies such as introducing a 2nd stimulus package amounting to RM60 billion in March 2009 plus the reduction of the Overnight Policy Rate and Statutory Reserve Requirement helped cushioned the impact of the global economic downturn.

For the Construction Division of Kumpulan Jetson Berhad, under its wholly-owned subsidiary, Jetson Construction Sdn Bhd ("JCSB"), 2009 was a better performing year compared with 2008. In 2008, construction activities were slow and generally focused on the housing development of the existing phases in Kamunting. The situation improved for JCSB in 2009 when construction activities increased substantially particularly when the rehabilitation project in Ijok commenced. This Ijok project which was secured in the 4th quarter of 2009 involves the completion of 2,500 units of abandoned low cost houses. It is in fact, one of the programmes under the stimulus package and it is currently progressing in full swing since commencement. Besides the Ijok project, other major projects undertaken by JCSB in 2009 include the completion of the upgrading work of the Universiti Putra Malaysia ("UPM") hostel and an exhibition centre in Dubai.

The Division has also actively tendered for various construction projects during the year 2009 and the management expects the on-going negotiations with the prospective clients to yield positive outcomes in the current year of 2010. These projects when secured will enable the Construction Division to have a sustainable order book for the next 3 to 4 years.

Property Division

The uncertainties in the country's economic situation in 2009 caused many potential property buyers to adopt a "wait and see" attitude and this resulted in a slowdown in demand. The second half of 2009 was better as consumer confidence improved following the stronger performance in the local stock market. This provided the much needed boost for the property industry - in fact, towards the end of the 1st quarter of 2010, the property market showed significant improvement arising from the pent-up demand.

During the softer property market period of 2009, the Division took the opportunity to consolidate its operations while continuing to focus in delivering the sold and launched units. The construction works of Phase 3 which comprise 12 units of 1½ storey houses and 2 units of shop houses have been completed in the last quarter of 2009 and they are currently pending handing over of vacant possessions.

Simultaneously, the Group will continue with the pre-development planning works of the 78-acre flat land in Bukit Cherakah, Mukim Ijok in the District of Kuala Selangor. This is to enable the Company to take advantage of the current economic recovery to realise the full potential of the proposed residential development that is anticipated to span over a period of 4 to 5 years with substantial positive contributions to the Group once the development works commence.

Hostel Management Division

For this business division which is under PJS Development Sdn Bhd that manages the hostel accommodation and related facilities for UPM students under a "Build, Operate and Transfer" (BOT) concept over a concession period of 25 years, the Company has chalked up a slight improvement in its performance. Revenue for the year improved marginally from RM5.52 million in the 2008 to RM6.05 million in 2009. This improvement is attributable to cost reductions and the successful negotiation with UPM to agree to a fixed lease for two (2) blocks of the hostel effective from the second half of the year thereby increasing the 2009 occupancy rate of the hostel.

MANUFACTURING DIVISION

2009 was a tough year for the manufacturing sector with extreme fluctuations not only in raw material prices but also in consumer demand. The slow recovery from the global meltdown started in the second quarter of 2009 before a sustained rise in Asia's exports and Gross Domestic Products (GDP) towards the end of the fourth quarter of 2009. In part, it reflects the success of local fiscal and monetary stimulus measures, which have dampened the rise in unemployment, as well as the collapse in inflation.

Chairman's Statement (Contd.)

Amidst a challenging economic environment, the Group's Manufacturing Division; Kumpulan Jebco (M) Sdn Bhd ("Jebco") posted a slight drop of 4% in the revenue from RM68.4 million in 2008 to RM65.7 million in 2009. However, profit before tax jumped substantially to RM5.3 million - a commendable improvement of 253% from the 2008 profit before tax of RM1.5 million. This was due to the streamlining of the company's product range for better profit margins and the implementation of the Lean Production System ("LPS"). The implementation of this LPS has led to a continuous improvement in the internal manufacturing process which ultimately resulted in lower manufacturing cost and better profit margin.

With the global economy on the recovery path, Jebco anticipates a return to positive annual growth in revenue as the global vehicle Total Industrial Volume (TIV) is expected to grow substantially. The longer term strategy of Jebco is to expand its operations regionally - commencing first with India and China by exploring the possibility of a business tie up in the form of a joint venture with established local manufacturers in these countries.



GRP Sdn Bhd

The Group's other manufacturing arm, namely GRP Sdn Bhd ("GRP") which is in the adhesive and sealant industry was also not spared from the economy crisis. The market condition during the last couple of years was volatile - in 2008 the cost of raw materials soared to an all time high primarily due to record high prices of crude oil and other commodities. However towards end 2008, the drastic reduction of crude oil prices somewhat cushioned the impact of the global meltdown.

GRP successfully managed to maintain its 2009 revenue at the same level as 2008 as a result of its effort in promoting a new range of mid to higher-end products whilst simultaneously adopting effective procurement strategies. The 2009 revenue of RM20.54 million was marginally higher than the 2008 revenue of RM20.53 million; however, profit before tax, on the other hand, recorded a significant improvement to RM1.58 million compared with the RM0.76 million in 2008. This represents a 108% improvement in profit before tax and it is mainly attributable to the lower cost of raw materials and more efficient production.

With crude oil prices anticipated to rise, 2010 is likely to be another challenging year for GRP as its raw material prices are likely to follow and competition is expected to be intense. In anticipation of this, GRP intends to strengthen its financial and market position by improving the credit risk management programmes whilst simultaneously continuing to promote its products for the mid and higher end segment and developing new markets, both locally and abroad.

PROSPECTS

The full impact of the global recession was felt in Malaysia in the first quarter of 2009 when the economy contracted by 6.2%. Since then, timely fiscal and monetary policies rolled out together with a sound financial sector have contributed significantly to improving domestic economic conditions. Of significance, in the second and third quarter of 2009, growth was recorded respectively at 4.8% and 5.7% quarter-on-quarter with domestic demand being the key driver of the improvement.

The recovery is expected to gather some strength in 2010. The economy is expected to be driven primarily by the domestic demand, with private expenditure contributing a growing share while the gradual recovery in external demand will provide further support to growth.

The key risks and challenges for the group include a slower than expected pace or sustainability of recovery and inflationary price pressures in oil, commodities and materials. Probable delay in the roll out of planned government projects could also dampen the group's growth prospect.

Against this uncertain economic backdrop, it is imperative that the Group adopts a more cautious approach. The Group will continue to focus unequivocally on containing costs and place emphasis on the efficient execution and implementation of projects whilst at the same time, continue to explore growth opportunities in the overseas market as a mean of diversifying its risk profile.

In addition, the Group is also on the lookout to seek opportunities to form alliance/partnerships/joint ventures with other parties to participate in mega projects, whether private or with the Government.



CORPORATE DEVELOPMENTS

Private Placement

In November 2009, the Company embarked on a private placement exercise whereby a total of 5,279,000 new ordinary shares of RM1.00 each, representing not more than 10% of the then issued paid-up capital of the Company were issued at the price of RM1.92 per share. Total proceeds from the placement of RM10,135,680 are to be utilized as general working capital of the Group. The exercise was completed on the 20 November 2009 with the new shares successfully listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Proposed Shareholders' Agreement between the Company and TTDI KL Metropolis Sdn Bhd, a wholly-owned subsidiary of Naza TTDI Sdn Bhd

On 22 December 2009, the Company and TTDI KL Metropolis Sdn Bhd ("TKLM"), a wholly-owned subsidiary of Naza TTDI Sdn Bhd (collectively referred to as the "JV Parties") had entered into a shareholders' agreement ("Proposed Shareholders' Agreement") to form a joint venture company known as TTDI Jetson Sdn Bhd ("TTDI Jetson") to facilitate the joint venture arrangement between the JV Parties to carry out the planning, design, construction including interior design works for an exhibition centre building located off Jalan Duta, Kuala Lumpur ("Matrade Centre") and to develop a plot of land measuring approximately 62.45 acres currently forming part of title Geran 61092, Lot 50978 Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Exchange Land") which will be transferred from the Government of Malaysia to TKLM in exchange for the Matrade Centre.

The construction of the Matrade Centre and the development of the Exchange Land shall hereinafter collectively be referred to as the "Ventures".

The Proposed Shareholders' Agreement formalizes and sets out the basic terms of the relationship of the JV Parties via their respective investment participation in the Ventures through TTDI Jetson to carry out the Ventures on a commercial basis and in the spirit and in the manner set out in the said agreement.

The Proposed Shareholders' Agreement also provides for the equity structure of TTDI Jetson to be 51% owned by TKLM and 49% owned by the Company. The initial authorized share capital of TTDI Jetson shall be RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each. The initial paid-up share capital of TTDI Jetson is proposed to be RM250,000 divided into 250,000 ordinary shares of RM1.00 each.

The shareholders of the Company had on 30 March 2010 approved the Proposed Shareholders' Agreement.

DIVIDENDS

No dividend is recommended for the financial year ended 31 December 2009.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude to the management and staff for their dedication and commitment to the cause of the Group. I would also like to thank our many clients, customers and suppliers for their continued confidence in us.

SHEIKH MOHD NASARUDIN
Chairman & Executive Director

2009

- Best Overall Performance Category: Rubber and Polymer by JTEKT Automotive (M) Sdn Bhd under 2nd Vendors Award Programme 2008
- Cost Competitiveness & Improvement Performance in 2008 presented by Assembly Services Sdn Bhd at the 14th Toyota Suppliers' Conference 2009

1994

- Proton Best SMI Vendor 1994 Certification

1995

- Best Supplier Award 1995 by Allied Auto Parts
- Proton Best SMI Vendor 1995 Certification

1996

- Best Supplier Award 1996 from Yamaha
- MS ISO 9001 : 2000 Quality Management Systems - Requirements since 1996 for Kumpulan Jebco (M) Sdn Bhd

1997

- Best Overall Performance Award from Denso 1997

1999

- Tokai Rubber Industries (Thailand) Cooperation Award 1999

2000

- Honda Quality Award 2000
- Proton Quality & Delivery 2000 Certification
- Tokai Rubber Industries Cooperation Award 2000

2001

- Boon Siew Honda Sdn Bhd - Pioneer Achievement Award (1957- 2001)
- ISO 9001 : 2000 for Quality Management System since 2001 for Jebco Engineering Sdn Bhd
- ISO 9001 : 2000 for Quality Management System since 2001 for Jetson Construction Sdn Bhd

2002

- Assembly Appreciation Award 2002 from Kah Motor
- Enterprise 50, 2002 Award
- Proton Quality Delivery Non SMI 2002 Certification
- QS-9000 : 1998 for Quality System (2002-2006) for Kumpulan Jebco (M) Sdn Bhd

2003

- Enterprise 50, 2003 Award
- KLSE Corporate Awards 2003 (Sectoral Award)
- Manufacturing Appreciation Award from Hicom-Honda 2003
- Perodua Excellent Delivery Vendor 2003 Certification

2004

- 3 Years Outstanding Delivery Performance 2002-2004 by Toyota
- Persatuan Pembekal Proton 2004 Quality Certification
- Supplier Appreciation Award 2004 from Kah Motor Assembly

2005

- Joint TUV-Proton Process Audit Criteria Grade AB (2005)

2006

- ISO/TS 16949 : 2002 Quality Management Systems since 2006 for Kumpulan Jebco (M) Sdn Bhd
- Best Quality Supplier for 2006 awarded by KYB-UMW
- Outstanding Delivery Performance in 2006 awarded by Assembly Services Sdn Bhd (Toyota)
- Awarded the Top 5 Finalist in Perodua-Vendor Jishuken Convention 2006

2007

- Appreciation certificate from Boon Siew Sdn Bhd
- Best Performance Vendor from April 2006 to March 2007 by Motosikal & Enjin Nasional Sdn Bhd
- Recognition for the achievement of superior rating in Quality and Delivery for Year 2006/2007 by Hong Leong Yamaha Motor Sdn Bhd to Kumpulan Jebco (M) Sdn Bhd as Top Vendor
- Best Delivery Performance awarded by JTEKT Automotive (Malaysia) Sdn Bhd under 1st Vendor Award Programme August 2006 to July 2007

2008

- Most Improved Quality Vendor 2008 presented by Perodua Auto Corporation Sdn Bhd

Statement of Corporate Governance

The Company is committed to ensure that principles of corporate governance are practised throughout the Group (the Company and its subsidiaries) as part of discharging its responsibilities to enhance shareholders' value.

The Company continues to ensure compliance with the principles and best practices as set out in Part 2 of the Malaysian Code on Corporate Governance ("Code") throughout its Group. This statement sets out the manner in which the Company has applied the principles and best practices of the Code and extent to which the Code was complied throughout the financial year ended 31 December 2009.

PART 1: DIRECTORS

BOARD OF DIRECTORS OF THE COMPANY

An effective and experienced Board leads and controls the Group. The Board is responsible for the conduct and overall performance of the Group. It continues to retain full and effective control over matters specified in the Code including amongst others, strategies and investment, establishing goals for management and subsequent monitoring of management performance, review of overall corporate performance and ensuring the adequacy of system of internal controls.

During the financial year ended 31 December 2009, six (6) Board meetings were held to review the Group's quarterly performance and deliberate on the Group's major strategic and investment decisions, compliance and implementation of corporate governance and business direction of the Group.

The attendance record of each Director at Board meetings held during the financial year ended 31 December 2009 is as follows:

Name of Director	Number of Board meetings held during each Director's tenure in office	Number of Board meetings attended by each Director
Sheikh Mohd Nasarudin	*	*
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal	*	*
Datuk Teh Kian An	6	6
Chow Chee Kin	*	*
Isnin Bin Rahim	6	5
Datuk Dr Ong Ah Soon	6	5
Mohd Najib Bin Abdul Aziz	6	6
Louise Paul A/L Joseph Paul	6	6

* Appointed as a Director subsequent to the last board meeting held in 2009.

BOARD COMPOSITION AND BALANCE

The Board comprises eight (8) members, of whom five (5) are Executive Directors and three (3) are Independent Non-Executive Directors. The Board members are from varied backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each Director has an in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. A brief description of each of the Director's background is set out on pages 9 to 11 of the Annual Report.

The roles of the Chairman and Managing Director are separate in the Group. There is a clear division of responsibilities between them to ensure that there is a balance of power and authority. The Chairman's role is to ensure that the Board is effective, whilst the Managing Director is placed in-charge over the day to day operations, organisational effectiveness and the implementation of the Board's policies and decisions.

Board balance and corporate accountability are respectively upheld through the presence of adequate numbers of Independent Non-Executive Directors. The Independent Non-Executive Directors are independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement. They provide unbiased and independent judgment in ensuring that the strategies proposed are fully examined and considered in the interest of shareholders and other stakeholders. Executive Directors on the other hand take on the primary responsibility for the implementation of strategies and policies approved by the Board. Together, they provide the Group with a wide range of technical skills and experience to ensure that the Group continues to be competitive.

Datuk Dr Ong Ah Soon is the senior Independent Non-Executive Director to whom concerns pertaining to the Group may be conveyed.

ACCESS TO INFORMATION

The Board has full and complete access to all relevant information to discharge its duties effectively. In addition, the Board and its Committees are furnished with an agenda and a set of Board papers prior to each meeting. There is sufficient time for the Directors to review and seek clarification where necessary prior to the meeting being held and this process enables the Directors to make better and informed decisions.

Board papers are comprehensive with both quantitative and qualitative information presented. These papers include information on major financial, operational, corporate matters, activities, performance of the Group and other relevant information. These are in addition to the schedule of matters specifically reserved for the Board's decision.

All Directors have access to the advice and services of the Company Secretaries and have the right to seek independent professional advice when necessary.

APPOINTMENTS TO THE BOARD

Appointments to the Board are based on recommendations put forth by the Nominating Committee taking into account required mix of skills and experiences and other qualities before any recommendations are made to the Board. The Company Secretaries will ensure that all appointments are properly made and that legal and regulatory obligations are met.

Statement of Corporate Governance (Contd.)

DIRECTORS' TRAINING

Save for En Sheikh Mohd Nasarudin and En Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal, all Directors have attended the Mandatory Accreditation Programme ("MAP") for the financial year ended 31 December 2009.

En Sheikh Mohd Nasarudin and En Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal had subsequently attended the MAP in March 2010.

The Company continues to provide the necessary training for all Directors in order to further enhance their skills and knowledge as well as to keep abreast with new developments. The trainings which the Directors have attended for the financial year under review were as follows:

Seminars and Workshop Attended by Directors	Duration
1. New Framework for Listings and Equity Fund-Raisings and Corporate Governance Guide Towards Boardroom Excellence	1½ hours
2. The Spirit of Corporate Governance in Body Corporate - Managing and Implementing Corporate Governance in Organisations	1½ hours
3. Gain Strategic Advantage in the Emerging Global Market: Governance and Control	3 hours

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association and in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements, all Directors are subject to re-election by rotation at least once in every three (3) years and the re-election of Directors takes place at each Annual General Meeting. Each retiring Director is eligible for re-appointment which empowers the shareholders for the renewal of their mandates.

PART 2: DIRECTORS' REMUNERATION

Board's remuneration is reflective of the responsibilities and commitment of the Board members. The remuneration package of each Executive Director comprises salary, bonuses and other customary benefits as appropriate which in turn depends on the corporate and individual performance. The remuneration package of each Non-Executive Director is based on a standard fixed fee. Allowances are also paid in accordance with the number of meetings attended during the financial year.

DETAILS OF THE DIRECTORS' REMUNERATION

Details of remuneration of the Directors for the financial year ended 31 December 2009 are as follows:

	Salaries & Other Emoluments (RM)	Bonus (RM)	*Fees (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Directors	1,189,679	–	54,750	49,400	1,293,829
Non-Executive Directors	–	–	54,000	–	54,000

* Subject to the shareholders' approval at the forthcoming annual general meeting.

The number of Directors in each remuneration band is as follows:

Range of Remuneration (Group)	Number of Executive Directors	Number of Non-Executive Directors
RM0-RM50,000	2	3
RM50,001-RM100,000	1	–
RM350,001-RM400,000	1	–
RM600,001-RM650,000	1	–

PART 3: BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee Report enumerating its membership, roles and activities during the financial year ended 31 December 2009 is set out on pages 28 to 31 of the Annual Report.

NOMINATING COMMITTEE

Nominating Committee was established by the Board and it consists of the following Independent Non-Executive Directors:

Datuk Dr Ong Ah Soon	Chairman, Independent Non-Executive Director
Mohd Najib Bin Abdul Aziz	Member, Independent Non-Executive Director

The Nominating Committee's responsibilities are amongst others, to:

- make recommendation to the Board in respect of suitable candidate for appointment as Director and to fill vacant seats on the Committees of the Board;
- assist the Board in reviewing the Board's structure, size and composition; and
- assess the effectiveness of the Board and other Committees established by the Board as well as the contribution of each individual Director on an annual basis.

Statement of Corporate Governance (Contd.)

REMUNERATION COMMITTEE

Remuneration Committee was established by the Board and it consists of majority Independent Non-Executive Directors:

Datuk Dr Ong Ah Soon	Chairman, Independent Non-Executive Director
Datuk Teh Kian An	Member, Group Managing Director
Mohd Najib Bin Abdul Aziz	Member, Independent Non-Executive Director

The Remuneration Committee provides recommendations to the Board on the policy framework, remuneration packages and benefits to be extended to Executive Directors. Non-Executive Directors' remuneration will be decided by the Board as a whole, with the Director concerned abstaining from deliberation and voting in respect of his remuneration.

RISK COMMITTEE

The Board entrusts the Risk Committee with the overall responsibility of maintaining the risk management process and risk mitigation strategies in the Group.

The Risk Committee comprises senior management from the Company's corporate office, divisional heads and process owners from the subsidiaries.

The Risk Committee reports to the Audit Committee and the Board. The organisation structure of the Risk Committee ensures a complete coverage of the risk management process from all levels in the Group. The Group Managing Director is the Chief Risk Officer of the Group.

PART 4: RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Company continues to practise an open policy with its shareholders in accounting for the Group's performance and position. The Board maintains relevant channels of communication that allow for effective feedback and queries from the Company's investors, other stakeholders and the public at large.

The communication channels are through timely releases of the Group's quarterly financial results and various announcements made throughout the financial year. The objective of this open policy is to provide all stakeholders with an overview of the Group's activities and performance.

The principal forum for dialogue with shareholders is the Company's annual general meetings and extraordinary general meetings. During these occasions, shareholders' queries can be directed to the Board with regard to the resolutions passed, the Group's direction and all other matters relating to the Group's business operations.

PART 5: ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Board aims to present a balanced and understandable assessment of the Group's financial status and future prospects primarily through annual audited financial statements and quarterly announcements, in addition to the Chairman's Statement in the Annual Report. The information disseminated also includes at times, other price-sensitive public reports and reports to the regulators. The Group strives to deliver quality financial information through the function of the Audit Committee in overseeing the Group's financial reporting process.

INTERNAL CONTROL

The Statement on Internal Control is set out on page 26 of the Annual Report and it provides an overview on the state of internal controls within the Company and its subsidiaries.

RELATIONSHIP WITH THE AUDITORS

The Audit Committee and the Board maintain a transparent relationship throughout their association with the external auditors. The external auditors are encouraged to be present during the Audit Committee meetings with the exclusion of the attendance of the Executive Directors. The roles of the Audit Committee in relation to the external auditors are described in the Audit Committee Report on pages 28 to 31 of the Annual Report.

This statement is made in accordance with the Board's resolution passed on 3 May 2010.

Corporate Social Responsibility Statement

As a good corporate citizen, the Group is committed to improve its environmental, safety and health practices with the objectives of achieving long-term sustainable development, healthy working environment and preventing accidents and occupational illnesses. The Group continued to fulfill its share of social obligations in the financial year ended 31 December 2009.

1. Quality

- The Group has always emphasized on the following 3 main aspects in its operation i.e. QUALITY, TIME and COST.
- The Group's efforts in striving for continuous improvement was proven by its attainment of numerous accreditations in the past.
- In the current financial year, the Group organized the following quality campaign activities:
 - ISO 14001 : 2004 Environmental Management System Awareness Training
 - ISO/TS 16949 : 2002 Measurement System Analysis Training
 - Genchi Genbutsu, a go and see principle, launched in April 2009, to cultivate the culture of good housekeeping practice and continuous improvement among all employees at their respective workplace. It is a management level commitment by participating in a weekly morning walk to each individual section to provide comments, ideas and suggestions to the respective employees/ departments for further improvement

2. Health & Safety

- The Group subscribes to the principle that our people are the main driver to our success.
- It is therefore the Group's responsibility and commitment to ensure that all employees conduct their activities in safe and healthy working environments and to prevent the incidences of job related hazards.
- In order to achieve the above objectives, the Group:
 - Provides and maintains a safe and healthy working environment for all employees in the premises;
 - Develops and enforces safe and healthy practices for all employees; and
 - Trains employees to uphold a safe and healthy environment and ensure compliance with Safe System of Work.
- "How to Use the Fire Extinguisher Training" is part of the Safety & Health Campaign programme of Manufacturing Division in year 2009.
- The headquarters had also participated in a Fire Safety Awareness Campaign in conjunction with TM Asia Life Building's fire drill exercise in the first quarter of year 2009.
- Other trainings include the know-how of handling chemical materials and personal protective equipments.

3. Environmental

- The Group acknowledges that environmental conservation and sustainable development are important issues and that they should be given priority. Therefore, it is the Group's basic philosophy to always strive to ensure that any adverse environmental impacts from activities carried out by the Group are avoided or minimized.
- The Group has been applying the 3R (Reduce, Reuse & Recycle) method in its daily operations such as:
 - Implementing "paperless" concept, i.e. reducing the usage of papers by using paperless fax
 - Encourage all staff to use recycle papers for photocopying or printing
 - Recycle of recyclable waste i.e. papers, carton box, metal and rubber (runners)
 - Using recycled / remanufactured toners, ink cartridges, ribbons, etc
 - To ensure no irresponsible release of scheduled waste into the environment
- Manufacturing of environmental friendly sealants and adhesives is another contribution of the Group towards protecting the environment and the use of environment friendly raw materials in production.

4. Healthy Living

- Due to the widespread of H1N1 influenza, the Hostel Management's arm has been stressing the use of clinical masks distributed by the Health Centre of Universiti Putra Malaysia to all students.
- An effort to combat with the possible spread of Dengue mosquitoes breeding grounds, a Gotong Royong activity with the application of "Abate" (a kind of insecticide in granular form which is effective in eradicating mosquito larvae found in stagnant water) was carried out.

5. Community

- The Group encourages the spirit of community awareness by taking part in activities such as:
 - A Big Cleaning Day held on 18 July 2009
 - Hari Raya Aidilfitri 2009 Gathering
 - Deepavali Dinner
 - Monthly birthday celebration for employees
 - Badminton tournament



Statement on Internal Control

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board is pleased to report on its Statement on Internal Control, which provides an overview of the state of internal control of the Group (the Company and its subsidiaries) in the financial year under review.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibilities in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Board is committed to review the integrity, adequacy and efficiency of the Group's system of internal control. The system of internal control covers risk management, financial controls, operational controls and compliance controls. However, the system of internal control is designed to manage and not expected to eliminate all risk of failure to achieve business objectives, but provide a reasonable and not absolute assurance against material misstatement or loss, fraud or breach of laws or regulations.

RISK MANAGEMENT

The Group's Risk Management Policy ("Risk Policy") provides clear guidelines for maintaining a proactive, systematic and continuous risk management process from an organisation-wide perspective. The Risk Management Committee's functions are defined in the Risk Policy as overseeing the identification, evaluation, scoring and managing the principal risk exposures of the Group on an ongoing basis. The Risk Management Committee reports the risk management strategies and their implementation in the Group to the Audit Committee and the Board, on an annual basis.

KEY INTERNAL CONTROL PROCESSES

In addition to Risk Management, the Group's key internal control features and processes are as follows:

- The Board and Audit Committee meet at least four times during the financial year to ensure that the Directors maintain full and effective control on all significant and operational issues. The Chairman of the meetings would lead the presentation of the Audit Committee and Board papers that cover the Group's pertinent and significant issues.
- Organisational structure at Group level and subsidiaries level with defined lines of reporting and delegation of authority. This structure ensures proper identification of accountabilities and segregation of duties that are communicated to all levels in the organisation.
- Kumpulan Jetson Berhad Group of Companies Policies and Procedures, which is the general policy guidelines, are applied across the Group. These documented guidelines define the limits of delegated authority, provide a framework for management to deal with areas of importance and subject to updating to ensure the relevance and effectiveness of the policy guidelines.
- Periodic management meetings attended by the management teams of respective business divisions to review business issues, operations and overall performance.
- The independent Group Internal Audit Department ("GIAD") reports directly to the Audit Committee. GIAD objectively reviews the adequacy and integrity of the system of internal control in the Group. Audits are conducted based on an audit plan approved by the Audit Committee.
- Recruitment system to maintain a capable workforce of professionals in the Group. Training programmes are identified and scheduled for employees to equip them with the necessary knowledge and competency to meet their job expectations and requirements.
- Annual budgets, business plans and management reports are constantly monitored for the Group's performance, avoidance of significant variances or misstatements in reported figures and ensure achievement of long term strategic goals. Management proactively reviews the annual budgets and business plans to ensure that the prevailing industry's operating environment and the Group's actual performance are properly reflected.

There were no material losses incurred as a result of weaknesses in the system of internal control. The Board is of the view that the existing system of internal control is operating effectively in the financial year under review.

This statement is made in accordance with the Board's resolution passed on 3 May 2010.

Statement of Directors' Responsibilities in Respect of the Audited Financial Statements

The Directors are required by the Companies Act, 1965 ("Act") to prepare financial statements for each financial year in accordance with applicable approved accounting standards in Malaysia and the provisions of the Act that give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and their results and cash flows for the financial year. In preparing the financial statements for the financial year ended 31 December 2009, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensured that applicable accounting standards have been followed.

The Directors have responsibility to ensure that the Company keeps accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company and also to ensure that the financial statements comply with the requirements of the Act. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

Audit Committee Report

The Board is pleased to present the report of the Audit Committee for the financial year ended 31 December 2009.

1. COMPOSITION

The members of the Audit Committee comprise the following:

Mohd Najib Bin Abdul Aziz	Chairman, Independent Non-Executive Director
Datuk Dr Ong Ah Soon	Member, Independent Non-Executive Director
Louise Paul A/L Joseph Paul	Member, Independent Non-Executive Director

2. TERMS OF REFERENCE

2.1 OBJECTIVES

The objective of the Audit Committee is to assist the Board of Directors ("Board") in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiaries.

In addition, the Audit Committee shall:

- a) oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) maintain open lines of communication between the Board, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authorities and responsibilities; and
- c) determine the adequacy of the Group's administrative, operating and accounting controls.

2.2 COMPOSITION

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board) which fulfils the following requirements:

- a) the Audit Committee must be composed of no fewer than three (3) members;
- b) all members of the Audit Committee should be financially literate;
- c) all the Audit Committee members must be non-executive directors, with a majority of them being independent directors; and
- d) at least one member of the Audit Committee:
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - iii) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

No alternate director shall be appointed as a member of the Audit Committee.

The members of the Audit Committee shall elect a chairman from among their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of items 2.2(a) to (d) above, the vacancy must be filled within three (3) months.

The Board must review the terms of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and its members have carried out their duties in accordance with its terms of reference.

2.3 FUNCTIONS

The functions of the Audit Committee are as follows:

- a) To review the following and report the same to the Board:
 - i) with the external auditors, the audit plan;
 - ii) with the external auditors, their evaluation of the system of internal controls;
 - iii) with the external auditors, his audit report;
 - iv) the assistance given by the Company's employees to the external auditors; and
 - v) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- b) To consider the appointment or recommend the nomination of a person or persons as external auditors, the audit fee and any question of resignation or dismissal;
- c) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- d) To review the quarterly results and year end financial statements of the Group, prior to the approval by the Board, focusing particularly on:
 - i) changes in or implementation of major accounting policy;
 - ii) significant adjustments arising from the audit;
 - iii) significant and unusual events;
 - iv) the going concern assumption; and
 - v) compliance with accounting standards and other legal requirements;
- e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- f) To review the external auditors' management letter and management's response;
- g) To do the following, in relation to the internal audit function:
 - i) review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - ii) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - iii) review any appraisal or assessment of the performance of members of the internal audit function;
 - iv) approve any appointments or termination of senior staff members of the internal audit function;
 - v) inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
 - vi) review and assess the adequacy of the risk management framework and risk assessment;
- h) To consider the major findings of internal investigations and management's response; and
- i) To consider other areas as defined by the Board.

2.4 RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee shall, wherever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board and at the cost of the Company:

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Company;
- d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

2.5 MEETINGS AND MINUTES

The Audit Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. However, at least twice a year the Audit Committee shall meet with the external auditors without executive Board members present.

In addition, the Chairman may call a meeting of the Audit Committee if a request is made by any committee member, the Company's Chief Executive, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Company Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

2.6 CIRCULAR RESOLUTION IN WRITING OF THE AUDIT COMMITTEE

A resolution in writing signed by all members of the Audit Committee shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolutions shall be described as "Circular Resolution in Writing of the Audit Committee" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary. Any such resolution may consist of several documents in like form, each signed by one (1) or more of the members of the Audit Committee. The expressions "in writing" and "signed" include approval by legible confirmed transmission by telefax, telex, cable or telegram.

All Circular Resolution in Writing of the Audit Committee shall be submitted for confirmation at a meeting of the Audit Committee next following the receipt thereof by the Company Secretary.

3. MEETINGS

Four (4) Audit Committee meetings were held during the financial year ended 31 December 2009. The attendance of each Audit Committee member is as follows:

Name of Director	Number of Audit Committee meetings held during each Director's tenure in office	Number of Audit Committee meetings attended by each Director
Mohd Najib Bin Abdul Aziz	4	4
Datuk Dr Ong Ah Soon	4	3
Louise Paul A/L Joseph Paul	4	4

4. SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2009, the major activities of the Audit Committee included the following:

- a) reviewed the quarterly reports and annual financial statements prior to submission to the Board for consideration and approval;
- b) reviewed the external auditors' report in respect of the overview of the audit, and significant audit and accounting issues and reported to the Board;
- c) reviewed Internal Audit Plan for the financial year ending 31 December 2010;
- d) reviewed the progress reports on the ongoing internal audit assignments prepared by the Group Internal Audit Department;
- e) reviewed the external auditors' Audit Planning Memorandum for the year ended 31 December 2009 and reported to the Board;
- f) reviewed the Statement of Corporate Governance, Audit Committee Report and Statement on Internal Control for inclusion in Annual Report 2008 prior to submission to the Board for consideration and approval;
- g) reviewed the Risk Report for the financial year ended 2008 and monitored the progress of the Risk Management Policy implementation;
- h) reviewed the related party transaction entered into by the Company; and
- i) convened meetings with the external auditors without the presence of executive Board members.

5. INTERNAL AUDIT FUNCTION

The primary function of internal audit is to assist the Audit Committee in discharging its duties and responsibilities. Internal audit undertakes an independent and objective review of the adequacy and integrity of the system of internal controls of the Group, in respect of their business operations. Internal audit function is performed in-house and the costs incurred for the internal audit function during the financial year under review was approximately RM158,000.

During the financial year, internal audit's activities included the review of systems, internal control and compliance to the prevailing Kumpulan Jetson Berhad Group of Companies Policies and Procedures as well as reviewing the actual results of their implementation of the Group Risk Management Policy. These were carried out according to the annual Audit Plan approved by the Audit Committee. Ad hoc audits and physical stocktake observations were also carried out. Internal audit updates the Audit Committee through its Progress Report at every Audit Committee Meeting.

The Audit Report incorporates audit recommendations and management's comments on the highlighted audit findings, which is applicable to the planned, ad hoc audits and stocktake observations. Audit Reports are issued and salient findings are highlighted to the Audit Committee in the Progress Report.

Additional Compliance Information

The following information is provided in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements:

1. Status of utilisation of proceeds raised from corporate proposals

Description	Proceeds Raised	Actual Utilisation as at 23.4.2010	Balance
The Company's disposal of 8,122,131 ordinary shares of RM1.00 each representing the Company's entire equity interest in Jetson Corporation Sdn Bhd to Kumpulan Darul Ehsan Berhad	RM30,700,000	RM30,573,655	RM126,345
Private placement of 5,279,000 ordinary shares of RM1.00 each in the Company	RM10,135,680	RM9,705,680	RM430,000

2. Convertible securities

During the financial year ended 31 December 2009, RM773,153 5% 10 Years Nominal Value Irredeemable Convertible Unsecured Loan Stocks 2002/2012 of the Company were converted into 735,459 new ordinary shares of RM1.00 each at the exercise price of RM1.08 per ordinary share.

3. Non-audit fees

The amount of non-audit fees incurred for services rendered to the Company for the financial year ended 31 December 2009 by the Company's auditors was RM5,000.

4. Material contract

The Company had on 22 December 2009 entered into a shareholders' agreement with TTDI KL Metropolis Sdn Bhd ("TKLM"), a wholly-owned subsidiary of NAZA TTDI Sdn Bhd to facilitate the joint venture arrangement between the Company and TKLM to carry out the planning, design, construction including interior design works and completion of an exhibition centre building with gross floor area of one million square feet located off Jalan Duta, Kuala Lumpur and to develop a plot of land measuring approximately 62.45 acres currently forming part of title Geran 61092, Lot 50978 Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Shareholders' Agreement").

The following are the directors and major shareholders who are interested in the Shareholders' Agreement:

- i) Sheikh Mohd Nasarudin ("SM Nasarudin"), being a director and major shareholder of both TKLM and the Company;
- ii) Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal ("SM Faliq"), being a director and major shareholder of both TKLM and the Company; and
- iii) Superior Pavillion Sdn Bhd ("SPSB"), a major shareholder of the Company, is owned by both SM Nasarudin and SM Faliq who are the directors and major shareholders of both SPSB and the Company.

5. Revaluation policy

The Company and its subsidiaries revalue their landed properties every 5 years or at shorter intervals whenever the fair value of the landed properties is expected to differ materially from their carrying value.

Five Years' Financial Highlights

TURNOVER		NET ASSETS	
Year	(RM'000)	Year	(RM'000)
2005	158,302	2005	93,997
2006	106,979	2006	75,062
2007	130,430	2007	72,041
2008	115,088	2008	83,404
2009	122,631	2009	105,138

PROFIT/(LOSS) BEFORE TAXATION		EARNINGS/(LOSS) PER SHARE	
Year	(RM'000)	Year	(Sen)
2005	937	2005	3.15
2006	(20,663)	2006	(30.48)
2007	(1,775)	2007	(1.96)
2008	11,792	2008	17.83
2009	(162)	2009	11.46

PROFIT/(LOSS) AFTER TAX AND MINORITY INTERESTS		DIVIDEND-GROSS	
Year	(RM'000)	Year	(Sen)
2005	1,865	2005	1.50
2006	(18,041)	2006	-
2007	(1,162)	2007	-
2008	10,550	2008	-
2009	6,788	2009	-

TOTAL ASSETS		DIVIDEND-NET	
Year	(RM'000)	Year	(Sen)
2005	243,134	2005	1.08
2006	215,431	2006	-
2007	199,358	2007	-
2008	177,950	2008	-
2009	191,297	2009	-

SHAREHOLDERS' FUND		DIVIDEND COVER	
Year	(RM'000)	Year	(Times)
2005	89,835	2005	3.30
2006	71,484	2006	-
2007	70,323	2007	-
2008	80,872	2008	-
2009	103,464	2009	-

A black calculator and a black pen are positioned diagonally across the page. The calculator is in the upper right, and the pen is in the lower left. The background is a newspaper with various articles and a line graph in the upper right corner. The text is in white, providing a high contrast against the dark background.

Financial Statements

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The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding, design and build turnkey contractor for civil construction works, general building works, interior, renovation and restoration works, exposition and exhibition works and industrial display designing of memorial, museum and gallery works.

The principal activities of the subsidiaries and associates are disclosed in Note 6 and Note 7 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(loss) for the year	5,949,240	(951,292)
<hr/>		
Attributable to:		
Equity holders of the Company	6,788,298	(951,292)
Minority interests	(839,058)	-
	<hr/>	<hr/>
	5,949,240	(951,292)
	<hr/>	<hr/>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

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

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Sheikh Mohd Nasarudin	(Appointed on 30 November 2009)
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal	(Appointed on 30 November 2009)
Datuk Teh Kian An Chow Chee Kin	(Appointed on 30 November 2009)
Isnin Bin Rahim Datuk Dr. Ong Ah Soon Mohd Najib Bin Abdul Aziz	
Louise Paul A/L Joseph Paul Tee Keng Kok	(Resigned on 12 October 2009)

Directors' Report (Contd.)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 29 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, irredeemable convertible unsecured loan stocks and warrants in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	1 January 2009	Additions	Disposals	31 December 2009
The Company				
Kumpulan Jetson Berhad				
Direct interest				
Sheikh Mohd Nasarudin	–	175,300	–	175,300
Datuk Teh Kian An	1,058,487	–	(1,000,000)	58,487
Isnin Bin Rahim	2,127,305	–	(2,000,000)	127,305
Indirect interest				
Sheikh Mohd Nasarudin	–	17,500,000	–	17,500,000
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal	–	17,500,000	–	17,500,000
Datuk Teh Kian An	6,625,545	–	(6,196,000)	429,545
Datuk Dr. Ong Ah Soon	2,530,400	–	(2,421,000)	109,400

Subsidiary - PJS Development Sdn. Bhd.

Direct interest				
Datuk Teh Kian An	1	–	–	1
Isnin Bin Rahim	1	–	–	1

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2002/2012 of RM1 nominal value each			
	1 January 2009	Additions	Disposals	31 December 2009
The Company				
Kumpulan Jetson Berhad				
Direct interest				
Datuk Teh Kian An	151,047	–	–	151,047
Isnin Bin Rahim	826	–	–	826
Indirect interest				
Datuk Teh Kian An	1,737,386	–	–	1,737,386
Datuk Dr. Ong Ah Soon	53,000	–	–	53,000

DIRECTORS' INTERESTS (CONTD.)

	1 January 2009	Number of warrants		31 December 2009
		Additions	Disposals	
The Company				
Kumpulan Jetson Berhad				
Direct interest				
Datuk Teh Kian An	70	–	–	70
Isnin Bin Rahim	739	–	–	739
Indirect interest				
Datuk Teh Kian An	1,652,878	9,000	(500,000)	1,161,878
Datuk Dr. Ong Ah Soon	81,500	–	–	81,500

Sheikh Mohd Nasarudin and Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal, by virtue of their interests in shares in the Company, are also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM52,790,555 to RM58,805,014 by way of:

- (i) the issuance of 5,279,000 ordinary shares of RM1 each through a private placement at an issue price of RM1.92 per ordinary share for cash, for additional working capital purposes; and
- (ii) the issuance of 735,459 ordinary shares of RM1 each arising from the conversion of RM773,153 5% ICULS 2002/2012 at the exercise price of RM1.08 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in these financial statements inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONTD.)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the abilities of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 42 to the financial statements.

SUBSEQUENT EVENTS

Details of a subsequent event are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2010.

Isnin Bin Rahim

Datuk Teh Kian An

Statement by Directors

Pursuant to Section 169(15)
of the Companies Act, 1965

We, Isnin Bin Rahim and Datuk Teh Kian An, being two of the directors of Kumpulan Jetson Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 42 to 104, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2010.

Isnin Bin Rahim

Datuk Teh Kian An

Statutory Declaration

Pursuant to Section 169(16)
of the Companies Act, 1965

I, Lee Koon Seng, being the officer primarily responsible for the financial management of Kumpulan Jetson Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 42 to 104 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Lee Koon Seng at
Kuala Lumpur in the Federal Territory
on 26 April 2010

Lee Koon Seng

Before me,

Independent Auditors' Report

to the members of Kumpulan Jetson Berhad

(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Kumpulan Jetson Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 42 to 104.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Independent Auditors' Report

to the members of Kumpulan Jetson Berhad
(Incorporated in Malaysia)
(Contd.)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young

AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
26 April 2010

Low Khung Leong

No.2697/01/11(J)
Chartered Accountant

Balance Sheets

as at 31 December 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Assets					
Non-current assets					
Property, plant and equipment	3	41,102,705	38,220,585	460,047	201,572
Concession asset	4	38,266,575	39,177,503	–	–
Prepaid land lease payments	5	769,263	778,421	–	–
Investments in subsidiaries	6	–	–	36,594,997	36,594,997
Investments in associates	7	–	–	401	401
Other investment	8	15,000	15,000	–	–
Deferred tax assets	9	4,918,269	–	445,161	445,161
		85,071,812	78,191,509	37,500,606	37,242,131
Current assets					
Property development costs	10	1,361,205	3,612,524	–	–
Inventories	11	10,937,338	13,262,658	–	–
Trade receivables	12	57,972,317	43,903,687	4,574,803	4,574,246
Other receivables, deposits and prepayments	14	3,625,021	5,137,930	217,182	572,633
Due from subsidiaries	15	–	–	25,805,487	19,176,162
Due from associates	15	26,548,684	26,540,018	25,319,865	25,318,761
Tax recoverable		377,890	416,054	125,000	–
Cash and bank balances	16	5,402,550	6,885,359	1,162,891	4,897,149
		106,225,005	99,758,230	57,205,228	54,538,951
Total assets		191,296,817	177,949,739	94,705,834	91,781,082

Balance Sheets

as at 31 December 2009 (Contd.)

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	17	58,805,014	52,790,555	58,805,014	52,790,555
Reserves	18	38,527,508	21,176,673	23,113,346	19,220,648
Irredeemable Convertible Unsecured Loan Stocks	20	6,131,758	6,904,911	6,131,758	6,904,911
		103,464,280	80,872,139	88,050,118	78,916,114
Minority interests	21	1,673,797	2,531,755	–	–
Total equity		105,138,077	83,403,894	88,050,118	78,916,114
Non-current liabilities					
Deferred tax liabilities	9	–	780,891	–	–
Borrowings	22	12,022,422	16,073,339	342,348	64,890
		12,022,422	16,854,230	342,348	64,890
Current liabilities					
Trade payables	24	33,913,738	26,925,891	3,174,937	3,305,248
Other payables and accruals	25	8,361,901	9,274,448	736,084	460,126
Due to subsidiaries	26	–	–	484,237	5,655,225
Due to directors	26	3,157,373	4,491,980	1,076,252	2,053,052
Borrowings	22	26,406,413	34,217,458	841,858	1,326,427
Tax payable		2,296,893	2,781,838	–	–
		74,136,318	77,691,615	6,313,368	12,800,078
Total liabilities		86,158,740	94,545,845	6,655,716	12,864,968
Total equity and liabilities		191,296,817	177,949,739	94,705,834	91,781,082

The accompanying notes form an integral part of the financial statements.

Income Statements

for the year ended 31 December 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Continuing operations					
Revenue	27	122,631,417	113,882,176	-	-
Cost of sales	28	(98,120,561)	(93,700,627)	-	-
Gross profit		24,510,856	20,181,549	-	-
Other income		743,106	2,896,557	1,061,782	22,712,812
Administration and other expense		(20,111,739)	(21,865,906)	(2,315,578)	(7,838,644)
Selling and distribution expenses		(2,343,379)	(2,980,064)	-	-
Profit/(loss) from operations	29	2,798,844	(1,767,864)	(1,253,796)	14,874,168
Finance costs	31	(2,993,646)	(4,073,071)	(413,741)	(524,723)
Interest income	32	32,786	298,600	716,245	933,517
(Loss)/profit before tax		(162,016)	(5,542,335)	(951,292)	15,282,962
Taxation	33	6,111,256	(392,175)	-	-
Profit/(loss) for the year from continuing operations		5,949,240	(5,934,510)	(951,292)	15,282,962
Discontinued operation					
Profit for the year from discontinued operation	34	-	17,334,784	-	-
Profit/(loss) for the year		5,949,240	11,400,274	(951,292)	15,282,962
Attributable to:					
Equity holders of the Company		6,788,298	10,549,973	(951,292)	15,282,962
Minority interests		(839,058)	850,301	-	-
		5,949,240	11,400,274	(951,292)	15,282,962
Earnings/(loss) per share attributable to equity holders of the Company (sen):					
Basic, for earnings/(loss) from continuing operations					
	35	11.46	(11.46)		
Basic, for earnings from discontinued operation					
	35	-	29.29		
Basic, for earnings for the year					
		11.46	17.83		
Diluted, for earnings/(loss) from continuing operations					
	35	9.83	(11.46)		
Diluted, for earnings from discontinued operation					
	35	-	29.29		
Diluted, for earnings for the year					
		9.83	17.83		

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2009

	← Attributable to equity holders of the Company →										
	← Non distributable →					→ Distributable					
	Share capital RM	Share premium RM	Revaluation reserve RM	Capital reserve RM	Relating to assets held for sale RM	5% ICULS 2002/2012 RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Minority interests RM	Total equity RM
At 1 January 2008	52,790,555	332,768	4,186,047	1,671,413	45,900	6,904,911	874	4,390,490	70,322,958	1,717,603	72,040,561
Foreign currency translation of Group	-	-	-	-	-	-	(792)	-	(792)	-	(792)
Amount recognised directly in equity relating to assets classified as held for sale	-	-	-	-	(45,900)	-	-	45,900	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	36,872	36,872
Disposal of assets and liabilities of disposal group (Note 34)	-	-	-	-	-	-	-	-	-	(73,021)	(73,021)
Profit for the year	-	-	-	-	-	-	-	10,549,973	10,549,973	850,301	11,400,274
At 31 December 2008	52,790,555	332,768	4,186,047	1,671,413	-	6,904,911	82	14,986,363	80,872,139	2,531,755	83,403,894
At 1 January 2009	52,790,555	332,768	4,186,047	1,671,413	-	6,904,911	82	14,986,363	80,872,139	2,531,755	83,403,894
Foreign currency translation of Group	-	-	-	-	-	-	(21,025)	-	(21,025)	-	(21,025)
Issue of shares on conversion of 5% ICULS 2002/2012	735,459	58,838	-	-	-	(773,153)	-	-	21,144	-	21,144
Issue of shares from private placement	5,279,000	4,856,680	-	-	-	-	-	-	10,135,680	-	10,135,680
Transaction costs	-	(71,528)	-	-	-	-	-	-	(71,528)	-	(71,528)
Revaluation increase of freehold land and factory buildings (net of deferred tax of RM796,524)	-	-	5,739,572	-	-	-	-	-	5,739,572	-	5,739,572
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(18,900)	(18,900)
Profit for the year	-	-	-	-	-	-	-	6,788,298	6,788,298	(839,058)	5,949,240
At 31 December 2009	58,805,014	5,176,758	9,925,619	1,671,413	-	6,131,758	(20,943)	21,774,661	103,464,280	1,673,797	105,138,077

The accompanying notes form an integral part of the financial statements.

Company Statement of Changes in Equity

for the year ended 31 December 2009

	Share capital RM	← Non-distributable → Share premium RM	5% ICULS 2002/2012 RM	Distributable Retained earnings RM	Total RM
At 1 January 2008	52,790,555	332,768	6,904,911	3,604,918	63,633,152
Profit for the year	–	–	–	15,282,962	15,282,962
At 31 December 2008	52,790,555	332,768	6,904,911	18,887,880	78,916,114
At 1 January 2009	52,790,555	332,768	6,904,911	18,887,880	78,916,114
Issue of shares on conversion of 5% ICULS 2002/2012	735,459	58,838	(773,153)	–	21,144
Issue of shares from private placement	5,279,000	4,856,680	–	–	10,135,680
Transaction costs	–	(71,528)	–	–	(71,528)
Loss for the year	–	–	–	(951,292)	(951,292)
At 31 December 2009	58,805,014	5,176,758	6,131,758	17,936,588	88,050,118

The accompanying notes form an integral part of the financial statements.

Cash flow statements

for the year ended 31 December 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities				
(Loss)/profit before tax from:				
Continuing operations	(162,016)	(5,542,335)	(951,292)	15,282,962
Discontinued operation (Note 34)	–	17,334,784	–	–
Adjustments for:				
Amortisation of concession asset	910,928	717,330	–	–
Amortisation of prepaid lease payments	9,158	9,158	–	–
Bad debts written off				
- Continuing operations	56,313	4,177	7,102	4,177
- Discontinued operation	–	6,573	–	–
Depreciation of property, plant and equipment	5,355,537	5,475,014	64,757	103,645
(Gain)/loss on disposal of property, plant and equipment	(134,354)	104,208	28,906	187,203
Property, plant and equipment written off	6,495	4,345	–	–
Provision for doubtful debts	2,097,111	1,599,488	–	1,291,416
Provision for foreseeable loss	932,161	2,000,000	–	2,000,000
(Reversal)/write down of inventories	(115,120)	626,782	–	–
Interest expense				
- Continuing operations	2,993,646	4,073,071	413,741	524,723
- Discontinued operation	–	4,599	–	–
Interest income	(32,786)	(298,600)	(716,245)	(933,517)
Share of results of associates				
- discontinued operation	–	(2,522,520)	–	–
Gain on disposal of subsidiaries	–	(38,813)	–	(3)
Gain on disposal of non-current asset held for sale (Note 34)	–	–	–	(22,577,869)
Gain on disposal of assets and liabilities of disposal group (Note 34)	–	(14,909,524)	–	–
Unrealised loss on foreign exchange, net	66,717	58,261	–	–
Operating profit/(loss) before working capital changes carried forward	11,983,790	8,705,998	(1,153,031)	(4,117,263)

Cash flow statements

for the year ended 31 December 2009
(Contd.)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities (contd.)				
Operating profit/(loss) before working capital changes brought forward	11,983,790	8,705,998	(1,153,031)	(4,117,263)
Changes in working capital:				
Inventories	2,440,440	902,087	–	–
Receivables	(15,627,751)	10,499,703	222,792	11,083,205
Payables	6,008,583	(12,386,088)	145,647	(3,670,401)
Property development cost	2,302,948	812,911	–	–
Cash generated from/(used in) operations	7,108,010	8,534,611	(784,592)	3,295,541
Tax refunded	15,111	245,967	–	–
Tax paid	(721,319)	(169,694)	–	–
Interest paid	(2,900,252)	(3,900,423)	(407,067)	(519,863)
Interest received	32,786	298,600	716,245	933,517
Net cash generated from/(used in) operating activities	3,534,336	5,009,061	(475,414)	3,709,195
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,377,773)	(1,785,446)	(38,238)	(12,121)
Proceeds from disposal of property, plant and equipment	253,970	292,439	20,000	223,700
Proceeds from disposal of subsidiaries	–	3	–	3
Net cash inflow from disposal of assets and liabilities of disposal group/non-current asset held for sale (Note 34)	–	30,818,132	–	30,700,000
Net cash (used in)/generated from investing activities	(1,123,803)	29,325,128	(18,238)	30,911,582

Cash flow statements

for the year ended 31 December 2009
(Contd.)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from financing activities				
Proceeds from issuance of ordinary shares from private placement, net of transaction cost	10,064,152	-	10,064,152	-
Proceeds from conversion of 5% ICULS 2002/2012 to ordinary shares	21,144	-	21,144	-
Dividend paid to minority interests	(18,900)	-	-	-
Interest paid	(283,578)	(513,048)	(6,674)	(4,860)
Repayments of hire purchase and lease financing	(1,154,701)	(1,952,764)	(16,690)	(87,192)
Proceeds from term loans and other borrowings	45,692,188	63,831,896	1,238,000	2,036,000
Repayment of term loans and other borrowings	(54,282,166)	(69,786,950)	(1,381,000)	(3,197,000)
Net repayment to subsidiaries	-	-	(11,800,313)	(16,114,790)
Net repayment to directors	(1,334,607)	(3,049,073)	(976,800)	(800,000)
Advances to associates	(8,666)	(12,029,265)	(1,104)	(11,320,393)
Net cash used in financing activities	(1,305,134)	(23,499,204)	(2,859,285)	(29,488,235)
Net increase/(decrease) in cash and cash equivalents	1,105,399	10,834,985	(3,352,937)	5,132,542
Effects of foreign exchange rate changes	(21,025)	(792)	-	-
Cash and cash equivalents at beginning of year	(3,199,713)	(14,033,906)	3,921,169	(1,211,373)
Cash and cash equivalents at end of year (Note 16)	(2,115,339)	(3,199,713)	568,232	3,921,169

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2009

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800, Petaling Jaya, Selangor Darul Ehsan. The principal place of business is located at 11th Floor, Menara TM Asia Life, No.189, Jalan Tun Razak, 50400 Kuala Lumpur.

The principal activities of the Company are that of investment holding, design and build turnkey contractor for civil construction works, general building works, interior, renovation and restoration works, exposition and exhibition works and industrial display designing of memorial, museum and gallery works.

The principal activities of the subsidiaries and associates are disclosed in Note 6 and Note 7 to the financial statements respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia ("FRSs").

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except for the revaluation of freehold land and factory buildings included within property, plant and equipment.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(a) Subsidiaries and basis of consolidation (contd.)

(ii) Basis of consolidation (contd.)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Notes to the Financial Statements

31 December 2009 (Contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(b) Associates (contd.)

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(d) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment, except for freehold land and factory buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(d) Property, plant and equipment and depreciation (contd.)

Freehold land is stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Factory buildings are stated at revalued amount, which is the fair value at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Factory buildings	2%
Plant and machinery	6.6% - 20%
Motor vehicles	12.5% - 20%
Furniture, fittings and equipment	10% - 33.3%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(e) Concession asset

The concession asset of the Group comprises the cost of hostel buildings amounting to RM46,699,001 (2008: RM46,699,001) incurred by a subsidiary for a concession project. The concession project involved the construction and management of buildings for hostel accommodation for a period of 25 years, commencing from the date of the issuance of the Certificate of Fitness of Occupation ("CF") by the relevant authority. The cost of the hostel buildings is amortised at each balance sheet date based on the following formula:

$$\frac{\text{Accumulated rental income to date}}{\text{Projected total rental receivable from the concession}} \times \text{Cost of hostel buildings}$$

The projected total rental receivable of the concession is based on estimated occupancy rates and the maximum allowable fee adjustment as provided for in the concession agreement.

In the application of this policy, the projected total rental receivable will be reviewed periodically and the effects of any changes will be recorded in the accounting period in which the revision is made.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(f) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

(g) Construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(g) Construction contracts (contd.)

When the total costs incurred on construction contracts plus, recognised profits (less recognised losses), exceed progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(h) Impairment of non-financial assets

The carrying amounts of assets, other than construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iv) Payables

Payables are stated at fair value of the consideration to be paid in the future for goods and services received.

(v) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(j) Financial instruments (contd.)

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Under the transitional provisions of FRS 132, 5% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2002/2012 which were issued prior to 1 January 2003, have been classified as part of equity as the instrument is predominantly an equity instrument.

(k) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for lease assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(d).

(iii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of total expense over the lease term on a straight-line basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(k) Leases (contd.)

(iii) Operating leases - the Group as lessee (contd.)

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

Leasehold land of the Group is amortised over the lease term.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(n) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(o) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

The Group also makes contributions to the Group's retirement fund under the name of Kumpulan Jetson Provident Fund which is managed by trustees. Such contributions are recognised as an expense in the profit or loss as incurred.

(p) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Notes to the Financial Statements

31 December 2009 (Contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(p) Foreign currencies (contd.)

(ii) Foreign currency transactions (contd.)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

	2009 RM	2008 RM
United States Dollar	3.43	3.44
Singapore Dollar	2.45	2.38
Great Britain Pound	5.53	4.96
Euro	4.94	4.85

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign current translation reserve within equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(p) Foreign currencies (contd.)

(iii) Foreign operations (contd.)

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

(q) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods and services rendered

Revenue from sale of goods is recognised net of sales taxes and discounts upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue from services rendered is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is assessed by reference to survey of works performed. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(g).

(iii) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(f)(ii).

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(v) Rental income

Rental income is recognised on accrual basis.

(vi) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(vii) Management fees

Management fees are recognised when services are rendered.

Notes to the Financial Statements

31 December 2009 (Contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Summary of significant accounting policies (contd.)

(r) Non-current assets (or disposal Group) held for sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

2.3 Changes in accounting policies and future accounting standards

(a) Standards and Interpretation issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are:

Effective for financial periods beginning on or after 1 July 2009

FRS 8 - Operating Segments

Effective for financial periods beginning on or after 1 January 2010

FRS 4 - Insurance Contracts

FRS 7 - Financial Instruments: Disclosures

FRS 101 - Presentation of Financial Statements (revised)

FRS 123 - Borrowing Costs

FRS 139 - Financial Instruments: Recognition and Measurement

Amendments to FRS 1 - First-time Adoption of Financial Reporting Standards and FRS 127:

Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 - Share-based Payment – Vesting Conditions and Cancellations

Amendments to FRS 132 - Financial Instruments: Presentation

Amendments to FRS 139 - Financial Instruments: Recognition and Measurement, FRS 7:

Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9 - Reassessment of Embedded Derivatives

IC Interpretation 10 - Interim Financial Reporting and Impairment

IC Interpretation 11 - FRS 2 – Group and Treasury Share Transactions

IC Interpretation 13 - Customer Loyalty Programmes

IC Interpretation 14 - FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR i – 3 - Presentation of Financial Statements of Islamic Financial Institutions

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in accounting policies and future accounting standards (contd.)

(a) Standards and Interpretation issued but not yet effective (contd.)

Effective for financial periods beginning on or after 1 July 2010

FRS 1 - First-time Adoption of Financial Reporting Standards
FRS 3 - Business Combinations (revised)
FRS 127 - Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2 - Share-based Payment
Amendments to FRS 5 - Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS138 - Intangible Assets
Amendments to IC Interpretation 9 - Reassessment of Embedded Derivatives
IC Interpretation 12 - Service Concession Arrangements
IC Interpretation 15 - Agreements for the Construction of Real Estate
IC Interpretation 16 - Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 - Distributions of Non-cash Assets to Owners

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

FRS 8: Operating Segment

FRS 8 replaces FRS 114₂₀₀₄: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

Notes to the Financial Statements

31 December 2009 (Contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in accounting policies and future accounting standards (contd.)

(a) Standards and Interpretation issued but not yet effective (contd.)

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

FRS 123: Borrowing Costs

This Standard supersedes FRS 123₂₀₀₄: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. In accordance with the transitional provisions of the Standard, the Group will apply the change in accounting policy prospectively for which the commencement date for capitalisation of borrowing cost on qualifying assets is on or after the financial period 1 January 2010.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7: Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in accounting policies and future accounting standards (contd.)

(a) Standards and Interpretation issued but not yet effective (contd.)

Amendments to FRSs 'Improvements to FRSs (2009)'

- FRS 8 Operating Segments: Clarifies that segment information with respect to total asset is required only if they are included in measures of segment profit or loss that are used by the 'chief operating decision maker'.
- FRS 101 Presentation of Financial Statements: Clarifies that financial instruments classified as held for trading in accordance with FRS139 Financial Instruments: Recognition and Measurement are not automatically presented as current in the balance sheet. The amendment further clarifies that the classification of the liability component of a convertible instrument as current or non-current is not affected by the terms that could, at the option of the holder, result in settlement of the liability by the issue of equity instruments.
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Clarifies that only implementation guidance that is an integral part of an FRS is mandatory when selecting accounting policies.
- FRS 116 Property, Plant and Equipment: The amendment replaces the term "net selling price" with "fair value less costs to sell". It also clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.
- FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.
- FRS 118 Revenue: The amendment provides additional guidance on whether an entity is acting as a principal or an agent. It also aligns the definition of costs incurred in originating a financial asset that should be deferred and recognised as an adjustment to the effective interest by replacing the term 'direct costs' with 'transaction costs' as defined in FRS 139.
- FRS 119 Employee Benefits: The amendment revises the definition of 'past service costs', 'return on plan assets' and 'short term' and 'other long-term' employee benefits. It clarifies that the costs of administering the plan may be either recognised in the rate of return on plan assets or included in the actuarial assumptions used to measure the defined benefit obligation. The amendment further clarifies that amendment to plans that result in a reduction in benefits related to future services are curtailments. It also deleted the reference to the recognition of contingent liabilities to ensure consistency with FRS 137 Provisions, Contingent Liabilities and Contingent Assets.
- FRS 123 Borrowing Costs: The definition of borrowing costs is aligned with FRS 139 by referring to the use of effective interest rate as a component of borrowing cost.

Notes to the Financial Statements

31 December 2009 (Contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Changes in accounting policies and future accounting standards (contd.)

(a) Standards and Interpretation issued but not yet effective (contd.)

Amendments to FRSs 'Improvements to FRSs (2009)' (contd.)

- FRS 127 Consolidated and Separate Financial Statements: The amendment clarifies that when a parent entity accounts for a subsidiary at fair value in accordance with FRS 139 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.
- FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The Group has previously accounted for such assets using the cost model. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.

(b) IC Interpretation 15: Agreements for the construction of real estate

In applying IFRIC 15, the Group is required to recognise the revenue from property development activities on a completion basis. The impact of IFRIC 15 cannot be reasonably estimated, due to the uncertainties surrounding the expectation of future sales and fluctuation of development cost.

2.4 Significant accounting estimates and judgements

(a) Critical judgements made in applying accounting policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Company which may have significant effects on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Concession asset

The concession asset is amortised at each balance sheet date based on the following formula:

$$\frac{\text{Accumulated rental income to date}}{\text{Projected total rental receivable from the concession}} \times \text{Cost of hostel buildings}$$

The projected total rental receivable of the concession is based on estimated occupancy rates and the maximum allowable fee adjustments as provided for in the concession agreement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant accounting estimates and judgements (contd.)

(b) Key sources of estimation uncertainty (contd.)

(i) Concession asset (contd.)

Changes in the estimated occupancy rates could impact the projected total rental receivable and therefore, future amortisation could be revised. In the event that the estimated occupancy rates could not be achieved in a particular year, the management will review the projected total rental receivable from the remaining concession period in order to assess the achievability of the projected total rental receivable at the end of the concession period.

A 3.0% difference in the projected total rental receivable from the concession assets would result in approximately 3.0% variance in the amount amortised for the year.

(ii) Impairment of investment in subsidiaries

The management determines whether the carrying amounts of its investments are impaired at balance sheet date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

In performing discounted cash flow analysis, the discount rates and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The discount rate applied to the respective cash flow projections range is 8.0%. The growth rates used to forecast the projected cash flows for the following financial year approximate the performances of the respective investments based on the latest available management accounts.

Based on the assessment above, no impairment loss is required as at the balance sheet date.

(iii) Depreciation of plant and machinery

The cost of plant and machinery for the Group is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 15 years. These are common life expectancies applied in the respective industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A 3.0% difference in the average useful lives of these assets from management's estimates would result in approximately 1.0% variance in profit for the year.

(iv) Construction contracts and property development

The Group recognises construction contracts and property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that construction contracts and property development costs incurred for work performed to date bear to the estimated total construction contracts and property development costs, respectively or by reference to physical stage of completion.

Notes to the Financial Statements

31 December 2009 (Contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant accounting estimates and judgements (contd.)

(b) Key sources of estimation uncertainty (contd.)

(iv) Construction contracts and property development (contd.)

Significant judgement is required in determining the stage of completion, the extent of the construction contracts and property development costs incurred, the estimated total construction contracts and property development revenue and costs of the physical completion, as well as the recoverability of the construction contracts and development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and provisions to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and provisions can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses, capital allowances and provisions of the Group and of the Company were approximately RM37,181,000 (2008: RM14,383,000) and RM1,912,000 (2008: RM1,959,000) respectively. The unrecognised tax losses, capital allowances, reinvestment allowances and provisions of the Group and of the Company were approximately RM12,885,000 (2008: RM40,000,000) and RM8,592,000 (2008: RM8,411,000) respectively.

(vi) Provision for doubtful debts

The Group and the Company review the adequacy of provision for doubtful debt on all outstanding receivables as at the balance sheet date. In assessing the extent of irrecoverable debts, the management have given due consideration to all pertinent information relating to the ability of the debtors to settle the debts.

The Group has made provision for doubtful debts amounting to RM2,097,111 (2008: RM1,599,488) during the financial year while the Company has made provision for doubtful debts amounting to RM1,291,416 in the previous financial year.

Further details on concentration of credit risk is disclosed in Note 12 to the financial statements.

Notes to the Financial Statements

31 December 2009 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
At 31 December 2009						
Cost/valuation						
At 1 January 2009:						
At cost	–	826,286	18,609,134	59,076,533	3,206,792	81,718,745
At valuation	5,350,000	14,620,000	–	–	–	19,970,000
	5,350,000	15,446,286	18,609,134	59,076,533	3,206,792	101,688,745
Additions	–	10,780	581,602	738,758	496,533	1,827,673
Disposals	–	–	(11,234)	(1,534,291)	(449,851)	(1,995,376)
Written off	–	–	(27,190)	(10,719)	–	(37,909)
Revaluation surplus	3,350,000	3,186,095	–	–	–	6,536,095
Elimination of accumulated depreciation on revaluation	–	(3,268,799)	–	–	–	(3,268,799)
At 31 December 2009	8,700,000	15,374,362	19,152,312	58,270,281	3,253,474	104,750,429
Representing:						
At cost	–	134,362	19,152,312	58,270,281	3,253,474	80,810,429
At valuation	8,700,000	15,240,000	–	–	–	23,940,000
At 31 December 2009	8,700,000	15,374,362	19,152,312	58,270,281	3,253,474	104,750,429
Accumulated depreciation						
At 1 January 2009						
Depreciation charge for the year	–	346,230	1,644,670	3,155,598	209,039	5,355,537
Disposals	–	–	(10,016)	(1,496,470)	(369,274)	(1,875,760)
Written off	–	–	(24,934)	(6,480)	–	(31,414)
Elimination of accumulated depreciation on revaluation	–	(3,268,799)	–	–	–	(3,268,799)
At 31 December 2009	–	215,567	16,392,455	45,802,000	1,237,702	63,647,724
Net carrying amount						
At cost	–	46,843	2,759,857	12,468,281	2,015,772	17,290,753
At valuation	8,700,000	15,111,952	–	–	–	23,811,952
At 31 December 2009	8,700,000	15,158,795	2,759,857	12,468,281	2,015,772	41,102,705

Notes to the Financial Statements

31 December 2009 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Plant and machinery RM	Motor vehicles RM	Total RM
Group						
At 31 December 2008						
Cost/valuation						
At 1 January 2008:						
At cost	–	731,432	17,992,027	59,264,184	3,535,798	81,523,441
At valuation	5,350,000	14,620,000	–	–	–	19,970,000
	5,350,000	15,351,432	17,992,027	59,264,184	3,535,798	101,493,441
Additions	–	94,854	648,717	1,259,157	217,092	2,219,820
Disposals	–	–	(14,060)	(1,439,808)	(546,098)	(1,999,966)
Written off	–	–	(17,550)	(7,000)	–	(24,550)
At 31 December 2008	5,350,000	15,446,286	18,609,134	59,076,533	3,206,792	101,688,745
Representing:						
At cost	–	826,286	18,609,134	59,076,533	3,206,792	81,718,745
At valuation	5,350,000	14,620,000	–	–	–	19,970,000
At 31 December 2008	5,350,000	15,446,286	18,609,134	59,076,533	3,206,792	101,688,745
Accumulated depreciation						
At 1 January 2008						
Depreciation charge for the year	–	316,467	1,664,825	3,337,591	156,131	5,475,014
Disposals	–	–	(9,827)	(1,203,872)	(389,620)	(1,603,319)
Written off	–	–	(13,205)	(7,000)	–	(20,205)
At 31 December 2008	–	3,138,136	14,782,735	44,149,352	1,397,937	63,468,160
Net carrying amount						
At cost						
At valuation	5,350,000	11,706,052	–	–	–	17,056,052
At 31 December 2008	5,350,000	12,308,150	3,826,399	14,927,181	1,808,855	38,220,585

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company	Furniture, fittings and equipment RM	Plant and machinery RM	Motor vehicles RM	Total RM
At 31 December 2009				
Cost				
At 1 January 2009	881,275	426,865	411,604	1,719,744
Additions	1,138	–	371,000	372,138
Disposals	–	–	(310,753)	(310,753)
At 31 December 2009	882,413	426,865	471,851	1,781,129
Accumulated depreciation				
At 1 January 2009	825,846	414,606	277,720	1,518,172
Depreciation charge for the year	19,577	7,806	37,374	64,757
Disposals	–	–	(261,847)	(261,847)
At 31 December 2009	845,423	422,412	53,247	1,321,082
Net carrying amount	36,990	4,453	418,604	460,047
At 31 December 2008				
Cost				
At 1 January 2008	881,275	1,626,865	583,322	3,091,462
Additions	–	–	94,121	94,121
Disposals	–	(1,200,000)	(265,839)	(1,465,839)
At 31 December 2008	881,275	426,865	411,604	1,719,744
Accumulated depreciation				
At 1 January 2008	801,185	1,316,493	351,785	2,469,463
Depreciation charge for the year	24,661	66,435	12,549	103,645
Disposals	–	(968,322)	(86,614)	(1,054,936)
At 31 December 2008	825,846	414,606	277,720	1,518,172
Net carrying amount	55,429	12,259	133,884	201,572

Notes to the Financial Statements

31 December 2009 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (a) The Group's freehold land and factory buildings were revalued by Rahim & Co, an independent professional valuer, based on the open market basis. Details of the latest independent professional valuations of the freehold land and factory buildings are as follows:

Date of valuation	Description of property	Valuation amount RM
6 August 2009	Freehold land and factory buildings	22,500,000
30 October 2009	Factory building	1,440,000

- (b) Had the freehold land and factory buildings been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the financial year would be as follows:

	Group	
	2009 RM	2008 RM
Freehold land	1,918,644	1,918,644
Factory buildings	8,244,531	8,504,078

- (c) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,827,673 (2008: RM2,219,820) and RM372,138 (2008: RM94,121) respectively of which RM449,900 (2008: RM434,374) and RM333,900 (2008: RM82,000) respectively were financed by means of hire purchase and finance lease arrangements.

- (d) Net carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Plant and machinery	2,717,308	3,624,502	–	–
Office equipment	63,424	171,904	–	–
Motor vehicles	1,706,052	1,429,773	415,197	81,571

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 22.

- (e) Net carrying amount of property, plant and equipment of the Group amounting to RM390,963 (2008: RM1,042,108) has been pledged as securities for the term loan granted to the Group as disclosed in Note 22.

4. CONCESSION ASSET

	2009 RM	Group 2008 RM
Cost		
At 1 January/31 December	46,699,001	46,699,001
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Accumulated amortisation		
At 1 January	7,521,498	6,804,168
Amortisation for the year (Note 29)	910,928	717,330
At 31 December	8,432,426	7,521,498
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Net carrying amount		
At 31 December	38,266,575	39,177,503
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The salient features of the concession agreement are as follows:

- (i) A subsidiary of the Company undertakes to design, finance, construct and complete the hostel buildings and thereafter, to manage and operate the hostel buildings for a period of 25 years (“concession period”) from the date of the issue of Certificate of Fitness for Occupation.
- (ii) The subsidiary shall be authorised to manage and operate the hostel buildings during the concession period and shall be permitted to levy fees in respect of different classes of accommodation. Such levy fees may be increased at intervals of not less than 5 years and the increase shall not exceed 10%.
- (iii) The subsidiary shall bear all the operating and maintenance costs of the hostel buildings during the concession period.
- (iv) At the end of the concession period, the hostel buildings shall be handed over to the concession provider free of cost.

The concession asset is pledged as securities for term loan granted to the Group as disclosed in Note 22.

5. PREPAID LAND LEASE PAYMENTS

	2009 RM	Group 2008 RM
At 1 January	778,421	787,579
Amortisation for the year (Note 29)	(9,158)	(9,158)
At 31 December	769,263	778,421
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Notes to the Financial Statements

31 December 2009 (Contd.)

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009 RM	2008 RM
Unquoted shares, at cost	36,594,997	36,594,997

Details of the subsidiaries, all of which are incorporated in Malaysia, unless otherwise stated, are as follows:

Name of subsidiaries	Equity interest held (%)		Principal activities
	2009	2008	
Jetson Marketing Sdn. Bhd.*	100	100	Trading in construction materials
Jetson (Singapore) Pte. Ltd. * #	100	100	Dormant
Kumpulan Jebco (M) Sdn. Bhd.	100	100	Manufacturing and sales of customised polymer products including elastomeric mouldings, thermoplastics products and thermosets products
Jetson Construction Sdn. Bhd.	100	100	Construction, designers and builders for exhibitions and special events
Jetson Builders Limited * +	100	100	Dormant
PJS Development Sdn. Bhd.*	51	51	Hostel management services
Subsidiaries of Kumpulan Jebco (M) Sdn. Bhd.			
Jebco Engineering Sdn. Bhd.	70	70	Manufacturing and repair of moulds and tools
GRP Sdn. Bhd.	100	100	Manufacturing and sales of adhesives and sealants
GRP Marketing Sdn. Bhd.	100	100	Dormant
Jebplus Sdn. Bhd. *	100	100	Manufacturing and trading of polymer and moulding ancillary products

6. INVESTMENTS IN SUBSIDIARIES (CONTD.)

Subsidiary of Jebplus Sdn. Bhd.	Equity interest held (%)		Principal activities
	2009	2008	
JA Poly Sdn. Bhd. *	100	100	Manufacturing of plastic packaging products
Subsidiaries of Jetson Construction Sdn Bhd.			
Jetson Development Sdn. Bhd.*	51	51	Property development
Jetson Construction (Indonesia) Sdn. Bhd. *	100	100	Dormant
Jetson (Labuan) Ltd. * ^	100	100	Dormant
Subsidiary of Jetson (Labuan) Ltd.			
Jetson Lanka (Private) Limited *~	100	–	Dormant

* Audited by firms of auditors other than Ernst & Young

+ Incorporated in British Virgin Islands

Incorporated in Singapore

^ Incorporated in Labuan, Malaysia

~ Incorporated in Sri Lanka

Acquisition of a subsidiary

On 3 March 2009, Jetson (Labuan) Ltd., a wholly owned subsidiary of Jetson Construction Sdn. Bhd., which is in turn a wholly owned subsidiary of the Company, acquired 100% equity interest in Jetson Lanka (Private) Limited ("Jetson Lanka"), a corporation incorporated in Sri Lanka, for a total cash consideration of Rs 10 (Sri Lanka Rupees Ten). Subsequently on 5 March 2009, Jetson Lanka issued and Jetson (Labuan) Ltd. subscribed, for 2,761,000 ordinary shares of Rs10 each in Jetson Lanka for a total cash consideration of Rs 27,610,000 (approximately RM899,000).

The acquired subsidiary has contributed the following results to the Group:

	2009 RM
Revenue	–
Loss for the year	(278,042)

The fair values of the assets acquired and liabilities assumed from the acquisition of the subsidiary are not materially different from their carrying values at the date of acquisition.

The acquisition has not resulted in any material cash outflow/inflow to the Group as the purchase consideration satisfied by cash represents the cash and cash equivalents of the subsidiary acquired.

Notes to the Financial Statements

31 December 2009 (Contd.)

7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares, at cost	401	401	401	401
Share of post-acquisition reserves	(401)	(401)	–	–
	–	–	401	401

Represented by:

Group's share of net assets

–

–

Details of the associates, all of which are incorporated in Malaysia, unless otherwise stated, are as follows:

Name of associates	Equity interest held (%)		Principal activities
	2009	2008	
Jetson-HG Corp Sdn. Bhd.	20	20	Inactive
Citarasa Haruman Sdn. Bhd.	40	40	Inactive
Sinn Jebco (Weihai) Technology Co. Ltd. #	40	–	Dormant

Incorporated in The People's Republic of China

The financial statements of the above associates are coterminous with those of the Group.

Acquisition of an associate

On 13 August 2009, Kumpulan Jebco (M) Sdn. Bhd. ("Jebco"), a wholly owned subsidiary of the Company, entered into an agreement with Weihai Xin San Yuan Electronic Device Assemble Co. Ltd. and Huge Jet Limited for the incorporation of Sinn Jebco (Weihai) Technology Co. Ltd. ("Sinn Jebco") in The People's Republic of China. Pursuant to the agreement, Jebco will subscribe for 1,200,004 ordinary shares of USD1 each, representing 40% equity interest in Sinn Jebco. Sinn Jebco has been incorporated on 18 September 2009 and as at the balance sheet date, Sinn Jebco has not issued, and Jebco has not subscribed for, any shares as allowed under the law in The People's Republic of China. However, the Company is committed to subscribe shares in this associate as disclosed in Note 37.

The summarised financial information of the associates is as follows:

	2009 RM	2008 RM
Assets and liabilities		
Current assets	39,643,385	39,861,438
Non-current assets	–	33,120
Total assets	39,643,385	39,894,558
Current liabilities, represent total liabilities	(39,837,554)	(40,083,121)

7. INVESTMENTS IN ASSOCIATES (CONTD.)

The summarised financial information of the associates is as follows (contd.):

	2009 RM	2008 RM
Results		
Revenue	-	-
Loss for the year	(5,606)	(16,789)

The Group's share of accumulated losses in the associates are restricted to the Group's cost of investment. Accordingly, the Group has excluded its current year's share of loss of the associates amounting to RM2,242 (2008:RM5,002) from the financial statements. As at 31 December 2009, the cumulative unrecognised share of losses of the associates are RM45,289 (2008: RM43,047).

8. OTHER INVESTMENT

	Group	
	2009 RM	2008 RM
Unquoted shares, at cost	15,000	15,000

9. DEFERRED TAX

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At 1 January	780,891	692,339	(445,161)	(445,161)
Recognised in the income statement (Note 33)	(6,495,684)	88,552	-	-
Recognised in equity	796,524	-	-	-
At 31 December	(4,918,269)	780,891	(445,161)	(445,161)

Presented after appropriate offsetting as follows:

Deferred tax assets	(9,295,237)	(3,595,687)	(477,999)	(489,821)
Deferred tax liabilities	4,376,968	4,376,578	32,838	44,660
	(4,918,269)	780,891	(445,161)	(445,161)

Notes to the Financial Statements

31 December 2009 (Contd.)

9. DEFERRED TAX (CONTD.)

The components and movements of deferred tax liabilities and tax assets during the financial year prior to offsetting are as follows:

Deferred tax liability of the Group:

	Property, plant and equipment RM
At 1 January 2008	3,896,153
Recognised in the income statement	480,425
At 31 December 2008	4,376,578
Recognised in the income statement	(796,134)
Recognised in equity	796,524
At 31 December 2009	4,376,968

Deferred tax assets of the Group:

	Provisions RM	Unused tax losses and unabsorbed capital allowances RM	Unabsorbed reinvestment allowances RM	Total RM
At 1 January 2008	1,643,557	(4,847,371)	–	(3,203,814)
Recognised in the income statement	(2,703,602)	3,488,177	(1,176,448)	(391,873)
At 31 December 2008	(1,060,045)	(1,359,194)	(1,176,448)	(3,595,687)
Recognised in the income statement	(22,439)	(1,932,543)	(3,744,568)	(5,699,550)
At 31 December 2009	(1,082,484)	(3,291,737)	(4,921,016)	(9,295,237)

Deferred tax liability of the Company:

	Property, plant and equipment RM
At 1 January 2008	146,389
Recognised in the income statement	(101,729)
At 31 December 2008	44,660
Recognised in the income statement	(11,822)
At 31 December 2009	32,838

Notes to the Financial Statements

31 December 2009 (Contd.)

9. DEFERRED TAX (CONTD.)

Deferred tax assets of the Company:

	Provisions RM	Unabsorbed capital allowances RM	Unutilised tax losses RM	Total RM
At 1 January 2008	(288,370)	(266,227)	(36,953)	(591,550)
Recognised in the income statement	36,168	28,608	36,953	101,729
At 31 December 2008	(252,202)	(237,619)	–	(489,821)
Recognised in the income statement	–	4,572	7,250	11,822
At 31 December 2009	(252,202)	(233,047)	7,250	(477,999)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unutilised tax losses	8,097,146	19,148,180	5,288,379	5,171,827
Unabsorbed capital allowances	1,510,702	2,179,000	26,940	–
Unabsorbed reinvestment allowances	–	15,434,000	–	–
Other deductible temporary differences	3,277,034	3,238,952	3,277,035	3,238,952
	12,884,882	40,000,132	8,592,354	8,410,779

The unused tax losses and unabsorbed capital allowances of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

10. PROPERTY DEVELOPMENT COSTS

	Freehold land costs RM	Development costs RM	Total RM
Group			
At 31 December 2009			
Cumulative property development costs			
At 1 January 2009	4,418,932	16,729,774	21,148,706
Costs incurred during the year	–	1,733,963	1,733,963
Reversal of completed project	(2,232,001)	(13,975,627)	(16,207,628)
At 31 December 2009	2,186,931	4,488,110	6,675,041

Notes to the Financial Statements

31 December 2009 (Contd.)

10. PROPERTY DEVELOPMENT COSTS (CONTD.)

	Freehold land costs RM	Development costs RM	Total RM
Group (contd.)			
At 31 December 2009 (contd.)			
Cumulative costs recognised in income statement			
At 1 January 2009	(3,052,318)	(14,483,864)	(17,536,182)
Recognised during the year	(871,962)	(3,113,320)	(3,985,282)
Reversal of completed project	2,232,001	13,975,627	16,207,628
At 31 December 2009	(1,692,279)	(3,621,557)	(5,313,836)
Property development costs at 31 December 2009	494,652	866,553	1,361,205
At 31 December 2008			
Cumulative property development costs			
At 1 January 2008	4,418,932	11,245,242	15,664,174
Costs incurred during the year	–	5,484,532	5,484,532
At 31 December 2008	4,418,932	16,729,774	21,148,706
Cumulative costs recognised in income statement			
At 1 January 2008	(2,217,231)	(9,100,115)	(11,317,346)
Recognised during the year	(835,087)	(5,383,749)	(6,218,836)
At 31 December 2008	(3,052,318)	(14,483,864)	(17,536,182)
Property development costs at 31 December 2008	1,366,614	2,245,910	3,612,524

Included in property development costs incurred during the year of the Group is interest capitalised amounting to RM51,629 (2008: RM78,607) as disclosed in Note 31.

Notes to the Financial Statements

31 December 2009 (Contd.)

11. INVENTORIES

	Group	
	2009 RM	2008 RM
Raw materials	6,675,951	7,968,509
Work-in-progress	1,929,775	1,155,656
Finished goods	2,331,612	4,138,493
	10,937,338	13,262,658

12. TRADE RECEIVABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	52,567,910	38,694,781	6,433,362	6,432,805
Accrued billings in respect of property development cost	2,870,002	2,655,221	-	-
Amounts due from customers on contracts (Note 13)	7,038,793	6,415,588	2,485,983	2,485,983
Retention sum on contracts (Note 13)	4,508,825	4,732,275	3,655,479	3,655,479
	66,985,530	52,497,865	12,574,824	12,574,267
Less: Provision for doubtful debts	(9,013,213)	(8,594,178)	(8,000,021)	(8,000,021)
	57,972,317	43,903,687	4,574,803	4,574,246

The Group's normal trade credit terms range from 30 to 120 (2008: 30 to 120) days. Other credit terms are assessed and approved on a case-by-case basis.

During the financial year, bad debts of the Group amounting to RM141,685 (2008: Nil) were written off against provision for doubtful debts.

Included in the trade receivables and amounts due from customers on contracts of the Group and of the Company is a net amount receivable from a third party amounting to RM1 million (2008: RM1 million), in relation to a construction contract which was suspended in 2001 and remained incomplete. In 2002, the Company joined a winding up petition together with third parties and filed an action against the debtor for the recovery of the debt. On 22 August 2003, the Company lodged a Debt General Form with Official Assignee and concurrently the case is under the Official Assignee. The directors are of the opinion that the Group and the Company should be able to substantially recover the balance of the debt in due course.

Apart from the above mentioned receivables, as at 31 December 2009, the Group and the Company have no other significant concentration of credit risk that may arise from exposures to a debtor or to groups of debtors.

Notes to the Financial Statements

31 December 2009 (Contd.)

13. AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Contract costs incurred to date	204,664,989	231,856,182	13,646,342	95,205,918
Attributable profits	26,408,388	21,321,693	2,376,687	4,437,901
	231,073,377	253,177,875	16,023,029	99,643,819
Less: Provision for foreseeable loss	(2,932,161)	(2,000,000)	(2,000,000)	(2,000,000)
	228,141,216	251,177,875	14,023,029	97,643,819
Less: Progress billings	(221,102,423)	(244,762,287)	(11,537,046)	(95,157,836)
Amounts due from customers on contracts (Note 12)	7,038,793	6,415,588	2,485,983	2,485,983
Retention sums on contracts, included within trade receivables (Note 12)	4,508,825	4,732,275	3,655,479	3,655,479

Included in aggregate cost incurred during the year of the Group is interest capitalised amounting to RM138,555 (2008: RM257,194) as disclosed in Note 31.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other receivables, deposits and prepayments	5,334,690	5,311,208	329,182	684,633
Less: Provision for doubtful debts	(1,709,669)	(173,278)	(112,000)	(112,000)
	3,625,021	5,137,930	217,182	572,633

15. DUE FROM SUBSIDIARIES AND ASSOCIATES

	Company	
	2009 RM	2008 RM
Due from subsidiaries		
Trade	8,311,640	8,311,640
Non-trade	17,493,847	10,864,522
	25,805,487	19,176,162

Notes to the Financial Statements

31 December 2009 (Contd.)

15. DUE FROM SUBSIDIARIES AND ASSOCIATES (CONTD.)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Due from associates				
Trade	15,166,837	13,938,018	13,938,018	13,938,018
Non-trade	11,381,847	12,602,000	11,381,847	11,380,743
	26,548,684	26,540,018	25,319,865	25,318,761

The amount due from associates represent a significant concentration of credit risk to the Group and the Company.

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment, except for an amount due from a subsidiary of RM8,311,640 (2008: RM8,311,640) which attracted interest rate of 8% (2008: 8%) per annum.

Amounts due from associates are unsecured, interest-free and have no fixed terms of repayment.

16. CASH AND BANK BALANCES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash on hand and at banks	3,870,233	2,016,340	187,182	80,676
Deposits with licensed banks	1,532,317	4,869,019	975,709	4,816,473
Cash and bank balances	5,402,550	6,885,359	1,162,891	4,897,149

Included in fixed deposits of the Group is RM41,360 (2008: RM52,546) pledged to licensed banks as security for banking facilities granted to subsidiaries.

The average effective interest rates of deposits at the balance sheet date were 1.9% (2008: 3.6%) per annum. The average maturities of deposits as at the end of the financial year were 365 (2008: 365) days.

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances	5,402,550	6,885,359	1,162,891	4,897,149
Bank overdrafts (Note 22)	(7,517,889)	(10,085,072)	(594,659)	(975,980)
Total cash and cash equivalents	(2,115,339)	(3,199,713)	568,232	3,921,169

Notes to the Financial Statements

31 December 2009 (Contd.)

17. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2009	2008	2009 RM	2008 RM
Authorised:				
At 1 January/31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid up:				
At 1 January	52,790,555	52,790,555	52,790,555	52,790,555
Issue of shares on conversion of 5% ICULS 2002/2012	735,459	-	735,459	-
Issue of shares from private placement	5,279,000	-	5,279,000	-
At 31 December	58,805,014	52,790,555	58,805,014	52,790,555

(a) Ordinary shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM52,790,555 to RM58,805,014 by way of:

- (i) the issuance of 5,279,000 ordinary shares of RM1 each through a private placement at an issue price of RM1.92 per ordinary share for cash, for additional working capital purposes; and
- (ii) the issuance of 735,459 ordinary shares of RM1 each arising from the conversion of RM773,153 5% ICULS 2002/2012 at the exercise price of RM1.08 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

(b) Detachable warrants

In 2002, the Company issued 17,004,000 detachable warrants to its shareholders in conjunction with its rights issue of 5,668,000 new ordinary shares and rights issue of RM11,336,000 nominal amount of 5% ICULS 2002/2012.

The warrants entitle the warrant holders to subscribe for one (1) new ordinary share of RM1 each in the Company at an exercise price of RM1.08 per share, within a period of ten (10) years from the date of issue up to 27 November 2012. The exercise price is subject to adjustments from time to time in accordance with the Deed Poll.

As at 31 December 2009, the number of warrants in issue was 17,004,000 (2008: 17,004,000).

Notes to the Financial Statements

31 December 2009 (Contd.)

18. RESERVES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-distributable:				
Share premium	5,176,758	332,768	5,176,758	332,768
Revaluation reserve	9,925,619	4,186,047	–	–
Capital reserve	1,671,413	1,671,413	–	–
Foreign currency translation reserve	(20,943)	82	–	–
	16,752,847	6,190,310	5,176,758	332,768
Distributable:				
Retained earnings (Note 19)	21,774,661	14,986,363	17,936,588	18,887,880
	38,527,508	21,176,673	23,113,346	19,220,648

The revaluation reserve of the Group represents surplus arising from revaluation of the Group's freehold land and factory buildings as disclosed in Note 3.

Capital reserve represents bonus issue out of distributable reserves by a subsidiary.

19. RETAINED EARNINGS

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 of Income Tax Act, 1967 ("S.108") balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the S.108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the S.108 balance as at 31 December 2009 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007.

As at 31 December 2009, the Company has tax exempt profits available for distribution of approximately RM8,321,000 (2008: RM8,321,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient credit in the S.108 balance and the balance in the tax-exempt income account to pay franked dividends out of its entire retained earnings as at 31 December 2009.

Notes to the Financial Statements

31 December 2009 (Contd.)

20. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	Group/Company	
	2009	2008
	RM	RM
At 1 January	6,904,911	6,904,911
Amount converted into ordinary shares during the financial year	(773,153)	–
At 31 December	6,131,758	6,904,911

The transitional provision in FRS 132 - Financial Instruments: Disclosure and Presentation does not mandatorily require the liability and the equity reclassification on the compound instruments issued prior to 1 January 2003 for financial statements covering periods beginning on or after 1 January 2002, even if the classification of the instrument is not in accordance with the substance of the contractual arrangement.

The presentation and classification of the 5% ICULS 2002/2012 as part of equity according to its predominant equity component is consistent with the previous financial year.

The main features of the 5% ICULS 2002/2012 issued by the Company are as follows:

Issue size	:	RM11,336,000 nominal value of 5% ICULS 2002/2012
Issue date	:	28 November 2002
Issue price	:	100% of the nominal value of the 5% ICULS 2002/2012
Coupon rate	:	5% per annum
Interest payment	:	Payable semi-annually in arrears on 30 June and 31 December of each year until the 5% ICULS 2002/2012 are fully converted.
Maturity date	:	Ten (10) years from the date of issue of the 5% ICULS 2002/2012.
Redemption	:	The 5% ICULS 2002/2012 are non-redeemable for cash. The outstanding 5% ICULS 2002/2012 shall be automatically converted into new shares on the maturity date.
Conversion price	:	The conversion price of the 5% ICULS 2002/2012 has been fixed at RM1.08.
Mode of conversion	:	(a) by tendering RM1.00 nominal value of the 5% ICULS 2002/2012 plus the balance of the conversion price in cash; or (b) by surrendering the 5% ICULS 2002/2012 with an aggregate nominal value of at least equivalent to the conversion price.
Conversion period	:	The 5% ICULS 2002/2012 shall be convertible into new ordinary shares of the Company at the option of the registered holders at any time from the date of issue until the maturity date.

21. MINORITY INTERESTS

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries.

Notes to the Financial Statements

31 December 2009 (Contd.)

22. BORROWINGS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Secured:				
Short term borrowings				
Bank overdrafts	7,517,889	10,085,072	594,659	975,980
Revolving credits	3,678,005	9,746,680	–	–
Trust receipts, bankers' acceptances and bills payable	10,715,786	9,637,089	197,000	340,000
Term loan	4,000,000	3,600,000	–	–
Hire purchase and finance lease liabilities (Note 23)	494,733	1,148,617	50,199	10,447
	26,406,413	34,217,458	841,858	1,326,427
Long term borrowings				
Term loan	11,200,000	15,200,000	–	–
Hire purchase and finance lease liabilities (Note 23)	822,422	873,339	342,348	64,890
	12,022,422	16,073,339	342,348	64,890
Total borrowings				
Bank overdrafts (Note 16)	7,517,889	10,085,072	594,659	975,980
Revolving credits	3,678,005	9,746,680	–	–
Trust receipts, bankers' acceptances and bills payable	10,715,786	9,637,089	197,000	340,000
Term loan	15,200,000	18,800,000	–	–
Hire purchase and finance lease liabilities	1,317,155	2,021,956	392,547	75,337
	38,428,835	50,290,797	1,184,206	1,391,317
Maturity of borrowings (excluding hire purchase and finance lease liabilities):				
Within 1 year	25,911,680	33,068,841	791,659	1,315,980
More than 1 year and less than 2 years	4,250,000	4,000,000	–	–
More than 2 years and less than 5 years	6,950,000	11,200,000	–	–
	37,111,680	48,268,841	791,659	1,315,980

Notes to the Financial Statements

31 December 2009 (Contd.)

22. BORROWINGS (CONTD.)

The bank overdrafts, revolving credits, trust receipts, bankers' acceptances and bills payable of the Group are secured by way of negative pledges over all the assets of certain subsidiaries and corporate guarantees executed by the Company and attracted interest rates ranging from 1.5% to 9.8% (2008: 3.3% to 9.8%) per annum.

The bank overdrafts, trust receipts, bankers' acceptances and bills payable of the Company are secured by way of negative pledge over all the assets of the Company and attracted interest rates ranging from 5.32% to 8.75% (2008: 5.32% to 8.75%) per annum.

The loan bears interest at the rate of 8% (2008: 8%) per annum.

The term loan is secured as follows:

- (i) first fixed and floating charge over all the assets of the subsidiary;
- (ii) first party legal assignment of the rights, titles, benefits and proceeds of the privatisation agreement for the university hostel project ("concession asset") (Note 4);
- (iii) assignment of the rights, benefits, proceeds from/under all insurance policies over the hostel buildings ("concession asset") (Note 4); and
- (iv) corporate guarantee from the Company.

23. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Future minimum lease payments:				
Not later than 1 year	561,548	1,235,467	71,964	13,644
Later than 1 year and not later than 5 years	701,324	886,905	287,856	54,576
Later than 5 years	225,885	53,726	111,435	18,173
	1,488,757	2,176,098	471,255	86,393
Less: Future finance charges	(171,602)	(154,142)	(78,708)	(11,056)
Present value of hire purchase payables	1,317,155	2,021,956	392,547	75,337
Present value of finance lease:				
Not later than 1 year	494,733	1,148,617	50,199	10,447
Later than 1 year and not later than 5 years	610,107	820,819	236,164	47,232
Later than 5 years	212,315	52,520	106,184	17,658
	1,317,155	2,021,956	392,547	75,337
Less: Amount due within 12 months (Note 22)	(494,733)	(1,148,617)	(50,199)	(10,447)
Amount due after 12 months (Note 22)	822,422	873,339	342,348	64,890

The hire purchase and finance lease liabilities bear effective interest at rates of between 2.35% to 8.31% (2008: 2.35% to 9.10%) per annum.

Notes to the Financial Statements

31 December 2009 (Contd.)

24. TRADE PAYABLES

Included in trade payables of the Group are retention sums amounting to RM4,182,615 (2008: RM2,344,596).

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 (2008: 30 to 90) days.

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Sundry payables	3,357,328	4,421,399	64,077	64,634
Accruals	5,004,573	4,853,049	672,007	395,492
	8,361,901	9,274,448	736,084	460,126

26. DUE TO SUBSIDIARIES AND DIRECTORS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Due to subsidiaries				
Trade	–	–	–	5,565,772
Non-trade	–	–	484,237	89,453
	–	–	484,237	5,655,225
Due to directors	3,157,373	4,491,980	1,076,252	2,053,052

The amounts due to subsidiaries and directors are unsecured, interest-free and have no fixed terms of repayment.

27. REVENUE

	Group	
	2009 RM	2008 RM
Sale of properties	2,761,228	7,300,551
Construction contracts	24,509,406	8,236,842
Hostel management	6,047,935	5,522,628
Manufacturing	89,312,848	92,822,155
	122,631,417	113,882,176

Notes to the Financial Statements

31 December 2009 (Contd.)

28. COST OF SALES

	Group	
	2009 RM	2008 RM
Property development costs	3,985,282	6,218,836
Construction contract costs	19,556,917	7,269,135
Cost of hostel management	3,619,071	3,118,713
Cost of manufactured inventories	70,959,291	77,093,943
	98,120,561	93,700,627

29. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations is stated after charging/(crediting):

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Employee benefits expense (Note 30)	19,017,592	17,672,184	1,009,950	802,144
Directors' remuneration (excluding benefits-in-kind)	1,788,032	1,651,339	628,312	443,752
Auditors' remuneration				
- current year	130,710	122,496	31,000	31,000
- underprovision in prior year	3,154	14,140	-	5,000
- non-statutory audit fees	5,000	5,000	5,000	5,000
Bad debts written off	56,313	4,177	7,102	4,177
Bad debts recovered	(8,815)	-	-	-
Provision for doubtful debts	2,097,111	1,599,488	-	1,291,416
Provision for foreseeable loss (Reversal)/write down of inventories	932,161 (115,120)	2,000,000 626,782	- -	2,000,000 -
Depreciation of property, plant and equipment (Note 3)	5,355,537	5,475,014	64,757	103,645
Amortisation of concession asset (Note 4)	910,928	717,330	-	-
Amortisation of prepaid land lease payments (Note 5)	9,158	9,158	-	-
Rental of premises	634,646	543,173	93,147	61,033
Rental of machineries	62,125	39,840	-	-
Production royalties	373,604	318,787	-	-
Loss on foreign exchange				
- unrealised	72,887	239,701	-	-
Property, plant and equipment written off	6,495	4,345	-	-
Gain on foreign exchange				
- realised	(214,812)	(183,690)	-	-
- unrealised	(6,170)	(181,440)	-	-
(Gain)/loss on disposal of property, plant and equipment	(134,354)	104,208	28,906	187,203
Gain on disposal of subsidiaries	-	(38,813)	-	(3)
Gain on disposal of non-current asset held for sale (Note 34)	-	-	-	(22,577,869)
Rental income	(12,000)	(17,112)	-	-

29. PROFIT/(LOSS) FROM OPERATIONS (CONTD.)

Analysis of directors' remuneration

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	1,021,823	956,094	444,823	282,500
Fees	54,750	99,000	54,750	54,000
Pension costs - defined contribution plans	127,691	113,472	58,451	32,832
Social security costs	863	-	66	-
Retirement benefit	39,302	37,800	16,222	10,920
Benefits-in-kind	49,400	32,000	24,000	6,600
Non-Executive:				
Fees	54,000	54,000	54,000	54,000
Other emoluments	-	9,500	-	9,500
	1,347,829	1,301,866	652,312	450,352
Directors of subsidiaries				
Executive:				
Salaries and other emoluments	424,499	322,800	-	-
Fees	8,570	15,000	-	-
Pension costs - defined contribution plans	47,952	38,772	-	-
Social security costs	1,836	797	-	-
Retirement benefit	6,746	4,104	-	-
Benefits-in-kind	11,100	13,850	-	-
	500,703	395,323	-	-
Total	1,848,532	1,697,189	652,312	450,352
Analysis excluding benefits-in-kind				
Total executive directors' remuneration	1,734,032	1,587,839	574,312	380,252
Total non-executive directors' remuneration	54,000	63,500	54,000	63,500
	1,788,032	1,651,339	628,312	443,752

Notes to the Financial Statements

31 December 2009 (Contd.)

29. PROFIT/(LOSS) FROM OPERATIONS (CONTD.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors 2009	2008
Executive directors:		
RM600,001 - RM650,000	1	-
RM500,001 - RM550,000	-	1
RM350,001 - RM400,000	1	1
RM300,001 - RM305,000	-	1
RM50,001 - RM100,000	1	-
RM1 - RM50,000	2	-
Non-executive directors:		
RM1 - RM50,000	3	3

30. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages, salaries and overtime	13,975,186	13,959,559	777,514	646,552
Social security costs	196,534	168,382	7,589	5,717
Pension costs - defined contribution plans	1,257,018	1,213,512	95,978	77,046
Other staff related expenses	3,588,854	2,330,730	128,869	72,829
	19,017,592	17,672,183	1,009,950	802,144

31. FINANCE COSTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Interest expense on:				
Term loans	1,379,288	1,641,810	-	-
Bank overdrafts and bankers' acceptance	1,254,440	2,059,371	80,005	151,872
Hire purchase	93,394	177,247	6,674	4,860
Revolving credit	129,646	185,674	-	23,221
5% ICULS 2002/2012	327,062	344,770	327,062	344,770
	3,183,830	4,408,872	413,741	524,723
Less: Interest expense capitalised in qualifying assets:				
Property development costs (Note 10)	(51,629)	(78,607)	-	-
Costs of construction contracts (Note 13)	(138,555)	(257,194)	-	-
	2,993,646	4,073,071	413,741	524,723

Notes to the Financial Statements

31 December 2009 (Contd.)

32. INTEREST INCOME

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Subsidiaries	–	–	664,931	664,931
Others	32,786	298,600	51,314	268,586
	32,786	298,600	716,245	933,517

33. TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Continuing operations				
Malaysian income tax:				
Current year	349,861	366,831	–	–
Under/(overprovision) in prior years	34,567	(63,208)	–	–
	384,428	303,623	–	–
Deferred tax (Note 9):				
Relating to origination and reversal of temporary differences	(6,233,702)	94,998	–	(54,761)
Relating to changes in tax rates	(59,115)	(46,947)	–	17,808
(Over)/underprovision in prior years	(202,867)	40,501	–	36,953
	(6,495,684)	88,552	–	–
Total income tax expense from continuing operations	(6,111,256)	392,175	–	–
Discontinued operation	–	–	–	–
Total income tax expense	(6,111,256)	392,175	–	–

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

Notes to the Financial Statements

31 December 2009 (Contd.)

33. TAXATION (CONTD.)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
(Loss)/profit before tax from:				
Continuing operations	(162,016)	(5,542,335)	(951,292)	15,282,962
Discontinued operation (Note 34)	–	17,334,784	–	–
	(162,016)	11,792,449	(951,292)	15,282,962
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	(40,504)	3,066,037	(237,823)	3,973,570
Effects of income subject to tax rate of 20% (2008: 20%)	–	(39,764)	–	–
Effects of change in imposition of tax rates on opening deferred tax	(59,115)	(46,947)	–	17,808
Income not subject to tax	–	(4,755,761)	–	(5,870,246)
Expenses not deductible for tax purposes	1,154,841	1,272,420	192,429	812,295
Deferred tax assets not recognised during the year	515,433	1,744,706	45,394	1,029,620
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(590,745)	(538,153)	–	–
Deferred tax assets recognised during the year (Note a)	(6,703,501)	(87,461)	–	–
Utilisation of reinvestment allowances	(219,365)	(200,195)	–	–
(Over)/underprovision of deferred tax expense in prior years	(202,867)	40,501	–	36,953
Under/(overprovision) of income tax expense in prior years	34,567	(63,208)	–	–
	(6,111,256)	392,175	–	–

- (a) Included in deferred tax assets recognised during the year of the Group is an amount of RM2,845,026 being deferred tax assets recognised on unutilised tax losses and unabsorbed capital allowances of a subsidiary, Jetson Construction Sdn. Bhd. (“JCSB”). Deferred tax assets have been recognised as management is of the view that JCSB will have sufficient future taxable profits available for its utilisation upon commencement of construction works on the MATRADE Centre as referred to Note 42. The Directors have represented that JCSB will be appointed to carry out the necessary construction works.

Tax savings during the financial year arising from:

	Group/Company	
	2009 RM	2008 RM
Utilisation of current year tax losses	12,829	–

Notes to the Financial Statements

31 December 2009 (Contd.)

34. DISCONTINUED OPERATION

The Company entered into a conditional Share Sale Agreement dated 14 November 2007 with Kumpulan Darul Ehsan Berhad ("KDEB") for the disposal of a wholly-owned subsidiary of the Company, Jetson Corporation Sdn. Bhd. ("JCorp") to KDEB for a cash consideration of RM30,700,000 ("Disposal"). With the Disposal, KDEB shall also be deemed to obtain indirect control in the subsidiaries of JCorp, namely Hebat Abadi Sdn. Bhd. and Segar Prima Sdn. Bhd. and the associate of JCorp, namely Alam Flora Sdn. Bhd., which are collectively known as Environmental Services Division of the Company.

The Disposal was completed on 23 April 2008 and the result of the Environmental Services Division was presented as a discontinued operation in the consolidated income statement in the prior year.

An analysis of the result of this discontinued operation is as follows:

	Group 1.1.2008 to 23.4.2008 RM
Revenue	1,206,156
Other income	14,909,524
Cost of sales	(943,561)
Administrative and other expenses	(359,855)
Share of result of an associate	2,522,520
<hr/>	
Profit before tax	17,334,784
Taxation	-
<hr/>	
Profit for the period from discontinued operation	17,334,784

The following amounts have been included in arriving at profit before tax of discontinued operation:

	Group 1.1.2008 to 23.4.2008 RM
Auditors' remuneration	3,166
Employee benefits expense	184,986
Rental of premises	27,300
Bad debts written off	6,573
Interest expense	4,599
Gain on disposal of assets and liabilities of the disposal group	(14,909,524)

The cash flows attributable to the discontinued operation are as follows:

	Group 1.1.2008 to 23.4.2008 RM
Operating cash flows	163,464
Investing cash flows	(123,050)
Financing cash flows	(287,497)
<hr/>	
Total cash flows	(247,083)

Notes to the Financial Statements

31 December 2009 (Contd.)

34. DISCONTINUED OPERATION (CONTD.)

The details of gain on disposal of assets and liabilities of the disposal group to the Group and to the Company were as follows:

	Group 23.4.2008 RM
Net assets of disposal group	15,863,497
Less: Minority interest	(73,021)
<hr/>	
Group's share of net assets of disposal group	15,790,476
Disposal consideration satisfied by cash	(30,700,000)
<hr/>	
Gain on disposal of assets and liabilities of disposal group	(14,909,524)
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	Company 23.4.2008 RM
Cost of investment in a subsidiary	8,122,131
Disposal consideration satisfied by cash	(30,700,000)
<hr/>	
Gain on disposal of non-current asset held for sale	(22,577,869)
<hr/>	

The net cash flow arising from the disposal of the Group was as follows:

	Group 23.4.2008 RM
Disposal consideration satisfied by cash	30,700,000
Cash and cash equivalents of disposal group	118,132
<hr/>	
Net cash inflow of the Group	30,818,132
<hr/>	

35. EARNING/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

Notes to the Financial Statements

31 December 2009 (Contd.)

35. EARNING/(LOSS) PER SHARE (CONTD.)

	Group	
	2009 RM	2008 RM
Profit/(loss) from continuing operations attributable to ordinary equity holders of the Company	6,788,298	(6,784,811)
Profit from discontinued operation attributable to ordinary equity holders of the Company	–	17,334,784
Profit attributable to ordinary equity holders of the Company	6,788,298	10,549,973
Weighted average number of ordinary shares in issue	53,578,360	52,790,555
Effects of conversion of 5% ICULS 2002/2012	5,677,554	6,393,436
Adjusted weighted average number of ordinary shares in issue and issuable	59,255,914	59,183,991
Basic earnings/(loss) per share for (sen):		
Profit/(loss) from continuing operations	11.46	(11.46)
Profit from discontinued operation	–	29.29
Basic earning for the year	11.46	17.83

(b) Diluted

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. detachable warrants (“Warrants”).

	Group	
	2009 RM	2008 RM
Profit/(loss) from continuing operations attributable to ordinary equity holders of the Company	6,788,298	(6,784,811)
Profit from discontinued operation attributable to ordinary equity holders of the Company	–	17,334,784
Profit attributable to ordinary equity holders of the Company	6,788,298	10,549,973
Weighted average number of ordinary shares in issue	53,578,360	52,790,555
Effects of conversion of 5% ICULS 2002/2012	5,677,554	6,393,436
	59,255,914	59,183,991
Effect of dilution - Warrants	9,773,953	–
Adjusted weighted average number of ordinary shares in issue and issuable	69,029,867	59,183,991
Diluted earnings/(loss) per share for (sen):		
Profit/(loss) from continuing operations	9.83	(11.46)
Profit from discontinued operation	–	29.29
Diluted earnings for the year	9.83	17.83

Notes to the Financial Statements

31 December 2009 (Contd.)

35. EARNING/(LOSS) PER SHARE (CONTD.)

(b) Diluted (contd.)

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements except for the new ordinary shares issued as detailed in Note 43(b).

36. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Company	
	2009 RM	2008 RM
Transactions with subsidiaries:		
Interest income	(664,931)	(664,931)
Management fees	(468,000)	(80,000)
Secretarial fees	(18,720)	(19,700)
Transactions with an associate, Citarasa Haruman Sdn. Bhd.:		
Advances to associates	(8,666)	(1,104)
Secretarial fees	(960)	(960)

(b) Compensation of key management personnel

The key management personnels comprised mainly executive and non-executive directors of the Group and of the Company. The executive directors' remuneration is disclosed in Note 29.

37. COMMITMENTS

(a) Commitments

	Group	
	2009 RM	2008 RM
Approved and contracted for:		
Investments in associates	4,238,500	–
Property, plant and equipment	77,000	33,122
	4,315,500	33,122

37. COMMITMENTS (CONTD.)

(b) Non-cancellable operating lease commitment - Group as lessee

	Group	
	2009 RM	2008 RM
Future minimum rentals payable:		
Not later than 1 year	409,478	477,066
Later than 1 year and not later than 5 years	399,900	186,278
	809,378	663,344

Operating lease payments represent rentals payable by the Group for use of premises. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years.

38. CONTINGENT LIABILITIES

	Company	
	2009 RM	2008 RM
Unsecured:		
Corporate guarantees extended in support of banking and credit facilities utilised by subsidiaries	56,044,080	50,398,569
Bank guarantees	489,400	324,000
	56,533,480	50,722,569

39. SEGMENT INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

- (i) Construction and property Design and build turnkey contractor for civil construction works, general building works, interior, renovation and restoration works, exhibition works and memorial, museum and gallery works, and property development.
- (ii) Hostel management Hostel management services.
- (iii) Manufacturing Manufacturing and trading of rubber products, moulds and tools, adhesives, sealants and silicone products.

The Group operates predominantly in Malaysia and accordingly, information by geographical location on the Group's operations is not presented.

Notes to the Financial Statements

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39. SEGMENT INFORMATION (CONTD.)

(b) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

40. SEGMENT INFORMATION

	Construction and property development RM	Hostel management RM	Manufacturing RM	Elimination RM	Total RM
31 December 2009					
Revenue					
External sales	27,270,634	6,047,935	89,312,848	–	122,631,417
Inter-segment sales	83,322	–	–	(83,322)	–
Total revenue	27,353,956	6,047,935	89,312,848	(83,322)	122,631,417
Results					
Segment results	(6,700,575)	1,640,675	7,858,744	–	2,798,844
Finance costs					(2,993,646)
Interest income					32,786
Loss before tax					(162,016)
Taxation					6,111,256
Profit after tax					5,949,240
Minority interests					839,058
Profit for the year					6,788,298
Assets					
Segment assets	65,084,656	42,048,669	78,852,333	–	185,985,658
Unallocated assets					5,311,159
Consolidated total assets					191,296,817
Liabilities					
Segment liabilities	36,077,778	23,056,148	24,727,921	–	83,861,847
Unallocated liabilities					2,296,893
Consolidated total liabilities					86,158,740
Other information					
Capital expenditure	684,642	2,970	650,061	–	1,337,673
Depreciation	291,516	654,115	4,409,906	–	5,355,537
Amortisation	–	910,928	9,158	–	920,086

Notes to the Financial Statements

31 December 2009 (Contd.)

40. SEGMENT INFORMATION (CONTD.)

	← Continuing operations →				Total RM	Discontinued operation Environmental services		Total RM
	Construction and property development RM	Hostel management RM	Manufacturing RM	Elimination RM		RM	RM	
31 December 2008								
Revenue								
External sales	15,537,393	5,522,628	92,822,155	-	113,882,176	1,206,156	115,088,332	
Inter-segment sales	51,246	-	-	(51,246)	-	-	-	
Total revenue	15,588,639	5,522,628	92,822,155	(51,246)	113,882,176	1,206,156	115,088,332	
Results								
Segment results	(9,512,466)	3,123,688	4,582,101	-	(1,806,677)	(92,661)	(1,899,338)	
Gain on disposal of subsidiaries	-	-	38,813	-	38,813	-	38,813	
Gain on disposal of assets and liabilities of disposal group	-	-	-	-	-	14,909,524	14,909,524	
Share of result of associates	-	-	-	-	-	2,522,520	2,522,520	
	(9,512,466)	3,123,688	4,620,914	-	(1,767,864)	17,339,383	15,571,519	
Finance costs					(4,073,071)	(4,599)	(4,077,670)	
Interest income					298,600	-	298,600	
(Loss)/profit before tax					(5,542,335)	17,334,784	11,792,449	
Taxation					(392,175)	-	(392,175)	
(Loss)/profit after tax					(5,934,510)	17,334,784	11,400,274	
Minority interests					(850,301)	-	(850,301)	
(Loss)/profit for the year					(6,784,811)	17,334,784	10,549,973	
Assets								
Segment assets	61,103,448	41,317,487	75,097,750	-	177,518,685	-	177,518,685	
Unallocated assets					431,054	-	431,054	
Consolidated total assets					177,949,739	-	177,949,739	
Liabilities								
Segment liabilities	35,546,518	24,311,914	31,124,684	-	90,983,116	-	90,983,116	
Unallocated liabilities					3,562,729	-	3,562,729	
Consolidated total liabilities					94,545,845	-	94,545,845	
Other information								
Capital expenditure	231,287	-	1,554,159	-	1,785,446	-	1,785,446	
Depreciation	311,926	659,246	4,503,842	-	5,475,014	-	5,475,014	
Amortisation	-	717,330	9,158	-	726,488	-	726,488	

Notes to the Financial Statements

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41. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts, the Group had no substantial long term interest-bearing assets as at 31 December 2009. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(d) Credit risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors as at 31 December 2009, other than as disclosed in Note 12 to the financial statements.

(e) Foreign exchange risk

The Group is exposed to various currencies, mainly United States Dollars, Singapore Dollars, Great Britain Pounds and Euro. Foreign currencies denominated assets and liabilities together with expected cashflows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

41. FINANCIAL INSTRUMENTS (CONTD.)

(e) Foreign exchange risk (contd.)

The net unhedged financial assets and liabilities of the Group that are not denominated in the functional currency is as follows:

	2009		2008	
	Receivables RM	Payables RM	Receivables RM	Payables RM
Group				
United State Dollar	2,044,774	1,153,340	3,199,150	1,106,363
Singapore Dollar	272,366	185	275,857	–
Great Britain Pound	713,524	–	580,731	–
Euro	1,469,778	68,986	532,044	13,218
	4,500,442	1,222,511	4,587,782	1,119,581

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values due to the relatively short term maturity of these financial instruments, except for the following:

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities				
As at 31 December 2009:				
Term loan	15,200,000	15,343,978	–	–
Hire purchase payables	1,317,155	1,377,222	392,547	432,323
As at 31 December 2008:				
Term loan	18,800,000	19,012,532	–	–
Hire purchase payables	2,021,956	2,099,039	75,337	81,246

It is not practicable to estimate the fair value of the Group's and of the Company's 5% ICULS 2002/2012 because of the lack of quoted market prices and the inability to estimate the fair value without incurring excessive costs.

It is also not practical to estimate the fair values of amounts due from/(to) subsidiaries, associates and directors due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs.

Notes to the Financial Statements

31 December 2009 (Contd.)

42. SIGNIFICANT EVENTS

In addition to the significant events detailed elsewhere in the financial statements, the Group had the following significant events during the financial year:

On 22 December 2009, Kumpulan Jetson Berhad (“KJB”) entered into a shareholders’ agreement with TTDI KL Metropolis Sdn Bhd (“TKLM”) (“Proposed Shareholders’ Agreement”) to facilitate the joint venture arrangement between KJB and TKLM to carry out the planning, design, construction including interior design works and completion of an exhibition centre building (“MATRADE Centre”) and to develop a plot of land measuring approximately 62.45 acres (“Exchange Land”) which will be transferred from the Government to TKLM in exchange for TKLM to undertake the planning, design, construction including interior design work and completion of the MATRADE Centre.

The planning, design, construction including interior design works and completion of the MATRADE Centre and the development of the Exchange Land will be carried out via a special purpose vehicle to be known as TTDI Jetson Sdn. Bhd. (“TTDI Jetson”). KJB and TKLM will subscribe for 49% and 51% equity interest in TTDI Jetson respectively pursuant to the Proposed Shareholders’ Agreement.

Pursuant to the Proposed Shareholders’ Agreement, TTDI Jetson will appoint KJB and/or its subsidiaries, to carry out the following:

- (i) The planning, design, construction including interior design works and completion of the MATRADE Centre for a fixed contract sum of RM628 million; and
- (ii) The construction works relating to the Exchange Land.

The shareholders of the Company approved the Proposed Shareholders’ Agreement on 30 March 2010.

43. SUBSEQUENT EVENTS

- (a) On 29 January 2010, a wholly owned subsidiary of the Company, Jetson Construction Sdn. Bhd. (“JCSB”), signed a Memorandum of Understanding (“MOU”) with China State Construction Engineering (Hong Kong) Limited (“CSC”), a corporation incorporated in The People’s Republic of China, to express their interest in the tender for the construction of 2 blocks of building on Lot 267, Lot 270, part of Lot 268 and Lot 324, Jalan Stonor, Kuala Lumpur (“Project”).

JCSB and CSC will subscribe for 60% and 40% equity interest respectively in an unincorporate joint venture (“JV”) to be formed and subsequently the JV will submit a tender for the Project, and to participate in the tender and execute the Project, if the JV’s tender for the Project is successfully awarded.

- (b) Between the reporting date and the date of completion of these financial statements, the issued and fully paid-up ordinary share capital of the Company was increased from RM58,805,014 to RM60,585,676, comprising 1,780,662 ordinary share of RM1 each by way of the issuance of 1,780,662 ordinary shares of RM1 each arising from the conversion of RM1,780,662 5% ICULS 2002/2012 at the exercise price of RM1.08 per ordinary share.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

Particulars of Group Properties

as at 31 December 2009

Location	Description and Existing Use	Land Area (Sq ft.)	Built Up Area (Sq ft.)	Net Book Value (RM)	Age of Building (Year)	Date of Acquisition/ Revaluation
H.S. (M) 6284 P.T. 4253 Mukim of Kapar District of Klang Selangor Darul Ehsan (Lot 9 Solok Sultan Hishamuddin 7 Kawasan Perusahaan 20 Selat Klang Utara 42000 Port Klang Selangor Darul Ehsan)	Leasehold Industrial Land and Factory Expiring on 09.06.2086	43,615	24,000	2,203,148	19	Revalued on 30.10.2009
Grant No. 256 Lot No. 1569 Mukim Batu Daerah Gombak Selangor Darul Ehsan (Lot 1569 Jalan Kusta Kawasan Industri Kampung Jaya 47000 Sungai Buloh Selangor Darul Ehsan)	Freehold Industrial Land and Factory	174,240	173,054	22,378,067	12	Revalued on 06.08.2009
Universiti Putra Malaysia Kolej 12 & 14 43400 UPM Serdang Selangor Darul Ehsan	Student Hostel Concession period of 25 years from issuance of Certificate of Fitness of Occupation (07.08.2003)	N/A	759,064	42,287,889	10	Acquired on 01.06.2000
No. TB-5 Tingkat Bawah Blok 36 Bandar Sultan Suleiman 42000 Pelabuhan Klang Selangor Darul Ehsan	Leasehold Apartment Expiring 99 years from issuance of strata title	N/A	766	46,843	13	Acquired on 16.06.1997
PT 10315 – 10478 Mukim of Kamunting District of Larut and Matang Perak Darul Ridzuan	Development of residential units Freehold Land	32,296	N/A	463,162 (under "Property development cost")	N/A	Acquired on 21.10.2003

Analysis of Shareholdings

as at 23 April 2010

Authorised Share Capital	:	RM100,000,000
Issued and Paid-Up Share Capital	:	RM60,585,676
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One (1) vote per shareholder on a show of hand or one (1) vote per ordinary share on a poll

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	139	9.01	5,508	0.01
100 - 1,000	155	10.06	128,257	0.21
1,001 - 10,000	931	60.38	3,806,874	6.28
10,001 - 100,000	266	17.25	8,625,422	14.24
100,001 - less than 5% of issued shares	48	3.11	16,919,615	27.93
5% and above of issued shares	3	0.19	31,100,000	51.33
Total	1,542	100.00	60,585,676	100.00

TOP THIRTY SHAREHOLDERS

Name	No. of Shares Held	%
1. AMSEC Nominees (Tempatan) Sdn Bhd AmBank (M) Bhd for Superior Pavillion Sdn Bhd	17,500,000	28.88
2. HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-Asing)	9,600,000	15.85
3. Ahmad Bin Ibrahim	4,000,000	6.60
4. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Kumpulan Jetson Provident Fund (A/C 69)	2,081,682	3.44
5. Adiljaya Sdn Bhd	1,688,075	2.79
6. Chin Hooi Nan	1,400,000	2.31
7. Chin Hooi Nan	720,000	1.19
8. Chong Mong Yuen	700,000	1.16
9. Chang Yin Yee	663,700	1.10
10. Mohamad Mazril Bin Musa	600,800	0.99
11. Tee Joe Jer	517,000	0.85
12. Chang Chee Lup	504,500	0.83
13. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank NA, Singapore (Julius Baer)	481,700	0.80
14. Tee Chee Beng	448,100	0.74
15. Chong Mong Yuen	413,000	0.68
16. Muhammad Zhafri Bin Jaafar	409,400	0.68
17. Mohamad Nazreen Bin Zakaria	360,600	0.60
18. Tan Kin Choo	350,100	0.58
19. Low Yin Mei	276,000	0.46
20. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Teh Swee Heng (MM1118)	275,000	0.45
21. Tee Chee Beng	267,688	0.44
22. Ting Hoong Yi	265,000	0.44
23. Ismail Bin Ahmad	250,100	0.41
24. Chong Mong Yuen	250,000	0.41
25. Kan Kien Seng	229,000	0.38
26. Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Chee Beng (473928)	217,100	0.36

Analysis of Shareholdings

as at 23 April 2010 (Contd.)

TOP THIRTY SHAREHOLDERS (CONTD.)

Name	No. of Shares Held	%
27. JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sun Chu Tiam @ Soon Chu Tiam (Margin)	215,000	0.35
28. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Mazril Bin Musa	208,000	0.34
29. Leng Ah Chu	201,085	0.33
30. Ke-Zan Nominees (Asing) Sdn Bhd Pledged Securities Account for Chang, Tzung-Yaur @ Eddy Chang	177,000	0.29

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
Superior Pavillion Sdn Bhd	17,500,000	28.88	0	0.00
Next Peak Assets Limited	7,158,659	11.82	0	0.00
Ahmad Bin Ibrahim	4,000,000	6.60	0	0.00
Sheikh Mohd Nasarudin	175,300	0.29	*17,500,000	28.88
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal	0	0.00	*17,500,000	28.88

* Deemed interest by virtue of Section 6A(4)(c) of the Companies Act, 1965.

LIST OF DIRECTORS' SHAREHOLDINGS

Shares held in the Company

Name	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
Sheikh Mohd Nasarudin	175,300	0.29	*17,500,000	28.88
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal	0	0.00	*17,500,000	28.88
Datuk Teh Kian An	209,534	0.35	#2,076,660	3.43
Chow Chee Kin	0	0.00	0	0.00
Isnin Bin Rahim	127,305	0.21	0	0.00
Datuk Dr Ong Ah Soon	0	0.00	^109,400	0.18
Mohd Najib Bin Abdul Aziz	0	0.00	0	0.00
Louise Paul A/L Joseph Paul	0	0.00	0	0.00

* Deemed interest by virtue of Section 6A(4)(c) of the Companies Act, 1965.

Deemed interest by virtue of Section 6A(4)(c) of the Companies Act, 1965 and shares held by spouse and children.

^ Deemed interest by virtue of shares held by spouse and children.

Shares held in a subsidiary company, PJS Development Sdn Bhd

Name	Direct	
	No. of Shares held	%
Datuk Teh Kian An	1	0.00002
Isnin Bin Rahim	1	0.00002

Analysis of ICULShareholdings

as at 23 April 2010

Class of Shares	:	5% 10 Years Nominal Value Irredeemable Convertible Unsecured Loan Stocks 2002/2012 ("ICULS")
Voting Rights	:	One (1) vote per ICULShareholder on a show of hand or one (1) vote per ICULS on a poll in respect of meeting of ICULShareholders

DISTRIBUTION SCHEDULE OF ICULSHAREHOLDERS

Size of ICULShareholdings	No. of ICULShareholders	%	No. of ICULS	%
1 - 99	30	14.22	410	0.01
100 - 1,000	89	42.18	57,684	1.33
1,001 - 10,000	73	34.60	252,543	5.80
10,001 - 100,000	12	5.69	468,634	10.77
100,001 - less than 5% of issued ICULS	0	0.00	0	0
5% and above of issued ICULS	7	3.31	3,571,825	82.09
Total	211	100.00	4,351,096	100.00

TOP THIRTY ICULSHAREHOLDERS

Name	No. of ICULS Held	%
1. K.K. Tee Holdings Sdn Bhd	1,212,080	27.86
2. AmBank (M) Berhad Pledged Securities Account for K.K. Tee Holdings Sdn Bhd (SMART)	568,000	13.05
3. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Tee Keng Kok (PB)	467,500	10.74
4. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Kumpulan Jetson Provident Fund (A/C 69)	400,445	9.20
5. Tee Joe Jer	399,000	9.17
6. Chang Yin Yee	281,100	6.46
7. Tee Chee Beng	243,700	5.60
8. Leng Ah Chu	81,500	1.87
9. Tee Chee Beng	73,750	1.69
10. Wong Pun Moy	55,600	1.28
11. Leng Ah Chu	50,271	1.16
12. Gan Ai Ring	50,000	1.15
13. Tee Tze Sim	38,500	0.88
14. Tee Chee Beng	33,822	0.78
15. K.K. Tee Holdings Sdn Bhd	23,491	0.54
16. Chang Chee Lup	20,700	0.48
17. Chew Kim Leng	15,000	0.34
18. Onn Kok Puay (Weng Guopei)	15,000	0.34
19. Chng Kok Ang	11,000	0.25
20. Lim Ho Peng	10,000	0.23
21. Law Fah Hing	9,300	0.21
22. Chin Kam Khoon	9,000	0.21

Analysis of ICULSholdings

as at 23 April 2010 (Contd.)

TOP THIRTY ICULSHOLDERS (CONTD.)

Name	No. of ICULS Held	%
23. Soh Kim Hock	7,000	0.16
24. Tan Tei Kein	7,000	0.16
25. Tee Tze Ean @ Tee Sa An	7,000	0.16
26. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kok Woo	6,800	0.16
27. Yap Yoke Moey	6,000	0.14
28. Lee Kok Hoong	5,500	0.13
29. Leng Ah Chu	5,000	0.11
30. Teoh Siew Suan	5,000	0.11

LIST OF DIRECTORS' ICULSHOLDINGS

Name	Direct		Indirect	
	No. of ICULS held	%	No. of ICULS held	%
Sheikh Mohd Nasarudin	0	0.00	0	0.00
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal	0	0.00	0	0.00
Datuk Teh Kian An	0	0.00	#139,771	3.21
Isnin Bin Rahim	826	0.02	0	0.00
Chow Chee Kin	0	0.00	0	0.00
Datuk Dr Ong Ah Soon	0	0.00	^53,000	1.22
Mohd Najib Bin Abdul Aziz	0	0.00	0	0.00
Louise Paul A/L Joseph Paul	0	0.00	0	0.00

Deemed interest by virtue of ICULS held by spouse.

^ Deemed interest by virtue of ICULS held by spouse and child.

Analysis of Warrantholdings

as at 23 April 2010

Class of Securities : 2002/2012 Warrants
 Voting Rights : One (1) vote per warrant holder on a show of hand or one (1) vote per warrant on a poll in respect of meeting of warrant holders

DISTRIBUTION SCHEDULE OF 2002/2012 WARRANTHOLDERS

Size of Warrantholdings	No. of 2002/2012 Warrantholders	%	No. of 2002/2012 Warrants	%
1 - 99	94	13.82	3,564	0.02
100 - 1,000	90	13.24	65,661	0.39
1,001 - 10,000	305	44.85	1,515,950	8.91
10,001 - 100,000	161	23.68	5,471,705	32.18
100,001 - less than 5% of issued warrants	28	4.12	7,067,120	41.56
5% and above of issued warrants	2	0.29	2,880,000	16.94
Total	680	100.00	17,004,000	100.00

TOP THIRTY 2002/2012 WARRANTHOLDERS

Name	No. of 2002/2012 Warrants Held	%
1. Mohamad Mazril Bin Musa	1,500,000	8.82
2. M.I.T. Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tong Yun Mong (MG0173-003)	1,380,000	8.12
3. Tan Kin Choo	717,000	4.22
4. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phang Kwang Chee (E-KLC)	669,700	3.94
5. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Merrill Lynch Pierce Fenner & Smith Incorporated (Foreign)	500,050	2.94
6. Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd Kumpulan Jetson Provident Fund (A/C 69)	459,970	2.71
7. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank NA, Singapore (Julius Baer)	407,400	2.40
8. Yap Teck Long	396,800	2.33
9. Wong Yun On	357,000	2.10
10. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Riedzuan Bin Abdullah	330,000	1.94
11. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phang Kwang Chee	304,700	1.79
12. Loh Lye Ngok	262,000	1.54
13. Nor Ashikin Binti Khamis	246,000	1.45
14. Siow Chih Pyng @ Siow Chih Peng	198,500	1.17
15. Tan Hai Khoon	189,100	1.11
16. Tang Boon Heng	180,000	1.06
17. Chin Kam Khoon	174,500	1.03
18. Beh Chung Hiang	173,000	1.02
19. Chong Teck Mon	152,000	0.89
20. Chantika Holdings Sdn Bhd	151,500	0.89
21. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Haniff Bin Abd Aziz	150,000	0.88
22. Tan Ah Lek	130,000	0.76

Analysis of Warrantholdings

as at 23 April 2010 (Contd.)

TOP THIRTY 2002/2012 WARRANTHOLDERS (CONTD.)

Name	No. of 2002/2012 Warrants Held	%
23. HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Siew Boon Yeong	126,900	0.75
24. Lorraine Lim Yan May	120,000	0.71
25. Lee Chiew Vee	118,500	0.70
26. Tan Kheng Poh	115,000	0.68
27. HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Suresh Kumar A/L C. Pooaparajah (M10)	114,000	0.67
28. KE-Zan Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte. Ltd. For Ahmad Fuad Bin Md Ali	113,000	0.66
29. HLB Nominees (Asing) Sdn Bhd Pledged Securities Account for Chang, Tzung-Yaur @ Eddy Chang	110,000	0.65
30. CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Peng @ Lim Pang Tun (SS2 PJ-CL)	100,500	0.59

LIST OF DIRECTORS' WARRANTHOLDINGS

Name	Direct		Indirect	
	No. of 2002/2012 Warrants held	%	No. of 2002/2012 Warrants held	%
Sheikh Mohd Nasarudin	0	0.00	0	0.00
Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal	0	0.00	0	0.00
Datuk Teh Kian An	70	0.00	*586,472	3.45
Chow Chee Kin	0	0.00	0	0.00
Isnin Bin Rahim	739	0.00	0	0.00
Datuk Dr Ong Ah Soon	0	0.00	#81,500	0.48
Mohd Najib Bin Abdul Aziz	0	0.00	0	0.00
Louise Paul A/L Joseph Paul	0	0.00	0	0.00

* Deemed interest by virtue of Section 6A(4)(c) of the Companies Act, 1965 and warrants held by spouse and child.

Deemed interest by virtue of warrants held by spouse and child.

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PROXY FORM

No. of shares held

KUMPULAN JETSON BERHAD (34134-H)
(Incorporated in Malaysia)

We / I,
(Full name)

Company / NRIC No. (new) (old) of

.....
(Full address)

being a member of **KUMPULAN JETSON BERHAD**, hereby appoint
(Full name as per NRIC)

NRIC No. (new) (old) of

.....
(Full address)

or failing whom,
(Full name as per NRIC)

NRIC No. (new) (old) of

.....
(Full address)

or failing whom, *THE CHAIRMAN OF THE MEETING as our / my proxy to vote for us / me on our / my behalf at the Thirty-Third Annual General Meeting of the Company, to be held at Function Room 2 & 3, Level 4, Dynasty Hotel Kuala Lumpur, No. 218, Jalan Ipoh, 51200 Kuala Lumpur on Wednesday, 23rd day of June 2010 at 9.00 a.m. and at any adjournment thereof in the manner as indicated with an "X" in the spaces provided hereunder:

No.	Resolution	For	Against
1.	To receive the Audited Financial Statements		
2.	To approve the payment of Directors' Fees		
3.	Re-election of Datuk Teh Kian An as a Director of the Company		
4.	Re-election of Mohd Najib Bin Abdul Aziz as a Director of the Company		
5.	Re-election of Sheikh Mohd Nasarudin as a Director of the Company		
6.	Re-election of Sheikh Mohd Faliq Bin Sheikh Mohamad Nasimuddin Kamal as a Director of the Company		
7.	Re-election of Chow Chee Kin as a Director of the Company		
8.	Re-appointment of Messrs Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration		
9.	Authority for the Board of Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
10.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue in Nature		

In the absence of specific instruction, the proxy may vote or abstain as he / she thinks fit.

* *Please delete if not applicable.*

Dated this day of June 2010.

.....
Signature of Member(s)
or Common Seal

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty eight (48) hours before the time of the meeting or any adjournment thereof.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its officer or attorney duly authorised.
4. A member shall be entitled to appoint only one (1) proxy unless he has more than 1,000 shares in which case he may appoint up to ten (10) proxies provided each proxy appointed shall represent at least 1,000 shares. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
5. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account.



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Stamp
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The Company Secretaries

KUMPULAN JETSON BERHAD
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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