

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter ended 30 Sep 2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30 Sep 2021 (Unaudited) RM'000	Current Year To-Date 30 Sep 2022 (Unaudited) RM'000	Preceding Year Corresponding Period 30 Sep 2021 (Unaudited) RM'000
Revenue	6,024	31,777	19,088	45,911
Cost of sale	(4,540)	(25,433)	(15,308)	(35,927)
Gross profit	1,484	6,344	3,780	9,984
Other Operating Income	349	132	5,167	665
Administrative and distribution expenses	(4,062)	(2,588)	(14,428)	(5,050)
Other Operating Expenses	(409)	(811)	(1,426)	(2,695)
Share of net loss from an associate	(2)	(26)	(26)	(179)
(Loss)/profit before tax	(2,640)	3,051	(6,933)	2,725
Income tax expense	B5 (405)	(716)	(571)	(1,166)
(Loss)/profit after tax	(3,045)	2,335	(7,504)	1,559
Attributable to :				
Equity holders of the parent	(3,065)	2,080	(7,547)	862
Non-controlling Interest	20	255	43	697
	(3,045)	2,335	(7,504)	1,559
Earnings per share attributable to equity holders of parent :				
Basic (sen)	B13 (0.703)	0.471	(1.730)	0.195
Diluted (sen)	B13 (0.703)	0.469	(1.731)	0.194
EBITDA ⁽¹⁾	(2,227)	3,614	(5,883)	3,830

Note:-

⁽¹⁾ Profit before interest income, finance cost, tax, depreciation, amortisation and allowances.

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

SOLUTION GROUP BERHAD
(Company No : 200401016072 (654575-P))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022
(The figures have not been audited)

	Unaudited 30 Sep 2022 RM'000	Audited 31 Dec 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,763	28,687
Right-of-use assets	3,890	4,022
Goodwill	8	8
	<u>32,661</u>	<u>32,717</u>
Current Assets		
Inventories	34,100	30,845
Trade receivables	5,685	32,023
Other receivables	2,073	1,695
Contract Assets	18,468	13,552
Amount due from an associate	-	1,816
Tax recoverable	3,708	388
Other short term investments	5,385	308
Deposit, cash and bank balances	17,139	53,651
	<u>86,558</u>	<u>134,278</u>
TOTAL ASSETS	<u>119,219</u>	<u>166,995</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	80,749	80,551
Treasury shares	(280)	(280)
Reserves	23,512	37,622
	<u>103,981</u>	<u>117,893</u>
Non-controlling interest	2,024	1,972
Total equity	<u>106,005</u>	<u>119,865</u>
Non-Current Liabilities		
Term Loan	B7 4,795	5,310
Lease liabilities	B7 1,240	1,415
	<u>6,035</u>	<u>6,725</u>
Current Liabilities		
Trade payables	2,314	26,215
Other payable & accruals	851	4,111
Amount due to director	-	104
Contract Liabilities	2,920	3,825
Term Loan	B7 507	428
Lease liabilities	B7 587	510
Taxation	-	5,212
	<u>7,179</u>	<u>40,405</u>
Total liabilities	<u>13,214</u>	<u>47,130</u>
TOTAL EQUITY AND LIABILITIES	<u>119,219</u>	<u>166,995</u>
Number of ordinary shares in issue ('000)	441,618	441,361
Net assets value per share (RM)	<u>0.2355</u>	<u>0.2671</u>

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022
(The figures have not been audited)

	9 months Ended 30 Sep 2022 (Unaudited) RM'000	9 months Ended 30 Sep 2021 (Unaudited) RM'000
CASHFLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(6,933)	2,725
Adjustment for :		
Depreciation of property, plant and equipment	557	597
Depreciation of right-of-use assets	460	187
Amortisation of intangible assets	-	8
Gain on disposal of short term investment	-	(68)
Dividend income from short term investments	-	(453)
Interest income	(142)	(58)
Bad debts written off	187	-
Net (gain)/loss on changes in fair value of short term investments	(4)	1,104
Gain on disposal of property, plant & equipment	(24)	-
Interest expense - others	129	54
Reversal of impairment loss on trade receivables and contract assets	(460)	(8)
Property, plant and equipment written off	14	110
Share options expenses	1,800	-
Share of loss in an associate	26	179
Operating (loss)/profit before working capital changes	<u>(4,390)</u>	<u>4,377</u>
Working capital changes :		
(Increase)/ Decrease in inventories	(3,255)	(90,689)
(Increase)/ Decrease in contract assets	(4,917)	(10,080)
(Increase)/ Decrease in trade and other receivables	26,667	(2,431)
(Increase)/ Decrease in amount due from associate	-	6,400
Increase/ (Decrease) in contract liabilities	(905)	(70)
Increase/ (Decrease) in trade and other payables	(26,671)	51,585
Increase/ (Decrease) in amount due to director	(103)	-
Cash (used in)/ generated from operating activities	<u>(13,574)</u>	<u>(40,908)</u>
Interest paid	(129)	(54)
Tax refunded	12	-
Tax paid	<u>(9,115)</u>	<u>(112)</u>
Net cash (used in)/generated from operating activities	<u>(22,806)</u>	<u>(41,074)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (placements)/withdrawal of short term investments	(5,100)	29,289
Interest received	142	58
Proceeds from disposal of property, plant and equipment	41	-
Purchase of right of use assets	(326)	-
Purchase of property, plant and equipment (include PPE WIP)	(680)	(17,021)
Net withdrawal/(placement) of deposits under lien	-	1,091
Net cash (used in)/generated from investing activities	<u>(5,923)</u>	<u>13,417</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to exercise of share options	121	14,571
Net (repayment of)/withdrawal of term loan	(434)	26,283
Net repayments of principal portion of lease liabilities	(382)	(263)
Payment of dividends	(8,794)	-
Net cash (used in)/generated from financing activities	<u>(9,489)</u>	<u>40,591</u>
Net (decrease)/ increase in cash and cash equivalents	(38,218)	12,934
Cash and cash equivalents at beginning period	47,011	10,909
Cash and cash equivalents at end of period	<u>8,793</u>	<u>23,843</u>

Cash and cash equivalents as at 30 Sep 2022 and 30 Sep 2021 comprise the following :

	2022 RM'000	2021 RM'000
Deposit, cash and bank balances	17,139	30,483
Less: Fixed deposits with licensed banks (pledged with bank for banking facilities)	<u>(8,346)</u>	<u>(6,640)</u>
Cash and cash equivalents	<u>8,793</u>	<u>23,843</u>

(The unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2022
 (The figures have not been audited)

	Non-distributable			Distributable		Share Application Money RM'000	Non-controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Option Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000			
As at 1 January 2021 (audited)	65,863	243	(79)	5,451	71,478	660	1,379	73,517
Issuance of ordinary shares pursuant to:-								
- Exercise of Share Options	255	-	-	-	255	(38)	-	217
- Exercise of Warrants	14,316	-	-	-	14,316	(622)	-	13,694
- Private placements	-	-	-	-	-	-	-	-
Share Options Reserve	117	(117)	-	-	-	-	-	-
Profit for the financial year and total comprehensive profit for the financial year	-	-	-	862	862	-	697	1,559
At 30 Sep 2021 (unaudited)	80,551	126	(79)	6,313	86,911	-	2,076	88,987
As at 1 January 2022	80,551	125	(280)	37,498	117,894	-	1,971	119,865
Issuance of ordinary shares pursuant to:-								
- Exercise of Share Options	198	(77)	-	-	121	-	-	121
Share Options Granted	-	1,800	-	-	1,800	-	-	1,800
Loss for the financial year and total comprehensive loss for the financial year	-	-	-	(7,547)	(7,547)	-	43	(7,504)
Adjustment on profit allocation of minority interest	-	-	-	(10)	(10)	-	10	-
Reversal on share of loss of associates	-	-	-	517	517	-	-	517
Dividend paid	-	-	-	(8,794)	(8,794)	-	-	(8,794)
At 30 Sep 2022 (unaudited)	80,749	1,848	(280)	21,664	103,981	-	2,024	106,005

¹ Effective from 31st January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purpose set out in Section 618 (3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any members as a result of this transition.

(The unaudited Condensed Consolidated Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2022

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of the Company and its subsidiaries ("Group") is unaudited and is prepared in accordance with MFRS 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2021.

A2. Changes in accounting policies

The accounting policies adopted by the Group in the interim financial report are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2021. During the financial period, the Group has adopted the following standards, amendments and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB"), which became effective for annual period beginning on or after 1 January 2021.

MFRSs/ Amendments/ Interpretations

Amendments to MFRS 4, Insurance Contracts
Amendments to MFRS 7, Financial Instruments: Disclosures
Amendments to MFRS 9, Financial Instruments
Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions
Amendments to MFRS 139, Financial Instruments: Recognition and Measurement

The adoption of the above did not have any significant impact on the financial statements of the Group.

The Group and the Company have not early adopted the following new MFRS and amendments to the MFRSs that have been issued by the MASB but are not yet effective:

Effective for annual periods beginning on or after 1 January 2022

Effective for annual periods beginning on or after 1 April 2021

Amendments to MFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 - Reference to the Conceptual Framework
Amendments to MFRS 116 - Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRSs classified as "Annual Improvements to MFRS Standards 2018-2020" cycle
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendments to MFRS 9 Financial Instruments
- Amendments to Illustrative Examples accompanying MFRS 16 Leases - Lease Incentives
- Amendments to MFRS 141 Agriculture

Effective for annual periods beginning on or after 1 January 2023

MFRS 17, Insurance Contracts
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current and Non-current
Amendments to MFRS 101 - Disclosure of Accounting Policies
Amendments to MFRS 108 - Definition of Accounting Estimates
Amendments to MFRS 112 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual periods beginning on or after a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

A4. Seasonality or cyclicity factors

The Group's operations were not affected by seasonal or cyclical changes.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items or events affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under

A6. Material changes in estimates

There were no material changes in estimates that have a material effect in the current quarter results.

A7. Debts and equity securities

There were no other issuance, cancellation, resale, repurchase and repayment of debt and equity securities.

A8. Dividends Paid

There was no dividend paid during the quarter under review.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTD.)

A9. Segmental information

During the financial period, the Group revenue was contributed mainly from the following business segments:

- i) Engineering Equipment Design and development of equipment and software for engineering education, research and technical and vocational training ("TVET") in chemical, mechanical, electrical, civil and control engineering under SOLTEQ brand.
- ii) Industrial Fabrication and Assembly Metal fabrication and assembly works.
- iii) Industrial Automation Provision of industrial automation solutions, currently specialising in water works such as remote monitoring system for dams, tidal control system for irrigation and automation system for flood mitigation under SOLWEB brand.
- iv) Solar Business Promoting all types of businesses relating to green and renewal energy.
- v) Biotechnology & Biopharmaceutical Undertakes all types and kinds of biotechnology business. Fill and finish, marketing and distribution of any type of Biological drugs.
- vi) Industrial Lubricants Production and distribution of industrial lubricants under SOLMAX brand and OEM brand.

Segmental financial information for 9 months period ended 30 Sep 2022 and 30 Sep 2021 are as follows:

	2022								Total RM'000
	Engineering Equipment RM'000	Industrial Fabrication and Assembly RM'000	Industrial Automation RM'000	Industrial Lubricants RM'000	Biotechnology & Biopharma RM'000	Solar Business RM'000	Others RM'000	Elimination RM'000	
Segment revenue									
External	4,156	844	5,523	1,051	482	7,024	8	-	19,088
Inter-segment	4	541	378	1	90	-	-	(1,014)	-
Total revenue	4,160	1,385	5,901	1,052	572	7,024	8	(1,014)	19,088
Results									
Segment results	593	(374)	354	(104)	(6,067)	801	(1,671)	(310)	(6,778)
Share of loss in an associate									(26)
Interest expense									(129)
Loss before taxation ("LBT")									(6,933)
Income tax expense									(571)
Loss after taxation ("LAT")									(7,504)
Non-controlling Interest									(43)
Loss attributable to equity holders of the company									(7,547)

	2021								Total RM'000
	Engineering Equipment RM'000	Industrial Fabrication and Assembly RM'000	Industrial Automation RM'000	Industrial Lubricants RM'000	Biotechnology & Biopharma RM'000	Solar Business RM'000	Others RM'000	Elimination RM'000	
Segment revenue									
External	4,053	800	2,469	806	24,063	13,659	61	-	45,911
Inter-segment	6	832	857	0	-	-	3	(1,698)	-
Total revenue	4,059	1,632	3,326	806	24,063	13,659	64	(1,698)	45,911
Results									
Segment results	(105)	17	648	(101)	1,508	2,552	(1,561)		2,958
Share of loss in an associate									(179)
Interest expense									(54)
Profit before taxation ("PBT")									2,725
Income tax expense									(1,166)
Profit after taxation ("PAT")									1,559
Non-controlling Interest									(697)
attributable to equity holders of the company									862

A10. Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the quarter under review.

A11. Material events subsequent to the end of the quarter

There were no material events occurring subsequent to the end of the reporting period to the date of announcement.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the quarter under review.

A13. Contingent liabilities

There were no material contingent liabilities as at the date of this announcement.

A14. Capital commitment

There were no material capital commitment as at the date of this announcement.

A15. Significant Related Party Transaction

There was no significant related party transaction as at the date of this announcement.

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD
LISTING REQUIREMENTS FOR THE ACE MARKET**

B1. Review of Performance

Comparison with corresponding quarter in previous financial year

The Group recorded a revenue of RM6.02 million during the quarter, a decrease of RM25.76 million as compared to the revenue of RM31.78 million in the corresponding quarter in previous financial year. The significant decrease in revenue was mainly attributable to lower sales in the biopharma business segment.

For the quarter ended 30 Sep 2022, the Group recorded a loss after tax ("LAT") of RM3.05 million. In the preceding year quarter ended 30 Sep 2021, the Group reported profit after tax ("PAT") of RM2.34 million. The loss reported in this quarter was mainly attributed to the decrease in sales and high operating expenses mainly incurred by the biopharma business segment.

B2. Comparison with Preceding Quarter's Results

The Group's revenue for the quarter under review was RM6.02 million, a slight increase of RM0.18 million, as compared to the revenue of RM5.84 million registered in the preceding quarter.

The Group reported a loss after tax of RM3.05 million during the quarter, a higher loss of RM0.56 million as compared to the loss of RM2.49 million in the preceding quarter. The loss reported in this quarter was mainly attributed to the decrease in sales.

B3. Prospects for this financial year ending 31 December 2022

On 10 November 2022, Solution Biologics Sdn Bhd and CanSino Biologics Inc.'s ("CanSino") had completed the recruitment of subjects for the world's first clinical trial to test on the efficacy and safety of an inhaled vaccine from CanSino Biologics Inc.'s ("CanSino") Recombinant Adenovirus Type 5 Vector vaccine, Convidecia Air™ as a second booster against various COVID-19 variants.

Utilizing the same adenovirus vector technological platform as the intramuscular version Convidecia™, Convidecia Air™ is the world's first inhaled COVID-19 vaccine that can effectively induce mucosal immunity to establish the first line of defense in the respiratory tract and achieve comprehensive protection in response to SARS-CoV-2. Convidecia Air™ is needle free, safe and convenient, requiring only one fifth of the dosage of the intramuscular version.

A report on the preliminary immunogenicity analysis result from the clinical trial will be out by end of November 2022. The Group is expecting to complete the inhaled vaccine clinical trial and product registration with National Pharmaceutical Regulatory Agency by first quarter of 2023.

The inhaled vaccine has rolled out in 6 provinces in China since October 2022. According to the industry expert inhaled vaccine will be the next generation of vaccines.

CanSino has about 13 types of vaccines in their product development pipelines, SOLBIO will collaborate closely with CanSino in commercialising the products in Malaysia and also ASEAN. SOLBIO and CanSino are finalising a collaboration agreement with National Institute of Biotechnology Malaysia ("NIBM").

The Group is also expecting its other business segments to recover and contribute to the Group financial performance.

B4. Profit guarantee

The Group has not issued any profit forecast nor guarantee in respect of any corporate proposal.

B5. Taxation

	Quarter ended		Year-to-date	
	30 Sep 2022 RM'000	30 Sep 2021 RM'000	30 Sep 2022 RM'000	30 Sep 2021 RM'000
Current taxation				
-Provision for taxation	(405)	(716)	(571)	(1,166)
Deferred taxation	-	-	-	-
	<u>(405)</u>	<u>(716)</u>	<u>(571)</u>	<u>(1,166)</u>

B6. Profit on sale of unquoted investments and/or properties

There were no disposal of unquoted investment and/or properties for the quarter under review.

B7. Group borrowings and debt securities

Details of the Group's borrowings as at 30 Sep 2022 are as follows :

	Current RM'000	Non-current RM'000	Total RM'000
Secured :			
Hire purchase (included in lease liabilities)	130	405	535
Term loan	507	4,795	5,302
Total	<u>637</u>	<u>5,200</u>	<u>5,837</u>

B8. Status of Corporate Proposals

A) Update on Employees' Share Option Scheme (ESOS) as at 30 Sep 2022

The Company had obtained its shareholders approval for the establishment of the ESOS of up to 30% of the total issued and paid-up share capital for the eligible employees and directors and its subsidiaries at the EGM dated 16 January 2014.

Below are the details of the shares that had been granted and exercised under the ESOS as at 30 Sep 2022:

ESOS Option Grant Date	Expiry Date	Exercise Price	No. of Share Granted	No. of Share Exercised and Listed	No. of Share Lapsed	Status
22 July 2014	29 Jan 2019	RM0.135	11,134,000	11,103,000	31,000	Completed
8 January 2015	29 Jan 2019	RM0.185	6,000,000	6,000,000	-	Completed
28 September 2016	29 Jan 2024	RM0.220	6,000,000	4,473,000	422,000	Ongoing
8 August 2020	29 Jan 2024	RM0.175	2,605,000	2,150,000		Ongoing
9 February 2022	29 Jan 2024	RM0.470	6,000,000	257,000		Ongoing

On 22 January 2019, the Company had announced to extend the existing ESOS of the Company which commenced on 30 January 2014 and expired on 29 January 2019 for another five (5) years until 29 January 2024 in accordance with the terms of the ESOS Bylaws.

B) Proposed Renewal of Authority for the Company to Purchase Its Own Shares

The Renewal of Authority for Share Buy Back had been approved by shareholders at the Seventeenth Annual General Meeting of the Company. As at todate, the total number of treasury shares is 1,932,700.

B9. Realised/ Unrealised Profits

	As at 30 Sep 2022 RM'000
Total retained earnings of the Company and its subsidiaries	
- realised	26,574
- unrealised	<u>(724)</u>
	25,850
Less: Consolidated adjustments	<u>(4,186)</u>
Retained profit as per financial statement	<u>21,664</u>

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD
 LISTING REQUIREMENTS FOR THE ACE MARKET (CONTD.)**

B10. Profit Before Tax

	Quarter ended 30 Sep 2022 RM'000	ended 30 Sep 2021 RM'000
Profit before tax is derived after charging:		
Depreciation of property, plant & equipment	181	221
Depreciation of right-of-use assets	158	15
Amortisation of intangible asset	-	1
Interest expense	43	24
and crediting:		
Interest income	(75)	(23)
Gain on disposal of short term investment	-	(23)
Dividend income from other investment	(105)	(60)
Gain on changes in fair value of short term investment	(2)	-
Gain on disposal of property, plant & equipment	(16)	-
Reversal of impairment on trade receivables and contract asset	(124)	-
Gain on foreign exchange:		
-Realised	(12)	(195)
-Unrealised	-	-

B11. Off balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

B12. Dividends

The Board of Directors did not recommend other payment of dividend in respect of the quarter under review.

B13. Earnings per share

	Current Quarter ended 30 Sep 2022	Comparative Quarter ended 30 Sep 2021	Current year to date ended 30 Sep 2022	Preceding year to date ended 30 Sep 2021
Net profit/(loss) for the period attributable to equity holders (RM'000)	(3,065)	2,080	(7,547)	862
Basic				
Weighted average number of ordinary shares in issue ('000)	436,182	441,361	436,182	441,361
Basic EPS (sen)	(0.703)	0.471	(1.730)	0.195
Diluted				
Weighted average number of ordinary shares in issue ('000)	436,182	441,361	436,182	441,361
Effect of dilution: share options and convertible warrants ('000)	(69)	2,512	(69)	2,512
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	436,113	443,873	436,113	443,873
Diluted EPS (sen)	(0.703)	0.469	(1.731)	0.194

**BY ORDER OF THE BOARD
 SOLUTION GROUP BERHAD**