

KUMPULAN JETSON BERHAD

Unaudited Condensed Consolidated Income Statements for the quarter ended 30.9.08

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.08 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.9.07 RM'000 (Restated)	CURRENT YEAR TODATE 30.9.08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.9.07 RM'000 (Restated)
Continuing Operations				
Revenue	29,294	31,401	83,656	85,028
Cost of sales	(24,435)	(25,695)	(69,021)	(71,551)
Gross Profit	4,859	5,706	14,635	13,477
Other operating income	139	63	388	350
Operating expenses	(4,645)	(4,597)	(13,544)	(14,847)
Finance costs	(1,017)	(1,162)	(3,090)	(3,585)
Finance income	60	6	253	151
Share of associates' results	-	(4)	-	(8)
(Loss)/Profit before tax	(604)	12	(1,358)	(4,462)
Taxation	(39)	519	(48)	739
(Loss)/Profit after tax from continuing operations	(643)	531	(1,406)	(3,723)
Discontinued Operation*				
Profit after tax from discontinued operations	-	621	15,085	1,395
(Loss)/Profit after tax for the period	(643)	1,152	13,679	(2,328)
Attributable to:				
Equity holders of the parent	(747)	1,128	13,513	(1,882)
Minority interest	104	24	166	(446)
	(643)	1,152	13,679	(2,328)

(Loss)/Earnings per share attributable to equity holders of the parent:

Basic, for (loss)/profit from continuing operations	(1.26)	0.86	(2.66)	(5.54)
Basic, for profit from discontinued operation	-	1.05	25.49	2.35
Basic, for (loss)/profit for the period	<u>(1.26)</u>	<u>1.91</u>	<u>22.83</u>	<u>(3.19)</u>
Diluted, for loss from continuing operations	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Diluted, for loss from discontinued operation	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Diluted, for loss for the period	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

* **"Discontinued Operation"** is pursuant to the requirements of FRS 5 and is in respect of the Environmental Services Division under Jetson Corporation Sdn Bhd Group ("JCorp Group"). The disposal of the JCorp Group was completed on 23 April 2008.

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2007)

KUMPULAN JETSON BERHAD

Unaudited Condensed Consolidated Balance Sheet as at 30.9.2008

	(Unaudited) As at 30.9.2008 RM'000	(Audited) As at 31.12.2007 RM'000
Non-current Assets		
Property, plant and equipment	39,433	41,877
Prepaid land lease payments	781	788
Concession asset	39,377	39,895
Investment in associates	-	-
Other investment	15	15
Deferred tax assets	501	501
	<u>80,107</u>	<u>83,076</u>
Current Assets		
Development expenditure	4,214	4,347
Inventories	16,237	14,791
Trade and other receivables	76,724	76,360
Tax recoverable	459	558
Deposits with licenced banks	6,100	3,090
Cash and cash equivalent	3,470	1,125
	<u>107,204</u>	<u>100,271</u>
Assets of disposal group classified as held for sale*	-	16,512
	<u>107,204</u>	<u>116,783</u>
Total Assets	<u>187,311</u>	<u>199,859</u>
Financed by:		
Share capital	52,791	52,791
Reserves	24,140	10,581
Irredeemable convertible unsecured loan stocks	6,905	6,905
Amount recognised directly in equity relating to assets classified as held for sale*	-	46
	<u>83,836</u>	<u>70,323</u>
Minority interests	1,811	1,718
	<u>1,811</u>	<u>1,718</u>
Shareholders' equity	<u>85,647</u>	<u>72,041</u>
Non-current Liabilities		
Term loans	16,200	18,800
Hire purchase payables	1,186	1,769
Deferred tax liabilities	1,193	1,193
	<u>18,579</u>	<u>21,762</u>
Current Liabilities		
Trade and other payables	42,113	56,203
Hire purchase payables	1,332	1,772
Term loans	3,400	3,100
Bank borrowings	33,640	40,348
Tax payable	2,600	2,544
	<u>83,085</u>	<u>103,967</u>
Liabilities directly associated with assets classified as held for sale*	-	2,089
	<u>83,085</u>	<u>106,056</u>
Total Equity and Liabilities	<u>187,311</u>	<u>199,859</u>

* **"Assets and liabilities of disposal group held for sale"** is pursuant to the requirements of FRS 5 and is in respect of the Environmental Services Division under Jetson Corporation Sdn Bhd Group ("JCorp Group"). The disposal of the JCorp Group was completed on 23 April 2008.

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2007)

Net assets per share (RM)	1.5881	1.3321
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KUMPULAN JETSON BERHAD

Unaudited Condensed Consolidated Statements of Changes in Equity for the period ended 30.9.2008

	Share Capital RM'000	Non-distributable reserves RM'000	Reserve relating to assets held for sale RM'000	Distributable Retained Profits RM'000	ICULS RM'000	Total RM'000	Minority interests RM'000	Total RM'000	
9 months <u>ended 30.9.2008</u>									
Balance at beginning of period	52,791	6,190	46	4,391	6,905	70,323	1,718	72,041	-
Movements during the period (cumulative)	-	-	-	13,513	-	13,513	166	13,679	
Disposal of subsidiaries	-	-	(46)	46	-	-	(73)	(73)	
Balance at end of period	<u>52,791</u>	<u>6,190</u>	<u>-</u>	<u>17,950</u>	<u>6,905</u>	<u>83,836</u>	<u>1,811</u>	<u>85,647</u>	
9 months <u>ended 30.9.2007</u>									
Balance at beginning of period	52,418	6,206	-	5,553	7,307	71,484	3,578	75,062	
Movements during the period (cumulative)	373	29	-	(1,882)	(402)	(1,882)	(446)	(2,328)	
Balance at end of period	<u>52,791</u>	<u>6,235</u>	<u>-</u>	<u>3,671</u>	<u>6,905</u>	<u>69,602</u>	<u>3,132</u>	<u>72,734</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2007)

KUMPULAN JETSON BERHAD

Unaudited Condensed Consolidated Cash Flow Statements for the period ended 30.9.2008

	9 months ended 30.9.08 RM'000	9 months ended 30.9.07 RM'000
Loss before tax from continuing operations	(1,358)	(4,462)
Profit before tax from discontinued operation	15,085	1,394
Profit/(Loss) before tax	13,727	(3,068)
Adjustment for non-cash items	(9,790)	7,457
Operating profit before changes in working capital	3,937	4,389
Changes in working capital	568	19,339
Other cash used in operations	(2,592)	(2,099)
Investing activities	29,532	(695)
Financing activities	(19,580)	(16,259)
Net change in cash and cash equivalent	11,865	4,675
Cash and cash equivalents at beginning of the period	(14,034)	(19,486)
Cash and cash equivalents at end of the period	(2,169)	(14,811)
<u>Cash and cash equivalents comprise:</u>		
Deposits with licenced banks	6,100	132
Cash and bank balances	3,470	1,164
Bank overdrafts	(11,739)	(15,983)
	(2,169)	(14,687)
Cash and cash equivalents classified as held for sale	-	(124)
	(2,169)	(14,811)

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2007)

KUMPULAN JETSON BERHAD

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of key Financial Information for the financial quarter ended 30.9.2008

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2008 RM'000	Preceding Year Corresponding Quarter 30.9.2007 RM'000	Current Year to date 30.9.2008 RM'000	Preceding Year Corresponding Period 30.9.2007 RM'000
1 Revenue	29,294	32,438	84,862	88,289
2 Profit/(Loss) before tax	(603)	632	13,727	(3,068)
3 Profit/(Loss) for the period	(643)	1,152	13,679	(2,328)
4 Profit/(Loss) attributable to ordinary equity holders of the parent	(747)	1,128	13,513	(1,882)
5 Basic earnings / (loss) per share (sen)	(1.26)	1.91	22.83	(3.19)
6 Proposed/Declared dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	1.5881	1.3321

KUMPULAN JETSON BERHAD

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Group since the year ended 31 December 2007.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning on or after 1 January 2008 as follows:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 121 Amendment	The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities

A2. Changes in Accounting Policies (Cont'd)

IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 2004 – Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

Deferred FRS 139 – Financial Instruments : Recognition and Measurement. The effective date of this standard has yet to be determined by the Malaysian Accounting Standard Board (“MASB”).

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

A4. Segment Information

Period ended 30 September 2008

Business Segments	Continuing Operations					Discontinued Operation			Consolidated	
	Construction and Property	Hostel Management	Manufacturing	Investment holding	Elimination	Total	Environmental services	Elimination		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	9,198	4,065	70,393	-	-	83,656	1,206		1,206	84,862
Inter-segment revenue	39	-	-	-	(39)	-	40	(40)	-	-
Total revenue	9,237	4,065	70,393	-	(39)	83,656	1,246	(40)	1,206	84,862
Operating profit (loss)	(2,414)	1,462	3,829	(1,398)	-	1,479	(93)		(93)	1,386
Gain on dispos of subsidiaries						-			12,660	12,660
Financing expenses						(3,090)			(5)	(3,095)
Financing income						253			-	253
Share of associa result						-			2,523	2,523
(Loss) / Profit before tax						(1,358)			15,085	13,727
Taxation						(48)			-	(48)
(Loss) / Profit after tax						<u>(1,406)</u>			<u>15,085</u>	<u>13,679</u>

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2008.

A6. Changes in Estimates

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

A7. Comments about Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical factors for the financial period under review.

A8. Dividends Paid

No dividend has been paid out during the quarter under review.

A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2007.

A10. Debt and Equity Securities

During the quarter, there was no movement in the issued and paid up capital of the Company.

A11. Changes in Composition of the Group

- a) The Disposal of Environmental Services Division was completed on 23 April 2008. With the completion of Disposal, Jetson Corporation Sdn Bhd and its subsidiaries namely, Hebat Abadi Sdn Bhd and Segar Prima Sdn Bhd ceased to be subsidiaries of the Company.
- b) During the period under review,
 - i) Jetson Construction Sdn Bhd ("JCSB"), a wholly owned subsidiary of the Company, acquired 50% of the total issued and paid up share capital of Jetson Construction (Indonesia) Sdn Bhd ("JCI"), a private limited company incorporated in Malaysia with an authorised share capital of RM100,000, comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each had been fully issued and paid up, for a total cash consideration of RM1.00;
 - ii) JCSB acquired the remaining balance of 50% of the total issued and paid up share capital of JCI, for a total cash consideration of RM1.00. JCI is now a wholly owned subsidiary of JCSB;

A11. Changes in Composition of the Group (Cont'd)

- iii) JCSB acquired the entire issued and paid up share capital of Jetson (Labuan) Ltd, a private limited company incorporated in Labuan with an authorised share capital of USD12,000, comprising 12,000 ordinary shares of USD1.00 each, of which 1 ordinary share of USD1.00 each had been fully issued and paid up, for a total cash consideration of USD1.00; and
- iv) JCSB incorporated a wholly owned subsidiary company, known as Jetson (Singapore) Pte Ltd (“JSPL”), in Singapore with paid up share capital of SGD1.00 divided into 1 ordinary share of SGD1.00.

On 23 September 2008, the Company acquired the entire paid up share capital of JSPL for a cash consideration of SGD1.00 from JCSB. As a result, JSPL is now a wholly-owned subsidiary of the Company.

A12. Capital Commitments

The amount of commitments for the property, plant and equipment not provided for in the interim financial statements as at 30 September 2008 is as follows:

	RM'000
Approved and contracted for	144

A13. Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Company refer to bank guarantees and corporate guarantees extended in support of banking and credit facilities utilised by its subsidiaries. Contingent liabilities decreased from RM61.75 million as at 31 December 2007 to RM55.39 million as at 30 September 2008.

A14. Subsequent Events

There were no other material events subsequent to the end of the interim period up to 27 November 2008 that have not been reflected in the financial statements for this quarter except for the followings:-

- (a) On 28th October 2008, Kumpulan Jebco (M) Sdn Bhd, a wholly owned subsidiary of the Company, entered into a Share Sale Agreement with SWHP Sdn Bhd (“Purchaser”) to dispose its 1,000,002 ordinary shares of RM1.00 each in GRP Sdn Bhd (“GRP”) (a wholly owned subsidiary of the Vendor), representing 100% of the issued and paid up capital of GRP to the Purchaser at a cash consideration of RM1,751,207.00.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

The Group recorded lower revenue of RM29.29 million in the current quarter compared to RM31.40 million in the previous corresponding quarter, representing a drop of 7%. Accordingly, the Group suffered loss before tax of RM604K compared to a marginal profit of RM12K.

The marginal decline in the performance of the Group was mainly attributed to the drop in the number of the projects undertaken by the Construction Division in current quarter compared to Qtr 3, 2007. Most of the projects in this Division nearing completion and new projects have yet to kick start.

For the nine months ended 30 September 2008, the Group suffered lower loss before tax of RM1.36 million in the current quarter as compared to higher loss of RM4.46m in Qtr3, 2007 despite lower revenue achieved in the quarter under review. This was resulted by the savings in administration and selling and marketing expenses in the Manufacturing Division. In addition, interest expense has also reduced following the decrease in the bank borrowings.

B2. Comment on Material Change in Results Against the Preceding Quarter

The Group's revenue inched up marginally from RM27.58 million in Qtr 2, 2008 to RM29.29 million in the current quarter. Despite the slight increase, the Group registered loss before tax of RM604K compared to profit before tax of RM37K. The better performance in the previous quarter was attributed to the profit contribution from the finalization of project by the Construction Division.

B3. Commentary on Prospects

With the uncertainties in the global economies, the Directors foresee that the operating environment of the Group remain challenging and competitive. However, the Group will continue to focus on the affirmative measures taken to minimize its impact.

Following the disposal of Environmental Services Division, the Group's direction will be concentrating in Construction, Property Development and Manufacturing industries. Currently, the Group is in active negotiations on new projects. Additionally, the Manufacturing Division has made strong inroads into new international markets and customers for its customized molded polymer and elastomer products for the automotive, industrial, rail and motorcycle applications.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Income Tax Expense

	3 months ended		9 months ended	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
	RM'000	RM'000	RM'000	RM'000
Continuing Operations:-				
Current tax:				
Current period's provision	39	(519)	48	(739)

B6. Sale of Unquoted Investments and Properties

There is no sale of unquoted investments and / or properties during the quarter under review.

B7. Quoted Securities

There was no sale of quoted securities during the quarter under review.

B8. Status of Corporate Proposal

(a) Bumiputera Condition for Private Placement

The Company's private placement exercise representing up to 5,689,980 new ordinary shares of RM1.00 each in the Company, or equivalent to 10% of the enlarged issued and paid-up share capital of the Company, assuming full conversion of outstanding irredeemable convertible unsecured loan stocks ("Private Placement"), was approved by the Securities Commission ("SC") on 15 June 2004 subject to compliance with certain conditions.

One of the conditions of the SC's approval on the Private Placement is that the Company should allocate 30% of the placement shares to Bumiputera investors or increase its Bumiputera equity by 3.46% of the enlarged issued and paid-up share capital within two (2) years from the date of the implementation of the Private Placement, i.e. by 19 August 2006 ("Bumiputera Condition"). The SC had on 31 July 2006, approved an extension of time of one (1) year i.e. to 19 August 2007, for the Company to comply with the Bumiputera Condition.

Subsequently, SC vide its letter on 22 August 2007 had approved for a further extension of time of one (1) year i.e. to 19 August 2008, for the Company to comply with the Bumiputera Condition.

The Company had applied for further extension from SC and SC had vide its letter dated 7 August 2008, granted further extension of time of one (1) year i.e. up to 19 August 2009, for the Company to comply with the Bumiputera Condition.

B8. Status of Corporate Proposal (Cont'd)

(b) Proposed Provision of Financial Assistance

On 28 May 2007, Citarasa Haruman Sdn Bhd (“CHSB”), a 40%-owned associated company of the Company had entered into a conditional Sale and Purchase Agreement (“SPA”) with LBCN Development Sdn Bhd (“LBCN”) for the proposed acquisition by CHSB from LBCN of a piece of vacant leasehold land measuring approximately 78 acres held under HSD 5304, PT 3861, Mukim Ijok, Daerah Kuala Selangor, Selangor for a total cash consideration of RM25,482,600 (“Purchase Consideration”).

Pursuant to the SPA, the Company and Jetson Construction Sdn Bhd (“JCSB”) have agreed to set off part of the indebtedness, which has been novated by Vega Builders Sdn Bhd (“VBSB”) to LBCN, amounting to RM12,000,000 as part payment of the Purchase Consideration.

The Proposed Provision of Financial Assistance involves the settlement of the indebtedness amounting to RM12 million owing by VBSB by way of setting off against part of the Purchase Consideration on behalf of CHSB. The Proposed Provision of Financial Assistance had been approved by the shareholders of the Company at the annual general meeting held on 25 June 2008.

(c) Utilisation of Proceeds from Disposal of Environmental Services Division

The total proceeds raised by the Company from the disposal of the Environmental Services Division were RM30.7 million. The status of utilisation of the proceeds is as follows:

	Approved utilisation RM'00	Utilised as at 20 Nov 2007 RM'00	Balance yet to be utilised RM'00
Repayment of bank borrowings	25,900	21,800	4,090
Working capital of the Group	4,500	2,790	1,710
Expenses relating to the Disposal	300	170	120
	<u>30,700</u>	<u>24,760</u>	<u>5,930</u>

B9. Borrowings

The Group's borrowings at the end of the quarter under review:

- a) are secured by way of negative pledge, legal charge and / or corporate guarantees executed by the Company
- b) are segregated into short and long term as follows :

	RM'000
Short Term	38,37
Long Term	17,38

- c) are denominated in RM.

B10. Off Balance Sheet Financial Instruments

There is no financial instrument with off balance sheet risk at the date of this report.

B11. Status of Material Litigation

- (a) The Company entered into a construction contract with Kumpulan Sepang Utama Sdn Bhd ("Respondent"). On July 2002, the project was suspended indefinitely and remains incomplete.

On 12 December 2002, the Company joined a winding up petition together with third parties and filed in action against the Respondent, pursuant to the recovery of the outstanding amounts due from the Respondent.

On 22 August 2003, the Company lodged a Debt General Form with Official Assignee and currently the case is under the Official Assignee.

- (b) The Company made various claims against Xin Yiap Project Consultants Sdn Bhd (formerly known as Xin Yiap Management Services Sdn Bhd) ("Xin Yiap") by way of arbitration proceedings arising out of a construction contract in respect of superstructure works on 3 Blocks of 5-Storey Apartments for "Cadangan Skim Perumahan Di Atas Lot 2851, Mukim Cheras, Daerah Ulu Langat, Selangor" ("Project"). The Company was the contractor employed by Xin Yiap in that Project and the works were completed and a Certificate of Practical Completion was issued.

B11. Status of Material Litigation (Cont'd)

The works were completed later than the time stipulated in the contract due to events which caused delay and which form part of the disputes in the arbitration. The Company succeeded in obtaining the Arbitrator's Award on 23 March 2004 and Xin Yiap failed in its counterclaim against the Company. The Arbitrator's Award was challenged by Xin Yiap at the High Court and the High Court set aside the Arbitrator's Award. The Company has filed for an appeal at the Court of Appeal against the decision of the High Court. No hearing date has been fixed for the appeal as yet. The solicitors are of the opinion that the Company has a reasonably strong case to appeal.

B12. Dividend Payable

The Board has not proposed any dividend for the current period to date.

B13. (Loss)/Earnings Per Share

(a) Basic

The calculation of basic (loss)/earnings per share is based on the net (loss)/earnings for the period attributable to ordinary equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period including the effect of mandatory conversion of ICULS which is required by FRS133.

	Current Quarter		Cumulative Quarter	
	30.9.2008	30.9.2007	30.9.2008	30.9.2007
(Loss)/earnings from continuing operations attributable to ordinary equity holders of the parent (RM'000)	(747)	508	(1,573)	(3,269)
Profit from discontinued operation attributable to ordinary equity holders of the parent (RM'000)	0	619	15,086	1,387
(Loss)/earnings attributable to ordinary equity holders of the parent (RM'000)	<u>(747)</u>	<u>1,127</u>	<u>13,513</u>	<u>(1,882)</u>
Weighted average number of ordinary shares in issue ('000)	52,791	52,788	52,791	52,621
Increase in shares on conversion of ICULS ('000)	<u>6,393</u>	<u>6,393</u>	<u>6,393</u>	<u>6,393</u>
Adjusted weighted average number of ordinary shares in issue ('000)	<u>59,184</u>	<u>59,181</u>	<u>59,184</u>	<u>59,014</u>

B13. (Loss)/(Earnings) Per Share (Cont'd)

(b) Diluted

The Company has 2 categories of dilutive potential ordinary shares:

- (i) ESOS options granted to eligible directors and employees of the Group; and
- (ii) 17,004,000 warrants

There is no dilution in the earnings per share of the Company as the market values of the above securities were lower than the exercise prices. Accordingly, there is no assumed full conversion of the securities to merit for adjusting for an increase in the number of ordinary shares which could result in a dilution of the Company's earnings per share.