

JETCON CORPORATION LIMITED
ADDENDUM TO REVISED Q1 AND Q2 REPORTS

During the production of the company's third quarter report, it was determined that the results for the nine months to date, did not accord with the previously reported quarterly results for quarter one and two.

In reconciling the quarterly numbers with that for the year to September two main areas of differences were identified as a result the board took the decision to revise the two previous reports to reflect the changes identified.

Q1 – In the first quarter report, some invoices relating to Cost of Sales were posted to the accounting system subsequent to the quarter, after the report was generated and released. Correcting for this error resulted in an increase of \$10 million in Cost of Sales in the revised report and a reduction in gross profit and net profit by approximately the same amount, with the revised figures showing gross profit of \$25 million compared to \$35.1 million previously reported, and net profit of \$494,000 versus \$11.5 million previously reported.

Q2 – The major change in the second quarter relates to an amount of \$4.2 million for rental expenses that primarily related to rental of property at Kingston Wharves that was included in Cost of Sales was reclassified to Administrative Expenses in keeping with prior periods and resulted in an restatement of Cost of Sales and Administrative Expenses

The above changes along with reclassification of items in payables to receivables resulted in change to the statement of financial position (SOFP) and the cash flow statements for both periods.

The main areas of changes considered material are as follows:

	Original Report \$	Revised Report\$	Change \$
Q1 - INCOME STATEMENT			
Cost of Sales	166,982,321	176,866,531	9,884,210
Gross Profit	35,171,573	25,147,383	(10,024,190)
Admin. Expenses	11,646,045	14,657,946	3,011,901
Net Profit	11,549,333	493,932	(11,055,401)
Q1 - SOFP			
Inventories	323,667,831	374,897,993	51,230,162
Receivables	94,040,180	62,822,373	(31,217,807)
Cash & Equivalents	5,319,781	13,334,093	8,014,312
Payables	21,908,722	45,273,522	23,364,800
Total Current Liabilities	37,266,440	76,350,853	39,084,413
Net Current Assets	396,106,990	385,049,245	(11,057,745)
Shareholders' Equity	552,127,062	541,071,661	(11,055,401)
Q1 - CASH FLOW			
Net Profit	11,549,333	493,932	(11,055,401)
Changes in Working Capital	80,359,099	(10,953,641)	(91,312,740)
Loan repaid Net	(73,208,467)	(17,257,357)	55,951,110
Net Cash Flows From Fin. Act.	(73,208,467)	(17,257,357)	55,951,110

Q2 - INCOME STATEMENT

Cost of Sales	179,991,024	177,011,863	(2,979,161)
Gross Profit	28,710,668	31,475,490	2,764,822
Admin. Expenses	12,947,835	16,639,052	3,691,217
Total Expenses	22,700,371	26,189,578	3,489,207
Net Profit	6,010,296	5,285,912	(724,384)

Q2 - SOFP

Receivables	47,106,226	68,307,817	21,201,591
Cash & Equivalents	28,454,255	7,517,599	(20,936,656)
Payables	70,517,460	50,637,064	(19,880,396)
Overdraft/Short Term Loans	(Line Item Added)	34,982,678	34,982,678
Total Current Liabilities	82,035,750	100,978,001	18,942,251
Shareholders' Equity	558,137,358	546,456,129	(11,681,229)

Q2 - CASH FLOW (6 MONTHS)

Net Profit	6,010,296	5,285,912	(724,384)
Changes in Working Capital	69,438,965	(38,756,289)	(108,195,254)
Net Cash Flows From Fin. Act.	(34,297,068)	(17,257,357)	17,039,711
Net Increase in Cash & Equiv.	40,397,601	(53,822,793)	(94,220,394)
Cash Balance at Beginning of Period	(11,943,346)	26,357,714	38,301,060
Net Cash & Equivalent	28,454,255	7,517,599	(20,936,656)
Cash & Bank Balance	28,454,255	(27,465,079)	(55,919,334)

Going forward, the Board will increase its oversight and work more closely with the accounting department on an ongoing basis and other systems will also be implemented that are expected to prevent such issues from taking place again.



Andrew Joel Jackson

Company Secretary