

**SERSOL BERHAD (Formerly known as SERSOL TECHNOLOGIES BERHAD)**Company No. 602062-X  
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED  
30 JUNE 2013**

(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 June 2013	Preceding Year Corresponding Quarter 30 June 2012	Current Year To Date 30 June 2013	Preceding Year Corresponding Period 30 June 2012
	RM'000	RM'000	RM'000	RM'000
Revenue	4,156	5,447	8,081	10,522
Other operating income	84	106	160	239
Operating expenses	(4,897)	(5,688)	(9,297)	(11,419)
<b>Loss from operations</b>	<b>(657)</b>	<b>(135)</b>	<b>(1,056)</b>	<b>(658)</b>
Finance costs	(59)	(74)	(112)	(148)
Share of Profit of an associate	-	(1)	-	(1)
<b>Loss before tax</b>	<b>(716)</b>	<b>(210)</b>	<b>(1,168)</b>	<b>(807)</b>
Income tax expense	13	-	18	(16)
<b>Loss for the period</b>	<b>(703)</b>	<b>(210)</b>	<b>(1,150)</b>	<b>(823)</b>
<b>Other comprehensive income, net of tax</b>				
Exchange differences on translation of foreign subsidiaries	2	118	(4)	146
<b>Total comprehensive income for the period</b>	<b>(701)</b>	<b>(92)</b>	<b>(1,154)</b>	<b>(677)</b>
Loss attributable to:				
Owners of the parent	(716)	(385)	(1,154)	(942)
Non-controlling interests	13	175	4	119
<b>Loss for the period</b>	<b>(703)</b>	<b>(210)</b>	<b>(1,150)</b>	<b>(823)</b>
Total comprehensive income attributable to:				
Owners of the parent	(715)	(459)	(1,158)	(1,018)
Non-controlling interests	14	367	4	341
<b>Total comprehensive income for the period</b>	<b>(701)</b>	<b>(92)</b>	<b>(1,154)</b>	<b>(677)</b>
Loss per share (sen)				
Basic (note B10)	(0.37)	(0.40)	(0.80)	(0.98)
Diluted (note B10)	(0.37)	(0.40)	(0.80)	(0.98)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD (Formerly known as SERSOL TECHNOLOGIES BERHAD)**Company No. 602062-X  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013**

	Unaudited As At 30 June 2013	Audited As At 31 December 2012
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,018	9,067
	9,018	9,067
<b>Current assets</b>		
Inventories	3,345	2,206
Trade receivables	3,881	3,136
Other receivables, deposits and prepayments	243	309
Tax recoverable	218	173
Marketable securities	-	125
Fixed deposits	-	191
Cash and bank balances	9,100	670
	16,787	6,810
<b>TOTAL ASSETS</b>	25,805	15,877
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	19,270	9,635
Share premium	3,751	3,751
Exchange translation reserve	(144)	(166)
Warrants reserve	7,708	-
Other reserve	(7,708)	-
Accumulated loss	(8,852)	(7,700)
Revaluation reserve	4,117	4,145
Equity attributable to owners of the parent	18,142	9,665
<b>Non-controlling interests</b>	(31)	(35)
<b>TOTAL EQUITY</b>	18,111	9,630
<b>Non-current liabilities</b>		
Hire purchases payables	264	211
Bank borrowings	79	145
Deferred tax liabilities	796	805
	1,139	1,161
<b>Current liabilities</b>		
Trade payables	3,273	2,089
Other payables and accruals	727	626
Hire purchases payables	173	115
Bank borrowings	1,312	1,563
Bank overdraft	1,070	693
	6,555	5,086
<b>TOTAL LIABILITIES</b>	7,694	6,247
<b>TOTAL EQUITY AND LIABILITIES</b>	25,805	15,877
Net assets per ordinary share attributable to owners of the parent (RM)	0.09	0.10

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD (Formerly known as SERSOL TECHNOLOGIES BERHAD)**Company No. 602062-X  
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED  
30 JUNE 2013**

(The figures have not been audited)

	Current Year To Date 30 June 2013	Preceding Year Corresponding Period 30 June 2012
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,168)	(807)
Adjustments for:-		
Non-cash items	338	598
Non-operating items	26	(447)
	<u>(804)</u>	<u>(656)</u>
Operating (loss) / profit before changes in working capital	(804)	(656)
Net changes in current assets	(1,828)	3,272
Net changes in current liabilities	1,284	209
	<u>(1,348)</u>	<u>2,825</u>
<b>CASH FROM OPERATIONS</b>	(1,348)	2,825
Interest paid	(95)	(122)
Tax paid	(36)	(107)
	<u>(1,479)</u>	<u>2,596</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(1,479)	2,596
<b>NET CASH FOR INVESTING ACTIVITIES</b>		
Dividend received	-	-
Interest received	14	1
Proceed from disposal of quoted investment	126	-
Proceed from disposal of plant and equipment	61	37
Net cash outflow from disposal of investment in subsidiary	-	(340)
Purchase of quoted investment	-	-
Purchase of plant and equipment	(106)	(307)
	<u>95</u>	<u>(609)</u>
<b>NET CASH FOR INVESTING ACTIVITIES</b>	95	(609)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Net (repayment) / drawdown of other short-term bank borrowings	(249)	(2,243)
Proceed from issuance of share capital	9,635	355
Repayments of hire purchases payables	(69)	(84)
Repayments of term loans	(68)	(63)
	<u>9,249</u>	<u>(2,035)</u>
<b>NET CASH FOR FINANCING ACTIVITIES</b>	9,249	(2,035)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,865	(48)
Effect of changes in exchange rates	(3)	(148)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	168	(226)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD*</b>	<u>8,030</u>	<u>(422)</u>
* Cash and cash equivalents included in the statement of cash flows comprise of the following:		
	RM'000	RM'000
Fixed deposits	-	149
Cash and bank balances	9,100	858
Bank overdraft	(1,070)	(1,429)
	<u>8,030</u>	<u>(422)</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD (Formerly known as SERSOL TECHNOLOGIES BERHAD)**

Company No. 602062-X  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED**

**30 JUNE 2013**

(The figures have not been audited)

	← Non - distributable		Attributable to Owners of the Parent				Distributable	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Exchange Translation reserve RM'000	Revaluation reserve RM'000	Warrants reserve RM'000	Other reserve RM'000	Accumulated losses RM'000			
As at 1 January 2013	9,635	3,751	(166)	4,145	-	-	(7,700)	9,665	(35)	9,630
Issuance of Shares	9,635	-	-	-	-	-	-	9,635	-	9,635
Issuance of warrants	-	-	-	-	7,708	(7,708)	-	-	-	-
Total comprehensive income for the period	-	-	(4)	-	-	-	(1,154)	(1,158)	4	(1,154)
Translation reserve	-	-	26	-	-	-	(26)	-	-	-
Realisation of revaluation reserve	-	-	-	(28)	-	-	28	-	-	-
As at 30 June 2013	19,270	3,751	(144)	4,117	7,708	(7,708)	(8,852)	18,142	(31)	18,111
As at 1 January 2012	9,493	3,538	(57)	-	-	-	(3,280)	9,694	(289)	9,405
Issuance of Shares	142	213	-	-	-	-	-	355	-	355
Total comprehensive income for the period	-	-	(76)	-	-	-	(942)	(1,018)	341	(677)
As at 30 June 2012	9,635	3,751	(133)	-	-	-	(4,222)	9,031	52	9,083

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD (FORMERLY KNOWN AS SERSOL TECHNOLOGIES BERHAD)**

Company No. 602062-X  
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**A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134**

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the second quarter ended 30 June 2013 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. 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 the financial position and performance of the Group since the financial year ended 31 December 2012.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First Time Adoption of Malaysian Financial Reporting Standards has been applied.

As at the date of these interim financial statements, the following MFRS, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied by the Group:

**MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 January 2014**

1. Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
2. Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
3. Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
4. Amendments to MFRS 132, Financial Instruments : Presentation – Offsetting Financial Assets and Financial Liabilities

**MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 January 2015**

1. MFRS 9 Financial Instruments (2009)
2. MFRS 9 Financial Instruments (2010)
3. Amendments to MFRS 7 Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosure.

The transition to MFRS framework does not have any significant effects on these interim financial statements.

**A2. Seasonality or Cyclical Factors**

The Group's interim operations for the quarter under review and financial period-to-date were not significantly affected by any seasonal or cyclical factors.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no other items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence during the quarter under review and financial period-to-date.

**A4. Material Change in Estimates**

There were no changes in estimates amount reported as at to date that would have a material effect on the results for the current quarter under review and financial period-to-date.

**SERSOL BERHAD (FORMERLY KNOWN AS SERSOL TECHNOLOGIES BERHAD)**

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**A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

Pursuant to the Rights Issue of Shares with Warrants (as defined in the previous quarterly announcement), the Company has issued 96,351,000 new ordinary shares of RM0.10 each in SerSol (" SerSol Shares" or " Shares") ("Right Shares"), together with 96,351,000 free detachable new warrants ("Warrants") on the basis of one (1) Rights Share together with one (1) Warrant for every one (1) existing SerSol Share at an issue price of RM0.10 per Rights Share which was completed on 29 April 2013.

The Group's issued and paid-up capital has increased from 96,351,000 ordinary shares of RM0.10 each to 192,702,000 ordinary shares of RM0.10.

**A6. Dividend Paid**

There was no dividend paid during the quarter under review and financial period-to-date.

**A7. Segmental Reporting**

Segmental reporting of the Group's result for the financial period-to-date is as follows:

(a) Primary Reporting Format - Geographical Segment:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>		
	Current Quarter 30 June 2013 RM'000	Preceding Year Corresponding Quarter 30 June 2012 RM'000	Current Year To Date 30 June 2013 RM'000	Preceding Year Corresponding Period 30 June 2012 RM'000	
<b>Revenue</b>					
Malaysia	4,362	4,450	8,004	8,393	
Thailand	779	657	1,682	1,139	
People's Republic of China and Hong Kong	-	656	-	1,177	
Others	-	84	-	727	
Total including inter-segment sales	5,141	5,847	9,686	11,436	
Eliminations of inter-segment sales	(985)	(400)	(1,605)	(914)	
<b>Total Revenue</b>	<b>4,156</b>	<b>5,447</b>	<b>8,081</b>	<b>10,522</b>	
<b>Loss Before Tax</b>					
Segment results					
Malaysia	(670)	(649)	(1,129)	(977)	
Thailand	30	(40)	120	(127)	
People's Republic of China and Hong Kong	-	389	-	371	
Others	36	(35)	11	(135)	
	(604)	(335)	(998)	(868)	
Finance costs	(59)	(74)	(112)	(148)	
Share of profit of an associate	-	(1)	-	(1)	
Eliminations	(53)	200	(58)	210	
<b>Total Loss Before Tax</b>	<b>(716)</b>	<b>(210)</b>	<b>(1,168)</b>	<b>(807)</b>	
<b>At 30 June 2013</b>	<b>Malaysia RM'000</b>	<b>Thailand RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
Segment assets	35,994	1,505	28	(11,940)	25,587
Income tax assets	218	-	-	-	218
<b>Total assets</b>					<b>25,805</b>
Segment liabilities	8,446	1,435	-	(5,881)	4,000
Interest bearing - borrowings	2,794	104	-	-	2,898
Income tax liabilities	796	-	-	-	796
<b>Total liabilities</b>					<b>7,694</b>
Other segment information					
Capital expenditure	150	136	-	-	286
Depreciation of property, plant and equipment	320	15	-	-	335

(b) Secondary Reporting Format - Business Segments:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
<b>Revenue</b>				
Investment Holdings	140	84	200	175
Coatings Manufacturing	4,517	4,801	8,792	9,483
High Precision, Ferrous and Non-Ferrous Metal Trading	-	886	-	1,659
Others	484	76	694	119
Eliminations	(985)	(400)	(1,605)	(914)
<b>Total Revenue</b>	<b>4,156</b>	<b>5,447</b>	<b>8,081</b>	<b>10,522</b>
<b>Loss Before tax</b>				
Segment results				
Investment Holdings	(324)	(181)	(731)	(329)
Coatings Manufacturing	(118)	187	9	(37)
High Precision, Ferrous and Non-Ferrous Metal Trading	-	(239)	-	(316)
Others	(163)	(102)	(276)	(186)
	(605)	(335)	(998)	(868)
Finance costs	(59)	(74)	(112)	(148)
Share of profit of an associate	-	(1)	-	(1)
Eliminations	(52)	200	(58)	210
<b>Total Loss Before Tax</b>	<b>(716)</b>	<b>(210)</b>	<b>(1,168)</b>	<b>(807)</b>

**A8. Material Events Subsequent to the End of the Quarter Under Review**

There was no material event subsequent to the end of the quarter under review that has not been reflected in the interim financial statement.

**A9. Changes in the composition of the Group**

**(A) Strike-Off of Multi Square (S) Pte Ltd**

Multi Square (S) Pte Ltd ("MSPL") had been struck-off from the Company Registrar, Singapore on 8 April 2013 and ceased to be a wholly-owned subsidiary of the Company pursuant to Section 344 of the Companies Act (Cap 50) of Singapore. Following the striking off, MSPL has ceased to be the subsidiary of Sersol Berhad (Formerly known as SerSol Technologies Berhad).



**SERSOL BERHAD (FORMERLY KNOWN AS SERSOL TECHNOLOGIES BERHAD)**

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**(B) Disposal of PT Multi Square**

On 19 December 2012, the Company announced that the Company had entered into a Share Sale Agreement to dispose its entire holdings in its 60% owned subsidiary, PT Multi Square. The completion of disposal is pending the approval from the Indonesia Investment Coordinating Board.

**A10. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter under review and financial period-to-date.

**SERSOL BERHAD (FORMERLY KNOWN AS SERSOL TECHNOLOGIES BERHAD)**

Company No. 602062-X  
(Incorporated in Malaysia)

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

**B1. Review of Group's Results for the Current Quarter and Financial period-to-date Ended 30 June 2013**

For the current quarter under review, our Group's revenue is RM4.156 million, showing a decrease of revenue by RM1.291 million, representing a decrease of approximately 23.70% as compared to the corresponding financial quarter ended 30 June 2012. Our Group recorded a loss after taxation of RM0.703 million for the current quarter ended 30 June 2013 as compared to the loss after taxation of RM0.210 million for the corresponding quarter ended 30 June 2012.

For the current financial period-to-date under review, our Group's revenue is RM8.081 million, showing a decrease of revenue by RM2.441 million, representing a decrease of approximately 23.20% as compared to the corresponding financial period ended 30 June 2012. Our Group recorded a loss after taxation of RM1.150 million for the current financial period-to-date ended 30 June 2013 as compared to the loss after taxation of RM0.823 million for the corresponding period-to-date ended 30 June 2012. The decrease of revenue for current quarter and financial period-to-date is mainly due to cease of Metal Trading Division and the China subsidiary which used to be the second largest revenue contributor has ceased to be our subsidiary since Quarter 3 2012. If we were to compare the revenue of Malaysia and Thailand subsidiary for the financial period-to-date against the corresponding period ended 30 June 2012, the revenue of Malaysia maintained while the revenue of Thailand increased by 47.67%. Besides, the revenue of architectural paints section also increased by RM0.575 million.

The increase in losses for current quarter and financial period-to-date is mainly due to additional professional expenses incurred for the purpose of right issue. Besides, there are additional selling & distribution cost, staff cost, marketing and promotion expenses which were incurred for the diversification of products in the architectural paints and coatings.

**B2. Variation of Results For the Current Quarter Ended 30 June 2013 against Immediate Preceding Quarter**

During the current quarter ended 30 June 2013, our Group's revenue is RM4.156 million, showing an increase of revenue of RM0.231 million, representing an increase of approximately 5.89% as compared to the revenue of RM3.925 million in the preceding quarter ended 31 March 2013. Our Group recorded a loss after taxation of RM0.703 million in the current quarter ended 30 June 2013, as compared to a loss after taxation of RM0.447 million in the previous quarter ended 31 March 2013. The increase in losses in current quarter is mainly due to professional and valuation fees incurred for the new banking facility application; renovation work on upgrading the appearance of the office premises and the design of Company's Website which are the costs necessarily incurred for the business development and the enhancement on the SerSol's branding.

**B3. Prospects for 2013**

Our Group will continue to maintain the current plastic coatings turnover and projected a slight increase in turnover in second half 2013, as our Group will expand its business from current electrical & electronic to industrial coatings where industrial coatings are the main contributor to our Group turnover in future. In addition, our architectural coatings turnover will continue to increase by adopting several brand name promotion programmes to private and government sectors. We believe that in the second half of 2013 our Group will start to grow steadily. However, with the current uncertainty in the global economic situation, our Group may take necessary prudent actions to seek new business opportunities to improve our Group profitability.

**B4. Variance of Profit Forecast**

Not applicable as no profit forecast has been issued.

**B5. Tax Expense**

Tax expense comprises the following:

	Individual quarter ended		Cumulative quarter ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Taxation	9	-	9	46
Deferred taxation	4	-	9	(30)
	<u>13</u>	<u>-</u>	<u>18</u>	<u>16</u>

No provision for taxation for current quarter as most of the subsidiaries have recorded losses and there are available unutilized tax losses for profit making subsidiaries.

**B6. Status of Corporate Proposal Announced**

**(A) Corporate Proposal**

**Proposed Share Issuance Scheme**

The Company proposed to undertake proposed establishment of a share issuance scheme (SIS) of up to thirty percent (30%) of the issued and paid-up share capital of SerSol (excluding treasury shares) at any point in time for the eligible directors and employees of SerSol and its subsidiaries (SerSol Group or Group). The effective date for the implementation of the SIS is 13 May 2013.

Save as disclosed above, there were no corporate proposals announced but not completed at the date of issue of the quarterly report.

**(B) Status of Utilisation of Proceeds**

**(i) Proceeds from Right Issues of Share with Warrants**

	Purpose	Proposed Utilisation	Actual Utilisation
		RM'000	RM'000
i)	Research & development	900	-
ii)	Purchase of plant and machinery	500	-
iii)	Repayment of bank borrowings	2,500	600
iv)	Working capital	5,235	950
iv)	Defray estimated expenses	500	500
	<b>Total</b>	<b>9,635</b>	<b>2,050</b>

**B7. Group Borrowings and Debt Securities**

The Group's borrowings, all repayable in Ringgit Malaysia, as at the end of the quarter under review are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short Term Borrowings</b>			
Term Loans	139	-	139
Trade Financing	1,173	-	1,173
Hire Purchase Payables	173	-	173
Bank Overdraft	1,070	-	1,070
	<u>2,555</u>	<u>-</u>	<u>2,555</u>
<b>Long Term Borrowings</b>			
Term Loans	79	-	79
Hire Purchase Payables	264	-	264
	<u>343</u>	<u>-</u>	<u>343</u>
<b>Total</b>	<u><u>2,898</u></u>	<u><u>-</u></u>	<u><u>2,898</u></u>

**B8. Changes in Material Litigation Since the Last Annual Balance Sheet Date**

There were no changes in material litigation, including the status of pending material litigation since the date of issue of last report.

**B9. Dividend Proposed**

No dividend has been proposed during the quarter under review.

**B10. Loss Per Share**

**Basic loss per share**

	Current quarter ended		Cumulative quarter ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Net Loss attributed to owners of the parent for the period (RM'000)	(716)	(385)	(1,154)	(942)
Weighted Average Number of shares in issue ('000)	192,702	96,351	144,527	96,114
Basic loss per share (sen)	(0.37)	(0.40)	(0.80)	(0.98)

**Diluted loss per share**

Diluted loss per share is equal to the basic loss per share as there were no potential ordinary shares outstanding in both the previous and current financial period.

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**B11. Auditors' Report of Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2012 was not qualified.

**B12. Realised and unrealized losses disclosure**

The accumulated losses may be analysed as follows:

	As at 30.06.2013	As at 31.12.2012
	RM'000	RM'000
Realised	(8,048)	(7,608)
Unrealised	(4)	413
	<u>(8,052)</u>	<u>(7,195)</u>
Less : Consolidation adjustments	(800)	(505)
<b>Total</b>	<u>(8,852)</u>	<u>(7,700)</u>

**B13. Loss Before Tax**

The following items have been included in arriving at loss before tax:

	Current quarter ended		Cumulative quarter ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000
Allowance for and write off of receivables	-	-	-	-
Allowance for and write off of inventories	(2)	-	(3)	-
Bad debts recovered	-	-	6	3
Depreciation and amortization	(169)	(263)	(335)	(529)
Dividend Income	-	2	-	3
Gain or (loss) on derivatives	-	-	-	-
Gain or (loss) on disposal of quoted or unquoted investments	-	-	-	-
Gain or (loss) on disposal of property, plant and equipment	48	1	61	42
Gain or (loss) on foreign exchange – Realised	(4)	(15)	11	(34)
Gain or (loss) on foreign exchange – Unrealised	(55)	46	(14)	29
Gain on disposal of subsidiary	-	570	-	570
Impairment of assets	-	-	-	-
Loss on disposal of associate	-	(77)	-	(77)
Interest expense	(51)	(60)	(95)	(122)
Interest income	14	1	14	1