

SERSOL BERHADCompany No. 602062-X
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED
30 September 2014**

(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 September 2014	Preceding Year Corresponding Quarter 30 September 2013	Current Year To Date 30 September 2014	Preceding Year Corresponding Period 30 September 2013
	RM'000	RM'000	RM'000	RM'000
Revenue	5,507	4,848	13,511	12,929
Other operating income/ (loss)	60	141	110	301
Operating expenses	(7,923)	(4,993)	(17,288)	(14,290)
Loss from operations	(2,356)	(4)	(3,667)	(1,060)
Finance costs	(45)	(54)	(107)	(166)
Share of Profit of an associate	-	-	-	-
Loss before tax	(2,401)	(58)	(3,774)	(1,226)
Income tax expense	5	5	14	23
Loss for the period	(2,396)	(53)	(3,760)	(1,203)
Other comprehensive income, net of tax				
Exchange differences on translation of foreign subsidiaries	3	(3)	128	(7)
Total comprehensive loss for the period	(2,393)	(56)	(3,632)	(1,210)
Loss attributable to:				
Owners of the parent	(2,396)	(51)	(3,758)	(1,205)
Non-controlling interests	-	(2)	(2)	2
Loss for the period	(2,396)	(53)	(3,760)	(1,203)
Total comprehensive loss attributable to:				
Owners of the parent	(2,393)	(53)	(3,670)	(1,211)
Non-controlling interests	-	(3)	38	1
Total comprehensive loss for the period	(2,393)	(56)	(3,632)	(1,210)
Loss per share (sen)				
Basic (note B11)	(1.24)	(0.03)	(1.95)	(0.75)
Diluted (note B11)	(1.24)	(0.03)	(1.95)	(0.75)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

SERSOL BERHAD
Company No. 602062-X
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2014**

	Unaudited As At 30 September 2014 RM'000	Audited As At 31 December 2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,058	8,668
	<u>9,058</u>	<u>8,668</u>
Current assets		
Inventories	2,815	3,345
Trade receivables	3,903	4,488
Other receivables, deposits and prepayments	175	276
Tax recoverable	107	199
Marketable securities	-	-
Fixed deposits	-	-
Cash and bank balances	6,901	8,807
	<u>13,901</u>	<u>17,115</u>
Current assets classified as held for sale	-	10
TOTAL ASSETS	<u>22,959</u>	<u>25,793</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	19,415	19,290
Share premium	4,005	3,767
Exchange translation reserve	(58)	(146)
Warrants reserve	7,692	7,692
Other reserve	(7,692)	(7,692)
Accumulated losses	(13,056)	(9,340)
Revaluation reserve	3,952	3,994
Equity attributable to owners of the parent	<u>14,258</u>	<u>17,565</u>
Non-controlling interest	-	(38)
TOTAL EQUITY	<u>14,258</u>	<u>17,527</u>
Non-current liabilities		
Hire purchases payables	414	116
Bank borrowings	-	-
Deferred tax liabilities	784	798
	<u>1,198</u>	<u>914</u>
Current liabilities		
Trade payables	3,014	2,765
Other payables and accruals	1,106	808
Hire purchases payables	272	94
Bank borrowings	-	692
Bank overdraft	3,111	2,993
	<u>7,503</u>	<u>7,352</u>
TOTAL LIABILITIES	<u>8,701</u>	<u>8,266</u>
TOTAL EQUITY AND LIABILITIES	<u>22,959</u>	<u>25,793</u>
Net assets per ordinary share attributable to owners of the parent (RM)	0.07	0.09

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED

30 September 2014

(The figures have not been audited)

	Current Year To Date 30 September 2014	Preceding Year Corresponding Period 30 September 2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,774)	(1,226)
Adjustments for:-		
Non-cash items	2,349	389
Non-operating items	(35)	75
Operating loss before changes in working capital	(1,460)	(762)
Net changes in current assets	(917)	(2,126)
Net changes in current liabilities	548	460
CASH (USED IN)/ FROM OPERATIONS	(1,829)	(2,428)
Income tax refunded	116	-
Interest paid	(83)	(140)
Tax paid	(24)	(36)
NET CASH (USED IN)/ FROM OPERATING ACTIVITIES	(1,820)	(2,604)
NET CASH FOR INVESTING ACTIVITIES		
Dividend received	-	-
Interest received	35	64
Proceed from disposal of quoted investment	-	126
Proceed from disposal of plant and equipment	54	92
Proceed from disposal of an associate	-	-
Net cash outflow from disposal of investment in subsidiary	(9)	-
Purchase of quoted investment	-	-
Purchase of plant and equipment	(148)	(105)
NET CASH FROM/ (USED IN) INVESTING ACTIVITIES	(68)	177
CASH FLOWS FOR FINANCING ACTIVITIES		
Net repayment of other short-term bank borrowings	(692)	(672)
Increase in fixed deposit pledged	-	-
Proceed from issuance of share	362	9,635
Repayments of hire purchases payables	(83)	(110)
Repayments of term loans	-	(286)
NET CASH FROM/ (USED IN) FINANCING ACTIVITIES	(413)	8,567
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,301)	6,140
Effect of changes in exchange rates	262	(9)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,829	168
CASH AND CASH EQUIVALENTS AT END OF PERIOD*	3,790	6,299
* Cash and cash equivalents included in the statement of cash flows comprise of the following:		
	RM'000	RM'000
Fixed deposits	-	-
Cash and bank balances	6,901	9,575
Bank overdraft	(3,111)	(3,276)
	<u>3,790</u>	<u>6,299</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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

SERSOL BERHADCompany No. 602062-X
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THIRD QUARTER ENDED****30 September 2014**

(The figures have not been audited)

	Non - distributable		Attributable to Owners of the Parent					Total	Non-controlling Interest	Total Equity
	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 2014	19,290	3,767	(146)	3,994	7,692	(7,692)	(9,340)	17,565	(38)	17,527
Issuance of Shares	-	-	-	-	-	-	-	-	-	-
Issuance of warrants	-	-	-	-	-	-	-	-	-	-
Conversion of warrants	-	-	-	-	-	-	-	-	-	-
Issuance of Shares pursuant to SIS	125	238	-	-	-	-	-	363	-	363
Total comprehensive income for the period	-	-	88	-	-	-	(3,758)	(3,670)	38	(3,632)
Realisation of revaluation reserve	-	-	-	(42)	-	-	42	-	-	-
As at 30 September 2014	<u>19,415</u>	<u>4,005</u>	<u>(58)</u>	<u>3,952</u>	<u>7,692</u>	<u>(7,692)</u>	<u>(13,056)</u>	<u>14,258</u>	<u>-</u>	<u>14,258</u>
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	-	-	(6)	-	-	-	(1,205)	(1,211)	1	(1,210)
Translation reserve	-	-	26	-	-	-	(26)	-	-	-
Realisation of revaluation reserve	-	-	-	(42)	-	-	42	-	-	-
As at 30 September 2013	<u>19,270</u>	<u>3,751</u>	<u>(146)</u>	<u>4,103</u>	<u>7,708</u>	<u>(7,708)</u>	<u>(8,889)</u>	<u>18,089</u>	<u>(34)</u>	<u>18,055</u>

(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 2013 and the accompanying explanatory notes attached to the interim financial statements.)

A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the third quarter ended 30 September 2014 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 2013. 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 30 September 2014.

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
5. Amendments to MFRS 136, Recoverable Amount Disclosures for Non-Financial Assets
6. Amendments to MFRS 139, Novation of Derivatives and Continuation of Hedge Accounting
7. Amendments to MFRS 2, Share-based payment: Annual Improvements to MFRSs 2010-2012 Cycle
8. Amendments to MFRS 3, Business Combinations: Annual Improvements to MFRSs 2010-2012 Cycle and Annual Improvements to MFRSs 2011-2013 Cycle
9. Amendments to MFRS 8, Operating Segments: Annual Improvements to MFRSs 2010-2012 Cycle
10. Amendments to MFRS 116, Property, Plant and Equipment: Annual Improvements to MFRSs 2010-2012 Cycle
11. Amendments to MFRS 124, Related Party Disclosures: Annual Improvements to MFRSs 2010-2012 Cycle
12. Amendments to MFRS 138, Intangible Assets: Annual Improvements to MFRSs 2010-2012 Cycle
13. Amendments to MFRS 13, Fair Value Measurement: Annual Improvements to MFRSs 2011-2013 Cycle
14. Amendments to MFRS 140, Investment Property: Annual Improvements to MFRSs 2011-2013 Cycle
15. Amendments to MFRS 119, Defined Benefit Plans: Employee Contributions

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.
4. MFRS 9 Financial Instruments: Hedge Accounting
5. Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

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.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review and financial period-to-date.

	Ordinary share of RM0.10 each No of shares '000	RM'000
Share capital-issued and fully paid up as at 01.01.2014	192,902	19,290
Arising from exercise of Warrants	-	-
Arising from exercise of "SIS"	1,250	125
Share capital as at 30.09.2014	194,152	19,415

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 September 2014 RM'000	Preceding Year Corresponding Quarter 30 September 2013 RM'000	Current Year To Date 30 September 2014 RM'000	Preceding Year Corresponding Period 30 September 2013 RM'000
Revenue				
Malaysia	5,129	4,561	13,778	12,564
Thailand	828	1,189	2,343	2,872
Total including inter-segment sales	5,957	5,750	16,121	15,436
Eliminations of inter-segment sales	(450)	(902)	(2,610)	(2,507)
Total Revenue	5,507	4,848	13,511	12,929
Loss Before Tax				
Segment results				
Malaysia	(2,413)	973	(3,649)	(156)
Thailand	63	141	120	261
Others	-	(6)	(5)	5
	(2,350)	1,108	(3,534)	110
Finance costs	(45)	(54)	(108)	(166)
Eliminations	(6)	(1,112)	(132)	(1,170)
Total Loss Before Tax	(2,401)	(58)	(3,774)	(1,226)
At 30 September 2014	Malaysia RM'000	Thailand RM'000	Eliminations RM'000	Consolidated RM'000
Segment assets	38,016	1,324	(16,488)	22,852
Income tax assets	107	-	-	107
Total assets				22,959
Segment liabilities	10,059	1,118	(7,057)	4,120
Interest bearing - borrowings	3,737	60	-	3,797
Income tax liabilities	784	-	-	784
Total liabilities				8,701
Other segment information				
Capital expenditure	701	6	-	707
Depreciation of property, plant and equipment	288	31	-	319

(b) Secondary Reporting Format - Business Segments:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Preceding Year		Preceding Year
	Current Quarter	Corresponding	Current Year	Corresponding
	30 September	Quarter	To Date	Period
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue				
Investment Holdings	345	180	1,003	380
Coatings Manufacturing	4,766	5,129	13,151	13,921
Others	846	441	1,967	1,135
Eliminations	(450)	(902)	(2,610)	(2,507)
Total Revenue	5,507	4,848	13,511	12,929
Loss Before tax				
Segment results				
Investment Holdings	(103)	(201)	(372)	(932)
Coatings Manufacturing	(1,803)	1,495	(2,433)	1,504
Others	(444)	(186)	(729)	(462)
	(2,350)	1,108	(3,534)	110
Finance costs	(45)	(54)	(108)	(166)
Eliminations	(6)	(1,112)	(132)	(1,170)
Total Loss Before Tax	(2,401)	(58)	(3,774)	(1,226)

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

There were no changes in the composition of the Group during the period under review.

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.

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 September 2014

For the current quarter under review, our Group revenue is RM5.507 million, showing an increase of revenue by RM659,000, representing an improvement of approximately 13.59% as compared to the preceding year's corresponding quarter ended 30 September 2013. Our Group recorded a loss after taxation of RM2.396 million for the current quarter ended 30 September 2014 as compared to the loss after taxation of RM53,000 for the preceding year's corresponding quarter ended 30 September 2013.

For the current financial period-to-date under review, our Group revenue is RM13.511 million, showing an increase of revenue by RM582,000, representing an increase of approximately 4.50% as compared to the preceding year's corresponding period ended 30 September 2013. Our Group recorded a loss after taxation of RM3.760 million for the current year-to-date ended 30 September 2014 as compared to the loss after taxation of RM1.203 million for the preceding year's corresponding period ended 30 September 2013.

The increase of losses for current quarter and financial period-to-date is mainly due to the provision for doubtful debts which is approximately amounting to RM2.104 million. The greater part of the provision for doubtful debts of RM1.973 million was in respect of a major debtor E W Plastic Sdn Bhd whose prospect of repayment is rather doubtful.

B2. Variation of Results For the Current Quarter Ended 30 September 2014 against Immediate Preceding Quarter

During the current quarter ended 30 September 2014, our Group revenue is RM5.507 million, showing an increase of revenue of RM1.425 million, representing an increase of approximately 34.91% as compared to the revenue of RM4.082 million in the preceding quarter ended 30 June 2014. Our Group recorded a loss after taxation of RM2.396 million in the current quarter ended 30 September 2014, as compared to a loss after taxation of RM867,000 in the previous quarter ended 30 June 2014. The increase in losses in the current quarter is mainly due to the increase in provision for doubtful debts of RM1.676 million.

B3. Prospects for 2014

Despite a tough quarter 3 in 2014, our Group will strive to improve upon the current mix of architectural, electrical & electronic and plastic coatings turnover. We are cautiously hopeful by year end of 2014 our Group's revenue may start to grow steadily.

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 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Taxation	-	-	-	(9)
Deferred taxation	5	(5)	14	(14)
	<u>5</u>	<u>(5)</u>	<u>14</u>	<u>(23)</u>

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

B6. Status of Corporate Proposal Announced

(A) Corporate Proposal

(i) Proposed Private Placement

On 5 September 2014, the Company proposed to undertake a private placement of new ordinary shares of RM010 each, representing not more than ten percent (10%) of the issued and paid-up share capital of the Company to independent third party investor(s) who are persons other than the following:

- (i) a director, major shareholder or chief executive of the Company or a holding company of SerSol ("Interested Person");
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In addition, the independent third party investors shall be persons who qualify under Schedules 6 or 7 of the Capital Markets and Services Act, 2007, which include inter-alia, the issuance of the Placement Shares to each of them for a consideration of not less than RM250,000 or the issuance is made to high net worth individuals whose net personal assets exceed RM3,000,000 or corporations with net assets ("NA") exceeding RM10,000,000.

Bursa Securities Berhad had, vide its letter dated 24 October 2014, approved the listing of and quotation for up to 32,305,000 new SerSol Shares pursuant to the Proposed Private Placement subject to the following conditions:

- (i) SerSol and TA Securities must fully comply with the relevant provisions under the Bursa Securities ACE Market Listing Requirements ("LR") pertaining to the implementation of the Proposed Private Placement;
- (ii) SerSol and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;

(iii) SerSol to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and

(iv) TA Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the LR, prior to the issuance/allotment of shares to placees, together with confirmation that the placees do not fall within any of the category of persons specified in Rule 6.05(c) of the LR.

SerSol is required to ensure full compliance of all the requirements as provided under the LR at all times.

The Company is in the midst of identifying suitable placee.

(B) Status of Utilisation of Proceeds

(i) Proceeds from Rights Issue of Shares with Warrants

	Purpose	Proposed Utilisation	Actual Utilisation	Balance Utilisation	Intended Timeframe of Utilisation
		RM'000	RM'000	RM'000	
i)	Research & development	900	900	-	-
ii)	Purchase of plant and machinery	500	93	407	28 October 2015
iii)	Repayment of bank borrowings	2,500	2,500	-	-
iv)	Working capital	5,235	5,235	-	-
iv)	Defray estimated expenses	500	500	-	-
	Total	9,635	9,228	407	

Reference is made to the details on the utilisation of proceeds raised from the rights issue of shares with warrants as disclosed in the Abridged Prospectus of SerSol dated 29 March 2013.

As as to-date, the Company has yet to fully utilise the proceeds. The Board of Directors ("the Board") of SerSol has resolved to extend the time frame for the utilisation of the remaining unutilised amount of RM407,000 earmarked for the purchase of plant and machinery for another twelve (12) months period until 28 October 2015.

All the proceeds under item (i), (iii), (iv) and (v) above have been fully utilised within the original time frame.

The Company is currently in the process of identifying suitable plant and machinery before any acquisition is made.

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
Short Term Borrowings			
Trade Financing	-	-	-
Hire Purchase Payables	272	-	272
Bank Overdraft	3,111	-	3,111
	<u>3,383</u>	<u>-</u>	<u>3,383</u>
Long Term Borrowings			
Hire Purchase Payables	414	-	414
Total	<u>3,797</u>	<u>-</u>	<u>3,797</u>

B8. Changes in Material Litigation Since the Last Annual Statement of Financial Position Date

The Company's wholly-owned subsidiary, Multi Square Sdn Bhd ("MSSB"), had issued a winding petition against E W Plastic Sdn Bhd ("the Respondent") which is fixed for hearing at Kuala Lumpur High Court on 5 December 2014. The amount claimed is RM1,973,149.36 due and owing by the Respondent to MSSB for goods supplied and delivered, which was outstanding since November 2013.

B9. Dividend Proposed

No dividend has been proposed during the quarter under review.

B10. Memorandum of Understanding (MOU)

We had launched our Architectural paint Cat1Malaysia on 31 October 2014 with the support of the Persatuan Kontraktor Melayu Malaysia (PKMM) and its members to promote using our Cat1Malaysia in all their business endeavors.

There has been no material update, and no subsequent agreement has been entered arising from the MOU as at the date of this announcement.

B11. Loss Per Share

Basic loss per share

	Current quarter ended		Cumulative quarter ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Net Loss attributed to owners of the parent for the period (RM'000)	(2,396)	(51)	(3,758)	(1,205)
Weighted Average Number of shares in issue ('000)	193,319	192,702	193,041	160,585
Basic loss per share (sen)	(1.24)	(0.03)	(1.95)	(0.75)

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.

B12. Auditors' Report of Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2013 was not qualified.

B13. Realised and unrealised losses disclosure

The accumulated losses may be analysed as follows:

	As at 30.09.2014	As at 31.12.2013
	RM'000	RM'000
Realised	(9,646)	(7,414)
Unrealised	(6)	(13)
	<hr/>	<hr/>
	(9,652)	(7,427)
Less : Consolidation adjustments	(3,404)	(1,913)
Total	<hr/>	<hr/>
	(13,056)	(9,340)

B14. Loss Before Tax

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

	Current quarter ended		Cumulative quarter ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Allowance for and write off of receivables	(1,675)	(1)	(2,104)	(1)
Allowance for and write off of inventories	(5)	(1)	(10)	(4)
Bad debts recovered	-	1	1	7
Depreciation and amortisation	(120)	(172)	(319)	(507)
Gain or (loss) on disposal of property, plant and equipment	42	31	54	92
Gain or (loss) on foreign exchange – Realised	(14)	(1)	(12)	10
Gain or (loss) on foreign exchange – Unrealised	(4)	40	(20)	26
Loss on disposal of subsidiary	(131)	-	(131)	-
Interest expense	(36)	(45)	(83)	(140)
Interest income	5	50	35	64