

**SERSOL TECHNOLOGIES BERHAD**Company No. 602062-X  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FIRST QUARTER ENDED****31 March 2009**

(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 31 March 2009 RM'000	Preceding Year Corresponding Quarter 31 March 2008 RM'000	Current Year To Date 31 March 2009 RM'000	Preceding Year Corresponding Period 31 March 2008 RM'000
Revenue	4,012	8,083	4,012	8,083
Other operating income	224	141	224	141
Operating expenses	(4,295)	(7,948)	(4,295)	(7,948)
Profit from operations	(59)	276	(59)	276
Finance costs	(89)	(132)	(89)	(132)
Share of profit/ (loss) of an associate	1	(5)	1	(5)
<b>Profit / (Loss) before taxation</b>	<b>(147)</b>	<b>139</b>	<b>(147)</b>	<b>139</b>
Taxation	-	-	-	-
<b>Profit/ (Loss) after taxation</b>	<b>(147)</b>	<b>139</b>	<b>(147)</b>	<b>139</b>
Attributable to:				
Equity Holders of The Parent	6	204	6	204
Minority Interest	(153)	(65)	(153)	(65)
	<b>(147)</b>	<b>139</b>	<b>(147)</b>	<b>139</b>
Earnings per share (sen)				
Basic (note B13)	0.01	0.21	0.01	0.21
Diluted (note B13)	0.01	0.21	0.01	0.21

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements)

**SERSOL TECHNOLOGIES BERHAD**Company No. 602062-X  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEETS  
AS AT 31 MARCH 2009**

	Unaudited As At 31 March 2009 RM'000	Audited As At 31 December 2008 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in an associate	164	163
Property, plant and equipment	8,919	9,137
Goodwill on consolidation	166	166
Other intangible assets	779	842
Deferred tax assets	2	2
	<u>10,030</u>	<u>10,310</u>
<b>Current assets</b>		
Inventories	3,666	3,888
Trade receivables	5,732	10,053
Amount owing by an associate	106	437
Other receivables, deposits and prepayments	924	797
Tax recoverable	212	188
Marketable securities	161	110
Fixed deposits	331	241
Cash and bank balances	3,701	3,948
	<u>14,833</u>	<u>19,662</u>
<b>TOTAL ASSETS</b>	<u>24,863</u>	<u>29,972</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	9,493	9,493
Share premium	3,538	3,538
Exchange translation reserve	231	112
Retained profits/ (Accumulated losses)	1,392	1,386
Equity attributable to equity holders of the parent	<u>14,654</u>	<u>14,529</u>
<b>MINORITY INTERESTS</b>	2,205	2,249
<b>TOTAL EQUITY</b>	<u>16,859</u>	<u>16,778</u>
<b>Non-current liabilities</b>		
Hire purchase payables	198	250
Bank borrowings	904	998
Deferred taxation	560	560
	<u>1,662</u>	<u>1,808</u>
<b>Current liabilities</b>		
Trade payables	2,368	5,094
Other payables and accruals	601	1,537
Amount owing to an associate	163	342
Hire purchase payables	242	251
Taxation	-	9
Bank borrowings	2,968	4,056
Bank overdrafts	-	97
	<u>6,342</u>	<u>11,386</u>
<b>TOTAL LIABILITIES</b>	<u>8,004</u>	<u>13,194</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>24,863</u>	<u>29,972</u>
Net assets per ordinary share attributable to equity holders of the parent (RM)	0.15	0.15

(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements)

**SERSOL TECHNOLOGIES BERHAD**Company No. 602062-X  
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED****31 March 2009**

(The figures have not been audited)

	Current Period To Date 31 March 2009 RM'000	Preceding Year Corresponding Period 31 March 2008 RM'000
<b>CASH FLOWS FROM / (FOR) OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(147)	139
Adjustments for:-		
Non-cash items	376	339
Non-operating items	55	81
Operating profit / (loss) before changes in working capital	284	559
Net changes in current assets	4,760	1,198
Net changes in development expenditure	-	(52)
Net changes in current liabilities	(3,843)	(611)
<b>CASH FROM / (FOR) OPERATIONS</b>	<b>1,201</b>	<b>1,094</b>
Interest paid	(57)	(104)
Tax paid	(32)	-
<b>NET CASH FROM / (FOR) OPERATING ACTIVITIES</b>	<b>1,112</b>	<b>990</b>
<b>NET CASH FROM / (FOR) INVESTING ACTIVITIES</b>		
Interest received	1	2
Proceeds from disposal of plant & equipments	-	119
Proceed from disposal of quoted investment	-	-
Purchase of quoted investment	(63)	-
Purchase of plant and equipments	(31)	(56)
<b>NET CASH FROM / (FOR) INVESTING ACTIVITIES</b>	<b>(93)</b>	<b>65</b>
<b>CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES</b>		
Net (repayment) / drawdown of other short-term bank borrowings	(1,057)	(456)
Repayments of hire purchase	(60)	(164)
Repayments of term loans	(125)	(217)
<b>NET CASH FROM / (FOR) FINANCING ACTIVITIES</b>	<b>(1,242)</b>	<b>(837)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(223)</b>	<b>218</b>
<b>EXCHANGE DIFFERENCES</b>	<b>163</b>	<b>48</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>4,092</b>	<b>668</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD*</b>	<b>4,032</b>	<b>934</b>

\* Cash and cash equivalents included in the cashflow statements comprise of the following:

	RM'000	RM'000
Fixed deposits	331	73
Cash and bank balances	3,701	2,035
Bank overdraft	-	(1,174)
	<u>4,032</u>	<u>934</u>

(The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements.)

**SERSOL TECHNOLOGIES BERHAD**

Company No. 602062-X  
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED**

**31 March 2009**

(The figures have not been audited)

	Attributable to Equity Holders of the Parent Company				Total	Minority Interest	Total Equity
	Non - distributable		Exchange	Distributable Retained Profit/			
	Share capital	Share premium	Translation reserve	(Accumulated losses)	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2009	9,493	3,538	112	1,386	14,529	2,249	16,778
Profit /(Loss) for the year	-	-	-	6	6	(153)	(147)
Exchange translation differences	-	-	119	-	119	109	228
<b>As at 31 March 2009</b>	<b>9,493</b>	<b>3,538</b>	<b>231</b>	<b>1,392</b>	<b>14,654</b>	<b>2,205</b>	<b>16,859</b>
As at 1 January 2008	9,493	3,538	(97)	(364)	12,570	1,843	14,413
Profit /(Loss) for the year	-	-	-	204	204	(65)	139
Exchange translation differences	-	-	21	-	21	16	37
<b>As at 31 March 2008</b>	<b>9,493</b>	<b>3,538</b>	<b>(76)</b>	<b>(160)</b>	<b>12,795</b>	<b>1,794</b>	<b>14,589</b>

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and accompanying explanatory notes attached to the interim financial statements.)

**SERSOL TECHNOLOGIES BERHAD**

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

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the first quarter ended 31 March 2009 have been prepared in accordance with Financial Reporting Standards (FRS) No. 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) for the MESDAQ Market (MMLR).

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 2008. 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 2008.

The accounting policies and methods of computation adopted in these interim financial statements of the Group are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2008.

**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**

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

**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**

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

**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:

By Geographical Segment:-

Revenue	People's Republic of Malaysia China and Hong Kong		Others	Eliminations	Consolidated
	RM'000	RM'000			
-Sales to external customers	2,382	940	690	-	4,012
-Inter-segment sales	540	-	-	(540)	-
<b>Total revenue</b>	<b>2,922</b>	<b>940</b>	<b>690</b>	<b>(540)</b>	<b>4,012</b>
Segments results	327	(319)	(72)	5	(59)
Finance costs	-	-	-	-	(89)
Share of profit of an associates	-	-	-	-	1
<b>Profit before tax</b>					<b>(147)</b>
Segment assets	30,284	5,519	3,973	(15,291)	24,485
Investment in associates	-	-	-	-	164
Income tax assets	-	-	-	-	214
<b>Total Assets</b>					<b>24,863</b>
Segment liabilities	4,700	1,424	3,525	(6,517)	3,132
Interest bearing - borrowings	-	-	-	-	4,312
Income tax liabilities	-	-	-	-	560
<b>Total liabilities</b>					<b>8,004</b>
<b>Other segment information</b>					
Capital expenditure	15	13	3	-	31
Depreciation of property, plant and equipment	237	42	36	-	315

There is no disclosure of business segment information as required by FRS 114 Segment Reporting, as the Group operates principally within one industry.

**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 quarter 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 MESDAQ MARKET**

**B1. Review of Group's Results for the Current Quarter and Financial Period-to-date Ended 31  
March 2009**

For the current quarter under review, our Group recorded a decrease in revenue by RM4.071 million to RM4.012 million, representing a decrease of approximately 50.36% as compared to the corresponding financial year ended 31 March 2008. Consequently, our Group suffered a loss after taxation of RM0.147 million for the current quarter ended 31 March 2009 as compared to the profit after taxation of RM0.139 million for the corresponding financial period ended 31 March 2008.

The lower revenue and losses recorded for the financial period ended 31 March 2009 was mainly due to the decrease in sales by our subsidiary companies in view of the current downturn of global economy.

**B2. Variation of Results For the Current Quarter Ended 31 March 2009 against Immediate  
Preceding Quarter**

During the current quarter ended 31 March 2009, our Group recorded a decrease in revenue of RM4.253 million to RM4.012 million, representing a decrease of approximately 51.46% as compared to the immediate preceding quarter ended 31 December 2008. Our Group recorded a loss after taxation of RM0.147 million in the current quarter ended 31 March 2009, as compared to a profit after taxation of RM0.441 million in the previous quarter ended 31 December 2008. The losses were mainly due to the significant decrease in the sales by our subsidiary companies due to the lower demand for our Group's products in view of the current global economic downturn.

**B3. Current Year's Prospects for 2009**

Our Board of Directors is of the opinion that the prevailing global economic slowdown will have an adverse impact on our Group's prospects for the financial year ending 2009. Nevertheless, our Group will continue with our efforts to implement measures such as producing and promoting high-end products as well as employing prudent measures like costs management to mitigate such impact on our Group.

**B4. Variance of Profit Forecast**

Not applicable as no profit forecast has been issued.

**B5. Tax Expense**

Taxation comprises the following:

	Individual quarter ended		Cumulative quarter ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Under provision in previous financial years:-				
Taxation	-	-	-	-
Deferred taxation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

No tax is provided in the quarter under review due to the availability of unutilized tax losses, unabsorbed capital allowances and unutilized reinvestment allowances brought forward from previous year.

**B6. Profit on Sale of Unquoted Investments and Properties**

There was no disposal of unquoted investments and properties during the quarter under review.

**B7. Purchase and Disposal of Quoted and Marketable Securities**

(i) The dealings in quoted marketable securities for the quarter under review and current financial period-to-date ended 31 March 2009 are as follows:-

	Quarter under review RM'000	Financial period-to-date RM'000
Total purchase at cost	63	63
Total disposal	-	-
Total gain / (loss) on disposal	-	-



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- (ii) The details of the investments in marketable securities as at 31 March 2009 are set out below:-

	RM'000
Total investment at cost	163
Total investment at carrying value	161
Total investment at market value	161

**B8. Status of Corporate Proposal Announced**

- i) There were no corporate proposals announced but not completed as at the date of issue of this report.
- ii) There was no corporate proposal undertaken to raise any proceeds during the quarter under review and financial period-to-date.

**B9. 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	265	209	474
Trade Financing	1,664	830	2,494
Bank overdraft	-	-	-
Hire Purchase Payables	242	-	242
	<u>2,171</u>	<u>1,039</u>	<u>3,210</u>
<b>Long Term Borrowings</b>			
Term Loans	682	222	904
Hire Purchase Payables	198	-	198
	<u>880</u>	<u>222</u>	<u>1,102</u>
<b>Total</b>	<u>3,051</u>	<u>1,261</u>	<u>4,312</u>

**B10. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of issue of this report.

**B11. Changes in Material Litigation Since the Last Annual Balance Sheet Date**

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

**SERSOL TECHNOLOGIES BERHAD**

Company No. 602062-X

(Incorporated in Malaysia)

**B12. Dividend Proposed**

No dividend has been proposed during the quarter under review.

**B13. Earnings Per Share****Basic earnings per share**

	Current quarter ended		Cumulative quarter ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Net Profit attributed to equity holder of the parent for the period (RM'000)	6	204	6	204
Number of shares in issue ('000)	94,931	94,931	94,931	94,931
Basic earnings per share (sen)	0.01	0.21	0.01	0.21

**Diluted earnings per share**

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

**B14. Auditors' Report of Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2008 was not qualified.