

SERSOL TECHNOLOGIES BERHADCompany No. 602062-X
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FOURTH QUARTER ENDED****31 DECEMBER 2009**

(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 31 December 2009 RM'000	Preceding Year Corresponding Quarter 31 December 2008 RM'000	Current Year To Date 31 December 2009 RM'000	Preceding Year Corresponding Period 31 December 2008 RM'000
Revenue	4,873	8,265	22,144	40,147
Other operating income	25	160	582	624
Operating expenses	(5,925)	(8,103)	(23,446)	(37,876)
Profit / (Loss) from operations	(1,027)	322	(720)	2,895
Finance costs	(35)	(114)	(241)	(465)
Share of profit/ (loss) of an associate	(5)	(2)	1	13
Profit / (Loss) before taxation	(1,067)	206	(960)	2,443
Taxation	(133)	235	(370)	(482)
Profit/ (Loss) after taxation	(1,200)	441	(1,330)	1,961
Attributable to:				
Equity Holders of The Parent	(875)	460	(811)	1,750
Minority Interest	(325)	(19)	(519)	211
	(1,200)	441	(1,330)	1,961
Earnings / (Loss) per share (sen)				
Basic (note B13)	(0.92)	0.48	(0.85)	1.84
Diluted (note B13)	(0.92)	0.48	(0.85)	1.84

(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 BERHADCompany No. 602062-X
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 December 2009**

	Unaudited As At 31 December 2009 RM'000	Audited As At 31 December 2008 RM'000
ASSETS		
Non-current assets		
Investment in an associate	164	163
Property, plant and equipment	8,254	9,137
Goodwill on consolidation	166	166
Other intangible assets	511	842
Deferred tax assets	5	2
	9,100	10,310
Current assets		
Inventories	3,521	3,888
Trade receivables	6,417	10,053
Amount owing by an associate	368	437
Other receivables, deposits and prepayments	941	797
Tax recoverable	48	188
Marketable securities	286	110
Fixed deposits	82	241
Cash and bank balances	2,652	3,948
	14,315	19,662
TOTAL ASSETS	23,415	29,972
EQUITY AND LIABILITIES		
Equity		
Share capital	9,493	9,493
Share premium	3,538	3,538
Exchange translation reserve	55	112
Retained profits	575	1,386
Equity attributable to equity holders of the parent	13,661	14,529
MINORITY INTERESTS	1,581	2,249
TOTAL EQUITY	15,242	16,778
Non-current liabilities		
Hire purchase payables	72	250
Bank borrowings	519	998
Deferred taxation	684	560
	1,275	1,808
Current liabilities		
Trade payables	3,522	5,094
Other payables and accruals	1,156	1,537
Amount owing to an associate	158	342
Hire purchase payables	181	251
Taxation	-	9
Bank borrowings	1,881	4,056
Bank overdrafts	-	97
	6,898	11,386
TOTAL LIABILITIES	8,173	13,194
TOTAL EQUITY AND LIABILITIES	23,415	29,972
Net assets per ordinary share attributable to equity holders of the parent (RM)	0.14	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 BERHADCompany No. 602062-X
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2009**

(The figures have not been audited)

	Current Year To Date 31 December 2009 RM'000	Preceding Year Corresponding Period 31 December 2008 RM'000
CASH FLOWS FROM / (FOR) OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	(960)	2,443
Adjustments for:-		
Non-cash items	1,704	2,203
Non-operating items	(2)	312
	<hr/>	<hr/>
Operating profit / (loss) before changes in working capital	742	4,958
Net changes in current assets	4,038	759
Net changes in development expenditure	-	(52)
Net changes in current liabilities	(2,323)	(850)
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CASH FROM / (FOR) OPERATIONS	2,457	4,815
Interest paid	(178)	(379)
Tax paid	(104)	628
	<hr/>	<hr/>
NET CASH FROM / (FOR) OPERATING ACTIVITIES	2,175	5,064
NET CASH FROM / (FOR) INVESTING ACTIVITIES		
Dividend received	3	-
Interest received	7	6
Proceeds from disposal of plant & equipments	-	143
Proceed from disposal of quoted investment	587	-
Purchase of quoted investment	(739)	-
Purchase of plant and equipments	(441)	(809)
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NET CASH FROM / (FOR) INVESTING ACTIVITIES	(583)	(660)
CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES		
Net (repayment) / drawdown of other short-term bank borrowings	(2,156)	(253)
Repayments of hire purchase	(249)	(389)
Repayments of term loans	(497)	(680)
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NET CASH FROM / (FOR) FINANCING ACTIVITIES	(2,902)	(1,322)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,310)	3,082
EXCHANGE DIFFERENCES	(48)	342
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,092	668
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CASH AND CASH EQUIVALENTS AT END OF PERIOD*	2,734	4,092
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* Cash and cash equivalents included in the cashflow statements comprise of the following:

	RM'000	RM'000
Fixed deposits	82	241
Cash and bank balances	2,652	3,948
Bank overdraft	-	(97)
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	2,734	4,092
	<hr/>	<hr/>

(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 BERHADCompany No. 602062-X
(Incorporated In Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED****31 DECEMBER 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
Loss for the year	-	-	-	(811)	(811)	(519)	(1,330)
Dividend Declared	-	-	-	-	-	(142)	(142)
Exchange translation differences	-	-	(57)	-	(57)	(7)	(64)
As at 31 December 2009	9,493	3,538	55	575	13,661	1,581	15,242
As at 1 January 2008	9,493	3,538	(97)	(364)	12,570	1,842	14,412
Profit for the year	-	-	-	1,750	1,750	211	1,961
Exchange translation differences	-	-	209	-	209	196	405
As at 31 December 2008	9,493	3,538	112	1,386	14,529	2,249	16,778

(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.)

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A. EXPLANATORY NOTES IN ACCORDANCE WITH FRS 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the fourth quarter ended 31 December 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 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 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 year-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 year-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 year-to-date.

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

During the quarter under review and financial year-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 year-to-date.

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A7. Segmental Reporting

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

By Geographical Segment:-

Revenue	People's Republic of		Others	Eliminations	Consolidated
	Malaysia	China and Hong Kong			
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales to external customers	13,327	4,354	4,463	-	22,144
Inter-segment sales	3,330	-	14	(3,344)	-
Total revenue	16,657	4,354	4,477	(3,344)	22,144
Segments results	1,139	(1,060)	(155)	(644)	(720)
Finance costs	(210)	(9)	(22)	-	(241)
Share of profit of an associates	-	-	-	-	1
Profit before tax					(960)
Segment assets	30,114	4,408	3,894	(15,218)	23,198
Investment in associates	-	-	-	-	164
Income tax assets					53
Total Assets					23,415
Segment liabilities	6,131	1,625	2,591	(5,511)	4,836
Interest bearing borrowings					2,653
Income tax liabilities					684
Total liabilities					8,173
Other segment information					
Capital expenditure	325	92	24	-	441
Depreciation of property, plant and equipment	964	162	156	-	1282

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 year-to-date.

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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 Year-to-date Ended 31 December 2009

For the current quarter under review, our Group's revenue is RM4.873 million, showing a decrease of revenue by RM3.392 million, representing a decrease of approximately 41.04% as compared to the corresponding financial year ended 31 December 2008. Our Group recorded a loss after taxation of RM1.200 million for the current quarter ended 31 December 2009 as compared to the profit after taxation of RM0.441 million for the corresponding quarter ended 31 December 2008.

For the financial year-to-date, the Group's revenue is RM22.144 million, showing a decrease of revenue of RM18.003 million, representing a decrease of approximately 44.84% as compared to the preceding year ended 31 December 2008. Our Group recorded a loss after taxation of RM1.330 million for the current year-to-date as compared to the profit after taxation of RM1.961 million for the corresponding financial year ended 31 December 2008.

The lower revenue and losses recorded for the financial year ended 31 December 2009 was mainly due to the decrease in sales by our subsidiary companies.

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

During the current quarter ended 31 December 2009, our Group's revenue is RM4.873 million, showing a decrease of revenue of RM1.945 million, representing a decrease of approximately 28.53% as compared to the immediate preceding quarter ended 30 September 2009. Our Group recorded a loss after taxation of RM1.200 million in the current quarter ended 31 December 2009, as compared to a loss after taxation of RM0.294 million in the previous quarter ended 30 September 2009. The losses were mainly due to the decrease in the sales by our subsidiary companies due to the lower demand for our Group's products.

B3. Current Year's Prospects for 2010

In view of the gradual recovery of global economy as well as the demand of consumers' products, our Board of Directors expects better performance for the financial year ending 2010. Our Group will also continue with our efforts to implement measures such as producing and promoting high-end products as well as employing prudent measures like costs management.

B4. Variance of Profit Forecast

Not applicable as no profit forecast has been issued.

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B5. Tax Expense

Taxation comprises the following:

	Individual quarter ended		Cumulative quarter ended	
	31 December 2009 RM'000	31 December 2008 RM'000	31 December 2009 RM'000	31 December 2008 RM'000
In respect of the current period:-				
Taxation	101	35	196	40
Deferred taxation	(153)	(301)	(11)	360
	<u>(52)</u>	<u>(266)</u>	<u>185</u>	<u>400</u>
Under provision in previous financial years:-				
Taxation	50	-	50	-
Deferred taxation	135	31	135	82
	<u>185</u>	<u>31</u>	<u>185</u>	<u>82</u>
Total	<u>133</u>	<u>(235)</u>	<u>370</u>	<u>482</u>

The effective tax rate for current quarter and current financial year is higher as the losses incurred by loss making subsidiaries could not be set off against the taxable profit of the profitable subsidiary.

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 year-to-date ended 31 December 2009 are as follows:-

	Quarter under review RM'000	Financial year-to-date RM'000
Total purchase at cost	319	739
Total disposal	265	587
Total gain / (loss) on disposal	(33)	40

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

	RM'000
Total investment at cost	291
Total investment at carrying value	286
Total investment at market value	286

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 year.

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
Short Term Borrowings			
Term Loans	243	243	486
Trade Financing	680	715	1,395
Bank overdraft	-	-	-
Hire Purchase Payables	181	-	181
	<u>1,104</u>	<u>958</u>	<u>2,062</u>
Long Term Borrowings			
Term Loans	492	27	519
Hire Purchase Payables	72	-	72
	<u>564</u>	<u>27</u>	<u>591</u>
Total	<u>1,668</u>	<u>985</u>	<u>2,653</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.

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B12. Dividend Proposed

No dividend has been proposed during the quarter under review.

B13. Earnings / (Loss) Per Share**Basic earnings / (loss) per share**

	Current quarter ended		Cumulative quarter ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Net Profit/ (Loss) attributed to equity holder of the parent for the period (RM'000)	(875)	460	(811)	1,750
Number of shares in issue ('000)	94,931	94,931	94,931	94,931
Basic earnings/ (loss) per share (sen)	(0.92)	0.48	(0.85)	1.84

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.