SOLUTION ENGINEERING HOLDINGS BERHAD (Company No : 654575-P) (Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 MARCH 2009 (The figures have not been audited)

		INDIVIDUAI	L QUARTER	CUMULATIVE QUARTER			
		1 Jan 09 to 31 March 09 Current Quarter RM'000	1 Jan 08 to 31 March 08 Preceding Year Corresponding Quarter RM'000	1 Jan 09 to 31 March 09 Current Year To-Date RM'000	1 Jan 08 to 31 March 08 Preceding Year To-Date Corresponding Quarter RM'000		
Revenue		1,363	4,352	1,363	4,352		
Cost of sale		(848)	(2,973)	(848)	(2,973)		
Gross profit	-	515	1,379	515	1,379		
Other income		631	81	631	81		
Administrative and distribution expenses		(898)	(708)	(898)	(708)		
Finance cost		(20)	(48)	(20)	(48)		
Profit before tax	-	228	704	228	704		
Income tax expense	В5	(25)	(18)	(25)	(18)		
Profit for the period	-	203	686	203	686		
Attributable to :							
Equity holders of the parent Minority Interest	-	204 (1)	686 -	204 (1)	686		
		203	686	203	686		
Earnings per share attributable to equity holders of parent :							
Basic, for profit for the period (sen)	B13	0.161	0.542	0.161	0.542		

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

SOLUTION ENGINEERING HOLDINGS BERHAD

(Company No: 654575-P) (Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

(The figures have not been audited)

ASSETS Non-urrent assets Property, plant and equipment 1,850 1,436 Prepaid lease payments 2,711 2,721 Intangible assets 921 659 Querter Assets 921 659 Inventories 2.79 271 Trade receivables 5,561 10.552 Other receivables 1,431 1,743 Deposits, cash and bank balances 11.6600 7,637 TOTAL ASSETS 24,353 25.019 EQUITY AND LLABILITIES 24,353 25.019 Equity attributable to equify holders of the parent 3,311 3,107 Share capital 12,652 12,652 19,843 Minority interest 3,5 36 36 Total equity 20,052 19,849 33 Non-Current Liabilities 2 32 639 Current Liabilities 3 32 639 Outal equity 2,052 19,849 344 Borrowings 89 668 <			Unaudited 31 Mar 2009 RM'000	Audited 31 Dec 2008 RM'000
Property, plant and equipment 1,850 1,436 Prepaid lease payments 2,711 2,721 Intangible assets 921 659 State 4816 6 Current Assets 10,552 4816 Inventories 279 271 Trade receivables 5,561 10,552 Other receivables 1,431 1,743 Deposits, cash and bank balances 11,600 7,637 TOTAL ASSETS 24,353 25,019 EQUITY AND LIABILITIES 12,652 12,652 Share capital 12,652 12,652 Share capital 20,017 19,813 Minority interest 35 36 Total equity 20,052 19,849 Non-Current Liabilities 144 134 Borrowings 89 688 505 G39 2751 3,213 3,213 Other payable & accruals 156 116 Borrowings 89 562 1,202 <td< td=""><td>ASSETS</td><td></td><td></td><td></td></td<>	ASSETS			
Prepaid lease payments 2,711 2,721 Intangible assets 921 659 Qurrent Assets 4,816 Inventories 279 271 Trade receivables 5,561 10,552 Other receivables 1,431 1,743 Deposits, cash and bank balances 11,600 7,637 TOTAL ASSETS 24,353 220,003 EQUITY AND LIABILITIES 24,353 25,019 EQUITY AND LIABILITIES 24,353 25,019 Equity attributable to equity holders of the parent 3,311 3,107 Share capital 12,652 12,652 12,652 Share premium 4,054 4,054 Retained earnings 3,311 3,107 Minority interest 35 36 Total equity 20,052 19,849 Non-Current Liabilities 144 134 Borrowings 89 668 5050 Berod taxation 156 116 116 Borrowings 156 116	Non-current assets			
Intangible assets 921 639 Inventories 3,482 4,816 Current Assets 1 1,050 Inventories 5,561 10,552 Other receivables 1,431 1,743 Deposits, cash and bank balances 11,600 7,637 TOTAL ASSETS 24,353 25,019 EQUITY AND LIABILITIES 24,353 25,019 EQUITY attributable to equity holders of the parent 3,311 3,107 Share capital 12,652 12,652 Share capital 12,652 19,849 Minority interest 35 36 Total equity 20,007 19,843 Minority interest 35 36 Total equity 20,052 19,849 Non-Current Liabilities 144 134 Borrowings 89 638 505 89 632 639 32 639 0ther payable & accruals 156 116 116 Borrowings 89 562	Property, plant and equipment		1,850	1,436
5.482 4.816 Current Assets 279 271 Inventories 279 271 Trade receivables 5.561 10.552 Other receivables 1.431 1.743 Deposits, cash and bank balances 11.600 7.637 TOTAL ASSETS 24.353 20.003 EQUITY AND LLABILITIES 24.353 25.019 EQUITY AND LLABILITIES 24.353 25.019 EQUITY AND LLABILITIES 24.054 4.054 Retained earnings 3.311 3.107 Minority interest 35 36 Total equity 20.052 19.849 Non-Current Liabilities 20.052 19.849 Deferred taxation 144 134 Borrowings $B9$ 688 505 332 639 632 639 Current Liabilities 1.202 1.202 1.202 Trade payables 2.751 3.213 0.5170 Other payab			2,711	2,721
Current Assets 279 271 Inventories 279 271 Trade receivables 5,561 10,552 Other receivables 1,431 1,743 Deposits, cash and bank balances 11,600 7,637 TOTAL ASSETS 24,353 25,019 EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital 12,652 12,652 Share capital 12,652 12,652 12,652 19,849 Minority interest 35 36 36 Total equity 20,0052 19,849 39 Non-Current Liabilities 144 134 Borrowings B9 688 505 832 639 639 639 Current Liabilities 156 116 Borrowings B9 562 1,202 Trade payables 2,751 3,213 5,170 Other payable & accruals 156 116 116 Borrowings B9 562 1,20	Intangible assets			
Inventories 279 271 Trade receivables $5,561$ $10,552$ Other receivables $1,431$ $1,743$ Deposits, cash and bank balances $11,600$ $7,637$ TOTAL ASSETS $24,353$ $25,019$ EQUITY AND LIABILITIES $24,353$ $25,019$ EQUITY AND LIABILITIES $24,353$ $25,019$ EQUITY AND LIABILITIES $24,054$ $4,054$ Share capital $12,652$ $12,652$ Share premium $4,054$ $4,054$ Retained earnings $3,311$ $3,107$ 20,017 $19,813$ 36 Total equity $20,052$ $19,849$ Non-Current Liabilities $320,017$ $19,813$ Deferred taxation 144 134 Borrowings 89 688 505 832 639 639 632 639 Current Liabilities 156 116 116 $12,022$ $126,522$ $126,522$ $126,522$			5,482	4,816
Trade receivables 5,561 10,552 Other receivables 1431 1,743 Deposits, cash and bank balances 11,600 7,637 TOTAL ASSETS 24,353 20,030 EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital 12,652 12,652 Share capital 12,652 12,652 12,652 Share premium 4,054 4,054 Retained earnings 3,311 3,107 Deferred taxation 35 36 Total equity 20,052 19,849 Non-Current Liabilities 144 134 Borrowings B9 688 505 832 639 639 Current Liabilities 1166 116 Borrowings B9 562 1,202 Other payable & accruals 156 116 Borrowings B9 562 1,202 Other payable & accruals 156 116 Borrowings B9 562 1,202 Other payable & accruals 156 116	Current Assets			
Other receivables $1,431$ $1,743$ Deposits, cash and bank balances $11,600$ $7,637$ TOTAL ASSETS $24,353$ $20,203$ EQUITY AND LIABILITIES $24,353$ $25,019$ EQUITY AND LIABILITIES Equity holders of the parent $24,353$ $25,019$ EQUITY AND LIABILITIES Equity attributable to equity holders of the parent $12,652$ $12,652$ $12,652$ $12,652$ Share aprimium $4,054$	Inventories		279	271
Deposits, cash and bank balances $11,600$ $7,637$ TOTAL ASSETS $24,353$ $20,203$ EQUITY AND LIABILITIES $24,353$ $25,019$ Share capital $12,652$ $12,652$ $12,652$ Share premium $4,054$ $4,054$ $40,054$ Retained earnings $3,311$ $3,107$ $20,017$ $19,813$ Minority interest 35 36 $20,017$ $19,849$ Non-Current Liabilities $20,052$ $19,849$ 368 505 Deferred taxation 144 134 32 639 8322 639 Current Liabilities $2,751$ $3,213$ $00her payable & accruals$ 156 116 Borrowings B9 562 $1,202$ $3,469$ $4,331$ Total liabilities $3,469$ $4,331$	Trade receivables		5,561	10,552
Image: Total ASSETS Image: Image	Other receivables		1,431	1,743
TOTAL ASSETS $24,353$ $25,019$ EQUITY AND LIABILITIESEquity attributable to equity holders of the parentShare capital $12,652$ $12,652$ Share premium $4,054$ $4,054$ Retained earnings $3,311$ $3,107$ 20,01719,813Minority interest 35 36 Total equity $20,052$ 19,849Non-Current Liabilities 89 688 505 Deferred taxation 144 134 Borrowings 89 688 505 Current Liabilities 156 116 Borrowings 89 562 $1,202$ Trade payables $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $4,301$ $5,170$ TOTAL EQUITY AND LIABILITIES $24,333$ $25,019$ Number of ordinary shares in issue (000) $126,522$ $126,522$	Deposits, cash and bank balances		11,600	7,637
EQUITY AND LIABILITIESEquity attributable to equity holders of the parentShare capital12,652Share premium4,054Retained earnings3,311Minority interest35Total equity20,052Deferred taxation144Borrowings144Borrowings9Current LiabilitiesTrade payables2,751Other payable & accruals156Borrowings156ItesTrade payables2,751Other payable & accruals156Borrowings95621,2021,20324,35325,01924,353Number of ordinary shares in issue (000)126,522Number of ordinary shares in issue (000)126,522126,522126,522			18,871	20,203
Equity attributable to equity holders of the parentShare capital $12,652$ $12,652$ Share premium $4,054$ $4,054$ Retained earnings $3,311$ $3,107$ Winority interest 35 36 Total equity $20,052$ $19,849$ Non-Current Liabilities 144 134 Deferred taxation 144 134 Borrowings $B9$ 688 505 Current Liabilities $2,751$ $3,213$ Other payables $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $3,469$ $4,531$ Total liabilities $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $2,4353$ $25,019$ Number of ordinary shares in issue ('000) $126,522$ $126,522$	TOTAL ASSETS		24,353	25,019
Equity attributable to equity holders of the parentShare capital $12,652$ $12,652$ Share premium $4,054$ $4,054$ Retained earnings $3,311$ $3,107$ Winority interest 35 36 Total equity $20,052$ $19,849$ Non-Current Liabilities 144 134 Deferred taxation 144 134 Borrowings $B9$ 688 505 Current Liabilities $2,751$ $3,213$ Other payables $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $3,469$ $4,531$ Total liabilities $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $2,4353$ $25,019$ Number of ordinary shares in issue ('000) $126,522$ $126,522$	EQUITY AND LIABILITIES			
Share premium $4,054$ $4,054$ Retained earnings $3,311$ $3,107$ Minority interest 35 36 Total equity $20,052$ $19,849$ Non-Current Liabilities $20,052$ $19,849$ Deferred taxation 144 134 Borrowings $B9$ 688 505 Current Liabilities 144 134 Trade payables $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Trade payable & accruals $B9$ 562 $1,202$ Total liabilities $4,301$ $5,170$ Total Labilities $4,301$ $5,170$ TOTAL EQUITY AND LIABILITIES $24,353$ $25,019$ Number of ordinary shares in issue (000) $126,522$ $126,522$				
Retained earnings $3,311$ $3,107$ Minority interest 35 36 Total equity $20,052$ $19,849$ Non-Current Liabilities $20,052$ $19,849$ Deferred taxation 144 134 Borrowings $B9$ 688 505 Current Liabilities 832 639 Current Liabilities $2,751$ $3,213$ Other payables $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $4,301$ $5,170$ Total liabilities $4,301$ $5,170$ Number of ordinary shares in issue ('000) $126,522$ $126,522$	Share capital		12,652	12,652
Minority interest $20,017$ $19,813$ Minority interest 35 36 Total equity $20,052$ $19,849$ Non-Current Liabilities 144 134 BorrowingsB9 688 505 Current Liabilities $2,751$ $3,213$ Trade payables $2,751$ $3,213$ Other payable & accrualsB9 562 $1,202$ BorrowingsB9 562 $1,202$ Total liabilities $4,301$ $5,170$ Total liabilities $4,301$ $5,170$ Number of ordinary shares in issue ('000) $126,522$ $126,522$			4,054	4,054
Minority interest 35 36 Total equity $20,052$ $19,849$ Non-Current Liabilities 144 134 Deferred taxation 144 134 Borrowings $B9$ 688 505 Current Liabilities 892 688 505 Trade payables $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $4,301$ $5,170$ Total liabilities $4,301$ $5,170$ Number of ordinary shares in issue ('000) $126,522$ $126,522$	Retained earnings		3,311	3,107
Total equity $20,052$ $19,849$ Non-Current Liabilities 144 134 Deferred taxation 144 134 Borrowings $B9$ 688 505 Current Liabilities 832 639 Current Liabilities $2,751$ $3,213$ Other payable & accruals 156 116 Borrowings $B9$ 562 $1,202$ Total liabilities $4,301$ $5,170$ Total liabilities $4,301$ $5,170$ Number of ordinary shares in issue ('000) $126,522$ $126,522$ $126,522$			20,017	19,813
Non-Current Liabilities Deferred taxation Borrowings B9 688 505 832 639 Current Liabilities 639 Trade payables 2,751 Other payable & accruals 156 Borrowings B9 562 1,202 3,469 4,301 5,170 5,170 TOTAL EQUITY AND LIABILITIES 24,353 Number of ordinary shares in issue ('000) 126,522 126,522	Minority interest		35	36
Deferred taxation 144 134 Borrowings B9 688 505 832 639 Current Liabilities 639 Trade payables 2,751 3,213 Other payable & accruals 156 116 Borrowings B9 562 1,202 Total liabilities 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522	Total equity		20,052	19,849
Borrowings B9 688 505 832 639 Current Liabilities 639 Trade payables 2,751 3,213 Other payable & accruals 156 116 Borrowings B9 562 1,202 3,469 4,301 5,170 Total liabilities 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522	Non-Current Liabilities			
Current Liabilities 832 639 Trade payables 2,751 3,213 Other payable & accruals 156 116 Borrowings B9 562 1,202 3,469 4,531 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522	Deferred taxation		144	134
Current Liabilities Trade payables 2,751 3,213 Other payable & accruals 156 116 Borrowings B9 562 1,202 3,469 4,531 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522	Borrowings	B9	688	505
Trade payables 2,751 3,213 Other payable & accruals 156 116 Borrowings B9 562 1,202 3,469 4,531 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522			832	639
Trade payables 2,751 3,213 Other payable & accruals 156 116 Borrowings B9 562 1,202 3,469 4,531 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522	Current Liabilities			
Other payable & accruals 156 116 Borrowings B9 562 1,202 3,469 4,531 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522			2,751	3.213
Borrowings B9 562 1,202 Total liabilities 3,469 4,531 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522	· ·			
3,469 4,531 Total liabilities 4,301 5,170 TOTAL EQUITY AND LIABILITIES 24,353 25,019 Number of ordinary shares in issue ('000) 126,522 126,522		B9		
TOTAL EQUITY AND LIABILITIES24,35325,019Number of ordinary shares in issue ('000)126,522126,522	U U U U U U U U U U U U U U U U U U U		3,469	
Number of ordinary shares in issue ('000)126,522126,522	Total liabilities		4,301	5,170
	TOTAL EQUITY AND LIABILITIES		24,353	25,019
	Number of ordinary shares in issue ('000)		126,522	126,522
	Net assets value per share (RM)		0.1582	0.1566

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED CASHFLOW STATEMENTS AS AT 31 MARCH 2009 (The figures have not been audited)

	3 months Ended 31 Mar 2009 RM'000	3 months Ended 31 Mar 2008 RM'000
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	228	704
Adjustment for :		
Depreciation of property, plant and equipment	66	50
Amortisation of prepaid lease payments	10	10
Amortisation of development expenditure	23	23
Interest expense	20	48
Interest income	(53)	(67)
Operating profit before working capital changes	294	768
Working capital changes :		
Increase in inventories	(8)	(49)
Decrease in receivables	5,303	1,581
(Decrease)/increase in payables	(422)	200
Cash generated from operating activities	5,167	2,500
Interest paid	(20)	(48)
Tax paid	(17)	(9)
Net cash generated from operating activities	5,130	2,443
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(184)	(186)
Development costs incurred	(285)	(77)
Interest income	53	67
Net cash used in investing activities	(416)	(196)
CASHFLOWS FROM FINANCING ACTIVITIES		
Net of bank borrowings	(751)	(950)
Net cash used in financing activities	(751)	(950)
Net increase in cash and cash equivalents	3,963	1,297
Cash and cash equivalents at beginning of financial year	7,637	8,484
Cash and cash equivalents at end of financial period	11,600	9,781
Cash and cash equivalents as at 31 Mar comprise the following :		
Cash and cash equivalents as at 51 Mar comprise the following.	2009	2008
	RM'000	RM'000
Deposits with licensed banks	6,662	3,236
Deposits with a money market fund	800	3,539
Deposits with a financial institution	800	2,049
Cash at bank	3,338	957
Bank overdraft	-	
	11,600	9,781

(The unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

SOLUTION ENGINEERING HOLDINGS BERHAD (Company No: 654575-P) (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 Equi	ty Holders of the S	SEHB ———		Minority Interest	Total Equity
	Share Capital RM'000	Non-distr Share Premium RM'000	ibutable Other Reserves RM'000	Distributable Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2008	12,652	4,054	-	2,744	19,450	38	19,488
Profit for the period	-	-	-	686	686	-	686
At 31 March 2008	12,652	4,054		3,430	20,136	38	20,174
At 1 January 2009	12,652	4,054	-	3,107	19,813	36	19,849
Profit for the period	-	-	-	204	204	(1)	203
At 31 March 2009	12,652	4,054	-	3,311	20,017	35	20,052

(The unaudited Condensed Consolidated Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS ("FRS") 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and is prepared in accordance with FRS 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market and should be read in conjunction with the audited consolidated financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 December 2008.

A2. Changes in accounting policies

The significant accounting policies and presentation adopted by the Group in this interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2008.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A4. Seasonality or cyclicality factors

The Group's operations were not affected by seasonal or cyclical changes.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items or events affecting assets, liabilities, equity, net income or cash flows of the Group during the financial quarter ended 31 March 2009.

A6. Material changes in estimates

There were no material changes in estimates that have had material effect in the current quarter results.

A7. Debts and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

A8. Dividends Paid

No dividends was paid during the current quarter.

A9. Segmental information

Segmental information for cumulative 3 months period ended 31 March 2009 and 31 March 2008 are as follows:

	Malaysia		Overseas		Consolidated		
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	
Revenue	1,008	3,616	355	736	1,363	4,352	
Gross profit	329	1,334	186	45	515	1,379	
Other income					631	81	
Administrative and distribution expe	nses and finance	cost			(918)	(756)	
Profit before taxation ("PBT")				_	228	704	
Taxation					(25)	(18)	
Profit for the period				=	203	686	

A10. Valuation of Property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the quarter under review.

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING (CONTD.)

A11. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current quarter.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

A13. Contingent liabilities

There were no material contingent liabilities as at the date of this announcement.

A14. Capital commitment

There were no material capital commitments as at the date of this announcement.

A15. Subsequent events

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE MESDAQ MARKET

B1. Review of performance

During the financial quarter under review, the Group achieved revenue of RM1.357 million and PBT of RM231,000 which represents 68.8% and 67.1% lower as compared to the preceding year corresponding quarter revenue of RM4.352 million and PBT of RM704,000 respectively. The decrease in revenue and PBT were mainly due to lower sales of SOLTEQ equipment projects recognised. During the quarter under review, the development works on spent bleaching earth project financed by government grant has commenced. As such, operating and administration expenses related to the biolubricant and spent bleaching earth project have been apportioned to the respective subsidiaries. Total government grant recognised for the two projects during the quarter under review of RM497,000 was included under "other income" of RM631,000 and the matching R&D expenditure was included under "administrative and distribution expenses" of RM898,000. Total development expenditure incurred not matched by the grant of RM273,000 has been capitalised in the current quarter.

B2. Material Change in PBT compared with the immediate preceding quarter

The Group registered lower revenue of RM1.357 million as compared to RM3.408 million recorded in the immediate preceding quarter. Despite lower revenue achieved, the PBT has increased to RM231,000 from RM64,000 in the immediate preceding quarter. Higher PBT registered is due to improved GP margin of SOLTEQ equipment projects and lower operating expenditure recorded in the current quarter under review.

B3. Current year prospects

The Group's performance are expected to improve in the coming quarters ending 31 December 2009. Barring unforseen circumstances, the Board are anticipating satisfactory performance for the financial year ending 31 December 2009.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE MESDAQ MARKET (CONTD.)

B4. Profit guarantee

There was no profit forecast or profit guarantee issued by the Group.

B5. Taxation

Quarter ended		Year- to	-date	
31.3.0931.3.08RM'000RM'000		31.3.09 RM'000	31.3.08 RM'000	
(25)	(18)	(25)	(18)	
	31.3.09	31.3.09 31.3.08 RM'000 RM'000	31.3.09 31.3.08 31.3.09 RM'000 RM'000 RM'000	

A subsidiary i.e. Solution Engineering Sdn Bhd was granted Pioneer Status under Section 14A of the Promotion of Investments (Amendments) Act, 1986 for a period of five years from 1 Jan 2005 to 31 Jan 2010. One (1) of the financial incentives of having the Pioneer Status is a five (5) year exemption from Malaysia income tax from income derived from Multimedia Super Corridor related activities.

As such, these income tax expense relates to interest and rental income.

B6. Profit on sale of unquoted investments and/or properties

There were no disposal of unquoted investment and/or properties for the financial year todate.

B7. Purchase or disposal of quoted securities

There were no disposal of quoted securities for the financial year todate.

- **B8.** Status of corporate proposals announced but not completed as at 21 May 2009 and status of utilisation of proceeds
 - (a) There were no corporate proposals announced but not completed as at 21 May 2009.

(b) Utilisation of listing proceeds from initial public offering

Details of utilisation		Proposed Utilisation	Actual Utilisation	Deviation Amount	Explanations
		RM'000	RM'000	RM'000	
Bank borrowing		600	600	-	Completed
Demonstration and Training					
Center		500	326	174	On going utilisation
Research and development					
Expenditure		2,100	1,948	152	On going utilisation
Working capital					
- Local		2,500	2,500	-	Completed
- Overseas		1,500	1,500	-	Completed
Listing expenses	Note	1,300	1,300	-	Completed
Total	-	8,500	8,174	326	-
	=				

Note : Unutilised listing expenses of RM253,532 and Overseas working capital of RM706,000 have been transferred to local working capital.

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE MESDAQ MARKET (CONTD.)

B9. Group borrowings and debt securities

Details of the Group's borrowings as at 31 March 2009 are as follows :

	Short-Term RM'000	Long-Term RM'000	Total RM'000
Secured :			
Term loan	175	321	496
Hire purchase	129	367	496
Trust receipts	258	-	258
Total	562	688	1,250

B10. Off balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

B11. Material litigation

There were no material litigations pending at the date of this announcement.

B12. Dividends

No dividends was declared or paid during the current quarer.

B13. Earnings per share

	Individ	dual	Cumulative		
	Quarter ended 31.3.09	Quarter ended 31.3.08	Quarter ended 31.3.09	Quarter ended 31.3.08	
Net profit for the period attributable to equity holders (RM'000)	204	686	204	686	
No. of ordinary shares in issue ('000)	126,522	126,522	126,522	126,522	
Basic EPS (sen)	0.161	0.542	0.161	0.542	

BY ORDER OF THE BOARD SOLUTION ENGINEERING HOLDINGS BERHAD