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

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

		INDIVIDUAL	QUARTER	CUMULATIVE QUARTER			
		1 Oct 09 to 31 Dec 09	1 Oct 08 to 31 Dec 08 Preceding Year	1 Jan 09 to 31 Dec 09	1 Jan 08 to 31 Dec 08 Preceding Year To-Date		
		Current Quarter RM'000	Corresponding Quarter RM'000	Current Year To-Date RM'000	Corresponding Quarter RM'000		
Revenue		6,458	3,408	13,090	11,962		
Cost of sale		(3,615)	(2,764)	(8,068)	(8,472)		
Gross profit		2,843	644	5,022	3,490		
Other income		264	777	1,958	2,175		
Administrative and distribution expenses		(933)	(1,341)	(3,652)	(4,498)		
Finance cost		(42)	(16)	(110)	(126)		
Profit before tax		2,132	64	3,218	1,041		
Income tax expense	В5	(21)	(4)	(79)	(45)		
Profit for the period	_	2,111	60	3,139	996		
Attributable to :							
Equity holders of the parent Minority Interest	_	2,113 (2)	61 (1)	3,146 (7)	998 (2)		
	_	2,111	60	3,139	996		
Earnings per share attributable to equity holders of parent :							
Basic, for profit for the period (sen)	B13	1.670	0.048	2.487	0.789		

(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 DEC 2009

(The figures have not been audited)

ASSETS Non-current assets Property, plant and equipment 1,605 1,436 Prepaid lease payments 2,680 2,721 Intangible assets 4,062 659 Rate 4,816 6 Current Assets 311 271 Inventories 311 271 Trade receivables 10,032 10,552 Other receivables 9,874 7,637 Deposits, cash and bank balances 9,874 7,637 TOTAL ASSETS 29,449 25,019 EQUITY AND LIABILITIES 29,449 25,019 Equity attributable to equity holders of the parent 21,072 12,652 Share premium 4,054 4,054 Retained carmings 4,988 3,107 Differed taxation 21,723 19,849 Non-Current Liabilities 29 36 Deferred taxation 176 134 Borrowings 89 1,464 505 Other payables 3,144 3,213 3,20			Unaudited 31 Dec 2009 RM'000	Audited 31 Dec 2008 RM'000
$\begin{array}{c ccccc} Property, plant and equipment & 1.605 & 1.436 \\ Prepaid lease payments & 2.680 & 2.721 \\ Intangible assets & 40.662 & 659 \\ \hline & & & & & & & & & & & \\ \hline & & & & &$	ASSETS			
Prepaid lease payments 2,680 2,721 Intangible assets $\frac{4,062}{8,347}$ $\frac{659}{4,816}$ Current Assets 10,032 10,552 Inventories 311 271 Trade receivables 10,032 10,552 Other receivables 9,874 7,637 Deposits, cash and bank balances $21,102$ 20,0203 TOTAL ASSETS 21,102 20,0203 EQUITY AND LIABILITIES 21,652 12,652 Equity attributable to equity holders of the parent 3,107 21,694 19,813 Share capital 4,054 4,054 4,054 Retained earnings 21,694 19,813 19,813 Minority interest 29 36 36 Total equity 21,723 19,849 19,849 Non-Current Liabilities 9 1,640 639 Deferred taxation 89 3,144 3,213 Borrowings 89 693 1,202 Startion 2,249 116 639 Deferred taxation 2,249 116 639	Non-current assets			
Intangible assets $4,062$ 659 Restrict Assets 10,032 10,032 10,552 Inventories 311 271 Trade receivables 0.032 10,552 Other receivables 885 1,743 Deposits, cash and bank balances $9,874$ $7,637$ 20,003 20,003 20,003 TOTAL ASSETS $29,449$ $25,019$ EQUITY AND LIABILITIES Equity attributable to equity holders of the parent 888 $3,107$ Share capital 12,652 12,652 12,652 Share capital 21,694 19,813 Minority interest 29 36 Total equity 21,723 19,849 Non-Current Liabilities 21,694 639 Deferred taxation 176 134 Borrowings B9 1,464 505 Other payables 3,144 3,213 Other payables 3,144 3,213 Other payables 3,144 3,213 Other payables 6,086 4,531 Other payables	Property, plant and equipment		1,605	1,436
Baseline Baseline Baseline Current Assets 311 271 Inventories 311 271 Trade receivables 10,032 10,552 Other receivables 9,874 7,637 Deposits, cash and bank balances 9,874 7,637 TOTAL ASSETS 21,102 20,203 TOTAL ASSETS 29,449 25,019 EQUITY AND LIABILITIES 12,652 12,652 Share penium 4,054 4,054 Retained earnings 4,988 3,107 Minority interest 29 36 Total equity 21,723 19,849 Non-Current Liabilities 29 36 Deferred taxation 176 134 Borrowings 89 1,464 505 Current Liabilities 3,144 3,213 016 Borrowings 89 6,036 4,531 Total equity AND LIABILITIES 2,249 116 Borrowings 89 6,036 4,531	Prepaid lease payments		2,680	2,721
Current Assets 311 271 Inventories 311 271 Trade receivables 10.032 10.552 Other receivables 885 1.743 Deposits, cash and bank balances 9.874 7.637 TOTAL ASSETS 21.102 20.203 TOTAL ASSETS 29.449 25.019 EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital 12.652 12.652 12.652 Share premium 4.054 4.054 4.054 Retained earnings 21.694 19.813 Minority interest 29 36 Total equity 21.723 19.849 Non-Current Liabilities 7.723 19.849 Deferred taxation 89 1.640 639 Current Liabilities 3.144 3.213 Other payable & accruals 2.249 116 Borrowings 89 603 1.202 Gurrent Liabilities 7.726 5.170	Intangible assets		4,062	659
$\begin{array}{c ccccc} Inventories & 311 & 271 \\ Trade receivables & 10,032 & 10,552 \\ Other receivables & 885 & 1,743 \\ Deposits, cash and bank balances & 9,874 & 7,637 \\ \hline & 21,102 & 20,203 \\ \hline TOTAL ASSETS & 29,449 & 25,019 \\ \hline \\ EQUITY AND LIABILITIES \\ Equity attributable to equity holders of the parent \\ Share capital & 12,652 & 12,652 \\ Share premium & 4,054 & 4,054 \\ Retained earnings & 4,958 & 3,107 \\ \hline & 21,694 & 19,813 \\ \hline \\ Minority interest & 29 & 36 \\ \hline & 21,694 & 19,813 \\ \hline \\ Deferred taxation & 176 & 134 \\ Borrowings & B9 & 1,464 & 505 \\ \hline \\ Current Liabilities & & & \\ Trade payables & 3,144 & 3,213 \\ Other payables & accruals & & & \\ Deforwings & B9 & 693 & 1,202 \\ \hline \\ Total liabilities & & & & \\ Trade payables & accruals & & & & \\ Deformings & B9 & 693 & 1,202 \\ \hline \\ Total liabilities & & & & & \\ Total liabilities & & & & & \\ Trade payables & 0,086 & 4,531 \\ \hline \\ Total liabilities & & & & & & \\ Total liabilities & & & & & \\ Total liabilities & & & & & & \\ Total liabilities & & & & & & & \\ Total liabilities & & & & & & & \\ Total liabilities & & & & & & & & \\ Total liabilities & & & & & & & & \\ Total liabilities & & & & & & & & \\ Total liabilities & & & & & & & & & \\ Total liabilities & & & & & & & & & & \\ Total liabilities & & & & & & & & & & & \\ Total liabilities & & & & & & & & & & & \\ Total liabilities & & & & & & & & & & & & \\ Total liabilities & & & & & & & & & & & & & & \\ Total liabilities & & & & & & & & & & & & & & & \\ Total liabilities & & & & & & & & & & & & & & & & & & \\ Total liabilities & & & & & & & & & & & & & & & & & & &$			8,347	4,816
$\begin{array}{c cccc} Trade receivables & 10,032 & 10,552 \\ Other receivables & 885 & 1,743 \\ Deposits, cash and bank balances & 9,874 & 7,637 \\ \hline 21,102 & 20,203 \\ \hline 29,449 & 25,019 \\ \hline \\ \hline EQUITY AND LIABILITIES \\ \hline Equity attributable to equity holders of the parent \\ Share capital & 12,652 & 12,652 \\ Share premium & 4,054 & 4,054 \\ Retained earnings & 4,988 & 3,107 \\ \hline Minority interest & 29 & 36 \\ \hline Total equity & 21,723 & 19,849 \\ \hline \\ Non-Current Liabilities \\ Deferred taxation & 176 & 134 \\ Borrowings & B9 & 1,464 & 505 \\ \hline Trade payables & 3,144 & 3,213 \\ Other payable & accruals & B9 & 693 & 1,202 \\ \hline Total liabilities & 10000 & 10000 & 10000 & 10000 & 10000 & 10000 & 10000 & 1000000 & 1000000 & 1000000 & 10000000 & 10000000 & 10000000 & 100000000$	Current Assets			
Other receivables 885 1,743 Deposits, cash and bank balances $9,874$ $7,637$ Deposits, cash and bank balances $9,874$ $7,637$ TOTAL ASSETS $29,449$ $25,019$ EQUITY AND LIABILITIES Equity attributable to equity holders of the parent $29,449$ $25,019$ FAR capital $12,652$ $12,652$ $12,652$ Share capital $12,652$ $12,652$ $12,652$ Share capital $4,054$ $4,054$ 4054 Retained earnings $4,988$ $3,107$ $9,838$ Total equity $21,694$ $19,813$ $9,849$ Non-Current Liabilities 29 36 Deferred taxation 176 134 Borrowings $B9$ $1,640$ 639 Current Liabilities $2,249$ 116 Borrowings $B9$ 6033 $1,202$ Total liabilities $7,726$ $5,170$ Total liabilities $7,726$ $5,170$	Inventories		311	271
Deposits, cash and bank balances $9,874$ $7,637$ TOTAL ASSETS $21,102$ $20,203$ TOTAL ASSETS $29,449$ $25,019$ EQUITY AND LIABILITIES Equity attributable to equity holders of the parent $29,449$ $25,019$ EQUITY AND LIABILITIES $12,652$	Trade receivables		10,032	10,552
21,102 $20,203$ 29,449 25,019 EQUITY AND LIABILITIES $29,449$ $25,019$ Equity attributable to equity holders of the parent $12,652$ $12,652$ $12,652$ Share capital $12,652$ $12,652$ $12,652$ $12,652$ Share premium $4,054$ $4,054$ $4,054$ Retained earnings $4,988$ $3,107$ Minority interest 29 36 Total equity $21,723$ $19,849$ Non-Current Liabilities 29 36 Deferred taxation 176 134 Borrowings B9 $1,464$ 505 Other payables $3,144$ $3,213$ Other payables $3,144$ $3,213$ Other payables $3,144$ $3,213$ Other payable & accruals $2,249$ 116 Borrowings B9 693 $1,202$ Goldse $4,531$ $7,726$ $5,170$ Other payable & accruals $29,449$	Other receivables		885	1,743
TOTAL ASSETS29,44925,019EQUITY AND LIABILITIESEquity attributable to equity holders of the parentShare capital12,65212,652Share premium4,0544,054Retained earnings4,9883,10721,69419,81321,694Minority interest2936Total equity21,72319,849Non-Current Liabilities176134Borrowings891,464505Current Liabilities3,1443,213Other payable & accruals2,249116Borrowings896,0864,531Total liabilities7,7265,170TOTAL EQUITY AND LIABILITIES29,44925,019	Deposits, cash and bank balances		9,874	7,637
EQUITY AND LIABILITIESEquity attributable to equity holders of the parentShare capital12,652Share premium4,054Retained earnings4,9883,107Zil,69419,813Minority interest2936Total equity21,723Non-Current LiabilitiesDeferred taxation176Borrowings176Current LiabilitiesTrade payables3,144Other payable & accruals2,249Borrowings116Borrowings9Gotal Equity2,213Trade payables3,1443,12026,0864,5311,202Total liabilities7,726Total Equity AND LIABILITIES29,44920,24925,019			21,102	20,203
Equity attributable to equity holders of the parentShare capital $12,652$ $12,652$ Share premium $4,054$ $4,054$ Retained earnings $4,988$ $3,107$ Difference 29 36 Total equity $21,723$ $19,849$ Non-Current Liabilities $21,723$ $19,849$ Deferred taxation 176 134 Borrowings 89 $1,464$ 505 Trade payables $3,144$ $3,213$ Other payable & acruals $2,249$ 116 Borrowings 89 $6,086$ $4,531$ Total liabilities $7,726$ $5,170$ Total liabilities $7,726$ $5,170$ Total LABILITIES $29,449$ $25,019$	TOTAL ASSETS		29,449	25,019
Share capital $12,652$ $12,652$ Share premium $4,054$ $4,054$ Retained earnings $4,988$ $3,107$ Minority interest 29 36 Total equity $21,694$ $19,813$ Non-Current Liabilities 29 36 Deferred taxation 176 134 Borrowings 89 $1,464$ 505 Current Liabilities $1,640$ 639 Current Liabilities $2,249$ 116 Borrowings 89 $6,036$ $4,531$ Other payable & accruals $2,249$ 116 Borrowings 89 $6,086$ $4,531$ Total liabilities $7,726$ $5,170$ Total liabilities $7,726$ $5,170$ TOTAL EQUITY AND LIABILITIES $29,449$ $25,019$	EQUITY AND LIABILITIES			
Share premium $4,054$ $4,054$ Retained earnings $4,988$ $3,107$ Z1,694 19,813 Minority interest 29 36 Total equity 21,723 19,849 Non-Current Liabilities 21,723 19,849 Deferred taxation 176 134 Borrowings 89 1,464 505 1,640 639 639 Current Liabilities 3,144 3,213 Trade payables 3,144 3,213 Other payable & accruals 2,249 116 Borrowings B9 693 1,202 Total liabilities 7,726 5,170 Total liabilities 7,726 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019	Equity attributable to equity holders of the parent			
Retained earnings $4,988$ $3,107$ Minority interest 29 36 Total equity $21,723$ $19,849$ Non-Current Liabilities $21,723$ $19,849$ Deferred taxation 176 134 Borrowings $B9$ $1,464$ 505 Current Liabilities $2,249$ 116 Borrowings $B9$ $6,933$ $1,202$ Gobs $4,531$ $7,726$ $5,170$ Total liabilities $7,726$ $5,170$ Total LABILITIES $29,449$ $25,019$	Share capital		12,652	12,652
Minority interest $21,694$ $19,813$ Total equity 29 36 Non-Current Liabilities $21,723$ $19,849$ Deferred taxation 176 134 Borrowings B9 $1,464$ 505 Current Liabilities $1,640$ 639 Current Liabilities $2,249$ 116 Borrowings B9 $6,933$ $1,202$ Total liabilities $7,726$ $5,170$ Total liabilities $7,726$ $5,170$ TOTAL EQUITY AND LIABILITIES $29,449$ $25,019$	Share premium		4,054	4,054
Minority interest2936Total equity21,72319,849Non-Current Liabilities 176 134Deferred taxation 89 $1,464$ 505 Borrowings 89 $1,464$ 505 Current Liabilities $3,144$ $3,213$ Trade payables $3,144$ $3,213$ Other payable & accruals 89 693 $1,202$ Borrowings 89 693 $1,202$ Total liabilities $7,726$ $5,170$ TOTAL EQUITY AND LIABILITIES $29,449$ $25,019$	Retained earnings		4,988	3,107
Total equity $21,723$ $19,849$ Non-Current Liabilities 176 134 Deferred taxation $B9$ $1,464$ 505 Borrowings $B9$ $1,464$ 639 Current Liabilities $3,144$ $3,213$ Trade payables $3,144$ $3,213$ Other payable & accruals $B9$ 693 $1,202$ Borrowings $B9$ $6,086$ $4,531$ Total liabilities $7,726$ $5,170$ TOTAL EQUITY AND LIABILITIES $29,449$ $25,019$			21,694	19,813
Non-Current LiabilitiesDeferred taxationBorrowingsB9 $1,464$ 505 $1,640$ 639 Current LiabilitiesTrade payablesOther payable & accrualsBorrowingsB9 $6,086$ $4,531$ Total liabilitiesTOTAL EQUITY AND LIABILITIES29,44925,019	Minority interest		29	36
Deferred taxation 176 134 Borrowings B9 $1,464$ 505 1,640 639 Current Liabilities Trade payables $3,144$ $3,213$ Other payable & accruals $2,249$ 116 Borrowings B9 693 $1,202$ Total liabilities $7,726$ $5,170$ TOTAL EQUITY AND LIABILITIES $29,449$ $25,019$	Total equity		21,723	19,849
Borrowings B9 1,464 505 1,640 639 Current Liabilities 7 Trade payables 3,144 3,213 Other payable & accruals 2,249 116 Borrowings B9 693 1,202 6,086 4,531 1202 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019	Non-Current Liabilities			
Image: Current Liabilities 1,640 639 Trade payables 3,144 3,213 Other payable & accruals 2,249 116 Borrowings B9 693 1,202 6,086 4,531 1,726 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019	Deferred taxation		176	134
Current Liabilities Trade payables 3,144 3,213 Other payable & accruals 2,249 116 Borrowings B9 693 1,202 6,086 4,531 Total liabilities 7,726 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019	Borrowings	B9	1,464	505
Trade payables 3,144 3,213 Other payable & accruals 2,249 116 Borrowings B9 693 1,202 6,086 4,531 100 100 Total liabilities 7,726 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019			1,640	639
Other payable & accruals 2,249 116 Borrowings B9 693 1,202 6,086 4,531 Total liabilities 7,726 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019	Current Liabilities			
Other payable & accruals 2,249 116 Borrowings B9 693 1,202 6,086 4,531 Total liabilities 7,726 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019	Trade payables		3,144	3,213
Borrowings B9 693 1,202 6,086 4,531 Total liabilities 7,726 5,170 TOTAL EQUITY AND LIABILITIES 29,449 25,019			2,249	116
Total liabilities7,7265,170TOTAL EQUITY AND LIABILITIES29,44925,019	Borrowings	B9	693	1,202
TOTAL EQUITY AND LIABILITIES29,44925,019			6,086	4,531
	Total liabilities		7,726	5,170
Number of ordinary shares in issue ('000) 126,522 126,522	TOTAL EQUITY AND LIABILITIES		29,449	25,019
	Number of ordinary shares in issue ('000)		126,522	126,522
Net assets value per share (RM)0.17150.1566			0.1715	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 DEC 2009 (The figures have not been audited)

	12 months Ended 31 Dec 2009 RM'000	12 months Ended 31 Dec 2008 RM'000
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,218	1,041
Adjustment for :		
Depreciation of property, plant and equipment	267	240
Amortisation of prepaid lease payments	41	42
Amortisation of development expenditure	93	221
Interest expense	110	126
Interest income	(193)	(183)
Operating profit before working capital changes	3,536	1,487
Working capital changes :		
Increase in inventories	(40)	(48)
Decrease/(increase) in receivables	1,395	(1,131)
Increase in payables	2,064	670
Cash generated from operating activities	6,955	978
Interest paid	(110)	(126)
Tax paid	(54)	(41)
Net cash generated from operating activities	6,791	811
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(436)	(288)
Development costs incurred	(3,496)	(264)
Interest income	193	183
Net cash used in investing activities	(3,739)	(369)
CASHFLOWS FROM FINANCING ACTIVITIES		
Net of borrowings	450	(656)
Payment of dividend	(1,265)	(633)
Net cash used in financing activities	(815)	(1,289)
Net increase/(decrease) in cash and cash equivalents	2,237	(847)
Cash and cash equivalents at beginning of financial year	7,637	8,484
Cash and cash equivalents at end of financial year	9,874	7,637
Cush and cush equivalents at end of maneur year		1,001
Cash and cash equivalents as at 31 Dec comprise the following :	2000	2008
	2009 DM/000	2008 DM/000
	RM'000	RM'000
Deposits with licensed banks	5,941	5,824
Deposits with a money market fund	813	-
Deposits with a financial institution	815	-
Cash at bank	2,305	1,813
	9,874	7,637
	/	,

(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 DEC 2009 (The figures have not been audited)

	A	ttributable to Equi	ty Holders of the	SDHIB		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/(loss) for the period	-	-	-	998	998	(2)	996
Dividend paid	-	-	-	(633)	(633)	-	(633)
At 31 Dec 2008 (unaudited)	12,652	4,054	-	3,109	19,815	36	19,851
At 1 January 2009 (audited)	12,652	4,054	-	3,107	19,813	36	19,849
Profit/(loss) for the period	-	-	-	3,146	3,146	(7)	3,139
Dividend paid	-	-	-	(1,265)	(1,265)	-	(1,265)
At 31 Dec 2009	12,652	4,054	-	4,988	21,694	29	21,723

(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 Dec 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

An interim tax-exempt dividend of 10% per ordinary share of RM0.10 each amounting to RM1,265,220.00 in respect of the financial year ended 31 December 2009 was paid on 24 December 2009.

A9. Segmental information

Segmental information for cumulative 12 months period ended 31 Dec 2009 and 31 Dec 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	11,011	9,314	2,026	2,648	13,037	11,962	
Gross profit	4,147	2,517	875	973	5,022	3,490	
Other income					1,958	2,175	
Administrative and distribution expe	nses and finance	cost			(3,762)	(4,624)	
Profit before taxation ("PBT")				_	3,218	1,041	
Taxation					(79)	(45)	
Profit for the period				=	3,139	996	

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. Significant Related Party Transaction

There were no significant related party transactions during the period under review.

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

B1. Review of performance

During the current quarter under review, the Group continued to achieve higher revenue and PBT of RM6.458 million and RM2.132 million as compared to RM3.408 million and RM64,000 respectively achieved in the same quarter prior year. The significant increases in revenue and PBT were due to increased order book in the last quarter and recognition of higher value of SOLTEQ equipments and R&D projects.

The cumulative current year to date (YTD) revenue recorded is RM13.09 million as compared to RM11.962 million for the same period in preceding year. PBT for current YTD increased to RM3.218 million from RM1.041 million recorded for the same period in preceding year. Total R&D expenditure recognised for the two projects during the quarter under review was approximately RM805,000.

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

The current quarter revenue of the Group increased to RM6.458 million from RM3.060 million recordered in the immediate preceding quarter. The increase in revenue for the current quarter under review was due to improved profit margin and acceleration of work activities on higher value SOLTEQ R&D projects which resulted in a higher PBT of RM2.132 million recorded as compared to immediate preceding quarter's PBT of RM539,000.

B3. Prospects for the financial year ending 31 December 2010

The Group are anticipating favourable financial year 2010 as the two R&D projects namely waste to energy recycling and production of environment-friendly biolubricant baseoil which are currently undertaken by the Group's subsidiaries are expected to complete and commercialise in the financial year 2010. The two projects would have positive impact on the earnings and growth of the Group.

Nevertheless, the Group will continue to focus to promote SOLTEQ equipments locally and overseas to improve the profit margins.

The Board of Directors is optimistic that the Group's financial performance for the financial year ending 31 December 2010 would be further improved.

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	o-date
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
In respect of the current year taxation	(21)	(4)	(79)	(45)

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 25 February 2010 and status of utilisation of proceeds

(a) There were no corporate proposals announced but not completed as at 25 February 2010.

(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	473	-	Completed	
Research and development						
Expenditure		2,100	2,100	-	Completed	
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	8,473	-		

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 Dec 2009 are as follows :

	Short-Term RM'000	Long-Term RM'000	Total RM'000
Secured :			
Term loan	150	1,269	1,419
Hire purchase	83	195	278
Trust receipts	460	-	460
Total	693	1,464	2,157

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

An interim tax-exempt dividend of 10% per ordinary share of RM0.10 each amounting to RM1,265,220.00 in respect of the financial year ended 31 December 2009 was paid on 24 December 2009.

B13. Earnings per share

	Individual		Cumula	Cumulative	
	QuarterQuarterendedended31.12.0931.12.08		Quarter ended 31.12.09	Quarter ended 31.12.08	
Net profit for the period attributable to equity holders (RM'000)	2,113	61	3,146	998	
No. of ordinary shares in issue ('000)	126,522	126,522	126,522	126,522	
Basic EPS (sen)	1.670	0.048	2.487	0.789	

BY ORDER OF THE BOARD SOLUTION ENGINEERING HOLDINGS BERHAD