



SUMMARY OF KEY FINANCIAL INFORMATION FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31.12.2006 RM'000	31.12.2005 RM'000	31.12.2006 RM'000	31.12.2005 RM'000
1. Revenue	19,511	20,028	61,386	54,663
2. Profit before tax	2,256	2,862	7,122	7,044
3. Profit for the period	1,694	2,423	5,698	5,567
4. Profit attributable to ordinary equity holders of the parent.	1,672	2,318	5,415	5,210
5. Basic earnings per share (sen).	0.86	1.19	2.78	2.68
6. Proposed/Declared dividend per share (sen).	-	-	-	-
	As At End Of Current Quarter		As At Preceding Financial Year End	
7. Net asset per share attributable to ordinary equity holders of the parent (RM).	1.46		1.43	



SITT TATT BERHAD (55576-A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THIRD QUARTER
ENDED 31 DECEMBER 2006.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2006 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2005 RESTATED RM'000	CURRENT YEAR TO DATE 31.12.2006 RM'000	PRECEDING YEAR TO DATE 31.12.2005 RESTATED RM'000
Revenue	19,511	20,028	61,386	54,663
Operating Expenses	(17,631)	(18,185)	(55,301)	(50,609)
Other Operating Income	(103)	61	315	304
Profit From Operation	1,777	1,904	6,400	4,358
Finance Cost	(212)	(272)	(683)	(884)
Share of results of associates	691	1,230	1,405	3,570
Profit before tax	2,256	2,862	7,122	7,044
Taxation	(562)	(439)	(1,424)	(1,477)
Profit for the period/ Year	1,694	2,423	5,698	5,567
Profit attributable to ordinary equity holders of the parent	1,672	2,318	5,415	5,210
Minority Interest	22	105	283	357
Profit For The Period/Year	1,694	2,423	5,698	5,567
Earnings Per Share (EPS)				
- Basic (sen)	0.86	1.19	2.78	2.68
- Diluted (sen)	0.73	1.01	2.37	2.28

(The Unaudited Condensed Consolidated Income Statement Should Be Read In Conjunction With
The Audited Financial Statements For The Year Ended 31 March 2006).

**SITT TATT BERHAD (55576-A)**

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT

	31 December 2006 (UNAUDITED) RM'000	31 March 2006 (AUDITED) RM'000
NON-CURRENT ASSETS		
Property , Plant and Equipment	27,351	26,697
Intangible Assets	153,512	153,460
Investment in Associates	-	66,668
Investment in Associates classified as held for sale	68,073	-
Other Investments	533	533
Fixed deposits with licensed banks	783	758
Deferred tax asset	355	351
	<u>250,607</u>	<u>248,467</u>
CURRENT ASSETS		
Inventories	8,672	9,894
Trade Receivables	19,409	20,045
Tax Recoverable	72	73
Other Receivables, Deposit and Prepayments	27,244	24,708
Cash & Cash Equivalent	11,657	9,044
	67,054	63,764
CURRENT LIABILITIES		
Trade Payables	7,248	5,589
Other Payables and Accruals	6,259	5,284
Bank Overdraft	2,691	3,272
Other Short Term Borrowings	6,470	8,708
Taxation	1,361	1,770
	24,029	24,623
NET CURRENT ASSETS	<u>43,025</u>	<u>39,141</u>
	<u>293,632</u>	<u>287,608</u>
EQUITY		
Share Capital		
- Ordinary Shares	194,590	194,590
- Irredeemable Convertible Preference Shares (ICPS)	34,138	34,138
Reserves	55,843	50,043
Equity Attributable To Equity Holders Of The Company	284,571	278,771
Minority Interest	6,629	6,332
Total Equity	291,200	285,103
NON-CURRENT LIABILITIES		
Borrowings	1,365	1,438
Deferred Tax Liabilities	1,067	1,067
	<u>293,632</u>	<u>287,608</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM).	1.46	1.43

(The Unaudited Condensed Consolidated Balance Sheet Should Be Read In Conjunction With The Audited Financial Statements For The Year Ended 31 March 2006.)



SITT TATT BERHAD (55576-A)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006.

	← Equity Attributable to Equity Holders Of The Parent →									
	← Share Capital →			← Non Distributable Reserves →			TOTAL RM'000	Minority Interests RM'000	Total Equity RM'000	
	Ordinary Shares RM'000	Irredeemable Convertible		Share Premium RM'000	Capital Reserve RM'000	Foreign Exchange Reserve RM'000				Accum- ulated Loss RM'000
		Preference Shares (ICPS) RM'000	Share Premium RM'000							
9 Months Ended 31 December 2006										
At 1 April 2006	194,590	34,138	52,050	993	1,281	(4,281)	278,771	6,332	285,103	
Foreign Currency Translation	-	-	-	2	383	-	385	14	399	
Profit for the period	-	-	-	-	-	5,415	5,415	283	5,698	
At 31 December 2006	<u>194,590</u>	<u>34,138</u>	<u>52,050</u>	<u>995</u>	<u>1,664</u>	<u>1,134</u>	<u>284,571</u>	<u>6,629</u>	<u>291,200</u>	
9 Months Ended 31 December 2005										
At 1 April 2005	194,590	34,138	52,050	994	2,171	(6,341)	277,602	5,930	283,532	
Foreign Currency Translation	-	-	-	-	(1,016)	-	(1,016)	(28)	(1,044)	
Profit for the period	-	-	-	-	-	5,210	5,210	357	5,567	
At 31 December 2005	<u>194,590</u>	<u>34,138</u>	<u>52,050</u>	<u>994</u>	<u>1,155</u>	<u>(1,131)</u>	<u>281,796</u>	<u>6,259</u>	<u>288,055</u>	

(The Unaudited Condensed Consolidated Statement Of Changes In Equity Should Be Read In Conjunction With The Audited Financial Statements For The Year Ended 31 March 2006.)



SITT TATT BERHAD (55576-A)

INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006.

	2006 9 Months Ended 31 December	2005 9 Months Ended 31 December Restated
	RM'000	RM'000
Profit Before Tax	7,122	7,044
<u>Adjustment For Non-cash Flow :</u>		
Non-cash Items	818	(2,109)
Non-operating Items	375	684
Operating Profit Before Changes In Working Capital	8,315	5,619
<u>Changes In Working Capital</u>		
Net Changes In Current Assets	(2,106)	(3,476)
Net Changes In Current Liabilities	2,464	(1,651)
Cash Flow From Operating Activities	8,673	492
Tax Paid	(1,846)	(1,854)
Interest paid	(683)	(884)
Net Cash Flow From Operating Activities	6,144	(2,246)
<u>Investing Activities</u>		
- Equity investment	-	3
- Other investment	(281)	(312)
<u>Financing Activities</u>		
- Bank borrowings	(2,670)	(3,785)
Net Changes In Cash & Cash Equivalent	3,193	(6,340)
Cash & Cash Equivalent At Beginning Of The Quarter	5,773	12,438
Cash & Cash Equivalent At End Of The Quarter (refer Notes below)	8,966	6,098

(The Unaudited Condensed Consolidated Cash Flow Statement Should Be Read In Conjunction With The Audited Financial Statements For The Year Ended 31 March 2006.)

Notes

Cash & Cash Equivalent At End Of The Quarter Comprises Of :

	2006 9 Months Ended 31 December	2005 9 Months Ended 31 December Restated
	RM'000	RM'000
Bank OD	(2,691)	(3,781)
Cash & Bank and Short Term Deposit	11,657	9,879
	8,966	6,098



Part A – Explanatory Notes Pursuant to Financial Reporting Standards (FRS)134 Interim Financial Reporting

1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to understand the changes in the financial position and performance of the Group since the financial year ended 31 March 2006.

The accounting policies and method of computation applied in the preparation of these quarterly financial statements are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 March 2006.

2 Accounting Policies

The significant accounting policies adopted by the Group for the interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2006 except for the adoption of the following new or revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

- FRS 2 Share-based Payment
- FRS 3 Business Combinations
- FRS 5 Non-Current Assets Held for Sale and Discontinued Operations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Estimates and Errors
- FRS 110 Events after the Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effects of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investments in Associates
- FRS 131 Interest in Joint Ventures
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings per Share
- FRS 136 Impairment of Assets
- FRS 138 Intangible Assets
- FRS 140 Investment Property

The Group has not taken the option for early adoption of the following new or revised FRSs effective for financial period commencing 1 October 2006.

- FRS 117 Leases
- FRS 124 Related Party Disclosures



2. Accounting Policies (Cont'd)

The adoption of FRS 2, 3,5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, 138 & 140 does not have any financial impact on the Group. The principal effects of changes in accounting policies resulting from the adoption of the new/revised FRSs are as follows:

FRS 101: Presentation of Financial Statements

The adoption of FRS 101 has affected the presentation of minority interests in the consolidated balance sheet and share of results of associates, net of tax and minority interests in the consolidated income statement. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. On the face of the statement of changes in equity, total recognised income and expense for the period are disclosed together with the amounts attributable to equity holders of the parent and minority interests. In the consolidated cashflow statement, the share of results of associates are disclosed net of tax in the non-cash items in the adjustment for non-cash flow heading.

Certain comparatives have been restated to conform with the current period's presentation as follows:

	As previously stated RM'000	Re-classi- fication RM'000	As restated RM'000
a) Unaudited Condensed Consolidated Income Statement <u>Quarter ended 31 December 2005</u>			
Profit before tax	3,361	(499)	2,862
Share of results of associates	1,729	(499)	1,230
Taxation	(938)	499	(439)
b) Unaudited Condensed Consolidated Income Statement <u>Cumulative quarter ended 31 December 2005</u>			
Profit before tax	8,547	(1,503)	7,044
Share of results of associates	5,073	(1,503)	3,570
Taxation	(2,980)	1,503	(1,477)
c) Unaudited Consolidated Cashflow Statement as at 31 December 2005			
Profit before tax	8,547	(1,503)	7,044
Adjustment For Non-cash Flow : Non-cash Items	(3,612)	1,503	(2,109)



3 Auditors' Report on preceding Annual Financial Statements

The Auditors' Report on the preceding Annual Financial Statements for the year ended 31 March 2006 was not qualified.

4 Seasonal or cyclical factors

The Group's results for the current financial quarter and the financial year-to-date were not materially impacted by any seasonal or cyclical factors.

5 Unusual items due to their nature, size or incidence

Apart from the subsequent events as mentioned in note 12, there were no unusual items affecting assets, liabilities, equity, net income, or cash flow during the reporting quarter as well as the financial year to-date.

6 Changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial period or in prior financial years that have a material effect in the current quarter.

7 Debt and equity securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities.

8 Dividends paid

There were no dividends declared or paid during the quarter ended 31 December 2006 as well as financial year-to-date.

9 Investment in Associates classified as held for sale.

The Group had entered into a conditional share sale agreement with Prodair Corporation, USA for the proposed disposal of 31,500,000 ordinary shares of RM1.00 each representing the entire 30% equity interest held in an associate company, Air Products STB Sdn Bhd (APSTB) for a total cash consideration of RM70.0 million.

Consequently, the carrying amount of the investment in associates have been presented as investment in associates classified as held for sale on the consolidated balance sheet as at 31 December 2006.

For details and updates refer to note 24 on status of corporate proposals.

**10 Segmental information**

By business segments	Current quarter 3 months ended 31.12.2006		Cumulative quarter 9 months ended 31.12.2006	
	Turnover RM'000	Profit/ (Loss) before taxation RM'000	Turnover RM'000	Profit/ (Loss) before taxation RM'000
Semiconductor related industry	12,764	1,476	40,039	5,840
Industrial gases and related equipment	1,844	651	6,847	1,532
Industrial chemicals	454	(149)	1,581	(245)
Sticker and label printing	3,212	198	10,511	735
Investment holding	2,379	80	6,720	(740)
Elimination of inter-segment sales	(1,142)	-	(4,312)	-
	<u>19,511</u>	<u>2,256</u>	<u>61,386</u>	<u>7,122</u>

11 Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 March 2006.

12 Subsequent events

- a) The proposed disposal of the Company's associate company – Air Products STB Sdn Bhd (APSTB) has been completed and hence APSTB is no longer an associate of the Group. The proceeds of RM70 million were received in January 2007. For details, refer to note 24 on status of corporate proposals.
- b) Wellpath Pte.Ltd. (Wellpath), a wholly-owned subsidiary of the Company incorporated in Singapore, SkyServ Holdings Pte. Ltd. ("SkyServ") and Skyhigh Culinary Services Sdn. Bhd. ("SkyHigh") [collectively known as "the Parties"] have entered into a Supplemental Agreement and a new Shareholders Agreement in February 2007 to revise the terms of the Investment Agreement dated 3 April 2006 pertaining to the acquisition of shares by Wellpath in SkyServ.

Under the Investment Agreement dated 3 April 2006, Wellpath is to acquire a 42% equity interest in SkyServ by way of subscription of 314,863 new ordinary shares in SkyServ for SGD2.3 million and acquisition of 27,379 existing ordinary shares from SkyHigh for a purchase consideration of SGD200,000.



12 Subsequent events (Cont'd)

- b) Pursuant to the Supplemental Agreement to the Investment Agreement, the Parties agreed to revise the terms of the Investment Agreement whereby Wellpath shall invest up to 19.99% equity interest in SkyServ in the following manner:-
- (i) SGD989,885 by way of subscription of 90,703 new ordinary shares; and
 - (ii) SGD200,000 by way of purchase of 27,379 existing shares from SkyHigh.

The final payment of RM725,117 was made on 8th February 2007 to complete the purchase of 19.99% equity interest in SkyServ.

Other than the above events, there are no other material events subsequent to the current quarter.

13 Changes in composition of the Group

There are no changes in composition of the Group during the reporting quarter except for the subsequent events mention above under note 12.

14 Changes in contingent liabilities and contingent assets

As at 31 December 2006, the Company's proportionate contingent liability in respect of corporate guarantees given to certain banks and financial institutions for credit facilities granted to Air Products STB Sdn Bhd (APSTB) the associate company of the Group, are as follows :

Unsecured:	RM'000
- Utilised	208
- Unutilised	692
	<u>900</u>

With the completion on disposal for APSTB as mention in note 12 on subsequent events, the Company is now in the midst of discharging itself from the corporate guarantee given to the banks for credit facilities granted to APSTB.

There were no contingent assets during the reporting quarter as well as the financial year-to-date.

15 Capital commitments

There is an amount of RM725,117 relating to a commitment for acquiring an investment which was approved and contracted for but was not provided for in the interim financial statements as at 31 December 2006. For details refer to note 12(b) for subsequent events.

16 Significant related party transactions

	Current quarter 3 months ended 31.12.2006 RM'000	Cumulative quarter 9 months ended 31.12.2006 RM'000
Management fees charged to associate company APSTB	1,075	2,529



Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

17a) Review of results for the current quarter for the period ended 31 December 2006 and 31 December 2005 .

For the three months ended 31 December 2006, the Group recorded a lower net profit for the period of RM1.7 million as compared to RM2.4 million reported in the preceding year's corresponding quarter. The decrease in the net profit for the period of RM0.7 million or 29% was mainly contributed by lower revenue and also lesser contribution of share of results from its associate company which is involved in industrial gases business.

The Group recorded revenue of RM19.5 million for the period of three months ended 31 December 2006. This is a reduction of RM0.5 million or 3% as compared to the preceding year's corresponding quarter of RM20.0 million. This was mainly attributable to lower sales in both the industrial chemicals and semiconductor- related segments.

b) Review of results for the 9 months period ended 31 December 2006 and 31 December 2005.

For the nine-month period ended 31 December 2006, the Group registered a profit of RM5.7 million for the period, an increase of RM0.1 million or 2% as compared to RM5.6 million reported in the preceding year's corresponding period. The slight increase in the profit for the period was mainly attributable to higher revenue recorded by the Group.

The Group recorded RM61.4 million in revenue for the nine-month period ended 31 December 2006 and this represents an increase of RM6.7 million or 12% as compared to the revenue reported in the preceding year's corresponding period of RM54.7 million. The increase in revenue is mainly attributable to higher revenue generated by the semiconductor-related segment as well as industrial gases segment.

18 Material changes in (loss)/profit before taxation vs. preceding quarter

The Group recorded a lower profit before tax of RM2.3 million for the reporting quarter ended 31 December 2006 as compared to the RM2.6 million reported in the preceding quarter ended 30 September 2006.

The slight reduction in the profit before tax of RM0.3 million or 12% was mainly due to lower revenue and profit before tax recorded by the semiconductor related segment.

19 Current financial year prospects

The overall performance of the Group depends substantially on the performance of Sitt Tatt Berhad ("STB") subsidiaries in Singapore in the semiconductor related industry. The disposal of APSTB will decrease the contributions from the industrial gases and related equipment from February 2007 onwards.

Barring any unforeseen circumstances and after considering the current level of operations and market conditions, the Directors expect the Group to achieve satisfactory performance in this financial year ending 31 March 2007.



20 Variance of actual profit from forecast profit or profit guarantee

The Company did not provide any profit guarantee during this reporting quarter.

The Company did receive a profit guarantee in respect of the following transaction:

The Group acquired Pyramid Manufacturing Industries Pte. Ltd., CEM Machinery Pte. Ltd. and PMI Plating Services Pte. Ltd. from MISL & Associates Sdn. Bhd. ("Vendor") on 3 June 2003.

In the Profit Guarantee Agreement and Supplemental Agreement signed on 23 January 2002 and as amended by the Second Supplemental Agreement dated 12 August 2002 and the Third Supplemental Agreement dated 13 November 2002, the Vendor guarantees that the three companies will achieve an aggregate profit after tax of not less than RM69.3 million for three financial years ended 31 March 2004, 31 March 2005 and 31 March 2006.

The Company and the Vendor have agreed to place 34,127,700 Irredeemable Convertible Preference Shares ("ICPS") as security with Messrs. Arulampalam & Co. as the stakeholder.

Based on the computation in the Profit Guarantee Agreement, the derived profit after tax up to 31 March 2006 registered by the three companies was RM21.5 million. The potential shortfall of RM47.8 million is still subject to agreement with the Vendor and to be recovered from the sale of ICPS.

The ICPS will be mandatorily converted into new ordinary shares of the Company at the conversion price on the basis of the equivalent value of ICPS at par for every one (1) new share of the Company upon the maturity date of 23 May 2008.

21 Taxation

	Current quarter 3 months ended 31.12.2006 RM'000	Cumulative quarter 9 months ended 31.12.2006 RM'000
Malaysian taxation	74	248
Overseas taxation	<u>488</u>	<u>1,176</u>
	<u>562</u>	<u>1,424</u>

The Group's effective tax rates of both the Malaysian and Singapore operations for the current reporting quarter as well as the cumulative quarter ended 31 December 2006 are lower than the statutory tax rates mainly due to utilisation of the unabsorbed capital allowances and tax losses of the profit making subsidiary companies.

22 Sales of unquoted investments and/or properties

There were neither sales of any unquoted investments nor any properties during the reporting quarter as well as the financial year-to-date.

**23 Quoted securities**

- a) There were no sale of quoted shares during the reporting quarter.
- b) The value of the securities as at 31 December 2006 are as follows:

	RM'000
Investment in quoted securities:	
At cost	21,750
At carrying value	438
At market value	<u>266</u>

24 Status of corporate proposals

The proposed disposal of 31,500,000 ordinary shares of RM1.00 each representing the entire 30% equity interest held in an associate company, Air Products STB Sdn Bhd ("APSTB") to Prodair Corporation, USA for a total cash consideration of RM70.0 million has been completed and announced by STB's adviser, ECM Libra Avenue Securities Sdn Bhd (*formerly known as Avenue Securities Sdn Bhd*) on 2 February 2007. As such, APSTB has ceased to be an associate company of STB on 19 January 2007.

The status of the utilisation of RM70 million proceeds from the disposal of APSTB are as follows:

	Purpose	Proposed	Actual	Intended Timeframe For Utilisation	To Be Utilised		Explanation
		Utilisation	Utilisation		RM Million	%	
(i)	New business opportunities	36.9	-	Up to 3 years	36.9	100	Projects under consideration.
(ii)	Expansion of existing business	20.0	-	Up to 2 years	20.0	100	In progress
(iii)	Repayment of bank borrowings	7.8	3.8	3 months	4.0	51	In progress
(iv)	Working capital	5.0	5.0		-	-	Utilised
(v)	Estimated expenses	0.3	0.3		-	-	Utilised
		70.0	9.1		60.9	87	

**25 Group borrowings and debt securities**

	As at 31.12.2006 RM'000
Short term borrowings:	
Secured	3,891
Unsecured	5,270
	<hr/> 9,161
Long term borrowings:	
Secured	1,365
Unsecured	-
	<hr/> 1,365
Total	<hr/> <hr/> 10,526

Included in the above, are borrowings of approximately RM2,316,000 denominated in Singapore Dollars.

26 Off-balance sheet financial instruments

There is no financial instrument with off-balance sheet risk issued by the Group as at the date of this report.

27 Material litigation

As at the date of reporting, the following are the updates of the existing and new material litigation of the Group which is still pending.

- (A) **Kuala Lumpur High Court Civil Suit No: D2-22-1933-98**
Ninian Mogan Lourdenadin & Martrona D'Cruz a/p Tharsis D'Cruz ("Plaintiffs")
v Sitt Tatt Berhad.

On 19 September 2006, Plaintiffs' appeal to the Court of Appeal against the decision to allow the amendments to the Defence and Counter claim was dismissed with cost. Plaintiffs are appealing to the Federal Court against this decision. The suit is now fixed for mention on 19 April 2007. In the interim, Plaintiffs' have also apply for stay of proceedings of the suit which is fixed for hearing on 30 March 2007.

The above case refers to recovery of RM10 million deposit paid to the Plaintiffs pursuant to 2 share sale agreements dated 25 January 1995.



27 Material litigation (Cont'd)

(B) Kuala Lumpur High Court Civil Suit No: S7-22-962-2002
ST Chemicals Sdn Bhd ("STC") v Sentul Commerce Centre Sdn Bhd

Trial was conducted on 28 November 2005 and the Court granted judgment in favour of STC. Section 218 Notice has been served against the Defendant, however there has been no response from the Defendant.

The above case refers to recovery of RM1.5 million paid to the Defendant pursuant the sale and purchase agreement dated 19 October 2000.

Full provision for doubtful debt had already been provided.

(C) (i) * Alor Star High Court Civil Suit No: 22-239-2002
Sitt Tatt Marketing Sdn Bhd v Kwaliti Textiles (M) Sdn Bhd ("KTSB")

On 25 October 2004, judgment in default of appearance was entered against the Defendant. Execution proceeding is not recommended as it will be counter productive as the Defendant's assets have been disposed off by the Receivers and Managers appointed by Bumiputera Commerce Bank Berhad ("BCBB") to recover the debt owed to BCBB.

(ii) * Alor Star High Court Civil Suit No: 22-252-2002
Sitt Tatt Marketing Sdn Bhd v M. Sathappan Ravi

At the last case management date of 22 November 2006, the Court fixed the matter for trial on 11 April 2007.

* The above cases refer to a claim for payment of RM1,668,240.83 owed by the Defendant and the guarantor for KTSB respectively to the Plaintiff in respect of goods sold and delivered.

Full provision for doubtful debt had already been provided.

(D) (i) * SIAC Arbitration No. 064 of 2006 (ARB064/06)
Sitt Tatt Berhad ("STB") v Prime International Consultancy Pty. Ltd

STB had on 31 August 2006 commenced arbitration proceedings in Singapore against Prime International Consultancy Pty. Ltd. ("Prime" or "Respondent"), a company incorporated in Australia for breach of the Tripartite Joint Venture Agreement and the Joint Venture Agreement ("Agreements") entered between STB, Prime and PT Kutai Timur Resources on 27 July 2005 and 24 August 2005 respectively to survey, study, mine, manage, revive, develop, explore, exploit and produce oil and gas from wells in certain areas in Indonesia ("the Project").



27 Material litigation (Cont'd)

(D) (i) * SIAC Arbitration No. 064 of 2006 (ARB064/06) (Cont'd)
Sitt Tatt Berhad ("STB") v Prime International Consultancy Pty. Ltd

The breaches of duty complained of in the arbitration proceedings relate mainly to the failure of the Respondent to exert best efforts to secure the Project and/or best efforts to achieve the successful realisation and/or completion of the Project. Further or alternatively, the Respondent has, at all times failed to faithfully discharge all its obligations under the Agreements.

STB is seeking, inter alia, the following claims by reason of the Respondent's default and breach:-

1. the return of the sum of USD1 million which was paid to the Respondent as an advance to secure the Project;
2. interest;
3. costs; and
4. such further or other relief that the Arbitrator(s) may deem fit and just in the circumstances.

Current Status: Meeting with the Arbitrator has been fixed on 11 May 2007 after close of pleadings.

(ii) * High Court of Singapore Suit No. 560 of 2006/ B
STB v Goh Tai Hock

STB had instituted legal proceedings against Goh Tai Hock, the Chief Executive Officer of Prime ("the Defendant") on 31 August 2006. STB is claiming inter-alia, the following from the Defendant:

1. damages to be assessed;
2. further, or alternatively, an account of the sum of USD1 million and an order for payment to the Plaintiff of all sums found due;
3. further or alternatively, USD1 million;
4. further or alternatively, the sum of USD1 million and a further sum of RM139,417.34;
5. further, or alternatively, damages to be assessed;
6. interest;
7. costs; and
8. such further or other relief as the Court deems fit to award.

Current Status: Court has fixed the matter for pre-trial conference on 16 March 2007.

* Both the above cases are inter related.

28 Dividend

The Board of Directors does not recommend the payment of any dividend for the reporting quarter.



29 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of shares in issue during the year.

	Current quarter 3 months ended 31.12.2006	Cumulative quarter 9 months ended 31.12.2006
Profit attributable to ordinary equity holders of the parent (RM'000)	1,672	5,415
Weighted average number of ordinary shares in issue ('000)	194,590	194,590
Basic earnings per share (sen)	<u>0.86</u>	<u>2.78</u>

Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of all potential ordinary shares, i.e., Irredeemable Convertible Preference Shares ("ICPS").

	Current quarter 3 months ended 31.12.2006	Cumulative quarter 9 months ended 31.12.2006
Profit attributable to ordinary equity holders of the parent (RM'000)	1,672	5,415
Weighted average number of ordinary shares in issue ('000)	194,590	194,590
Effect of dilution:		
Irredeemable Convertible Preference Shares ('000)	<u>34,138</u>	<u>34,138</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>228,728</u>	<u>228,728</u>
Diluted earnings per share (sen)	<u>0.73</u>	<u>2.37</u>

30 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2007.