



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

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FOURTH QUARTER
ENDED 31 MARCH 2007.

	CURRENT QUARTER ENDED 31.03.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2006 RM'000	CURRENT YEAR TO DATE 31.03.2007 RM'000	PRECEDING YEAR TO DATE 31.03.2006 RM'000
1. Revenue	16,499	19,617	77,885	74,280
2. (Loss) / Profit before tax	(98,556)	(2,467)	(91,434)	4,511
3. (Loss) / Profit for the period	(98,418)	(3,015)	(92,720)	2,486
4. (Loss) / Profit attributable to ordinary equity holders of the parent.	(98,531)	(3,085)	(93,116)	2,059
5. Basic earnings per share (sen).	(50.64)	(1.59)	(47.85)	1.06
6. Proposed/Declared dividend per share (sen).	-	-	-	-
	As At Current Financial Year End		As At Preceding Financial Year End	
7. Net asset per share attributable to ordinary equity holders of the parent (RM).	0.96		1.43	



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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2007

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2007 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2006 UNAUDITED AND RESTATED RM'000	CURRENT YEAR TO DATE 31.03.2007 UNAUDITED RM'000	PRECEDING YEAR TO DATE 31.03.2006 AUDITED AND RESTATED RM'000
Revenue	16,499	19,617	77,885	74,280
Operating Expenses	(117,067)	(22,665)	(172,368)	(73,556)
Other income	1,977	18	2,292	496
(Loss) / Profit From Operation	(98,591)	(3,030)	(92,191)	1,220
Finance Cost	(149)	(236)	(832)	(1,078)
Share of results of associates	184	799	1,589	4,369
(Loss) / Profit before tax	(98,556)	(2,467)	(91,434)	4,511
Taxation	138	(548)	(1,286)	(2,025)
(Loss) / Profit for the period	(98,418)	(3,015)	(92,720)	2,486
(Loss) / Profit attributable to ordinary equity holders of the parent	(98,531)	(3,085)	(93,116)	2,059
Minority Interest	113	70	396	427
Net (Loss) / Profit For The Period/Year	(98,418)	(3,015)	(92,720)	2,486
Earnings per share (EPS)	(sen)	(sen)	(sen)	(sen)
- Basic	(50.64)	(1.59)	(47.85)	1.06

(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)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT

	31 March 2007 (UNAUDITED) RM'000	31 March 2006 (AUDITED) RM'000
ASSETS		
<u>Non-current Assets</u>		
Property , Plant and Equipment	27,717	26,697
Intangible Assets	66,244	153,460
Investment in Associates	-	66,668
Other Investments	9,751	533
Fixed Deposit	790	758
Deferred Tax Assets	224	351
	<u>104,726</u>	<u>248,467</u>
<u>Current Assets</u>		
Inventories	7,879	9,894
Trade Receivables	18,460	20,045
Tax Recoverable	129	73
Other Receivables, Deposit and Prepayments	14,225	24,707
Cash & Cash Equivalent	63,774	9,045
	<u>104,467</u>	<u>63,764</u>
TOTAL ASSETS	<u>209,193</u>	<u>312,231</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To</u>		
<u>Equity Holders OF The Company</u>		
Share Capital :		
- Ordinary Shares	194,590	194,590
- Irredeemable Convertible Preference Shares (ICPS)	34,138	34,138
Reserves	(42,831)	50,043
	<u>185,897</u>	<u>278,771</u>
Minority Interest	5,486	6,332
Total Equity	<u>191,383</u>	<u>285,103</u>
<u>Non-current Liabilities</u>		
Borrowings	778	1,438
Other Deferred Liabilities	1,043	1,067
	<u>1,821</u>	<u>2,505</u>
<u>Current Liabilities</u>		
Trade Payables	6,126	5,589
Other Payables and Accruals	4,238	5,284
Bank Overdraft	1,966	3,272
Other Short Term Borrowings	2,717	8,708
Taxation	942	1,770
	<u>15,989</u>	<u>24,623</u>
Total Liabilities	<u>17,810</u>	<u>27,128</u>
TOTAL EQUITY AND LIABILITIES	<u>209,193</u>	<u>312,231</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM).		
	0.96	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)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Equity Attributable to Equity Holders Of The Parent →									
	← Share Capital →			← Non Distributable Reserves →			Accum- ulated Loss	TOTAL	Minority Interests	Total Equity
	Ordinary Shares RM'000	Irredeemable Convertible		Share Premium RM'000	Capital Reserve RM'000	Foreign Exchange Reserve RM'000				
		Preference Shares (ICPS) RM'000	Share Premium RM'000				Share Premium RM'000			
12 Months Ended 31 March 2007										
At 1 April 2006	194,590	34,138	52,050	994	1,281	(4,282)	278,771	6,332	285,103	
a) Foreign Currency Translation	-	-	-	-	22	-	22	-	22	
b) Effect of Deconsolidation of a subsidiary	-	-	-	-	-	(224)	(224)	(1,242)	(1,466)	
c) (Loss)/ Profit for the period	-	-	-	-	-	(5,326)	(5,326)	396	(4,930)	
d) Impairment of goodwill for the period	-	-	-	-	220	(87,566)	(87,346)	-	(87,346)	
At 31 March 2007	194,590	34,138	52,050	994	1,523	(97,398)	185,897	5,486	191,383	
12 Months Ended 31 March 2006										
At 1 April 2005	194,590	34,138	52,050	994	2,171	(6,341)	277,602	5,930	283,532	
a) Foreign Currency Translation	-	-	-	-	(890)	-	(890)	(25)	(915)	
b) Profit for the period	-	-	-	-	-	2,059	2,059	427	2,486	
At 31 March 2006	194,590	34,138	52,050	994	1,281	(4,282)	278,771	6,332	285,103	

(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)
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER
ENDED 31 MARCH 2007.**

	31 March 2007	31 March 2006
	<u>RM'000</u>	<u>Restated RM'000</u>
(Loss) / Profit Before Tax	(91,434)	4,511
<u>Adjustment For Non-cash Flow :</u>		
Non-cash Items	97,527	1,920
Non-operating Items	133	770
Operating Profit Before Changes In Working Capital	6,226	7,201
<u>Changes In Working Capital</u>		
Net Changes In Current Assets	3,140	(3,388)
Net Changes In Current Liabilities	(696)	(3,172)
Cash Flow From Operating Activities	8,670	641
Tax Paid	(2,041)	(2,263)
Interest paid	(832)	(1,048)
Net Cash Flow From Operating Activities	5,797	(2,670)
<u>Investing Activities</u>		
- Equity investment	-	71
- Other investment	57,248	140
<u>Financing Activities</u>		
- Bank borrowings	(7,010)	(3,980)
Net Changes In Cash & Cash Equivalent	56,035	(6,439)
Cash & Cash Equivalent At Beginning Of The Quarter	5,773	12,212
Cash & Cash Equivalent At End Of The Quarter (refer Notes below)	61,808	5,773

(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 :

	12 Months Ended 31 March 2007	12 Months Ended 31 March 2006
	<u>RM'000</u>	<u>Restated RM'000</u>
Bank OD	(1,966)	(3,272)
Cash & Bank and Short Term Deposit	63,774	9,045
	61,808	5,773



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:

- a) FRS 139 Financial Instruments: Recognition and Measurement which will only be effective on a future date to be advise by Malaysian Accounting Standards Board (MASB).
- b) FRS effective for financial period commencing 1 October 2006:
 - i) FRS 117 Leases; and
 - ii) FRS 124 Related Party Disclosures



2. Accounting Policies (Cont'd)

- c) FRS effective for the financial period commencing on or after 1 January 2007:
- i) FRS 6: Exploration for and evaluation of Mineral Resources; and
 - ii) Amendment to FRS 119(2004): Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of FRS 2, 3,5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 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:

	Before	Re-classi-	As restated
	RM'000	fication	RM'000
		RM'000	RM'000
a) Unaudited Condensed Consolidated			
Income Statement			
<u>Quarter ended 31 March 2006</u>			
Profit before tax	6,881	(2,370)	4,511
Share of results of associates	6,739	(2,370)	4,369
Taxation	(4,395)	2,370	(2,025)
b) Unaudited Condensed Consolidated			
Income Statement			
<u>Cumulative quarter ended 31 March</u>			
<u>2006</u>			
Profit before tax	(1,600)	(867)	(2,467)
Share of results of associates	1,666	(867)	799
Taxation	(1,415)	867	(548)
c) Unaudited Consolidated Cashflow			
Statement as at 31 March 2006			
Profit before tax	6,881	(2,370)	4,511
Adjustment For Non-cash Flow :			
Non-cash Items	(450)	2,370	1,920



2. Accounting Policies (Cont'd)

FRS 136: Impairment of Assets

Impairment of goodwill and patents/brands.

The Group determines whether the goodwill and patents/brands are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill and patents/brands are derived or allocated. Estimating a value-in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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

The following were the unusual items affecting assets, liabilities, equity, net income, or cash flow during the reporting quarter as well as the financial year to-date:

		RM000's
1)	Impairment of goodwill using the discounted cashflow projections of Singapore companies as compared to the acquisition costs. For details refer to Note 9.	87,566
2)	Long outstanding deposits written off.	8,086
3)	Impairment of other investment.	2,496
4)	Loss upon the deconsolidation of Merino Investment Pte Ltd (under members' voluntary liquidation) a 53.21% subsidiary in the Group, from the Group financial statements.	224
		98,372

The above RM 98.4 million forms part of the current year quarter and current year to date's operating expense amounting RM 117.1 million and RM 172.4 million respectively in page 2.



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 March 2007 as well as financial year-to-date.

9 Intangible assets.

The Group	Goodwill on consolidation RM000's	Patent RM000's	Total 2007 RM000's	Total 2006 RM000's
Cost				
At beginning of the year	153,595	48	153,643	153,643
Addition	-	156	156	-
At end of the year	153,595	204	153,799	153,643
Less:				
a) Accumulated amortization				
At beginning of the year	154	29	183	173
Charge for the year	-	26	26	10
At end of year	154	55	209	183
b) Accumulated impairment loss				
At beginning of the year	-	-	-	-
Charge for the year	87,566	-	87,566	-
Foreign Exchange Differences Due To Impairment	(220)	-	(220)	-
At end of year	87,346	-	87,346	-
Net Book value				
2007	66,095	149	66,244	
2006	153,441	19		153,460

In accordance with FRS 136 – Impairment of Assets, an impairment of RM87 million was made on the goodwill on acquisition of the Singapore companies.



9 Intangible assets. (Cont'd)

The impairment was made in compliance with FRS 136 which requires goodwill to be valued using 5 years discounted cashflow projections for the Singapore companies as compared to the earlier goodwill valuation derived using 10 years cashflow projections when the acquisition was made.

Additionally, chemical patents inherent in the business were not valued in the books due to the fact that no initial recognition for these were made upon acquisition. The value attributable to the chemical patents will be recognized upon seeking valuation and opinions from experts on ascertaining the yardstick for measurement of such patents.

10 Investment in Associates.

The disposal of Air Products STB Sdn Bhd ("APSTB") an associate of the Group to Prodair Corporation, USA for 31,500,000 ordinary shares of RM1.00 each representing the entire 30% equity interest held in APSTB for a total cash consideration of RM70.0 million was completed in the month of January 2007.

The disposal contributed gains of RM37.4 million and RM1.439 million to the Company and the Group respectively.

11 Segmental information

By business segments	Current quarter 3 months ended 31.03.2007		Cumulative quarter 12 months ended 31.03.2007	
	Turnover RM'000	Profit/ (Loss) before taxation RM'000	Turnover RM'000	Profit/ (Loss) Before taxation RM'000
Semiconductor related Industry	11,319	(378)	51,358	5,462
Industrial gases and related equipment	1,914	212	8,761	1,744
Industrial chemicals	359	(478)	1,940	(724)
Sticker and label printing	3,598	180	14,109	916
Investment holding	1,086	(98,092)	7,806	(98,832)
Elimination of inter-segment sales	(1,777)		(6,089)	
	<u>16,499</u>	<u>(98,556)</u>	<u>77,885</u>	<u>(91,434)</u>

12 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.



13 Subsequent events

The 34,127,700 Irredeemable Convertible Preference Shares (“ICPS”) held as security for the profit guarantee was subsequently converted to 34,127,700 new ordinary shares of the Company and the said converted new ordinary shares was granted listing and quotation with effect from 9.00 a.m., Friday, 13 April 2007. For details refer to Note 20.

Apart from the above, there are no other material events subsequent to the current quarter.

14 Changes in composition of the Group

Changes in the composition of the Group during the financial year ended 31 March 2007, are as follows:

- a) Merino Investment Pte Ltd, a 53.21% subsidiary company in the Group, has been deconsolidated as the company is now under members’ voluntary liquidation .

The effect of the deconsolidation on the financial position of the Group was as follow:

	RM000’s
<u>Net Assets / (Liabilities) deconsolidated</u>	
Other debtors and prepayments	2,598
Cash & cash equivalents	72
Other creditors & accruals	(17)
	<u>2,653</u>
Minority interest & reserve	(2,429)
	<u>224</u>
Less : Loss on deconsolidation	(224)
	<u>-</u>
Less : Cash and cash equivalent of deconsolidated subsidiary company	(72)
	<u>(72)</u>
Net cash outflow from deconsolidation of subsidiary company	<u>(72)</u>

- b) The Group had completed the disposal of Air Product STB Sdn Bhd , a 30% equity associate on January 2007 and the associate had since ceased to be part of the Group. For details refer to Note 9.

Other than as disclosed as above, there were no changes in the composition of the Group for the financial year ended 31 March 2007.



15 Changes in contingent liabilities and contingent assets

The Company had discharged itself from the corporate guarantee given to a bank for credit facilities granted to Air Products STB Sdn Bhd (“APSTB”) after the completion of the disposal of APSTB in the month of January 2007. Hence there are no contingent liabilities during the reporting quarter as well as the financial year-to-date.

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

16 Capital commitments

There is no capital commitment for the Company and the Group.

17 Significant related party transactions

	Current quarter 3 months ended 31.03.2007 RM'000	Cumulative quarter 12 months ended 31.03.2007 RM'000
Management fees charged to associate company APSTB	95	2,624



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

18a) Review of results for the current quarter for the period ended 31 March 2007 and 31 March 2006 .

For the three months ended 31 March 2007, the Group recorded a higher loss after tax and minority interest of RM 98.5 million as compared to RM 3 million reported in the preceding year's corresponding quarter. The significant increase in the operating costs was mainly due to impairment to goodwill of RM 87.5 million. For details, refer to Note 5.

The Group recorded revenue of RM16.5 million for the period of three months ended 31 March 2007. The reduction in revenue by RM 3.1 million or 16% as compared to the preceding year's corresponding quarter of RM 19.6 million was mainly attributable to lower sales in the division of industrial chemicals, industrial gases & related equipment and semiconductor- related segments.

b) Review of results for the 12 months period ended 31 March 2007 and 31 March 2006.

For the twelve months ended 31 March 2007, the Group recorded losses of RM 93.1 million after tax and minority interest. Included in the net loss of RM 93.1 million was operating profits of RM 3.0 million, other income of RM 2.3 million and non operating expenses of RM 98.4 million which is explained in Note 5.

The Group recorded RM 77.9 million in revenue for the twelve-month period ended 31 March 2007 and this represents an increase of RM3.6 million or 5% as compared to the revenue reported in the preceding year's corresponding period of RM 74.3 million. The increase in revenue is mainly attributable to higher revenue generated by the semiconductor-related segment as well as industrial gases & related equipment segment

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

The Group recorded a loss before taxation of RM 98.5 million as compared to a profit of RM 2.3 million reported in the preceding quarter ended 31 December 2006. The significant losses are attributable to the same reasons in note 18a) and Note 5.

Lower revenue recorded by the semiconductor related segment during the current reporting quarter as compared to the preceding quarter also contributed to the loss before tax in the current reporting quarter.



20 Coming financial year prospects

The overall performance of the Group depends substantially on the performance of the Company's subsidiaries in Singapore in the semiconductor related industry. The disposal of APSTB during the reporting quarter had reduced 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 continue to achieve operating profits in the next financial year.

21 Variance of actual profit from forecast profit or profit guarantee

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

The Company received 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 shortfall of RM47.8 million will be recovered from the sale of ICPS and subsequent recovery from the Vendor.

The 34,127,700 ICPS held as security was subsequently converted to 34,127,700 new ordinary shares of the Company and the said converted new ordinary shares was granted listing and quotation with effect from 9.00 a.m., Friday, 13 April 2007.

These ordinary shares will be sold progressively to recover the shortfall from the profit guarantee.



22 Taxation

	Current quarter 3 months ended 31.03.2007 RM'000	Cumulative quarter 12 months ended 31.03.2007 RM'000
Malaysian taxation	(56)	191
Overseas taxation	<u>(82)</u>	<u>1,095</u>
	<u>(138)</u>	<u>1,286</u>

For the current reporting quarter ended 31 March 2007, the Group's over charge tax of RM 138K was due to over provision for corporate tax and reversal of deferred tax in prior years.

The Group's effective tax rates of both the Malaysian and Singapore operations for the cumulative quarter ended 31 March 2007 are higher than the statutory tax rates mainly due to:

- i) the tax liability arose from the profitable subsidiary companies were not able to set off against losses incurred by loss making subsidiary companies; and
- ii) certain expenses are disallowed for tax purposes.

22 Sales of unquoted investments and/or properties

Apart from disclosure made in Note 10, 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 March 2007 are as follows:

	RM'000
Investment in quoted securities:	
At cost	21,750
At carrying value	438
At market value	<u>558</u>

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24 Status of corporate proposals

The status of the utilisation of RM70 million proceeds from the disposal of Air Products STB Sdn Bhd (“APSTB”) are as follows:

	Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe For Utilisation	To Be Utilised		Explanation
		RM Million	RM Million		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	2.0	Up to 2 years	18.0	90	In progress
(iii)	Repayment of bank borrowings	7.8	7.1	Up to 2 months	0.7	9	In progress
(iv)	Working capital	5.0	5.0	n.a	-	-	Utilised
(v)	Estimated expenses	0.3	0.3	n.a	-	-	Utilised
		70.0	14.4		55.6	79	

25 Group borrowings and debt securities

	As at 31.03.2007 RM'000
Short term borrowings:	
Secured	3,916
Unsecured	767
	<u>4,683</u>
Long term borrowings:	
Secured	778
Unsecured	-
	<u>778</u>
Total	<u>5,461</u>

Included in the above, there are borrowings of approximately RM1.668 million are 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.

The above case refers to recovery of RM10 million deposit paid to the Plaintiffs pursuant to 2 share sale agreements dated 25 January 1995. 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 appeal to the Federal Court against this decision was also dismissed. In the interim, Plaintiffs’ have also applied for a stay of proceedings of the suit which was also dismissed.

Current Status : The suit is now fixed for case management on 3 August 2007.

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

This case refers to recovery of RM1.5 million paid to the Defendant pursuant to the sale and purchase agreement dated 19 October 2000. Trial was conducted on 28 November 2005 and the Court granted judgment in favour of STC. Section 218 Notice to wind up the Defendant has been served against the Defendant. However there has been no response from the Defendant.

Current Status : Winding-up proceedings against the Defendant have been initiated.

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

On 25 October 2004, judgment in default of appearance was entered against the Defendant.

Current Status : Winding-up proceedings against the Defendant have been initiated.

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

At the trial date on 11 April 2007, judgement was granted in favour of STM.

Current Status : Pending extraction of sealed judgement.

* 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 .



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

(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").

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 the return of the sum of USD1 million which was paid to the Respondent as an advance to secure the Project.

Current Status: At a meeting with the Arbitrator on 04 May 2007, the next course of action and datelines to meet was discussed. Amongst others, 15 June 2007 has been fixed for parties to exchange Lists of Documents.

(ii) ** High Court of Singapore Suit No. 560 of 2006/ B
Sitt Tatt Berhad (“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 the return of the sum of USD1 million.

Current Status: Court has fixed the matter for pre-trial conference on 1 June 2007.

* * Both the above cases are inter related.

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27 Material litigation (Cont'd)

(E) KL High Court Suit No. D1-22-347-2007 Sitt Tatt Berhad ("STB") v Melati Usaha Sdn Bhd ("Melati")

STB has commenced a legal action against Melati, a company incorporated in Malaysia for breach of contract by Melati under a Sale Shares Agreement dated 30 April 1997 ("the said SSA").

Pursuant to the said SSA, entered into between STB, Melati and Trend Board Corporation Sdn Bhd ("Trend"), STB had on 18 December 1999 agreed to purchase 8,920,000 shares of Chase Perdana Berhad ("CPB") from Melati and Trend for a total consideration of RM 107.04 million.

Subsequently in May 1997, pursuant to the said SSA, STB had made a payment of RM 48 million to Melati in return for 4 million CPB shares.

In August 1997, STB had made a further partial payment amounting to RM 6 million to Melati for CPB shares. However, Melati has failed and/or neglected to transfer and/or cause to be transferred the CPB shares to STB in respect of the aforesaid RM 6 million payment.

As result of the default, STB's solicitors issued a letter of demand dated 19 April 2001 to terminate the said SSA and demand for the return of RM6 million being advance paid to Melati.

Subsequent to that, CPB shares amounting to RM 191,350 were transferred by Melati to STB as part settlement.

As of to-date, pursuant to the said SSA, Melati has failed, refused and/or neglected to discharge it's liability or part thereof to STB.

In view of the above, STB is seeking, the following claims from Melati:-

1. Judgment for the total amount of RM5,808,650.00;
2. Interest on RM5,808,650.00 at the rate of 8 percent per annum with effect from 19 April 2001 until the date of full payment;
3. Costs; and
4. Such further relief as the Court may deem fit and just to be granted.

Current Status: Melati filed its Defence on 22 May 2007 and STB to file its reply to Melati's Defence by 6 June 2007.

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 31.03.2007	Cumulative quarter 12 months ended 31.03.2007
Losses attributable to ordinary equity holders of the parent (RM'000)	(98,531)	(93,116)
Weighted average number of ordinary shares in issue ('000)	194,590	194,590
Basic earnings per share (sen)	<u>(50.64)</u>	<u>(47.85)</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 31.03.2007	Cumulative quarter 12 months ended 31.03.2007
Losses attributable to ordinary equity holders of the Parent (RM'000)	(98,531)	(93,116)
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>(43.08)</u>	<u>(40.71)</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 31 May 2007.