





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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER ENDED**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2007 UNAUDITED	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2006 UNAUDITED	CURRENT YEAR TO DATE 30.06.2007 UNAUDITED	PRECEDING YEAR TO DATE 30.06.2006 AUDITED
	RM'000	RM'000	RM'000	RM'000
Revenue	18,192	19,264	18,192	19,264
Operating Expenses	(18,177)	(18,065)	(18,177)	(18,065)
Other income	558	18	558	18
Profit From Operation	573	1,217	573	1,217
Finance Cost	(115)	(240)	(115)	(240)
Share of results of associates	-	1,325	-	1,325
Profit before tax	458	2,302	458	2,302
Taxation	(382)	(504)	(382)	(504)
Profit for the period	<b>76</b>	<b>1,798</b>	<b>76</b>	<b>1,798</b>
Profit attributable to ordinary equity holders of the parent	17	1,667	17	1,667
Minority Interest	59	131	59	131
Net Profit For The Period	<b>76</b>	<b>1,798</b>	<b>76</b>	<b>1,798</b>
Earnings per ordinary share attributable to equity holders of the Company (EPS)	( sen )	( sen )	( sen )	( sen )
- Basic	0.01	0.86	0.01	0.86
- Diluted	0.01	0.73	0.01	0.73

(The Unaudited Condensed Consolidated Income Statement Should Be Read In Conjunction With  
The Audited Financial Statements For The Year Ended 31 March 2007).



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

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT**  
**30 June 2007**  
**( UNAUDITED )**

**31 March 2007**  
**( AUDITED )**  
**RESTATED**

<b>ASSETS</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Non-current Assets</u></b>		
Property , Plant and Equipment	25,307	25,225
Prepaid lease payment	2,289	2,303
Intangible Assets	66,236	66,244
Other Investments	9,720	9,751
Fixed Deposit	817	821
Deferred Tax Assets	182	184
	<u>104,551</u>	<u>104,528</u>
<b><u>Current Assets</u></b>		
Inventories	6,823	7,858
Trade Receivables	19,471	18,501
Tax Recoverable	140	129
Other Receivables, Deposit and Prepayments	22,295	14,070
Cash & Cash Equivalent	59,859	63,762
	<u>108,588</u>	<u>104,320</u>
<b>TOTAL ASSETS</b>	<u>213,139</u>	<u>208,848</u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity Attributable To Equity Holders OF The Company</u></b>		
Share Capital :		
- Ordinary Shares	228,718	194,590
- Irredeemable Convertible Preference Shares ( ICPS )	10	34,138
Reserves	(43,096)	(42,696)
	<u>185,632</u>	<u>186,032</u>
Minority Interest	5,526	5,467
<b>Total Equity</b>	<u>191,158</u>	<u>191,499</u>
<b><u>Non-current Liabilities</u></b>		
Borrowings	1,061	801
Other Deferred Liabilities	1,032	1,032
	<u>2,093</u>	<u>1,833</u>
<b><u>Current Liabilities</u></b>		
Trade Payables	6,946	6,244
Other Payables and Accruals	5,389	3,966
Bank Overdraft	3,804	1,798
Other Short Term Borrowings	2,658	2,694
Taxation	1,091	814
	<u>19,888</u>	<u>15,516</u>
<b>Total Liabilities</b>	<u>21,981</u>	<u>17,349</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>213,139</u>	<u>208,848</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM).</b>		
	<b>0.81</b>	<b>0.96</b>

(The Unaudited Condensed Consolidated Balance Sheet Should Be Read In Conjunction With The Audited Financial Statements For The Year Ended 31 March 2007).



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE**

	Equity Attributable to Equity Holders Of The Parent							Minority Interests RM'000	Total Equity RM'000
	Share Capital			Non Distributable Reserves					
	Ordinary Shares RM'000	Convertible Preference Shares ( ICPS ) RM'000	Share Premium RM'000	Capital Reserve RM'000	Foreign Exchange Reserve RM'000	Accumulated Loss RM'000	TOTAL RM'000		
<b>3 Months Ended 30 June 2007</b>									
At 1 April 2007	194,590	34,138	52,050	994	1,507	(97,247)	186,032	5,467	191,499
a) Conversion of ICPS to Ordinary Share	34,128	(34,128)	-	-	-	-	-	-	-
b) Foreign Currency Translation	-	-	-	(2)	(415)	-	(417)	-	(417)
c) Profit for the period	-	-	-	-	-	17	17	59	76
At 30 June 2007	<u>228,718</u>	<u>10</u>	<u>52,050</u>	<u>992</u>	<u>1,092</u>	<u>(97,230)</u>	<u>185,632</u>	<u>5,526</u>	<u>191,158</u>
<b>3 Months Ended 30 June 2006</b>									
At 1 April 2006	194,590	34,138	52,050	993	1,281	(4,281)	278,771	6,332	285,103
a) Foreign Currency Translation	-	-	-	3	573	-	576	19	595
b) Profit for the period	-	-	-	-	-	1,667	1,667	131	1,798
At 30 June 2006	<u>194,590</u>	<u>34,138</u>	<u>52,050</u>	<u>996</u>	<u>1,854</u>	<u>(2,614)</u>	<u>281,014</u>	<u>6,482</u>	<u>287,496</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 2007.)



**SITT TATT BERHAD (55576-A)**  
**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2007**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER**

	<b>2007</b>	<b>2006</b>
	<b>3 Months Ended</b>	<b>3 Months Ended</b>
	<b>30 June</b>	<b>30 June</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit Before Tax	458	2,302
<u>Adjustment For Non-cash Flow :</u>		
Non-cash Items	403	(177)
Non-operating Items	(259)	210
Operating Profit Before Changes In Working Capital	602	2,335
<u>Changes In Working Capital</u>		
Net Changes In Current Assets	(8,032)	(2,862)
Net Changes In Current Liabilities	1,938	5,111
Cash Flow From Operating Activities	(5,492)	4,584
Tax Paid	(108)	(69)
Interest paid	(115)	(240)
Net Cash Flow From Operating Activities	(5,715)	4,275
<u>Investing Activities</u>		
- Equity investment	19	(27)
- Other investment	263	(988)
<u>Financing Activities</u>		
- Bank borrowings	(476)	(1,050)
Net Changes In Cash & Cash Equivalent	(5,909)	2,210
Cash & Cash Equivalent At Beginning Of The Quarter	61,964	5,772
Cash & Cash Equivalent At End Of The Quarter ( refer Notes below )	56,055	7,982

( The Unaudited Condensed Consolidated Cash Flow Statement Should Be Read In Conjunction  
With The Audited Financial Statements For The Year Ended 31 March 2007. )

Notes

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

	<b>3 Months Ended</b>	<b>3 Months Ended</b>
	<b>30 June 2007</b>	<b>30 June 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Overdraft	(3,804)	(3,011)
Cash & Bank and Short Term Deposit	59,859	10,993
	56,055	7,982



## **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 2007. 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 2007.

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 2007.

### **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 2007 except for the adoption of the following new or revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 April 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 6	Exploration for and Evaluation of Mineral Resources; and
Amendment to FRS 119 2004	Employee Benefits- Actuarial Gains and Losses, Group Plans and disclosures

FRS 6 is not relevant to the Group's operation

The adoption of FRS 124 and Amendment to FRS 119 2004 does not have significant impact to the Group financial statements.

The principal effects of the change in accounting policy resulting from the adoption of the revised FRS 117 is set out below:-

- i) Prior to the adoption of the revised FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost or valuation less accumulated depreciation and impairment losses. Under the revised FRS 117, leasehold land is an operating lease unless title passes to the lessee at the end of the lease term. With the adoption of the revised FRS 117, the unamortized carrying amounts of leasehold land are now classified as prepaid lease payments and amortised over the period of its remaining lease term, as allowed by the transitional provisions of the revised FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.



## **2. Accounting Policies (Cont'd)**

ii) The effects on the comparatives to the Group on adoption of FRS 117 are as follows:

	As previously reported RM'000	Effects on adoption of FRS 117 RM'000	As restated RM'000
<b>At 31 March 2007</b>			
Property, plant and equipment	27,528	(2,303)	25,225
Prepaid lease payments	-	2,303	2,303

The Group has not taken the option for early adoption of the following new or revised FRS:

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).

## **3 Auditors' Report on preceding Annual Financial Statements**

The Auditors' Report on the preceding Annual Financial Statements for the year ended 31 March 2007 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**

On 13 April 2007, 34,127,700 Irredeemable Convertible Preference Shares (ICPS) of RM1 each of the Company was converted to 34,127,700 new ordinary shares of the Company at RM1 each.

Apart from the above, there are no other 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, resale and repayments of debt and equity securities.

## 8 Dividends paid

There were no dividends declared or paid during the quarter ended 30 June 2007 as well as financial year-to-date.

## 9 Segmental information

By business segments	Current quarter 3 months ended 30.06.2007		Cumulative quarter 3 months ended 30.06.2007	
	Turnover RM'000	Profit/ (Loss) before taxation RM'000	Turnover RM'000	Profit/ (Loss) Before taxation RM'000
Semiconductor related Industry	11,734	852	11,734	852
Industrial gases and related equipment	2,649	1	2,649	1
Industrial chemicals	187	(33)	187	(33)
Sticker and label printing	3,507	215	3,507	215
Investment holding	1,315	(577)	1,315	(577)
Elimination of inter- segment sales	(1,200)		(1,200)	
	<u>18,192</u>	<u>458</u>	<u>18,192</u>	<u>458</u>

## 10 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 2007.

## 11 Subsequent events

There are no material subsequent events that took place after this current quarter.

## 12 Changes in composition of the Group

There are no changes in composition of the Group during the reporting quarter.





### **13 Changes in contingent liabilities and contingent assets**

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

### **14 Capital commitments**

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

### **15 Significant related party transactions**

	Current quarter 3 months ended 30.06.2007 RM'000	Cumulative quarter 3 months ended 30.06.2007 RM'000
1) Air Products STB Sdn Bhd ( An associate company of the Group)		
a) Management fees receivable	273	273
b) Sales of welding electrode	679	679
2) Chase Perdana Berhad (CPB) ( STB is a corporate shareholder in CPB)		
Rental of office premises payable	41	41
3) Shinsho (Malaysia) Sdn Bhd ( A corporate shareholder in a subsidiary company)		
Sales of welding electrode	105	105
4) Kobe Welding ( Singapore) Pte Ltd ( A corporate shareholder in a subsidiary company)		
a) Sales of welding electrode	414	414
b) Purchase of raw material	338	338
5) Goodweld Corporation ( A corporate shareholder in a subsidiary company)		
Purchase of raw material	109	109

These transactions had been entered on a negotiated basis.



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

**16 Review of results for the current quarter for the period ended 30 June 2007 and 30 June 2006.**

For the three months ended 30 June 2007, the Group recorded a profit after tax and minority interest of RM 0.017 million as compared to RM 1.667 million reported in the preceding year's corresponding quarter. The reduction in the Group's result for the current quarter arose from the loss of share of results from its associated company which was disposed in the preceding quarter. The associate company is in the industrial gas and related equipment segment.

The Group recorded revenue of RM 18.19 million for the period of three months ended 30 June 2007. The reduction in revenue by RM 1.07 million or 5% as compared to the preceding year's corresponding quarter of RM 19.26 million was mainly attributed to lower sales in the industrial chemicals, industrial gases & related equipment and sticker and label printing segments.

**17 Material changes in profit before taxation vs. preceding quarter**

The Group recorded a profit before taxation of RM 0.458 million in this quarter as compared to a loss of RM 98.5 million reported in the preceding quarter ended 31 March 2007. The loss of RM 98.5 million is mainly attributed to impairment to goodwill of RM87.5 million made in the preceding quarter.

**18 Coming financial year prospects**

The overall performance of the Group depends substantially on the performance of the Company's subsidiaries in Singapore and China in the semiconductor related industry.

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 this current financial year.

**19 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.



## **19 Variance of actual profit from forecast profit or profit guarantee (Cont'd)**

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.

As at 30 June 2007, the Stakeholder had sold 360,000 ordinary shares in the open market at an average price of 50 sen per share making a total net proceeds of RM181,746.

## **20 Taxation**

	Current quarter 3 months ended 30.06.2007 RM'000	Cumulative quarter 3 months ended 30.06.2007 RM'000
Malaysian taxation	(70)	(70)
Overseas taxation	<u>(312)</u>	<u>(312)</u>
	<u>(382)</u>	<u>(382)</u>

The Group's effective tax rates of both the Malaysian and Singapore operations for the cumulative quarter ended 30 June 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.

## **21 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.



## 22 Quoted securities

- a) There were no sales of any unquoted shares during the reporting quarter.
- b) The value of the securities as at 30 June 2007 are as follows:

	RM'000
Investment in quoted securities:	
At cost	21,744
At carrying value	432
At market value	<u>482</u>

## 23 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	(1) 36.9	-	Up to 3 years	36.9	100	Projects under consideration.
(ii)	Expansion of existing business	(2) 20.0	1.8	Up to 2 years	18.2	91	In progress
(iii)	Repayment of bank borrowings	(3) 7.8	(3) 5.8	Completed	-	-	Utilised
(iv)	Working capital	5.0	5.0	Completed	-	-	Utilised
(v)	Estimated expenses	0.3	0.3	Completed	-	-	Utilised
		70.0	12.9		55.1	79	

Explanatory note:

- (1) The disposal proceeds of RM36.922 million which is intended to be utilised for the proposed acquisition of new business(es) is currently placed in fixed deposit and the approval of the Securities Commission shall be obtained prior to the utilisation of the said amount.

### 23 Status of corporate proposals (Cont'd)

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

Explanatory note (cont'd):

- (2) The expansion in the semiconductor related business in Singapore and China subsidiaries.
- (3) The details of the utilisation of the balances outstanding and payments of the bank borrowings are as follows:

<u>No.</u>	<u>Bank borrowings</u>	<u>Estimated amount as per SC letter dated 17 October 2006 RM' Million</u>	<u>Balance outstanding after receipt of proceeds of RM70 million in Jan 2007 RM' Million</u>	<u>Actual payment made RM' Million</u>
1.	Bank overdraft	2.6	2.0	2.0
2.	Term loan	1.0	-	-
3.	Revolving credit	4.0	3.8	3.8
4.	Bankers acceptance	0.2	-	-
	Total	<u>7.8</u>	<u>5.8</u>	<u>5.8</u>

As at to date, the bank borrowings for the above have been fully settled.

### 24 Group borrowings and debt securities

	As at 30.06.2007 RM'000
Short term borrowings:	
Secured	5,520
Unsecured	942
	<u>6,462</u>
Long term borrowings:	
Secured	1,061
Unsecured	-
	<u>1,061</u>
Total	<u>7,523</u>

Included in the above, there are borrowings of approximately RM2.26 million which are denominated in Singapore Dollars.

### 25 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.



## 26 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 subsisting.

- (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 hearing from 25-27 February 2008.**

- (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 : Defendant has been wound up.**

- (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, judgment was granted in favour of STM.

**Current Status : Pending extraction of sealed judgment.**

\* 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 .



26 Material litigation (Cont'd)

(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").

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: A meeting will be held with the Arbitrator on 9 November 2007 for further directions with the arbitration.**

(D) (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 trial from 10 – 19 September 2007.**

\* \* Both the above cases are inter related.

(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").

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: Application to amend the Writ & Statement of Claim is fixed for hearing on 15 August 2007.**



## 27 Dividend

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

## 28 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 30.06.2007	Cumulative quarter 3 months ended 30.06.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	17	17
Weighted average number of ordinary shares in issue ('000)	224,218	224,218
Basic earnings per share (sen)	<u>0.01</u>	<u>0.01</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 30.06.2007	Cumulative quarter 3 months ended 30.06.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	17	17
Weighted average number of ordinary shares in issue ('000)	224,218	224,218
Effect of dilution:		
Irredeemable Convertible Preference Shares ('000)	<u>10</u>	<u>10</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>224,228</u>	<u>224,228</u>
Diluted earnings per share (sen)	<u>0.01</u>	<u>0.01</u>

## 29 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 15 August 2007.