



SUMMARY OF KEY FINANCIAL INFORMATION FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT QUARTER ENDED 30.09.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2006 RM'000	CURRENT YEAR TO DATE 30.09.2007 RM'000	PRECEDING YEAR TO DATE 30.09.2006 RM'000
1. Revenue	17,755	22,610	35,947	41,874
2. Profit before tax	637	2,565	1,095	4,867
3. Profit for the period	179	2,207	255	4,005
4. Profit attributable to ordinary equity holders of the parent.	114	2,077	131	3,744
5. Basic earnings per share (sen).	0.05	1.07	0.06	1.92
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).	0.81		0.96	



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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2007 UNAUDITED	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2006 UNAUDITED	CURRENT YEAR TO DATE 30.09.2007 UNAUDITED	PRECEDING YEAR TO DATE 30.09.2006 UNAUDITED
	RM'000	RM'000	RM'000	RM'000
Revenue	17,755	22,610	35,947	41,874
Operating Expenses	(17,567)	(19,605)	(35,744)	(37,670)
Other income	562	400	1,120	418
Profit From Operation	750	3,405	1,323	4,622
Finance Cost	(113)	(230)	(228)	(470)
Share of results of associates	-	(610)	-	715
Profit before tax	637	2,565	1,095	4,867
Taxation	(458)	(358)	(840)	(862)
Profit for the period	179	2,207	255	4,005
Profit attributable to ordinary equity holders of the parent	114	2,077	131	3,744
Minority Interest	65	130	124	261
Profit For The Period	179	2,207	255	4,005
Earnings per ordinary share attributable to equity holders of the Company (EPS)	(sen)	(sen)	(sen)	(sen)
- Basic	0.05	1.07	0.06	1.92
- Diluted	0.05	0.91	0.06	1.64

(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 September 2007
(UNAUDITED)

31 March 2007
(AUDITED)
RESTATED

ASSETS	RM'000	RM'000
<u>Non-current Assets</u>		
Property , Plant and Equipment	26,490	25,225
Prepaid lease payment	2,275	2,303
Intangible Assets	66,232	66,244
Other Investments	9,747	9,751
Fixed Deposit	374	821
Deferred Tax Assets	185	184
	<u>105,303</u>	<u>104,528</u>
<u>Current Assets</u>		
Inventories	7,697	7,858
Trade Receivables	15,677	18,501
Tax Recoverable	139	129
Other Receivables, Deposit and Prepayments	22,740	14,070
Cash & Cash Equivalent	60,323	63,762
	<u>106,576</u>	<u>104,320</u>
TOTAL ASSETS	<u>211,879</u>	<u>208,848</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable To Equity Holders Of The Company</u>		
Share Capital :		
- Ordinary Shares	228,718	194,590
- Irredeemable Convertible Preference Shares (ICPS)	10	34,138
Reserves	(42,403)	(42,696)
	<u>186,325</u>	<u>186,032</u>
Minority Interest	5,591	5,467
Total Equity	<u>191,916</u>	<u>191,499</u>
<u>Non-current Liabilities</u>		
Borrowings	1,486	801
Other Deferred Liabilities	1,032	1,032
	<u>2,518</u>	<u>1,833</u>
<u>Current Liabilities</u>		
Trade Payables	6,398	6,244
Other Payables and Accruals	5,278	3,966
Bank Overdraft	2,284	1,798
Other Short Term Borrowings	2,552	2,694
Taxation	933	814
	<u>17,445</u>	<u>15,516</u>
Total Liabilities	<u>19,963</u>	<u>17,349</u>
TOTAL EQUITY AND LIABILITIES	<u>211,879</u>	<u>208,848</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM).		
	0.81	0.96

(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
SECOND QUARTER ENDED 30 SEPTEMBER 2007**

	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	Accum- ulated Loss RM'000	TOTAL RM'000			
6 Months Ended 30 September 2007										
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	-	-	-	-	162	-	162	-	162	
c) Profit for the period	-	-	-	-	-	131	131	124	255	
At 30 September 2007	<u>228,718</u>	<u>10</u>	<u>52,050</u>	<u>994</u>	<u>1,669</u>	<u>(97,116)</u>	<u>186,325</u>	<u>5,591</u>	<u>191,916</u>	
6 Months Ended 30 September 2006										
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	697	-	700	24	724	
b) Profit for the period	-	-	-	-	-	3,744	3,744	261	4,005	
At 30 September 2006	<u>194,590</u>	<u>34,138</u>	<u>52,050</u>	<u>996</u>	<u>1,978</u>	<u>(537)</u>	<u>283,215</u>	<u>6,617</u>	<u>289,832</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.)



UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER

	2007	2006
	6 Months Ended	6 Months Ended
	30 September	30 September
	RM'000	RM'000
Profit Before Tax	1,095	4,867
<u>Adjustment For Non-cash Flow :</u>		
Non-cash Items	1,321	1,112
Non-operating Items	(691)	204
Operating Profit Before		
Changes In Working Capital	1,725	6,183
<u>Changes In Working Capital</u>		
Net Changes In Current Assets	(5,556)	(5,629)
Net Changes In Current Liabilities	1,300	4,090
Cash Flow From Operating Activities	(2,531)	4,644
Tax Paid	(743)	(961)
Interest paid	(228)	(470)
Net Cash Flow From Operating Activities	(3,502)	3,213
<u>Investing Activities</u>		
- Equity investment	19	-
- Other investment	336	(128)
<u>Financing Activities</u>		
- Bank borrowings	(778)	(2,070)
Net Changes In Cash & Cash Equivalent	(3,925)	1,015
Cash & Cash Equivalent At Beginning		
Of The Quarter	61,964	5,772
Cash & Cash Equivalent At End Of		
The Quarter (refer Notes below)	58,039	6,787

(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 :

	6 Months Ended	6 Months Ended
	30 September 2007	30 September 2006
	RM'000	RM'000
Bank Overdraft	(2,284)	(3,302)
Cash & Bank and Short Term Deposit	60,323	10,089
	58,039	6,787



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

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).

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

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
At 31 March 2007			
Property, plant and equipment	27,528	(2,303)	25,225
Prepaid lease payments	-	2,303	2,303

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

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



9 Segmental information

By business segments	Current quarter 3 months ended 30.09.2007		Cumulative quarter 6 months ended 30.09.2007	
	Turnover RM'000	Profit/ (Loss) before taxation RM'000	Turnover RM'000	Profit/ (Loss) before taxation RM'000
Semiconductor related Industry	11,983	1,713	23,717	2,565
Industrial gases and related equipment	2,014	7	4,663	8
Industrial chemicals	30	(5)	216	(38)
Sticker and label printing	3,795	242	7,302	458
Investment holding	14,282	(1,320)	15,597	(1,898)
Elimination of inter- segment sales	(14,349)		(15,548)	
	<u>17,755</u>	<u>637</u>	<u>35,947</u>	<u>1,095</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

Other than those disclosed in Note 23 of (A) (1) and (B), 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

Other than those disclosed in Note 23 of (A) (1) and (B), there are no material capital commitment for the Company and the Group.



15 Significant related party transactions

	Current quarter 3 months ended 30.09.2007 RM'000	Cumulative quarter 6 months ended 30.09.2007 RM'000
1) Air Products STB Sdn Bhd (An associate company of the Group)		
a) Management fees received	-	273
b) Sales of welding electrode	458	1,138
2) Chase Perdana Berhad (CPB) (STB is a corporate shareholder in CPB)		
Rental of office premises	40	80
3) Shinsho (Malaysia) Sdn Bhd (A corporate shareholder in a subsidiary company)		
Sales of welding electrode	8	113
4) Kobe Welding (Singapore) Pte Ltd (A corporate shareholder in a subsidiary company)		
a) Sales of welding electrode	-	414
b) Purchase of raw material	403	741
5) Goodweld Corporation (A corporate shareholder in a subsidiary company)		
Purchase of raw material	-	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 a) Review of results for the current quarter for the period ended 30 September 2007 and 30 September 2006.

For the three months ended 30 September 2007, the Group recorded a profit after tax and minority interest of RM 0.114 million as compared to RM 2.077 million reported in the preceding year's corresponding quarter. The reduction in the Group's result for the current quarter is mainly due to lower revenue recorded by most subsidiaries.

The Group recorded revenue of RM 17.76 million for the period of three months ended 30 September 2007. The reduction in revenue by RM 4.85 million or 21% as compared to the preceding year's corresponding quarter of RM 22.61 million was mainly attributed to lower revenue recorded in the semiconductor related segment.

b) Review of results for the 6 months period ended 30 September 2007 and 2006.

For the six months ended 30 September 2007, the Group recorded a profit after tax and minority interest of RM 0.131 million as compared to RM 3.744 million reported in the preceding year's corresponding six months period. The reduction in the Group's result for the six months period was mainly attributed to the same reasons in note 16 (a) above.

The Group recorded revenue of RM 35.947 million for the period of six months ended 30 September 2007. The reduction in revenue by RM 5.927 million or 14 % as compared to the preceding year's corresponding six months period of RM 41.874 million was mainly attributed to the same reasons in note 16 (a) above.

17 Material changes in profit before taxation vs. first quarter

The Group recorded a profit before taxation of RM 0.637 million in this quarter as compared to RM 0.458 million reported in the first quarter ended 30 June 2007. The increase of RM 0.179 million was mainly contributed by higher revenue in semiconductor related segment and sticker and label printing segment.

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. The Vendor guaranteed profits of not less than aggregate profit after tax of RM69.3 million from the three companies for three financial years ended 31 March 2004, 31 March 2005 and 31 March 2006.

The Company and the Vendor had placed 34,127,700 Irredeemable Convertible Preference Shares ("ICPS") as security with Messrs. Arulampalam & Co. as the Stakeholder. These ICPS were subsequently converted to 34,127,700 new ordinary shares of the Company on 13 April 2007.

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 34,127,700 new ordinary shares and subsequent recovery from the Vendor.

As at 30 September 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 RM168,486.

20 Taxation

	Current quarter 3 months ended 30.09.2007 RM'000	Cumulative quarter 6 months ended 30.09.2007 RM'000
Malaysian taxation	(75)	(145)
Overseas taxation	<u>(383)</u>	<u>(695)</u>
	<u>(458)</u>	<u>(840)</u>

The Group's effective tax rates of both the Malaysian and Singapore operations for the cumulative quarter ended 30 September 2007 are higher than the statutory tax rates mainly due to:

- i) the tax liability arising from the profitable subsidiary companies are not allowed to be 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 September 2007 are as follows:

	RM'000
Investment in quoted securities:	
At cost	21,767
At carrying value	455
At market value	<u>504</u>

23 Status of corporate proposals

(A) 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	Refer note (1)
(ii)	Expansion of existing business	(2) 20.0	1.9	Up to 2 years	18.1	91	In progress
(iii)	Repayment of bank borrowings	7.8	(3) 7.8	Completed	(3) -	-	Utilised
(iv)	Working capital	5.0	5.0	Completed	-	-	Utilised
(v)	Estimated expenses	0.3	0.3	Completed	-	-	Utilised
		70.0	15.0		55.0	79	



23 Status of corporate proposals (Cont'd)

(A) 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:

- (1) On 25 October 2007, the Company entered into a conditional Sale and Purchase Agreement (SPA) for the acquisition of three (3) floors of strata titled office space in Wisma Chase Perdana on an “as is where is basis” from Chase Perdana Berhad (CPB) for a cash consideration of RM37.8 million. The Company intends to utilise the proceeds of RM36.9 million for this proposed acquisition.

The proposed acquisition is conditional upon approvals being obtained from the following authorities/ parties:-

- a) the Securities Commission, where required;
- b) the Foreign Investment Committee, where required;
- c) the shareholders of the Company and CPB at an extraordinary general meeting to be convened; and
- d) any other relevant authorities or parties, if required.

The relevant applications to the regulatory authorities shall be submitted within 2 months from 25 October 2007.

- (2) The expansion in the semiconductor related business in Singapore and China subsidiaries.
- (3) The bank borrowings had been fully settled.

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</u>	<u>Balance outstanding after receipt of proceeds of RM70 million in Jan 2007</u>	<u>Actual payment made</u>
		<u>RM' Million</u>	<u>RM' Million</u>	<u>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	7.8	5.8	5.8

The excess of RM 2 million was transferred and utilised as working capital.



23 Status of corporate proposals (Cont'd)

(B) On 29 August 2007, the Company had entered into a Subscription Agreement with China Food Industries Limited of Singapore (“CFI”) for the subscription of 527,000,001 new ordinary shares (“new shares”) in CFI by way of a private placement at a total subscription price of Singapore Dollars 8.5 million. This New Shares represent 75% of the enlarged issued and paid up capital of CFI.

On 4 October 2007, the Securities Industry Council, Singapore had approved the request for the waiver from the obligation for the Company and its concert parties to make a general offer for CFI’s shares not already owned by the Company or its concert parties, subject to the conditions as announced in the Company’s announcement made to Bursa on 5 October 2007.

The shareholders of CFI have duly approved all the resolutions pertaining to the Proposed Subscription at its Extraordinary General Meeting held on 12 November 2007.

The subscription of new shares was completed on 21 November 2007. The Company has a 75% interest in CFI. CFI is now a subsidiary and form part of the Sitt Tatt Berhad Group.

24 Group borrowings and debt securities

	As at 30.09.2007 RM’000
Short term borrowings:	
Secured	4,024
Unsecured	812
	<u>4,836</u>
Long term borrowings:	
Secured	1,486
Unsecured	-
	<u>1,486</u>
Total	<u>6,322</u>

Included in the above there are borrowings of approximately RM2.18 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.

(C) (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 : Sealed judgment extracted.

* 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: Proposed Arbitration dates fixed from 25 February 2008 to 6 March 2008.

**(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: Trial is fixed from 21 January 2008 to 30 January 2008.

* * 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: STB filed an application to amend Writ and Statement of Claim and the said application has been granted.



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 30.09.2007	Cumulative quarter 6 months ended 30.09.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	114	131
Weighted average number of ordinary shares in issue ('000)	226,480	226,480
Basic earnings per share (sen)	<u>0.05</u>	<u>0.06</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 30.09.2007	Cumulative quarter 6 months ended 30.09.2007
Profit attributable to ordinary equity holders of the parent (RM'000)	114	131
Weighted average number of ordinary shares in issue ('000)	226,480	226,480
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>226,490</u>	<u>226,490</u>
Diluted earnings per share (sen)	<u>0.05</u>	<u>0.06</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 23 November 2007.