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

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FOURTH QUARTER ENDED 31 MARCH 2008.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER ENDED 31.03.2008 UNAUDITED RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31.03.2007 UNAUDITED AND RESTATED RM'000	CURRENT YEAR TO DATE 31.03.2008 UNAUDITED RM'000	PRECEDING YEAR TO DATE 31.03.2007 AUDITED AND RESTATED RM'000
1. Revenue	17,809	14,585	61,155	69,494
2. Loss before tax from continuing operations	(27,806)	(98,585)	(25,936)	(91,557)
3. Loss for the year from continuing operations	(28,385)	(98,451)	(27,652)	(92,672)
4. Loss attributable to ordinary equity holders of the parent.	(27,496)	(98,531)	(26,913)	(92,965)
5. Basic earnings per share (sen).	(12)	(51)	(12)	(48)
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).	0.69	0.96

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

FOR THE FOURTH QUARTER ENDED 31 MARCH 2008

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2008 UNAUDITED	**PRECEDING YEAR CORRESPONDING QUARTER 31.03.2007 UNAUDITED AND RESTATED**	**CURRENT YEAR TO DATE 31.03.2008 UNAUDITED**	**PRECEDING YEAR TO DATE 31.03.2007 AUDITED AND RESTATED**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	17,809	14,585	61,155	69,494
Operating Expenses	(50,572)	(115,224)	(93,686)	(163,911)
Other income	5,077	1,979	6,934	1,897
Loss From Operation	(27,686)	(98,660)	(25,597)	(92,520)
Finance Cost	(120)	(109)	(339)	(625)
Share of results of associates	-	184	-	1,588
Loss before taxation	(27,806)	(98,585)	(25,936)	(91,557)
Taxation	(579)	134	(1,716)	(1,115)
Loss for the year from continuing operations	**(28,385)**	**(98,451)**	**(27,652)**	**(92,672)**
Discontinued Operation				
Profit for the year from discontinued operation	**427**	**33**	**528**	**84**
	(27,958)	**(98,418)**	**(27,124)**	**(92,588)**
Loss attributable to ordinary equity holders of the parent	(27,496)	(98,531)	(26,913)	(92,965)
Minority Interest	(462)	113	(211)	377
Net Loss For The Year	**(27,958)**	**(98,418)**	**(27,124)**	**(92,588)**
Earnings per share (EPS)	(sen)	(sen)	(sen)	(sen)
Basic				
- Continuing	(12)	(51)	(12)	(48)
- Discontinued *	-	-	-	-
	(12)	(51)	(12)	(48)

* not stated as the amounts are immaterial

The diluted per ordinary share was not presented in the financial statements as the effect of the assumed conversion of the Irredeemable Convertible Preference Shares during the financial year was anti-dilutive.

(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

	Note	31 March 2008 (UNAUDITED)	31 March 2007 (AUDITED) Restated
ASSETS		**RM'000**	**RM'000**
Non-current Assets			
Property , Plant and Equipment		19,359	25,225
Prepaid Lease Payment		-	2,303
Intangible Assets		66,293	66,244
Other Investments		818	9,751
Fixed Deposit		10,089	821
Investment Property		460	-
Deferred Tax Assets		-	184
		97,019	104,528
Current Assets			
Inventories		7,194	7,858
Trade Receivables		14,616	18,501
Tax Recoverable		-	129
Other Receivables, Deposit and Prepayments		6,607	14,070
Cash & Cash Equivalent		59,807	63,762
		88,224	104,320
Assets Held For Sale	23 (D)	4,822	-
Assets of subsidiary classified as held for sale	23 (C)	9,542	-
		102,588	104,320
TOTAL ASSETS		199,607	208,848
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The			
Share Capital :			
- Ordinary Shares		228,718	194,590
- Irredeemable Convertible Preference Shares		10	34,138
Reserves		(70,783)	(42,696)
		157,945	186,032
Minority Interest		5,847	5,467
Total Equity		163,792	191,499
Non-current Liabilities			
Borrowings		2,495	801
Other Deferred Liabilities		248	1,032
		2,743	1,833
Current Liabilities			
Trade Payables		6,622	6,244
Other Payables and Accruals		8,018	3,966
Bank Overdraft		310	1,798
Other Short Term Borrowings		11,172	2,694
Taxation		901	814
		27,023	15,516
Liability of subsidiary classified as held for sale	23 (C)	6,049	-
		33,072	15,516
Total Liabilities		35,815	17,349
TOTAL EQUITY AND LIABILITIES		199,607	208,848
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM).		**0.69**	**0.96**

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity Attributable to Equity Holders Of The Parent								
	Share Capital		Non Distributable Reserves						
	Ordinary Shares RM'000	Irredeemable Convertible Preference Shares RM'000	Share Premium RM'000	Capital Reserve RM'000	Foreign Exchange Reserve RM'000	Accum-ulated Loss RM'000	TOTAL RM'000	Minority Interests RM'000	Total Equity RM'000
12 Months Ended 31 March 2008									
At 1 April 2007	194,590	34,138	52,050	994	1,507	(97,247)	186,032	5,467	191,499
(a) Conversion to ordinary shares	34,128	(34,128)	-	-	-	-	-	-	-
(b) Acquisition of new subsidiary	-	-	-	827	-	-	827	-	827
(c) Foreign Currency Translation	-	-	-	-	(1,308)	-	(1,308)	-	(1,308)
(d) Absorption of minority interest share of subsidiary negative net asets		-	-	-	-	(693)	(693)	591	(102)
(e) Loss for the period	-	-	-	-	-	(26,913)	(26,913)	(211)	(27,124)
At 31 March 2008	228,718	10	52,050	1,821	199	(124,853)	157,945	5,847	163,792
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	-	-	-	-	242	-	242	-	242
b) Effect of Deconsolidation of a subsidiary	-	-	-	-	(16)	-	(16)	(1,242)	(1,258)
c) Loss for the period	-	-	-	-	-	(92,965)	(92,965)	377	(92,588)
At 31 March 2007	194,590	34,138	52,050	994	1,507	(97,247)	186,032	5,467	191,499

(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 FOURTH QUARTER ENDED 31 MARCH 2008.

	31 March RM'000	31 March Restated RM'000
Loss Before Tax		
Continuing operation	(25,936)	(91,557)
Discontinued operation	407	155
	(25,529)	(91,402)
Adjustment For Non-cash Flow :		
Non-cash Items	23,594	96,746
Non-operating Items	(1,396)	88
Operating Profit Before Changes In Working Capital	(3,331)	5,432
Changes In Working Capital		
Net Changes In Current Assets	6,323	3,877
Net Changes In Current Liabilities	5,710	(646)
Cash Flow From Operating Activities	8,702	8,663
Tax Paid	(1,405)	(2,034)
Interest paid	(523)	(757)
Net Cash Flow From Operating Activities	6,774	5,872
Investing Activities		
- Equity investment	26	-
- Other investment	(3)	57,329
- Net cash outflow from acquisition of subsidiary (Note 1)	(19,451)	-
Financing Activities		
- Bank borrowings	9,391	(7,010)
Net Changes In Cash & Cash Equivalent	(3,263)	56,191
Cash & Cash Equivalent At Beginning Of The Quarter	61,964	5,773
Cash & Cash Equivalent At End Of The Quarter (refer Note2)	58,701	61,964

(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 TO UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER

1) Net cash used in acquisition of subsidiary group

	2008 12 months Ended 31 March RM000's
Total Assets	417
Total Liabilities	(827)
Net liabilities	(410)
STB portion of net liabilities	(308)
Goodwill on acquisition	20,085
Purchase consideration	19,777 *
Less : Cash and bank balances acquired	326
Net cash used in acquisition of subsidiary group	19,451

* The purchase consideration is equivalent to Singapore Dollars 8.5 million and comprise of 527,000,001 new ordinary shares of China Food Industries Limited (CFI) at Singapore Dollars 0.016 per share.

CFI is listed on the Singapore Exchange Securities Dealing and Automated Quotation Systems (SGX-SESDAQ). CFI's shares were suspended since 31 December 2006 upon CFI Board of Directors' request. The last traded price before the suspension was at Singapore Dollars 0.065.

2) Cash and cash equivalents at end of the financial year comprises of

	2008 12 Months Ended 31 March RM'000	**2007 12 Months Ended 31 March Restated RM'000**
Bank Overdraft		
Continuing operation	(310)	(1,798)
Discontinued operation	(826)	-
Cash & Bank and Short Term Deposit		
Continuing operation	59,807	63,762
Discontinued operations	30	-
	58,701	61,964

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 advised by the 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)

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

i) The effects on the comparatives of 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

FRS 5 Non current assets held for sale and discontinued operations.

Prior to 1 April 2007, non-current assets (or disposal groups) held for sale were neither classified nor presented as current assets or liabilities. There were no differences in the measurement of disposal groups held for sale and those for continuing use. Upon the adoption of FRS 5, disposal groups held for sale are classified as current assets and current liabilities and are stated at the lower of carrying amount and fair value less costs to sell.

Prior to 1 April 2007, the Group would have recognised a discontinued operation at the earlier of the date of the Group enters into a binding sale agreement and the date the Board of Directors has approved and announced a formal disposal plan. FRS 5 requires a component of an entity to be classified as a discontinued operation when the criteria to be classified as held for sale has been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view to resale. The principal impact of this change in accounting policy is that a discontinued operation is recognised by the Group at a later point than it would be under the previous accounting policy due to the stricter criteria in FRS 5.

The Group has applied FRS 5 prospectively in accordance with the transitional provisions.

However, as required by FRS 5, certain comparatives of the Group have been re-stated due to the current financial year's discontinued operation. This change has no impact on the Company's income statement for the year ended 31 March 2007.

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 affected by any seasonal or cyclical factors.

5 Unusual items due to their nature, size or incidence

There are 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, resale and repayments of debt and equity securities.

8 Dividends paid

There were no dividends declared or paid during the quarter as well as financial year ended 31 March 2008 .

9 Segmental information

By business segments	Current quarter 3 months ended 31.03.2008 Turnover RM'000	Current quarter 3 months ended 31.03.2008 Profit/ (Loss) before taxation RM'000	Cumulative quarters 12 months ended 31.03.2008 Turnover RM'000	Cumulative quarters 12 months ended 31.03.2008 Profit/ (Loss) before taxation RM'000
Semiconductor related Industry	13,898	(922)	48,333	2,647
Welding electrodes	2,611	269	9,169	407
Industrial chemicals	527	(1,484)	794	(1,469)
Sticker and label printing	3,194	(122)	13,863	541
Investment holding	1,220	(25,278)	22,148	(27,655)
Elimination of inter-segment sales	(1,030)	-	(23,983)	-
	20,420	(27,537)	70,324	(25,529)
Discontinued Operations Welding electrodes	(2,611)	(269)	(9,169)	(407)
	17,809	(27,806)	61,155	(25,936)

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

12 Changes in composition of the Group

There were no changes in the composition of the Group since the last quarter announcement.

13 Changes in contingent liabilities and contingent assets

There were no material 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(A) (i), there are no material capital commitments for the Company and the Group.

15 Significant related party transactions

	Current quarter 3 months ended 31.03.2008 RM'000	Cumulative quarter 12 months ended 31.03.2008 RM'000
1) Air Products STB Sdn Bhd		
(An associate company of the Group)		
a) Management fees received	-	273
b) Sale of welding electrodes	480	2,016
2) Chase Perdana Berhad (CPB)		
(STB is a corporate shareholder in CPB)		
a) Rental of office premises	49	169
b) Management fee and other services receivable	244	952
3) Shinsho (Malaysia) Sdn Bhd		
(A corporate shareholder in a subsidiary company)		
Sale of welding electrode	13	130
4) Kobe Welding (Singapore) Pte Ltd		
(A corporate shareholder in a subsidiary company)		
a) Sale of welding electrode	-	414
b) Purchase of raw materials	401	1,601
5) Goodweld Corporation		
(A corporate shareholder in a subsidiary company)		
Purchase of raw materials	27	136

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 31 March 2008 and 31 March 2007.

For the three months ended 31 March 2008, the Group recorded a loss after tax and minority interest of RM 27.49 million as compared to a loss of RM 98.53 million reported in the preceding year's corresponding quarter. The loss reported during the current quarter was mainly due to the following:

		RM000's
(i)	Goodwill paid for acquisition of 75% of China Food Industries Limited expensed off to the group income statement in compliance with the FRSIC Consensus guidance issued by the Malaysian Institute of Accountants on accounting for premium paid for acquisition of the listing status of a company that was not itself a going concern.	20,085
(ii)	Impairments to plant and machinery no longer in use and accrual for voluntary severance scheme to employees for a subsidiary company ceasing its business.	1,724
(iii)	Balance of deposit written off after recovery of RM7.5 Million in a consent judgement for full and final settlement.	2,500
		24,309

The loss of RM98.53 million reported in the preceding year's corresponding quarter was mainly due to the impairment of goodwill amounting to RM87.56 million.

The Group recorded revenue of 17.8 million (after excluding discontinued operations revenue of RM 2.6 million) for the period of three months ended 31 March 2008. There was an increase in revenue of RM3.3 million or 22% as compared to the preceding year's corresponding quarter of RM14.5 million mainly due to higher revenue recorded in the semiconductor related segment for this quarter.

b) Review of results for the financial year ended 31 March 2008 and 2007.

For the 12 months ended 31 March 2008, the Group recorded losses of RM 26.91 million as compared to RM 92.96 million reported in the preceding year's corresponding period. The loss recorded during the year was mainly due to the same reasons in note 16 (a) above.

Lower revenue and higher operating costs in all the subsidiary companies had also contributed to the loss recorded for the current financial year.

The Group recorded RM61.15 million in revenue (after excluding discontinued operations revenue of RM9.17 million) for the 12 months period ended 31 March 2008. The reduction in revenue by RM 8.34 million or 12 % as compared to the preceding year's revenue of RM 69.49 million was mainly due to the reduction in revenue of the subsidiary companies.

17 Material changes in the profit before taxation compared with the immediate preceding quarter

The Group recorded a loss before taxation of RM 27.81 million in this quarter as compared to a profit of RM 0.91 million reported in the third quarter ended 31 December 2007. The significant loss reported during the current quarter was mainly due to the reasons highlighted in note16 (a).

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 which are involved in the semiconductor related industry.

Barring any unforeseen circumstances and considering the current level of operations and market conditions, the Directors expect the Group to achieve operating profits in this coming 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 an 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 into 34,127,700 new ordinary shares of the Company on 13 April 2007.

The actual aggregate 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 the 34,127,700 new ordinary shares and any shortfall will be subsequently recovered from the Vendor.

As at 31 December 2007, the Stakeholder had sold 360,000 ordinary shares in the open market at an average price of 50 sen per share resulting in net proceeds of RM168,486.

The Stakeholder had sold the remaining shares of 33,767,700 by accepting the Conditional Voluntary Take-Over Offer from Empire Holdings Ltd. (the "Offeror") at RM0.60 per share on 2nd April 2008 resulting in gross proceeds of RM20,260,620. The Vendor is liable for the shortfall and the management will be taking the appropriate action to recover the shortfall.

20 Taxation

	Current quarter 3 months ended 31.03.2008	Cumulative quarter 12 months ended 31.03.2008
	RM'000	RM'000
Malaysian taxation	46	(131)
Overseas taxation	(625)	(1,585)
	(579)	(1,716)

The Group's effective tax rates of both the Malaysian and Singapore operations for the cumulative quarter ended 31 March 2008 is higher than the statutory tax rates due to tax liabilities arising from profitable subsidiary companies.

21 Sales of unquoted investments and/or properties

There were no sale of any unquoted investments or properties during the reporting quarter as well as the financial year-to-date.

22 Quoted securities

a) There were no sale of any unquoted shares during the reporting quarter.

b) The value of the securities as at 31 March 2008 are as follows:

	RM'000
Investment in quoted securities *	
At cost	21,785
At carrying value	465
At market value	770

* Included in the above, the Company holds 1.0856 million of shares in Chase Perdana Berhad.

The Company had on 25 February 2008 received a Notice of Conditional Voluntary Take-Over Offer from Empire Holdings Ltd to acquire all the ordinary shares of Chase Perdana Berhad for a cash consideration of RM0.60 per share. The Company had accepted the offer and the above shares were sold on 2nd April 2008 resulting in gross proceeds of RM651,360

23 Status of corporate proposals

(A) The status of the utilisation of RM70 million proceeds from the disposal of an associated company, Air Products STB Sdn Bhd ("APSTB") is 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	20.0	2.7	Up to 2 years	(2) 17.3	86	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	15.8		54.2	77	

Explanatory notes:

(i) New business opportunities
On 25 October 2007, the Company entered into a conditional Sale and Purchase Agreement (SPA) for the acquisition of the 4th, 5th and 6th floors being the three (3) floors of strata titled office space together with 117 car park bays in Wisma Chase Perdana (Office Lots) 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 (SC), 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.

23 Status of corporate proposals (Cont'd)

23 (A) (i) (Cont'd).

The Company made a payment of RM 3 million to CPB as deposit for the purpose of the above acquisition.

On 11 February 2008, SC approved the utilisation of RM36.9 million earmarked for new business opportunities, for the acquisition of the Office Lots. SC also approved the above proposed acquisition pursuant to the FIC's guidelines on the acquisition of properties by local and foreign interests.

The acquisition of the Office Lots is subject to approvals to be obtained from the shareholders of STB and CPB in their respective extraordinary general meetings which will be held on 10 June 2008.

On 23 April 2008, the Company and CPB have mutually agreed to extend the completion date of the SPA to 25 July 2008.

(ii) Expansion in the semiconductor related business in Singapore and China subsidiaries.

Included in the RM17.3 million funds to be utilised for the purpose of expansion of existing business, the Company has placed RM9.7 million into Fixed Deposit ("FD") through its subsidiaries pledged as collateral with a bank for the purposes of securing financing.

(iii) The bank borrowings have been fully settled.

The details of the utilisation and outstanding bank borrowings are as follows:

No.	Bank borrowings	Estimated amount as per SC letter dated 17 October 2006 RM' Million	Balance outstanding after receipt of proceeds of RM70 million in Jan 2007 RM' Million	Actual payment made RM' Million
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) The Company had on 25 February 2008 received a Notice of Conditional Voluntary Take-Over Offer from Empire Holdings Ltd. (the "Offeror") to acquire:-

(a) all the 228,718,126 ordinary shares of RM1.00 each in Sitt Tatt Berhad ("STB") and all the new Shares that may be allotted and issued pursuant to the exercise of outstanding Irredeemable Convertible Preference Shares ("ICPS") prior to the close of the Offer ("Offer Shares) for a cash consideration of RM0.60 per Share; and

(b) all the outstanding 10,300 ICPS in STB ("Offer ICPS") for a cash consideration of RM0.60 per Offer ICPS.

The Take-Over Offer became unconditional on 2 April 2008 after STB had received valid acceptances under the Offer resulting in the Offeror holding 54.25% of the voting shares of STB and the Offer was subsequently closed on 16 April 2008 (the "Closing Date").

At the Closing Date, the Offeror had received valid acceptances resulting in the Offeror holding 82.76% of the voting shares of STB. The Company is now in non-compliance with the Public Shareholding Spread requirement pursuant to paragraph 8.15(1) of the listing requirements of Bursa Securities ("public shareholding spread") as less than 25% of its total listed shares are in the hands of public shareholders.

Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 23 April 2008 granted approval for an extension of time of approximately three months up to 15 July 2008 to comply with the Public Shareholding Spread**.**

At this juncture, the Offeror has yet to formulate a Rectification Plan to comply with the Public Shareholding Spread but is actively deliberating on the matter. As set out in Section 4.1 of the Offer Document dated 17 March 2008, the largest shareholder has indicated that it will endeavour to comply with any shortfall in the Public Shareholding Spread of STB and it could be in the form of a private placement.

(C) The Company announced on 25 April 2008 that Arcline Sdn Bhd, a 70% owned subsidiary of STB, had entered into a Sale and Purchase Agreement ("SPA") to dispose of 1,538,400 Ordinary Shares of RM1.00 each representing its entire 76.92% equity interest held in ST Kobe Welding (Malaysia) Sdn Bhd ("proposed disposal"), for a total cash consideration of RM3.0 million in the following manner:-

(a) Disposal of 240,000 Ordinary Shares of RM1.00 each in ST Kobe To Shinsho (Malaysia) Sdn Bhd for a Cash Consideration of RM468,018.72

(b) Disposal of 1,298,400 Ordinary Shares of RM1.00 each in ST Kobe To Kobe Welding (Singapore) Pte Ltd for a Cash Consideration of RM2,531,981.28

The Proposed Disposal is expected to be completed by the second quarter of the financial year ending 31 March 2009.

As at 31 March 2008, the assets and liabilities of ST Kobe have been stated in the consolidated balance sheet as assets and liabilities of subsidiary classified as held for sale and the results are stated separately in the consolidated income statement as discontinued operations.

23 Status of corporate proposals (Cont'd)

(D) The Company announced on 12 May 2008 that PMI Plating Services Ltd ("PMI"), a wholly-owned subsidiary of STB, had entered into a Option To Purchase Agreement ("Option Agreement") with Ang Cheng Guan Construction Pte Ltd ("the Purchaser") to dispose of the leasehold property identified as 10 Kian Teck Crescent, Singapore 628876 for a cash consideration of SGD3,750,000 (Singapore Dollars – Three Million Seven Hundred And Fifty Thousand Only). The Sale and Purchase Agreement for the proposed disposal will be executed by the Parties within two (2) weeks from the date of the Option Agreement.

Details of the proposed disposal:

The factory building was erected on a piece of industrial land that was leased from Jurong Town Corporation ("JTC") on 1 June 1993. The term of the lease is for a period of 30 years from 1 June 1993 and a further term of 19 years from 1 June 2023. The factory building was constructed around 1 July 1995.

The Proposed Disposal is expected to be completed by the second quarter of the financial year ending 31 March 2009.

As at 31 March 2008, the net book value of the leasehold property totalling RM4.8 million (Singapore Dollars – 2.1 Million) is classified as assets held for sale.

(E) The Company announced that STB Technologies Pte Ltd ("STB Tech"), a wholly owned subsidiary of the Company, had entered into a Memorandum of Understanding ("MOU") with Crestino International Limited ("Crestino") on 9 May 2008 to participate in the business of constructing and operating palm oil mills in Indonesia by investing RM20.0 million (the "Said Sum") in the Project.

The salient terms and conditions of the MOU are as follows:-

1. In consideration of STB Tech depositing the Said Sum with Messrs. Shook Lin & Bok, Advocates & Solicitors (the "Said Solicitors"), Crestino has granted STB Tech an option ("Option") to participate in the business of constructing and operating palm oil mills in Indonesia (the "Business").

2. The Option shall be valid for a period of six (6) months from date of the MOU, or such longer period as may be agreed by the Parties ("Option Period"), provided that STB Tech may at its discretion and at any time during the Option Period declare by notice in writing to Crestino that the negotiations between the Parties have broken down, whereupon the MOU shall cease and determine. Crestino shall immediately procure and ensure the refund of the Said Sum to STB Tech.

24 Group borrowings and debt securities

	As at 31.03.2008 RM'000
Short term borrowings:	
Secured	11,482
Unsecured	-
	11,482
Long term borrowings:	
Secured	2,495
Unsecured	-
	2,495
Total	13,977

Included in the above are borrowings in Singapore Dollars, equivalent to approximately RM10.89 million.

25 Off-balance sheet financial instruments

There are no financial instruments 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 is the status of material litigation of the Group.

(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 the recovery of a RM10 million deposit paid to the Plaintiffs pursuant to two share sale agreements dated 25 January 1995. On 19 September 2006, the Plaintiffs' appeal to the Court of Appeal against the decision to allow the amendments to the Defence and Counter claim was dismissed with cost. The Plaintiffs appeal to the Federal Court against this decision was also dismissed. The Plaintiffs' had also applied for a stay of proceedings of the suit which was also dismissed. The suit was fixed for hearing from 25th February to 28th February 2008.

Both the parties entered into a consent judgement on 26th February 2008 for a full and final settlement sum of RM7.5 million which was subsequently paid by the Plaintiffs' to the Company on 28 February 2008.

26 Material litigation (Cont'd)

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

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: Arbitration dates fixed from 3 March 2008 to 13 March 2008 have been postponed pending the outcome of the civil suit in the case below : STB v Goh Tai Hock .

(B) (ii) ** <u>High Court of Singapore ("Court") Suit No. 560 of 2006/ B</u>
<u>Sitt Tatt Berhad ("STB") v Goh Tai Hock</u>

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 proceeded from 21st January to 30th January 2008 and is now awaiting a decision of the Court.

* * Both the above cases are inter related.

(C) <u>KL High Court Suit No. D1-22-347-2007</u>
<u>Sitt Tatt Berhad ("STB") v Melati Usaha Sdn Bhd ("Melati")</u>

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

STB is seeking, the following claims from Melati:-

1. Judgment for the total amount of RM5,808,650;
2. Interest on RM5,808,650 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: Pending filing STB's application for summary judgment.

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 period.

	Current quarter 3 months ended 31.03.2008	Cumulative quarter 12 months ended 31.03.2008
Loss from continuing operations attributable to ordinary equity holders of the parent (RM'000)	(28,385)	(27,652)
Profit from discontinued operations attributable to ordinary equity holders of the parent (RM'000)	427	528
Loss attributable to ordinary equity holders of the parent (RM'000)	(27,958)	(27,124)
Weighted average number of ordinary shares in issue ('000)	227,689	227,689
Basic loss per share (sen)		
- Continuing	(12)	(12)
- Discontinued	- **	- **
	(12)	(12)

** not stated as amount is immaterial.

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 period have been adjusted for the dilutive effects of all potential ordinary shares, including the Irredeemable Convertible Preference Shares.

The fully diluted earnings per share are not shown as the effect is anti-dilutive

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 dated 29 May 2008.