



SATANG JAYA HOLDINGS BERHAD
(Company No : 633265 K)

Quarterly Unaudited Results Of The Group For The Financial Period Ended 31st December 2006

Part A : Explanatory Notes In Compliance With The Financial Reporting Standard (“FRS”) 134 : Interim Financial Reporting (formerly known as the Malaysian Accounting Standard Board (“MASB”) Standard 26).

A1. Significant Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 (previously known as MASB 26) issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of SJHB and its subsidiary companies (hereinafter referred to as the “Group”) during the financial quarter under review.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted and used in the preparation of the most recent interim audited financial statements of the Company and its subsidiary companies for the period ended 30th September 2006.

A2. Audit qualification

There was no audit qualification in the audited report of the Company and its subsidiaries preceding interim financial statements for the period ended 30th September 2006.

A3. Seasonal or cyclical factors

The principal business operations of the Group are not materially affected by seasonal or cyclical factors during the financial quarter under review.



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A4. Items of unusual nature and amount

Except as disclosed below, there is no item affecting the assets, liabilities, equity, net income or cash flows of the Group that is unusual because of its nature, size or incidence,

	Current Quarter	Current Year To Date
	31-Dec-06 RM '000	31-Dec-06 RM '000
Impairment loss on purchase of a freehold Industrial land	(1,139)	(1,139)
Revaluation surplus on leasehold land and buildings	819	819

A5. Material changes in estimates

There is no material change in estimates of amounts reported that will have a material effect in the financial quarter under review.

A6. Issuance or Repayment of Debt or Equity Securities

There is no issuance or repayment of debt or equity securities, share buybacks, share cancellations, shares held as treasury shares or resale of treasury shares in the financial quarter under review.

A7. Dividend Paid

No interim dividend was paid for the quarter ended 31st December 2006.

A8. Segmental Analysis

No segmental analysis is presented as the Group is primarily engaged in a single industry segment relating to the maintenance, repair and overhaul services carried out in Malaysia.



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A9. Valuation of property, plant and equipment

Following the adoption of *FRS 136 : Impairment of Assets* to revalue the Group's landed properties, the Group has revalued its leasehold land and buildings. The revaluation reserve of RM 819,077.00 arising from the revaluation has been reflected in the current quarter financial statements (please refer to **Note A4** for similar disclosure).

The above revaluation surplus has increased the Group's net tangible assets per share by RM0.0102 as at 31st December 2006. The revaluation was carried out in December 2006 by Messrs. JAZ International (Malaysia) Sdn. Bhd., a firm of independent professional valuers.

To the best knowledge of the Board, the above revaluation is not subject to the approval of the Securities Commission.

A10. Significant Events During The Financial Quarter

Except as disclosed below, there were no significant events during the financial quarter under review.

- (a) On 2nd October 2006, the entire paid – up share capital of a sub – subsidiary of Satang Jaya Holdings Berhad (“SJHB”), Port Marine Safety Services Sdn. Bhd. (“PMSS”), was transferred to the Directors of PMSS for a total consideration of RM123,750.00.

PMSS has an authorised shares capital of 500,000 shares of RM1.00 each. The issued and paid – up shares capital of PMSS is 150,000 shares of which 69% equity interest is held by SJHB's wholly – owned subsidiary, Satang Jaya Sdn Bhd (“SJSB”). PMSS is principally engaged in supplying and servicing the marine safety equipment and accessories.

In addition, on the even date, SJSB has ceased to be the holding company of PMSS;

- (b) On 1st December 2006, the Company has announced that the Ministry of Defence (“MINDEF”) has awarded a contract for an initial ceiling value of RM1.5 million to Satang Jaya Sdn. Bhd. (“SJSB”), the wholly owned subsidiary of the Company, for the first three (3) years period effective from 27th November 2006. Further to the above, the contract ceiling value will be increased and the contract period will be extended upon satisfactory performance of SJSB.

Under this contract, SJSB is appointed as the contractor for the service and maintenance of safety and survival equipments for the Pasukan Udara Tentera Darat (“PUTD”).



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- (c) On 22nd December 2006, the wholly owned subsidiary of the Company, Satang Jaya Sdn. Bhd. ("SJSB") has entered into a conditional Sale and Purchase Agreement with Bukit Ramai Holding Sdn. Bhd. for the disposal of a piece of leasehold land in Shah Alam for a total consideration of RM 1,700,728.00; .
- (d) On 29th December 2006, the Company has entered into a conditional Sales and Purchase Agreement with The New Straits Times Press (M) Bhd ("NSTP") for the acquisition of a piece of freehold industrial land in Bukit Jelutong, Shah Alam, for a total consideration of RM12,196,800.00.

A11. Significant Events Subsequent To The Financial Quarter

Except as disclosed below, there were no significant events subsequent to the financial quarter under review,

- (a) On 11th January 2007, the Company has announced that the Ministry of Defence ("MINDEF") has agreed to increase the ceiling value of the Contractorisation Agreement between MINDEF and its wholly owned subsidiary, Satang Jaya Sdn. Bhd. ("SJSB") from RM190.0 million to RM364.5 million, an increment of RM174.5 million.

Under the Contractorisation Agreement, SJSB is appointed as the exclusive contractor for the service and maintenance of aviation safety and survival equipment, aviation ground support safety equipment, aircrew emergency escape system, electro – mechanical safety equipment and the maintenance of aviation compressed gas cylinders for the Royal Malaysian Air Force ("RMAF").

A12. Changes in the Composition of the Group

There have been no significant changes in the composition of the Group in the financial quarter under review.



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A13. Contingent Liabilities or Assets

Except as disclosed below, there were no material contingent liabilities or assets during the financial quarter under review,

Corporate guarantees given to licensed financial institution for credit facilities granted to a wholly owned subsidiary, Satang Jaya Sdn Bhd ("SJSB")

Current Quarter	Current Year To Date
31-Dec-06 RM '000	31-Dec-06 RM '000
58,100	58,100

A14. Commitments

There were no material commitments during the financial quarter under review.

A15. Significant related party transactions

The transactions with related parties are of expenditure in nature, which are required for the Group's day-to-day operations. The Directors and the major Shareholders of the Group have provided undertakings that all the business transactions between the Group, the Directors and major Shareholders and persons connected to them and the key management of the SJHB, shall be based on the arms length basis and on commercial terms and shall not be disadvantageous to the Group.

The value of transaction incurred by the Group and its related parties is as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-06 RM '000	31-Dec-05 RM '000	31-Dec-06 RM '000	31-Dec-05 RM '000
Income	-	-	-	-
Expenditure	133	-	133	-

**There are no comparative figures disclosed for the current quarter and the cumulative quarter of the preceding year following the change in the financial year.*



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Part B : Explanatory Notes Pursuant to Appendix 9B Of The Listing Requirements Of The Bursa Malaysia Securities Berhad.

B1. Review of Performance

The Group has recorded a Profit After Tax of RM 2.188 million on a turnover of RM 18.908 million for the financial quarter ended 31st December 2006.

B2. Review of Current Quarter Profitability Against Preceding Quarter

There is no comparative figures available for presentation as the Group has changed its financial year end from June 30th to September 30th.

B3. Commentary on Prospects for the Current Financial Year

With the increase of RM190.0 million to RM364.5 million in one (1) of the current contracts ceiling with the Ministry of Defence ("MINDEF"), a newly awarded contract by MINDEF of RM1.5 million and the establishment of a new subsidiary in supplying and servicing pipe cleaning products for local and international market, the Board of Directors is confident and optimistic that the Group will achieve a better results in the current financial year.

Further to the above, the Board is also actively pursuing and negotiating for new contracts with the Government of Malaysia, which would further enhance the performance of the Group.

B4. Variance of Actual and Profit Forecast

The Group has not provided any quarterly profit forecast for the current financial year and therefore no variance information is available for presentation.



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B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-06 RM '000	Preceding Year Corresponding Quarter 31-Dec-05 RM '000	Current Year To Date 31-Dec-06 RM '000	Preceding Year Corresponding Period 31-Dec-05 RM '000
Current taxation	1,003	-	1,003	-
Under / (Over) Provision of taxation in prior years	269	-	269	-
Total	1,272	-	1,272	-

The tax charges for the group reflect a higher rate of 35% than the statutory rate. This is mainly due to the under provision of tax in prior year.

**There are no comparative figures disclosed for the current quarter and the cumulative quarter of the preceding year following the change in the financial year.*

B6. Purchase / Disposal of Unquoted Investments and / or Properties

Except as disclosed below, there were no purchase or disposal of unquoted investments or properties held as fixed assets for the financial quarter under review,

On 29th December 2006, the Company has completed the purchase of a freehold industrial land in Bukit Jelutong, Shah Alam, for a total consideration of RM12,196,800.00 and the impairment loss arising from the said purchase amounts to RM1,138,800.00 (please refer to **Note A4** for similar disclosure).

B7. Purchase / Disposal of Quoted Securities

The Group does not hold any quoted security nor was there any purchase or disposal of quoted security in the financial quarter under review.



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B8. Corporate Proposals

B8.1 Status of Corporate Proposal

There were no corporate proposals announced not completed as at 20th February 2007 (the latest practicable date which is no earlier than 7 days from the date of issue of this quarterly report).

B8.2 Status of Utilization of Proceeds

SJHB has raised gross proceeds of RM24,423,000 from its listing exercise via the Public Issue of 10,000,000 ordinary shares of RM0.50 each at a price of RM1.00 per share. As at the date of this announcement, the details of the utilization of the proceeds are as the followings:-

	TOTAL RM'000	UTILIZED RM'000	UNUTILIZED RM'000
Repayment of borrowings	2,000	(2,000)	-
Purchase of land and construction of factory or purchase of land and factory building	8,000	(8,000)	-
Working capital	12,562	(12,562)	-
Listing expenses	1,861	(1,861)	-
Total proceeds	24,423	(24,423)	-



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B9. Group Borrowings and Debt Securities

Group borrowings, all of which are Ringgit Malaysia (RM) denominated, as at 31st December 2006 were as follows,

B.9.1 Short Term Borrowings

Secured

	31-Dec-06 RM '000	30-Sept-06 RM '000
Hire Purchase Payable	149	199
Bills Payable	2,377	11,721
Overdraft	-	9,628
Total	2,526	21,538

B.9.2 Long Term Borrowings

Secured

	31-Dec-06 RM '000	30-Sept-06 RM '000
Hire Purchase Payable	1,130	1,010
Total	1,130	1,010

B10. Off Balance Sheet Financial Instruments

There is no financial instrument with off balance sheet risk as at the date of this quarterly financial report.



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B11. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this quarterly financial report.

B12. Dividends

The Board has not recommended any dividend for the quarter under review.

B13. Earnings Per Share

The basic and diluted earnings per share for the quarter and year to - date are computed as follows,

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Dec-06 RM'000	31-Dec-05 RM'000	31-Dec-06 RM'000	31-Dec-05 RM'000
Net profit for the quarter (RM'000)	2,188	-	2,188	-
Weighted average number of ordinary shares ('000) in issue	80,000	-	80,000	-
Basic earnings per share (sen)	2.74	-	2.74	-

**The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.*

**There are no comparative figures disclosed for the current quarter and the cumulative quarter of the preceding year following the change in the financial year.*

BY ORDER OF THE BOARD

Chin Kim Fung
Secretary
Date : 28th February 2007