



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 Satang Holdings Berhad (SHB) and its subsidiary companies (hereinafter referred to as the “Group”) during the financial quarter under review.

A2. Audit Report

The audited financial statements of the Company as at 31 September 2007 has not been finalised.

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.

A4. Items of unusual nature and amount

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,

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 dividend was paid for the current quarter and for the financial year.

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.

A9. Valuation of property, plant and equipment

There was no valuation of property and equipment for the financial quarter under review.

A10. Significant Events During The Financial Quarter

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

- (a) On 23rd November 2007, Board of Directors of the Company announced that the Ministry Of Defence ("MINDEF") has awarded to Satang Jaya Sdn Bhd ("SJSB"), a wholly-owned subsidiary of the Company, a contract of RM4.7 million for services, maintenance and supply of spare parts for Safety and Survival Equipments belonging to Tentera Laut Diraja Malaysia ("TLDM") – Kd Rajawali for a period of three (3) years commencing on 13th November 2007.
- (b) On 19 December 2007, Board of Directors of the Company announced that a Memorandum of Understanding ("MOU") was signed between SJSB, and Eurocopter Malaysia Sdn. Bhd. ("ECM"). The purpose of this MOU is for the appointment of SJSB as a vendor to ECM to maintain, repair, overhaul and supply of safety and survival equipment

A11. Significant Events Subsequent To The Financial Quarter

There were no significant events subsequent to the financial quarter under review.



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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.

A13. Contingent Liabilities or Assets

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

	Current Quarter	Current Year To Date
	31-Dec-07 RM '000	31-Dec-07 RM '000
Corporate guarantees given to licensed financial institution for credit facilities granted to Satang Jaya Sdn Bhd ("SJSB") and Satang Dagangan Sdn Bhd ("SDSB")	97,100	87,100
Corporate guarantees given to licensed financial institution for credit facilities granted to Satang Holding Bhd ("SHB")	28,000	28,000

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 SHB, shall be based on the arms length basis and on commercial terms and shall not be disadvantageous to the Group.



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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-07 RM '000	31-Dec-06 RM '000	31-Dec-07 RM '000	31-Dec-06 RM '000
Income	-	-	-	-
Expenditure	127	133	127	133

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 Profit After Tax of RM 0.532 million on a turnover of RM 10.975 million for the financial year ended 31st December 2007.

B2. Review of Current Quarter Profitability Against Preceding Quarter

The Group revenue of RM10.975 million for the current quarter ended 31 December 2007 is lower compared to RM18.120 million or by 39% of the preceding quarter. As a result the Profit After Tax has decreased to RM0.532 million compared to RM2.263 million or by 76% reported in the preceding quarter.

B3. Commentary on Prospects for the Next Financial Year

With the continuing support from the Ministry Of Defence (“MINDEF”), the Group expects that the performance of the current financial position to remain satisfactory.



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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.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-07 RM '000	Preceding Year Corresponding Quarter 31-Dec-06 RM '000	Current Year To Date 31-Dec-07 RM '000	Preceding Year Corresponding Period 31-Dec-06 RM '000
Current taxation	335	1,003	335	1,003
Under / (Over) Provision of taxation in prior years	-	269	-	269
Total	335	1,272	335	1,272

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

There was no purchase or disposal of unquoted investments or properties held as fixed assets for the financial quarter under review,

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.

B8. Corporate Proposals

B8.1 Status of Corporate Proposal

There were no corporate proposals as at the date of this announcement.



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B8. Group Borrowings and Debt Securities

Group borrowings, all of which are Ringgit Malaysia (RM) denominated, as at 31st December 2007 were as follows,

B.8.1 Short Term Borrowings

Secured

	31-Dec-07 RM '000	31-Dec-06 RM '000
Hire Purchase Payable	368	149
Bills Payable	4,318	2
Murabahah Revolving Fund (MRF)	18,027	-
Term loan	41	-
Overdraft	14,626	-
Total	37,380	2,526

B.8.2 Long Term Borrowings

Secured

	31-Dec-07 RM '000	31-Dec-06 RM '000
Hire Purchase Payable	1,466	1,130
Term Loan	3,929	-
Total	5,395	1,130

B9. 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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B10. 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.

B11. Dividends

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

B12. Earnings Per Share

The basic 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-07 RM'000	31-Dec-06 RM'000	31-Dec-07 RM'000	31-Dec-06 RM'000
Net profit for the quarter (RM'000)	532	2,188	532	2,188
Weighted average number of ordinary shares ('000) in issue	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	0.67	2.74	0.67	2.74

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

BY ORDER OF THE BOARD

DATO' JAMALUDDIN BIN HASSAN
Col (Honorary) RMAF
President / Executive Chairman

Date : 21 February 2008