



SATANG

SATANG HOLDINGS BERHAD (Company No : 633265 K)

Quarterly Unaudited Results Of The Group For The Financial Year Ended 30th September 2008

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 auditors have qualified the following statement in the audited accounts:

- 1 The Board of Directors resolved not to recognise revenue of approximately RM39 million in SJSB for the financial year ended 30 September 2007.
- 2 The Company had further verified Revenue of RM3.8 million resulting in the revision of Revenue not to recognise to RM35.44 million.

In view of the significance of the matters described in the paragraphs above, the auditors are unable to form an opinion as to whether the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of:

- (i) the state of affairs of the Group and of the Company as at 30 September 2007 and of the results and cash flows of the Group and of the Company for the year then ended; and
- (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements.

The above statement has triggered Paragraph 2.1 of the Amended Practice Note No. 17/2005 ("PN17") and Paragraph 8.14C of the Listing Requirements of Bursa Malaysia Securities Bhd and is therefore the Group has been classified as PN17.



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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

There were no significant events during the financial quarter under review.



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A11. Significant Events Subsequent To The Financial Quarter

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

- (a) Satang Jaya Sdn Bhd (“SJSB”) has received a letter of award from MINDEF dated 3 April 2008 awarding SJSB a contract with MINDEF worth RM5,576,535.94 in the supply and delivery of Personal Locator Beacon System to the Royal Malaysian Airforce (RMAF) for the duration of 24 months.
- (b) On 4th June 2008, the Company has announced that its wholly-owned subsidiary, Satang Jaya Sdn Bhd (“SJSB”) has received a letter of award from the Department of Civil Aviation Malaysia dated 3 June 2008 awarding SJSB a contract with MINDEF worth RM2,194,000.00 for services and/or maintenance and supply of spare parts for Safety and Survival Equipments to the Department of Civil Aviation Malaysia for the duration of 3 years commencing 16 June 2008 until 15 June 2011.
- (c) On 4th June 2008, the Company has announced that its wholly-owned subsidiary, Satang Jaya Sdn Bhd (“SJSB”) has received a letter of award from the Ministry of Defence Malaysia dated 20 June 2008 awarding SJSB a contract with MINDEF worth RM1,367,000.00 for the supply, delivery, affixation, testing services and/or maintenance and provision of Explosive Ordnance Disposal/Improvised Explosive Device Disposal Remotely Operated Vehicle (EOD/IEDD) for the duration of 1 year.
- (d) Satang Jaya Sdn Bhd (“SJSB”) The Board of Directors of the Company is pleased to announce that its wholly-owned subsidiary, Satang Jaya Sdn Bhd (“SJSB”) has received a letter of award from the Ministry of Defence Malaysia dated 20 June 2008 awarding SJSB a contract with MINDEF for the supply of non-proprietary spare parts, components and any related equipments for the Royal Malaysian Air Force Aircraft for the duration of 3 years commencing 20 June 2008.

Announcement Details :

Note: The said contract was awarded by MINDEF along with 28 other contractors with a total combined ceiling limit of RM350 million instead of the contract value as announced on 26 June 2008.



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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
	30-Sept-08 RM '000	30-Sept-08 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
Corporate guarantees given to licensed financial institution for credit facilities granted to Satang Holding Bhd ("SHB")	-	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
	30-Sept-08 RM '000	30-Sept-07 RM '000	30-Sept-08 RM '000	30-Sept-07 RM '000
Income	-	-	-	-
Expenditure	-	97	250	387

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 Loss After Tax of RM 17.104 million on a turnover of RM56,035 million for the financial year ended 30th September 2008

Overall the total revenue increased by RM23.8 million or 74% compared to the previous year.

B2. Review of Current Quarter Profitability Against Preceding Quarter

The Group revenue for the current quarter ended 30th September 2008 was RM22.35 million compared to RM8.52 million reported in the preceding quarter showing an increase of 162%.

B3. Commentary on Prospects for the Next Financial Year

The Satang Group had triggered the PN17 criteria and was classified under PN17 category this year.

Ever since, the group has been facing an uphill task of maintaining its operation costs and business portfolios. However with the continuous support of our major customer, MINDEF and the restructuring exercise that has been enforced, had reduced the group overheads and improve the financial position significantly.



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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 30-Sept-08 RM '000	Preceding Year Corresponding Quarter 30-Sept-07 RM '000	Current Year To Date 30-Sept-08 RM '000	Preceding Year Corresponding Period 30-Sept-07 RM '000
Current taxation	107	61	487	303
Under / (Over) Provision of taxation in prior years	(4)	-	(1,710)	(71)
Total	103	61	(1,223)	232

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

There is no 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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Group borrowings, all of which are Ringgit Malaysia (RM) denominated, as at 30th September 2008 were as follows,

B.9.1 Short Term BorrowingsSecured

	30-Sept-08 RM '000	30-Sept-07 RM '000
Hire Purchase Payable	386	364
Bills Payable	2,631	22,771
Murabahah Revolving Fund (MRF)	-	40
Term loan	1,555	-
Overdraft	9,430	12,377
Total	14,002	35,452

B.9.2 Long Term BorrowingsSecured

	30-Sept-08 RM '000	30-Sept-07 RM '000
Hire Purchase Payable	1,175	1,561
Term Loan	3,701	3,939
Total	4,876	5,500

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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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 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
	30-Sept-08 RM'000	30-Sept-07 RM'000	30-Sept-08 RM'000	30-Sept-07 RM'000
Net profit for the quarter (RM'000)	(7,565)	(5,482)	(17,055)	(26,713)
Weighted average number of ordinary shares ('000) in issue	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	(9.46)	(6.85)	(21.32)	(33.39)

**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 : 28 November 2008