



SATANG

SATANG HOLDINGS BERHAD (Company No : 633265 K)

Quarterly Unaudited Results Of The Group For The Financial Year Ended 31st December 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 Interim Financial Reporting 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

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 2008.

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.



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No dividend was paid for the current quarter and for the financial year.

A8. Segmental Analysis

The segmental analysis of the Group's revenue and results for the current financial period is set out below:

	Repair and Overhaul RM	Trading RM	Construction RM	Total RM
Revenue				-
Sales	5 630 755	3 939 248	111 805	9 681 808
Less : Inter-segment sales	-	(147 381)	-	(147 381)
	<u>5 630 755</u>	<u>3 791 867</u>	<u>111 805</u>	<u>9 534 427</u>

No geographical analysis has been prepared as the Group operates wholly 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.

A11. Significant Events Subsequent To The Financial Quarter

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

- (a) On 15 January 2009, Bursa Securities has granted the extension of time until 6 April 2009 to submit its regularisation plans to the Securities Commission and other relevant authorities for approval.



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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,

	Year to Date 31-Dec-08 RM '000	As at 31-Dec-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")	54,500	97,100
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.

There were no significant related party transactions occurred during the current quarter and financial period ended 31 December 2008.



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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's revenue decreased by RM1.44 million or 13% from RM10.97 million in the corresponding period last year compared to RM 9.53 million for the period ended 31 December 2008.

However, there was an increase in profit from operations from RM0.87 million in the corresponding period last year to RM1.17 million due to better margin.

B2. Review of Current Quarter Profitability Against Preceding Quarter

The current quarter is better than the preceding quarter mainly due to cost rationalization exercise undertaken effective November 2008. The full contribution of this exercise will only be realised in 2nd quarter 2009.

B3. Commentary on Prospects for the Next Financial Year

The Satang Group had triggered the PN17 criteria and was classified under PN17 category in the last financial year.

We are striving to be back on the right track with the continuous support of our major customer, MINDEF and the on going restructuring exercise that had significantly reduced the Group's overhead and improves our earnings and the financial position.

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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
31-Dec-08 RM '000	31-Dec-07 RM '000	31-Dec-08 RM '000	31-Dec-07 RM '000

Current taxation	304	335	304	335
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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.

B9. Group Borrowings and Debt Securities

Group borrowings, all of which are Ringgit Malaysia (RM) denominated, as at 31st December 2008 were as follows,



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B.9.1 Short Term BorrowingsSecured

	31-Dec-08 RM '000	31-Dec-07 RM '000
Hire Purchase Payable	394	368
Bills Payable	4,791	4,318
Murabahah Revolving Fund (MRF)	-	18,027
Term loan	1,259	41
Overdraft	5,438	14,626
Total	11,882	37,380

B.9.2 Long Term BorrowingsSecured

	30-Sept-08 RM '000	30-Sept-07 RM '000
Hire Purchase Payable	1,076	1,466
Term Loan	3,622	3,929
Total	4,698	5,395

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 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-08 RM'000	31-Dec-07 RM'000	31-Dec-08 RM'000	31-Dec-07 RM'000
Net profit for the quarter (RM'000)	866	532	866	532
Weighted average number of ordinary shares ('000) in issue	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	1.08	0.67	1.08	0.67

**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 : 27 February 2009