



Interim Report for the 2nd Quarter Ended

30 June 2007

SAAG CONSOLIDATED (M) BHD

Interim financial statements for the quarter ended 30 June 2007

CONDENSED CONSOLIDATED INCOME STATEMENT*(These figures have not been audited)*

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30 Jun 2007 RM'000	Preceding Year Quarter 30 Jun 2006 RM'000	Current Year Quarter 30 Jun 2007 RM'000	Preceding Year Quarter 30 Jun 2006 RM'000
Revenue	16	91,007	51,915	252,431	99,410
Costs of sales		<u>(71,100)</u>	<u>(40,257)</u>	<u>(213,903)</u>	<u>(78,382)</u>
Gross profit		19,907	11,658	38,528	21,028
Other operating expenses		(7,193)	(6,429)	(15,302)	(11,969)
Other income		1,227	778	3,677	3,233
Profit from operations		<u>13,941</u>	<u>6,007</u>	<u>26,903</u>	<u>12,292</u>
Finance costs		(1,848)	(1,967)	(4,109)	(3,415)
Share in results of associated company		269	446	440	657
Profit before taxation	15	<u>12,362</u>	<u>4,486</u>	<u>23,234</u>	<u>9,534</u>
Taxation	19	(2,061)	111	(3,631)	(1,825)
Net profit for the period		<u><u>10,301</u></u>	<u><u>4,597</u></u>	<u><u>19,603</u></u>	<u><u>7,709</u></u>
Attributable to:					
Minority interests		2,314	1,624	4,559	2,497
Equity holders of the Company		<u>7,987</u>	<u>2,973</u>	<u>15,044</u>	<u>5,212</u>
		<u><u>10,301</u></u>	<u><u>4,597</u></u>	<u><u>19,603</u></u>	<u><u>7,709</u></u>
Earnings per share (sen)					
- basic	26	14.63	9.39	27.55	16.43
- diluted		14.34	N/A	27.00	N/A

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended '31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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Interim financial statements for the quarter ended 30 June 2007

CONDENSED CONSOLIDATED BALANCE SHEET**(The figures have not been audited)**

	Note	As at 30 Jun 2007 Unaudited RM'000	As at 31 Dec 2006 Audited RM'000
ASSETS			
Non-Current assets			
Property, plant and equipment		139,266	141,486
Investment Properties		4,991	4,711
Investment in an associated company		4,151	3,710
Other Investments	21	2,586	2,747
Goodwill on business combination		1,046	1,046
Deferred tax assets		2,480	2,539
		<u>154,520</u>	<u>156,239</u>
Current assets			
Contract Work-In-Progress	Note *	167,199	144,231
Property development costs		6,953	2,583
Inventories		2,187	820
Trade receivables		111,650	69,320
Other receivables, deposits and prepayments		94,156	94,504
Fixed Deposits With Licensed bank		122,991	136,191
Cash and bank balances		16,062	13,646
		<u>521,198</u>	<u>461,295</u>
TOTAL ASSETS		<u>675,718</u>	<u>617,534</u>
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables		73,637	48,514
Other payables and accruals		87,724	140,451
Amounts due to customer for contract works		-	929
Amount owing to an associated company		946	238
Amount owing to directors		1,296	1,619
Hire-purchase creditors		56	307
Borrowings (Interest bearing)	23	83,965	64,381
Tax liabilities		9,064	5,098
		<u>256,688</u>	<u>261,537</u>
Non-current liabilities			
Other Payables		226,194	202,719
Hire-purchase creditors		2,268	1,021
Borrowings (Interest bearing)	23	40,081	40,259
Deferred tax liabilities		7,413	7,108
		<u>275,956</u>	<u>251,107</u>
Total Liabilities		<u>532,644</u>	<u>512,644</u>
Equity			
Share capital		57,746	50,713
Reserves		64,055	38,129
Issued capital and reserves attributable to equity holders of the company		121,801	88,842
Minority Interest		21,273	16,048
Total Equity		<u>143,074</u>	<u>104,890</u>
TOTAL EQUITY AND LIABILITIES		<u>675,718</u>	<u>617,534</u>
Net Assets per share (RM)		2.11	1.75

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

Note *

The nomenclature "Amount Due from Contract Customers for Contract Works" has been changed to "Contract Work-In-Progress" to correctly represent deliveries by contractors/subcontractors for which advances were made earlier and delivered subsequently. Contract Work-In-Progress therefore, reflects monies expended on the projects which involve long lead delivery items and transferred to cost of sales based on percentage of completion method.

SAAG CONSOLIDATED (M) BHD

Interim financial statements for the quarter ended 30 June 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Note	Attributable to Equity Holders of the Company						Total RM'000	Minority Interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Share Option Reserve RM'000	Currency Translation adjustment reserve RM'000	Capital reserve RM'000	Retained profit RM'000			
At 1 January 2006	44,250	14,723	-	1,952	904	7,469	69,298	11,467	80,765
Issue of share capital arising from:									
- exercise of ESOS	1,995	-	-	-	-	-	1,995	-	1,995
- private placement	4,468	-	-	-	-	-	4,468	-	4,468
Fair value of share options granted under ESOS	-	-	834	-	-	-	834	-	834
Reserve realised upon exercise of ESOS	-	421	(421)	-	-	-	-	-	-
Share option lapsed	-	-	(35)	-	-	35	-	-	-
Accretion of interest upon partial disposal of a subsidiary company	-	-	-	-	-	-	-	816	816
Translation adjustment for the year	-	-	-	(1,002)	-	-	(1,002)	(924)	(1,926)
Realisation of reserve upon partial disposal of a subsidiary company	-	-	-	(56)	(64)	-	(120)	119	(0)
Share issue expenses	-	(31)	-	-	-	-	(31)	-	(31)
Net profit for the year	-	-	-	-	-	13,400	13,400	4,570	17,970
At 31 December 2006	<u>50,713</u>	<u>15,113</u>	<u>378</u>	<u>894</u>	<u>840</u>	<u>20,904</u>	<u>88,842</u>	<u>16,048</u>	<u>104,890</u>
At 1 January 2007	50,713	15,113	378	894	840	20,904	88,842	16,048	104,890
Issue of share capital arising from:									
- exercise of ESOS	6 1,884	206	-	-	-	-	2,090	-	2,090
- private placement	6 5,149	11,342	-	-	-	-	16,491	-	16,491
Acquisition of subsidiary company	-	-	-	-	-	-	-	230	230
Translation adjustment for the period	-	-	-	142	-	-	142	435	577
Reserve realised upon exercise of ESOS	-	339	(339)	-	-	-	-	-	-
Share issue expenses	-	(808)	-	-	-	-	(808)	-	(808)
Net profit for the period	-	-	-	-	-	15,044	15,044	4,560	19,604
At 30 June 2007	<u>57,746</u>	<u>26,192</u>	<u>39</u>	<u>1,036</u>	<u>840</u>	<u>35,948</u>	<u>121,801</u>	<u>21,273</u>	<u>143,074</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended '31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	6 months ended 30 Jun 2007 RM'000	6 months ended 30 Jun 2006 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before tax	23,235	9,534
Adjustments for:		
Finance costs	4,109	3,415
Depreciation of property, plant and equipment	985	1,100
Share in results of associated company	(440)	(657)
Unrealised (gain)/loss on foreign exchange - net	(1,136)	282
Interest income	(1,738)	(629)
Property, plant and equipment written off	-	443
Gain on disposal of shares in subsidiary company	-	(21)
Goodwill/(Negative goodwill) written off	(100)	-
Allowance for/ (reversal of) doubtful debts	(713)	-
Loss on disposal of other investment	446	-
Operating Profit Before Working Capital Changes	<u>24,649</u>	<u>13,468</u>
(Increase)/Decrease in:		
Development costs incurred	(4,370)	-
Amount due from contract customer	(23,687)	56,431
Inventories	(1,367)	2,189
Trade receivables	(42,330)	(19,713)
Other receivables, deposits and prepayments	637	4,327
Increase/(Decrease) in:		
Amount due to contract customer	(211)	-
Trade payables	48,598	187
Other payables and accrued expenses	(48,215)	(19,973)
Amount due to director	(323)	-
Amount owing to an associated company	709	(63)
Cash From Operations	<u>(45,910)</u>	<u>36,853</u>
Interest paid	(1,187)	(212)
Income tax refund	-	297
Income tax paid	(550)	(50)
Net Cash From Operating Activities	<u>(47,647)</u>	<u>36,888</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	1,738	629
Purchase of property, plant and equipment	(295)	(12,530)
Acquisition of subsidiary companies	(149)	(30)
(Increase)/Decrease in fixed deposit pledged	8,607	(24,977)
Purchase of quoted investment	-	(918)
Purchase of unquoted investment	-	-
Proceeds from disposal of quoted investment	2,971	-
Proceeds from disposal of property, plant and equipment	1,554	178
Net Cash From/(Used In) Investing Activities	<u>14,425</u>	<u>(37,648)</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	6 months ended 30 Jun 2007 RM'000	6 months ended 30 Jun 2006 RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown / (Repayment) of bank borrowings	20,402	8,804
Repayment to directors	-	(1,030)
Proceeds from issue of shares	17,777	6,012
Repayment of bank borrowings	-	(11,656)
Finance cost paid	(3,998)	(3,203)
Payment of hire-purchase creditors	-	(60)
Net Cash From/(Used in) Financing Activities	<u>34,181</u>	<u>(1,133)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	958	(1,894)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14,994	4,281
Effects of changes in exchange rates	142	131
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>16,093</u></u>	<u><u>2,518</u></u>
Cash and cash equivalents comprise the following balance sheet amounts:		
Cash on hand and at banks	16,062	13,834
Bank overdrafts	(19,695)	(11,347)
Fixed deposits with licensed banks	<u>122,991</u>	<u>42,955</u>
Less: Fixed deposit pledged	(103,265)	(42,924)
	<u><u>16,093</u></u>	<u><u>2,518</u></u>

The condensed consolidated cashflow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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Interim report for the quarter ended 30 June 2007

Notes to the Interim Report

1. ACCOUNTING POLICIES

Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134 "Interim Financial Reporting" (formerly known as MASB 26) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

Changes in Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those of the audited financial statement for the year ended 31 December 2006 except for the adoption of the following new/revised FRS effective 1 January 2007:

FRS 124 Related Party Disclosures

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the new/revised FRSs does not have significant financial impact on the Group.

2. AUDITORS' REPORT ON PRECEEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 31 December 2006 were not subject to any qualification.

3. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group are affected by the cycles of capital and repair/maintenance programs implemented by the major players in the oil and gas sector.

4. UNUSUAL SIGNIFICANT ITEMS

There were no other items affecting assets, liabilities, equity, net income or cashflows that are unusual because of their nature, size or incidence during the period under review.

5. CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the current quarter.

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Interim report for the quarter ended 30 June 2007

Notes to the Interim Report**6. CHANGES IN EQUITY**

	Current Quarter		Current Year To Date	
	Number Of Shares '000	Proceeds From Share Issue RM'000	Number Of Shares '000	Proceeds From Share Issue RM'000
Issuance of new ordinary shares of RM1 each pursuant to employees exercising their options under the Employees' Share Option Scheme	1,106	1,316	1,884	2,090
Issuance of new ordinary shares of RM1 each pursuant to Private Placement Exercise	3,000	12,000	5,149	16,491

The proceeds raised from the private placement and ESOS of RM 18,581,000 was being utilized for the Group's working capital requirement.

7. DIVIDENDS

A final tax exempt dividend of 3 sen per ordinary share for the financial year ended 31 December 2006 amounting to RM 1.7 million was paid on 16 July 2007.

8. SEGMENTAL REPORTING

The Group is organised into six main business segments and the revenue and result of each business segment is reported as follows:

Investment holding	Provision of management services and investment holding
Trading, Maintenance, Repair And Overhaul	Supply, repair and maintenance of engineering equipment and spare parts of oil and gas and petroleum industry
Rig services	Provision of workover rig and consultancy services relating to drilling of petroleum
Information technology	Supply of information technology solutions to the gas and petroleum industry
Engineering and construction	Procurement, construction and commissioning of general engineering projects, and construction works
Manpower consultancy	Provision of engineering consultancy, project management and specialist manpower services to the oil and gas, power generation and infrastructure based industries

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Notes to the Interim Report

Segment information for the current financial period to 30 June 2007 is as follows:

	← Oil And Gas →						Others	Group
	Investment holding	Trading, Maintenance, Repair & Overhaul	Rig services	Information technology	Manpower Consultancy	Engineering and Construction		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue	-	128,617	44,923	-	47,989	30,902	-	252,431
Segment results	<u>(8,359)</u>	<u>26,418</u>	<u>3,024</u>	<u>(1)</u>	<u>2,907</u>	<u>1,461</u>	<u>(284)</u>	25,166
Unallocated corporate income								1,738
Unallocated corporate expenses								-
Profit from operations								26,904
Finance Cost								(4,109)
Share of results in associated company								440
Profit before tax								23,235
Tax expense								(3,631)
Profit after taxation								19,604
Minority interests								(4,560)
Net Profit for the period								<u>15,044</u>

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Interim report for the quarter ended 30 June 2007

Notes to the Interim Report**9. PROPERTY, PLANT AND EQUIPMENT**

The property, plant and equipment of the Group were not revalued since the previous audited financial statements.

10. SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER UNDER REVIEW

There were no significant events subsequent to the end of the current quarter.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the financial period ended 30 June 2007 except for the following:

	Effective Equity Interest As At	
	30.06.2007	31.12.2006
	%	%
Proteus SAAG Sdn Bhd	41.31	-
OGS Asiapac Ltd	50.10	-
Eurospiraal B.V.	60.00	-
SAAG East Africa Services Limited	60.00	-
Sepworth Investments Limited	100.00	-
SAAG Oil Rigs Services Limited (incorporated in Island of Guernsey)	85.00	-
SAAG Oil Rigs Services Limited (incorporated in British Virgin Islands)	85.00	-

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 14 August 2007, the Company has given the following unsecured corporate guarantees:

	RM'000
Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiary companies	191,647
Corporate guarantee given to financial institutions for performance indemnity guarantee granted to a subsidiary company	1,617
Corporate guarantee given to a customer for the supply of goods by a subsidiary company	500
Corporate guarantee given to certain trade creditors for credit terms granted to certain subsidiary companies	6,904
	<u>200,668</u>

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Interim report for the quarter ended 30 June 2007

Notes to the Interim Report

13. CAPITAL COMMITMENTS

There were no capital expenditure not provided for in the financial statements in respect of purchase of property, plant and equipment.

14. RELATED PARTY TRANSACTIONS

	Current Year 2nd Quarter 30.6.2007 RM'000	Current Year Todate 30.6.2007 RM'000
With an associated company :		
- <i>purchases of inventories</i>	2,619	5,032
With fellow subsidiary companies :		
- <i>management fee receivable</i>	720	1,357
- <i>rental receivable</i>	22	44
- <i>design, engineering and technical fees payable</i>	1,135	2,270

15. REVIEW OF PERFORMANCE

For the 6 months period ended 30 June 2007, the Group achieved 154% revenue growth, posting total revenue of RM 252.4 million as compared to the preceding year corresponding quarter of RM 99.4 million. The strong revenue growth was the result of an increased contribution from engineering, maintenance repair and overhaul activities involving refurbishment of generator units as well as workover rigs.

The Group's profit before taxation ("PBT") was up by 144% to RM 23.2 million, as compared to PBT of RM9.5 million for the preceding year corresponding quarter. Accordingly, profit after taxation ("PAT") increased from RM 7.7 million to RM 19.6 million, up by 155%.

16. QUARTERLY RESULTS COMPARISON

	Current Year 2nd Quarter 30.6.2007 RM'000	Current Year 1st Quarter 31.3.2007 RM'000
Revenue	91,007	161,424
Profit before tax	<u>12,362</u>	<u>10,871</u>

PBT for the current quarter under review improved by 13.8% to RM12.4 million from RM10.9 million despite a reduced turnover from RM 161.4million to RM 91.0 million. The lower revenue was mainly attributable to:

- (a) one-off order involving trading in rig equipment in Quarter 1 of about RM32 million;
- (b) lower percentage of recognition for progressive completion of generator units and workover rigs contracts between the two quarters under review. However, the progressive completion of these units were as per project schedule.

Nonetheless, PBT improved by 13.8% from RM 10.9 million to RM 12.4 million in view of lower operating expenses during the quarter under review.

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Notes to the Interim Report

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2007

The oil and gas industry is expected to continue to enjoy robust growth for the remaining quarters of 2007, the group will continue to leverage on its strong overseas operation as well as strategise in the local oil & gas industry sector through joint venture, acquisition and business development. Competition continues to be severe and the group is endeavoring to position itself as an energy engineering group and diversify into other businesses in the energy sector to withstand any downturn in the oil & gas industry.

The Directors envisage that the prospects for the year 2007 to be better than those in 2006. During the quarter under review, the Company has incorporated four new subsidiaries and the Group is looking for opportunities to enhance its positioning in the oil and gas industry.

18. VARIANCE OF ACTUAL FROM FORECAST PROFIT

The Group did not announce any profit forecast or profit guarantee during the current financial period.

19. TAXATION

	Current Year Quarter 30.6.2007	Current Year Todate 30.6.2007
	RM'000	RM'000
Current Tax	1,166	2,736
Deferred Tax	299	299
	<hr/>	<hr/>
	1,465	3,035
Under provision in prior year	596	596
	<hr/>	<hr/>
	2,061	3,631
	<hr/>	<hr/>

The effective tax rate for the current quarter and financial year-to-date ended 30 June 2007 of 17% was lower than the statutory tax rate 27% due to lower tax rate applicable to foreign jurisdictions coupled with the utilization of capital allowances and unabsorbed tax losses by certain subsidiary.

20. SALE/PURCHASE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and/or properties for the current quarter and year to-date.

21. QUOTED SECURITIES

As at 30 June 2007, the Company had disposed off quoted shares worth of RM3.4 million. The loss from the disposal of quoted shares was about at RM0.4 million.

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Notes to the Interim Report

22. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

- a) On 12 August 2003, the Company announced an employees' share option scheme to the eligible employees (including Executive Directors) of SAAG Consolidated (M) Bhd ("SAAG") and its subsidiary companies ("Proposed ESOS"). The total number of new SAAG Consolidated Shares to be issued by the Company in respect of which options are offered to the grantees under the Proposed ESOS shall not at the time of offer exceed ten per centum (10%) of the total issued and paid-up share capital of the Company, save for the case of share buybacks (or such other higher percentage as may be permitted by the relevant regulatory authorities, from time to time) during the existence of the Proposed ESOS. The approval of the Securities Commission and the shareholders of the Company were obtained on 8 January 2004 and 16 April 2004, respectively.

On 3 September 2004, a total of 599,000 options were granted to eligible employees pursuant to the ESOS at an option price of RM1.79. As at 30 June 2007, 331,000 options have been exercised.

On 23 March 2006, a total of 3,954,000 options were granted to eligible employees pursuant to the new ESOS at an option price of RM1.00. As at 30 June 2007, 3,602,000 options have been exercised.

- b) On 6 November 2006, the Company proposed to undertake a private placement of new SAAG Shares representing not more than 10% of the issued and paid-up share capital of SAAG. The number of new SAAG Shares that can be issued pursuant to the Proposed Private Placement will be 5,370,845 new SAAG Shares. The Securities Commission has, vide its letter dated 27 November 2006 approved the Proposed Private Placement.

The private placement has been completed with the placement of the final tranche of 3,000,000 ordinary shares of RM1.00 each in SAAG shares which were granted listing on 13 April 2007. In total, an aggregate of 5,149,050 SAAG shares were issued at prices ranging from RM1.45 to RM4.00.

- c) On 12 February 2007, the Company announced that its subsidiary company, SAAG RR, a 44.98% owned subsidiary of a wholly owned subsidiary of SML and a company listed on the Mumbai and Chennai Stock Exchanges has on 9 February 2007 entered into a conditional Shareholders Cum Subscription Agreement with Techni Bharathi Limited ("TBL") and Mr. V.C. Antony s/o Ouseph Chandy and Mr. Jortin Antony s/o V.C. Antony to subscribe for 6,431,250 ordinary shares of India Rupees ("Rs") 10 each at the par value price of Rs.10 each representing 60% of the share capital of TBL. As of 30 June 2007, this agreement is pending completion.
- d) On 4 April 2007, the Company announced that its wholly owned subsidiary company, SML has entered into two conditional Sale of Shares Agreement with Eagle Strike Sdn Bhd (formerly known as Apex Technologies Sdn Bhd) and with Shahid Raza Ali wherein SML has agreed to purchase from vendors, respectively, 64,000 and 20,000 ordinary shares of USD 1 each in the capital of GTS Power Limited, a company incorporated under the laws of the Kingdom of Cambodia at a total sale price of USD 26,000. Upon completion of the said purchases, SML will hold 42% of the equity interest in the capital of GTS Cambodia. GTS has the exclusive right to design, construct, own, operate and maintain an electricity generating facility proposed to be constructed in Cambodia to generate and deliver electricity energy and generating capacity to Electicite Du Cambodge of Cambodia. As of 07 June 2007, all conditions precedent in respect of the conditional Sale of Shares Agreement have been met. The acquisition thus has been duly completed.

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Notes to the Interim Report**23. GROUP BORROWINGS**

Details of the Group's bank borrowings as at 30 June 2007 are as follows:

	Current RM'000	Non-current RM'000
Unsecured	67,144	40,000
Secured	16,821	81
	<u>83,965</u>	<u>40,081</u>

	'000	RM '000 equivalent
Bank borrowings denominated in foreign currency –		
Singapore Dollar	<u>5,847</u>	<u>13,184</u>
Indian Rupee	<u>262,944</u>	<u>22,332</u>

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

25. MATERIAL LITIGATION

- (i) Kuala Lumpur High Court Suit No. D1-22-389-2005 dated 23 March 2005 by SOG ("Plaintiff") against Kathiresan a/l Krishnan (t/a Super Star Heavy Machinery Trading) and two (2) others ("Defendants") being a claim made by SOG to recover the transformers that were unlawfully taken from Lundang Power Station, Kelantan Darul Naim on or about 30 September 2004 for the value of the said transformers amounting to approximately RM1,500,000 together with interest and cost. Judgment in default was obtained against the 1st Defendant in the sum of RM1,500,000 with interest and costs. The matter has been withdrawn against the 2nd Defendant. The 3rd Defendant has been made a bankrupt and leave has been obtained to proceed against him.

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Notes to the Interim Report

26. EARNINGS PER SHARE

a) Basic earnings per share

	Current Year Quarter 30.6.2007	Current Year To Date 30.6.2007
Net profit for the period (RM'000)	7,988	15,044
Weighted average number of ordinary shares in issue ('000)	54,605	54,605
	<hr/>	<hr/>
Basic earnings per share (Sen)	14.63	27.55
	<hr/>	<hr/>

b) Diluted earnings per share

	Current Year Quarter 30.6.2007	Current Year To Date 30.6.2007
Net profit for the period (RM'000)	7,988	15,044
Weighted average number of ordinary shares in issue and issue able ('000)	54,605	54,605
Effect of dilution from assumed exercise of options grant under ESOS	1,114	1,114
Adjusted weighted average number of ordinary shares in issue and issue able ('000)	55,719	55,719
	<hr/>	<hr/>
Diluted earnings per share (Sen)	14.34	27.00
	<hr/>	<hr/>

BY ORDER OF THE BOARD

ANAND SUBRAMANIAN
EXECUTIVE DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER