



**Interim Report for the 3rd Quarter Ended
30 September 2007**

SAAG CONSOLIDATED (M) BHD

Interim financial statements for the quarter ended 30 September 2007

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

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30 Sep 2007 RM'000	Preceding Year Quarter 30 Sep 2006 RM'000	Current Year Quarter 30 Sep 2007 RM'000	Preceding Year Quarter 30 Sep 2006 RM'000
Revenue	16	97,661	63,993	350,092	163,402
Costs of sales		<u>(79,704)</u>	<u>(53,048)</u>	<u>(293,607)</u>	<u>(131,428)</u>
Gross profit		17,956	10,945	56,484	31,974
Other operating expenses		(6,837)	(7,164)	(22,139)	(19,134)
Other income		1,384	1,718	5,061	4,951
Profit from operations		<u>12,503</u>	<u>5,499</u>	<u>39,406</u>	<u>17,791</u>
Finance costs		(2,774)	(2,529)	(6,883)	(5,944)
Share in results of associated company		314	302	754	959
Profit before taxation	15	<u>10,043</u>	<u>3,272</u>	<u>33,277</u>	<u>12,806</u>
Taxation	19	(1,158)	(889)	(4,789)	(2,715)
Net profit for the period		<u><u>8,885</u></u>	<u><u>2,383</u></u>	<u><u>28,488</u></u>	<u><u>10,091</u></u>
Attributable to:					
Minority interests		1,120	1,033	5,679	3,529
Equity holders of the Company		<u>7,765</u>	<u>1,350</u>	<u>22,809</u>	<u>6,562</u>
		<u><u>8,885</u></u>	<u><u>2,383</u></u>	<u><u>28,488</u></u>	<u><u>10,091</u></u>
Earnings per share (sen)					
- basic	26	13.96	4.73	41.01	20.98
- diluted		13.77	N/A	40.45	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 September 2007

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

	Note	As at 30 Sep 2007 Unaudited RM'000	As at 31 Dec 2006 Audited RM'000
ASSETS			
Non-Current assets			
Property, plant and equipment		137,597	141,486
Investment Properties		5,029	4,711
Investment in an associated company		4,537	3,710
Other Investments	21	2,085	2,747
Goodwill on business combination		2,078	1,046
Deferred tax assets		2,514	2,539
		<u>153,840</u>	<u>156,239</u>
Current assets			
Contract Work-In-Progress	Note *	157,994	144,231
Property development costs		12,139	2,583
Inventories		2,422	820
Trade receivables		97,695	69,320
Other receivables, deposits and prepayments		102,128	94,504
Fixed Deposits With Licensed bank		133,700	136,191
Cash and bank balances		27,433	13,646
		<u>533,510</u>	<u>461,295</u>
TOTAL ASSETS		<u>687,350</u>	<u>617,534</u>
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables		26,406	48,514
Other payables and accruals		66,170	140,451
Amounts due to customer for contract works		-	929
Amount owing to an associated company		736	238
Amount owing to directors		1,237	1,619
Hire-purchase creditors		227	307
Borrowings (Interest bearing)	23	87,486	64,381
Tax liabilities		7,134	5,098
		<u>189,396</u>	<u>261,537</u>
Non-current liabilities			
Other Payables		218,802	202,719
Hire-purchase creditors		2,215	1,021
Borrowings (Interest bearing)	23	111,956	40,259
Deferred tax liabilities		7,471	7,108
		<u>340,444</u>	<u>251,107</u>
Total Liabilities		<u>529,840</u>	<u>512,644</u>
Equity			
Share capital		61,635	50,713
Reserves		74,106	38,129
Issued capital and reserves attributable to equity holders of the company		135,741	88,842
Minority Interest		21,769	16,048
Total Equity		<u>157,510</u>	<u>104,890</u>
TOTAL EQUITY AND LIABILITIES		<u>687,350</u>	<u>617,534</u>
Net Assets per share (RM)		2.20	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.

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Interim financial statements for the quarter ended 30 September 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Note	Attributable to Equity Holders of the Company							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	Total 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 1,973	220	-	-	-	-	2,193	-	2,193
- private placement	6 5,149	11,342	-	-	-	-	16,491	-	16,491
- exercise of warrants	6 3,800	4,028	-	-	-	-	7,828	-	7,828
Acquisition of subsidiary company	-	-	-	-	-	-	-	(483)	(483)
Translation adjustment for the period	-	-	-	118	-	-	118	525	643
Reserve realised upon exercise of ESOS	-	353	(353)	-	-	-	-	-	-
Share issue expenses	-	(808)	-	-	-	-	(808)	-	(808)
Final tax exempt dividend - 2006	-	-	-	-	-	(1,732)	(1,732)	-	(1,732)
Net profit for the period	-	-	-	-	-	22,809	22,809	5,679	28,488
At 30 September 2007	<u>61,635</u>	<u>30,248</u>	<u>25</u>	<u>1,013</u>	<u>840</u>	<u>41,981</u>	<u>135,742</u>	<u>21,769</u>	<u>157,510</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)

	9 months ended 30 Sep 2007 RM'000	9 months ended 30 Sep 2006 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before taxation	33,277	12,806
Adjustments for:-		
Non-cash items	6,079	2,896
Non-operating items	3,856	3,031
Allowance for/(reversal of) doubtful debts	(715)	
Operating profit before working capital changes	<u>42,498</u>	<u>18,733</u>
Net change in current assets	(61,304)	86,089
Net change in current liabilities	<u>(71,029)</u>	<u>(3,137)</u>
Cash generated from operations	(89,836)	101,685
Tax paid	(2,760)	(202)
Tax refund	139	303
Net cash from/(used in) operating activities	<u>(92,457)</u>	<u>101,786</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Other investments	1,044	(2,294)
Net change in property, plant and equipment	(2,412)	(12,351)
(Increase)/Decrease in fixed deposit pledged	<u>2,492</u>	<u>(49,321)</u>
Net cash from/(used in) investing activities	<u>1,124</u>	<u>(63,966)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from shares issued	25,704	6,160
Borrowings	95,916	(39,052)
Interest (paid)/received	(6,113)	(4,025)
Dividend paid	<u>(1,732)</u>	<u>0</u>
Net cash from/(used in) financing activities	<u>113,775</u>	<u>(36,917)</u>
Net change in cash & cash equivalents	22,442	903
Effect of foreign exchange fluctuations	(488)	447
Cash & cash equivalents brought forward	<u>14,994</u>	<u>4,281</u>
Cash & cash equivalents carried forward	<u><u>36,948</u></u>	<u><u>5,631</u></u>
Cash and cash equivalents comprise the following balance sheet amounts:		
Cash and bank balances	27,433	5,442
Bank overdrafts	(21,243)	(13,792)
Fixed deposits with licensed banks	<u>133,700</u>	<u>81,249</u>
	139,889	72,899
Less: Fixed deposit pledged	<u>(102,942)</u>	<u>(67,268)</u>
	<u><u>36,948</u></u>	<u><u>5,631</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 September 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 September 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	89	103	1,973	2,193
Issuance of new ordinary shares of RM1 each pursuant to Private Placement Exercise	0	0	5,149	16,491
Issuance of new ordinary shares of RM1 each pursuant to Exercise of Warrants	3,800	7,828	3,800	7,828

The proceeds raised from the exercise of warrants, private placement and ESOS of RM 26,512,000 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 five main business segments and the revenue and result of each business segment is reported as follows:

Investment holding	Provision of group management and shared 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 related to drilling for petroleum and related upstream activities
Construction, infrastructure & project management	Procurement, project management, construction and commissioning of general engineering projects and construction works
Manpower consultancy, design and engineering services	Provision of engineering consultancy and specialist manpower services to the oil and gas, power generation and infrastructure based industries

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

	←	Oil And Gas	→				
	Investment holding	Trading, Maintenance, Repair & Overhaul	Rig services	Manpower consultancy, design and engineering services	Construction, infrastructure and project management	Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	169,489	55,278	78,678	46,646	-	350,091
Segment results	(9,245)	31,773	8,431	3,803	2,844	(473)	37,133
Unallocated corporate income							2,273
Unallocated corporate expenses							-
Profit from operations							39,406
Finance Cost							(6,883)
Share of results in associated company							754
Profit before tax							33,277
Tax expense							(4,789)
Profit after taxation							28,488
Minority interests							(5,679)
Net Profit for the period							22,809

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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 September 2007 except for the following:

	Principal activity	Effective Equity Interest As At	
		30.09.2007 %	31.12.2006 %
Proteus SAAG Sdn Bhd (incorporated in Malaysia)	Dormant	41.31	-
OGS Asiapac Ltd (incorporated in Mauritius)	Dormant	50.10	-
Eurospiraal B.V. (incorporated in Netherlands)	Provision of engineering, project management and construction solutions for contracts related to pipe laying and installation using Floating Spiral Technology	60.00	-
SAAG East Africa Services Limited (incorporated in The Republic of Uganda)	Dormant	60.00	-
Sepworth Investments Limited (incorporated in British Virgin Islands)	Dormant	100.00	-
SAAG Oil Rigs Services Limited (incorporated in Island of Guernsey)	Provision of marketing and consultancy services relating to oil and gas industry	100.00	-
SAAG Oil Rigs Services Limited (incorporated in British Virgin Islands)	Dormant	100.00	-
Proteus Global Energy Consultants Pty Ltd (incorporated in Australia)	Placement of consultants to the upstream oil and gas industry	37.58	-

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12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 14 November 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	179,450
Corporate guarantee given to financial institutions for performance indemnity guarantee granted to a subsidiary company	4,118
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	<u>5,684</u>
	<u>189,752</u>

13. CAPITAL COMMITMENTS

There was 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 3rd Quarter 30.9.2007 RM'000	Current Year To date 30.9.2007 RM'000
With an associated company :		
- <i>purchases of inventories</i>	1,815	6,847
With fellow subsidiary companies :		
- <i>management fee receivable</i>	640	1,972
- <i>rental receivable</i>	22	65
- <i>design, engineering and technical fees payable</i>	535	2,805

There were no related party transactions with the directors of the company.

15. REVIEW OF PERFORMANCE

For the 9 months period ended 30 September 2007, the Group achieved 114% revenue growth, posting total revenue of RM 350.1 million as compared to the preceding year corresponding period of RM 163.4 million. Correspondingly, the Group's profit before taxation ("PBT") was up by 160% to RM 33.3 million, as compared to PBT of RM12.8 million for the preceding year corresponding period.

The strong revenue growth was mainly attributed to the increased contribution from its oil and gas segment encompassing trading, maintenance, repair and overhaul; rig services and manpower consultancy segments. Increase in revenue and effective cost control have contributed to an increase in profit before taxation.

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Notes to the Interim Report**16. QUARTERLY RESULTS COMPARISON**

	Current Year 3rd Quarter 30.9.2007 RM'000	Current Year 2nd Quarter 30.6.2007 RM'000
Revenue	97,661	91,007
Profit before tax	<u>10,043</u>	<u>12,362</u>

PBT for the current quarter under review reduced by 19.4% to RM10.0 million from RM12.4 million despite an increased turnover from RM 91.0 million to RM 97.7 million.

The lower PBT was mainly due to the increase in the finance costs as a result of additional loan drawdown during the current quarter to finance expansion activities involving new projects which are yet to contribute to the bottomline.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2007

The Directors envisage the oil and gas industry to continue to enjoy robust growth. The Group is constantly exploring new business opportunities and is expected to expand in the near future.

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 30.9.2007 RM'000	Current Year Todate 30.9.2007 RM'000
Current Tax	1,158	3,894
Deferred Tax	<u>0</u>	<u>299</u>
	1,158	4,193
Under provision in prior year	<u>0</u>	<u>596</u>
	<u>1,158</u>	<u>4,789</u>

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

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Notes to the Interim Report

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 September 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.

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 September 2007, 349,000 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 September 2007, 3,669,000 options have been exercised.

- b) On 12 February 2007, the Company announced that its subsidiary company, SAAG RR, 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 September 2007, this agreement is pending completion.

- c) On 22 August 2007, the company announced that it has entered into an agreement with Keppel Oil International Ltd, Inc, ("Keppel Oil") wherein Keppel Oil is agreeable to assign in favour of SAAG, all rights, title interests benefits in and to the Memorandum of Understanding dated 5 August 2007, made between Keppel Oil and Tamin Oil & Gas Investment Co. ("TOGICO") whereby Keppel Oil and TOGICO have agreed to form a joint venture offshore company to be incorporated in Labuan, Malaysia, to build, own and operate mobile offshore jack-up drilling rigs.

In consideration of the aforesaid assignment, SAAG shall transfer or cause to be transferred such number of ordinary shares in Sepworth Investments Limited ("SIL") constitute 40% of entire issued and paid up capital of SIL to Keppel Oil or its nominees. As of 30 September 2007, this agreement is pending completion.

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- d) On 22 August 2007, the Company announced that its wholly owned subsidiary company, SAAG (Mauritius) Ltd has entered into a Memorandum of Understanding ("MOU") with Venkata Surya Prakash and Bhaskharabhitla Suneeta to acquire 70% of the equity interest in Panthroli Foods Pvt Ltd ("PFPL"), a company of limited liability incorporated under the laws of India for a total consideration of USD 12 million.

The consideration price shall be payable in the following manner:

- (i) A sum of US\$100,000.00 ("the Deposit") upon the execution of the Sale and Purchase Agreement;
- (ii) and the balance of the USD11,900,000 to be payable as follows:-
 - a sum not exceeding USD6,000,000 by way of shareholders' advance for the purpose of PFPL's meeting the obligation of payment of deposit for the Power Plant Equipment at the time when such payment is due
 - a sum not exceeding USD5,000,000 by way of shareholders' advance for the purpose of PFPL's meeting PFPL's obligation in respect of the lands for the Site
 - the balance USD900,000 shall be payable within three (3) months from the date all the conditions precedent shall have been complied either by way of transfer consideration or by way of subscription of shares, to be mutually agreed by the execution of the Sale and Purchase Agreement.

The said shareholders' advance may be capitalised as equity to meet such requirements by the financier of the Project.

The Company is presently conducting the due diligence exercise.

- e) On 12 September 2007, the Company announced that it has entered into the following agreements:
- (i) a conditional Sale of Shares Agreement (SSA) with Hamurabi Holdings Pte Ltd ("Hamurabi") to purchase 5,100 ordinary shares of HK\$1.00 each in the issued and paid up capital of Pacific Well Holdings Ltd ("Pacific") representing 51% of the total share capital of Pacific at a total purchase price of RM 1,000,000.
 - (ii) a Shareholders' Agreement (SA) with Hamurabi and Pacific wherein the relationship of the Company and Hamurabi inter se, as shareholder of Pacific and their respective obligations in relation to Pacific shall be regulated.

As at 30 September 2007, this SSA and SA is pending completion.

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

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

	Current RM'000	Non-current RM'000
Unsecured	64,891	40,000
Secured	<u>22,595</u>	<u>71,956</u>
	<u>87,486</u>	<u>111,956</u>

	'000	RM '000 equivalent
Bank borrowings denominated in foreign currency –		
Singapore Dollar	<u>5,875</u>	<u>13,463</u>
Indian Rupee	<u>253,320</u>	<u>21,682</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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26. EARNINGS PER SHARE

a) Basic earnings per share

	Current Year Quarter 30.9.2007	Current Year To Date 30.9.2007
Net profit for the period (RM'000)	7,765	22,809
Weighted average number of ordinary shares in issue ('000)	<u>55,615</u>	<u>55,615</u>
Basic earnings per share (Sen)	<u>13.96</u>	<u>41.01</u>

b) Diluted earnings per share

	Current Year Quarter 30.9.2007	Current Year To Date 30.9.2007
Net profit for the period (RM'000)	7,765	22,809
Weighted average number of ordinary shares in issue and issue able ('000)	55,615	55,615
Effect of dilution from assumed exercise of options grant under ESOS	772	772
Adjusted weighted average number of ordinary shares in issue and issue able ('000)	<u>56,387</u>	<u>56,387</u>
Diluted earnings per share (Sen)	<u>13.77</u>	<u>40.45</u>

BY ORDER OF THE BOARD

ANAND SUBRAMANIAN
EXECUTIVE DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER