



**Interim Report for the 1st Quarter Ended**

**31 March 2009**

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

	Note	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding Year	Current Year	Preceding Year
		3 Months Ended		3 Months Ended	
		31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
		RM'000	RM'000	RM'000	RM'000
Revenue	15	103,841	99,772	103,841	99,772
Costs of sales		<u>(87,787)</u>	<u>(72,564)</u>	<u>(87,787)</u>	<u>(72,564)</u>
Gross profit		16,054	27,208	16,054	27,208
Other operating expenses		(10,900)	(9,781)	(10,900)	(9,781)
Other income		1,772	4,267	1,772	4,267
Profit from operations		<u>6,926</u>	<u>21,694</u>	<u>6,926</u>	<u>21,694</u>
Finance costs		(4,949)	(3,387)	(4,949)	(3,387)
Share of results in associates		419	150	419	150
Profit before taxation	15	<u>2,396</u>	<u>18,457</u>	<u>2,396</u>	<u>18,457</u>
Taxation	19	(904)	(4,810)	(904)	(4,810)
Net profit for the period		<u><u>1,492</u></u>	<u><u>13,647</u></u>	<u><u>1,492</u></u>	<u><u>13,647</u></u>
Attributable to:					
Minority interests		(163)	3,186	(163)	3,186
Equity holders of the Company		<u>1,655</u>	<u>10,461</u>	<u>1,655</u>	<u>10,461</u>
		<u><u>1,492</u></u>	<u><u>13,647</u></u>	<u><u>1,492</u></u>	<u><u>13,647</u></u>
Earnings per share (sen) *					
- basic	26	0.26	1.70	0.26	1.70
- diluted		0.26	1.69	0.26	1.69

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.*

\* Comparative earnings per share have been restated to take into account the effect of the subdivision of ordinary share of RM1.00 each into RM0.10 each on 11 July 2008.

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

	Note	As at 31 Mar 2009 RM'000	As at 31 Dec 2008 RM'000
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment		163,121	164,579
Investment properties		5,667	4,122
Investment in associates		6,674	6,608
Intangible assets		11,829	18,556
Deferred tax assets		531	1,072
		<u>187,822</u>	<u>194,937</u>
<b>Current assets</b>			
Amount due from customers for contract works		69,013	90,816
Property development costs		12,157	12,096
Assets held for sale	11	57,453	-
Inventories		1,207	1,168
Trade receivables		74,386	114,896
Other receivables, deposits and prepayments		61,804	65,704
Tax recoverable		2,172	2,171
Amount owing by an associate		2,258	3,611
Fixed deposits with licensed bank		122,723	138,174
Cash and bank balances		2,595	14,566
		<u>405,768</u>	<u>443,202</u>
<b>TOTAL ASSETS</b>		<b><u>593,590</u></b>	<b><u>638,139</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables		35,435	64,477
Other payables and accruals		81,300	130,399
Liabilities held for sale	11	32,999	-
Amounts due to customer for contract works		567	2,085
Amount owing to an associate		-	592
Amount owing to directors of subsidiaries		400	399
Hire-purchase creditors		1,790	1,748
Borrowings (Interest bearing)	23	129,985	126,051
Tax liabilities		6,513	8,810
		<u>288,989</u>	<u>334,561</u>
<b>Non-current liabilities</b>			
Other payables		5,869	7,593
Hire-purchase creditors		4,237	4,247
Borrowings (Interest bearing)	23	78,921	78,924
Deferred tax liabilities		10,416	10,941
		<u>99,443</u>	<u>101,705</u>
<b>Total Liabilities</b>		<b><u>388,432</u></b>	<b><u>436,266</u></b>
<b>Equity</b>			
Share capital		64,844	64,844
Reserves		112,721	109,019
<b>Issued capital and reserves attributable to equity holders of the company</b>		<u>177,565</u>	<u>173,863</u>
<b>Minority Interest</b>		<u>27,593</u>	<u>28,010</u>
<b>Total Equity</b>		<b><u>205,158</u></b>	<b><u>201,873</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>593,590</u></b>	<b><u>638,139</u></b>
Net Assets per share (RM)	*	0.27	0.27

*The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.*

SAAG CONSOLIDATED (M) BHD  
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	Treasury Shares RM'000	Share Option Reserve RM'000	Currency Translation adjustment reserve RM'000	Capital reserve RM'000	Retained profit RM'000	Total RM'000		
<b>At 1 January 2008</b>	61,635	30,261	(1,767)	13	(34)	840	47,203	138,151	20,898	159,049
Issue of share capital arising from:										
- exercise of ESOS	11	3	-	-	-	-	-	14	-	14
- exercise of warrants	3,198	3,516	-	-	-	-	-	6,714	-	6,714
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	111	111
Subsidiaries newly incorporated	-	-	-	-	-	-	-	-	26	26
Changes in equity interest in subsidiaries	-	-	-	-	-	-	-	-	74	74
Effect of dilution	-	-	-	-	-	-	7	7	(7)	-
Translation adjustment for the year	-	-	-	-	1,066	-	-	1,066	(1,344)	(278)
Reserve realised upon exercise of ESOS	-	1	-	(1)	-	-	-	-	-	-
Share option lapsed	-	1	-	(1)	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	30,499	30,499	8,349	38,848
Dividend paid in respect of previous financial year	-	-	-	-	-	-	(2,588)	(2,588)	-	(2,588)
Dividend paid to minority interest									(97)	(97)
<b>At 31 December 2008</b>	<u>64,844</u>	<u>33,782</u>	<u>(1,767)</u>	<u>11</u>	<u>1,032</u>	<u>840</u>	<u>75,121</u>	<u>173,863</u>	<u>28,010</u>	<u>201,873</u>
<b>At 1 January 2009</b>	64,844	33,782	(1,767)	11	1,032	840	75,121	173,863	28,010	201,873
Issue of share capital arising from:										
- exercise of ESOS	6	-	-	-	-	-	-	-	-	-
- exercise of warrants	6	-	-	-	-	-	-	-	-	-
Translation adjustment for the period	-	-	-	-	2,047	-	-	2,047	150	2,197
Net profit for the period	-	-	-	-	-	-	1,655	1,655	(163)	1,492
Dividend paid to minority interest									(404)	(404)
<b>At 31 March 2009</b>	<u>64,844</u>	<u>33,782</u>	<u>(1,767)</u>	<u>11</u>	<u>3,079</u>	<u>840</u>	<u>76,776</u>	<u>177,565</u>	<u>27,593</u>	<u>205,158</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 2008 and the accompanying explanatory notes attached to the interim financial statements.

**SAAG CONSOLIDATED (M) BHD**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
(The figures have not been audited)

	<b>3 months ended 31 Mar 2009 RM'000</b>	<b>3 months ended 31 Mar 2008 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	2,396	18,457
Adjustments for:-		
Non-cash items	2,838	1,715
Non-operating items	3,800	2,571
	<u>9,034</u>	<u>22,743</u>
Operating profit before working capital changes	30,989	4,085
Net change in current assets	(64,841)	(44,563)
Net change in current liabilities	<u>(24,818)</u>	<u>(17,735)</u>
Cash used in operations	(916)	(836)
Tax paid	<u>(25,734)</u>	<u>(18,571)</u>
Net cash used in operating activities		
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Net change in property, plant and equipment	(501)	(2,312)
Net change in investment properties	(1,580)	-
Decrease in fixed deposit pledged	584	8,084
Development costs	(61)	(1,708)
Net cash from / (used in) investing activities	<u>(1,558)</u>	<u>4,064</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceeds from shares issued	-	25
Borrowings	563	3,074
Interest paid	(4,220)	(2,722)
Dividend paid to minority shareholders	(404)	-
Net cash from / (used in) financing activities	<u>(4,061)</u>	<u>377</u>
Net change in cash & cash equivalents	(31,353)	(14,130)
Effect of foreign exchange fluctuations	294	(309)
Cash & cash equivalents brought forward	(6,615)	11,323
Cash & cash equivalents carried forward	<u>(37,674)</u>	<u>(3,116)</u>
<b>Cash and cash equivalents comprise the following balance sheet amounts:</b>		
Cash and bank balances	2,595	18,398
Bank overdrafts	(45,245)	(35,499)
Fixed deposits with licensed banks	122,723	130,544
	80,073	113,442
Less: Fixed deposit pledged	(117,747)	(116,558)
	<u>(37,674)</u>	<u>(3,116)</u>

*The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.*

## **SAAG CONSOLIDATED (M) BHD**

Interim report for the quarter ended 31 March 2009

### **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" issued by the Malaysian Accounting Standards Board (MASB) 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 2008.

These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

##### **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 2008.

The following FRSs and Interpretations were issued but not yet effective.

		<b>Effective for financial periods beginning on or after</b>
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

The adoptions of the other FRSs and Interpretations above have no significant impact on the financial statements to the Group and the Company.

#### **2. AUDITORS' REPORT ON PRECEEDING ANNUAL FINANCIAL STATEMENTS**

The latest audited financial statements for the financial year ended 31 December 2008 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.

## SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 March 2009

### Notes to the Interim Report

#### 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.

#### 6. CHANGES IN EQUITY

There were no changes in equity in the current quarter.

#### 7. DIVIDENDS

There were no dividends paid during the current quarter.

#### 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 energy industries
Rig services	Provision of workover rig and consultancy services related to drilling for petroleum and related upstream activities
Marine logistics & support : Ownership, construction & operations	Provision of shipbuilding, ship chartering, repair & maintenance, maritime transportation and logistics provider for the oil & gas and shipping industries.
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

## SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 March 2009

### Notes to the Interim Report

Segment information for the current financial period to 31 March 2009 is as follows:

	← Oil And Gas →					Construction, infrastructure and project management	Others	Group
	Investment holding	Trading, Maintenance, Repair & Overhaul	Rig services	Manpower consultancy, design and engineering services	Marine logistics & support : Ownership, construction & operations			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	29,560	1,070	47,338	18,816	7,057	-	103,841
Segment results	(1,995)	6,208	(1,142)	975	2,772	(459)	(164)	6,195
Unallocated corporate income								731
Unallocated corporate expenses								-
Profit from operations								6,926
Finance Cost								(4,949)
Share of results in associates								419
Profit before tax								2,396
Tax expense								(904)
Profit after taxation								1,492
Minority interests								163
Net Profit for the period								1,655



## **SAAG CONSOLIDATED (M) BHD**

Interim report for the quarter ended 31 March 2009

### **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 31 March 2009.

However, the Company has on 23 April 2009 announced that it has on 22 April 2009 entered into a Share Purchase Agreement ("SPA") with Alan Albert Croxson, Gregory Allan Forbes in his personal capacity and as trustee for the Forbes Family Trust, Jason Lenko Antunovich and Hollybush Holdings Pty Ltd as trustee for the Harrup Family Trust ("the Purchasers") to dispose off its entire 402 ordinary shares ("the said shares") held in the capital of Proteus Global Solutions Pty Ltd ("PGS") representing 50.1% of its equity interest in PGS ("Shares") to the Purchasers for a total cash consideration of Australian Dollars Five Million Three Hundred Six Thousand Four Hundred Only (AUD5,306,400).

As a condition precedent to the SPA, PGS will transfer its 49% equity interest in Proteus Energy Limited (India) (a subsidiary of the Company) to SAAG RR Infra Limited or its nominee and its 20% equity interest in Proteus SAAG Sdn. Bhd.(a subsidiary of the Company) to the Company or its nominee. The conditions precedents under the SPA has been met. As such, the disposal has been completed on 22 April 2009.

In line with the aforesaid disposal, the assets and liabilities of PGS has been classified as Assets / Liabilities held for sale for the quarter ended 31 March 2009.

#### **12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no significant changes in contingent liabilities since the last annual balance sheet date.

#### **13. CAPITAL COMMITMENTS**

Capital expenditure not provided for in the financial statements as at 31 March 2009 in respect of purchase of property, plant and equipment are as follows:

Approved and contracted for

RM 117,529

## SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 March 2009

### Notes to the Interim Report

#### 14. RELATED PARTY TRANSACTIONS

	Current Year 1st Quarter 31.03.2009 RM'000	Current Year To date 31.03.2009 RM'000
With an associated company :		
- purchases of inventories	18	18

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

#### 15. REVIEW OF PERFORMANCE

For the current quarter under review, the Group's revenue increased 4.0% to RM 103.8 million, compared to RM 99.8 million in preceding year corresponding period. Despite an increase in revenue, the Group's profit before taxation ("PBT") has decreased by 87.0% to RM2.4 million compared to RM18.5 million in preceding year corresponding period.

The increase in revenue was mainly attributable to the marine logistics & support segment which commenced since third quarter of 2008 and the manpower consultancy segment.

Costs of sales have increased significantly during the current year quarter resulting in lower gross profit mainly attributable to the manpower consultancy segment which is a low profit margin segment and also due to workover rig services operation with high margin contributions during the preceding year.

Reduction in PBT was mainly due to the loss of contribution from the rig services segment following the completion of the workover rig service contract with Exxon Mobil together with lower recognition of profit based on progressive percentage of completion method for the turbo machinery / rigs business. In addition, the construction, infrastructure and project management segment has reported a loss during the quarter under review.

#### 16. QUARTERLY RESULTS COMPARISON

	Current Year 1st Quarter 31.03.2009 RM'000	Prior Year 4th Quarter 31.12.2008 RM'000
Revenue	103,841	155,148
Profit before tax	<u>2,396</u>	<u>2,275</u>

Compared to preceding quarter, revenue dropped by 33.0% to RM103.8 million from RM155.1 million. Nonetheless, PBT has improved marginally to RM2.4 million from RM2.3 million in preceding period.

The drop in revenue was mainly due to the manpower consultancy and the rig services segments which have declined by RM36.6 million collectively. The resultant decline in PBT from these two segments were offset partly by improved contribution from the marine logistics & support segment during the quarter.

## SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 March 2009

### Notes to the Interim Report

#### 17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2009

Despite the uncertainties in the global arena and the slowdown in world economy which has impacted the investment activities, the Group will continue to source financing from various avenues to strengthen its cash flow position.

The Group's subsidiary, SAAG Shipping (M) Sdn. Bhd, which is under the marine, logistics & support segment, has recently completed the construction of a new double hull petroleum product tanker. Once the tanker is deployed under a charter contract, it will allow the Group to gain experience in tanker operations. The marine, logistics & support segment is expected to contribute positively for the remaining quarters.

With the recovery in oil & gas industry, the workover rig services segment is also expected to positively contribute, henceforth, efforts are being put to deploy all assets to maximise returns.

The Group will also strive to gear the operations towards operational efficiency and cost reduction and will continue its efforts to secure contracts for the various business segments.

#### 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 31.03.09	Current Year To date 31.03.09
	RM'000	RM'000
<u>Current year</u>		
Income Tax	846	846
Deferred Tax	58	58
	<u>904</u>	<u>904</u>

The effective tax rate was higher than the statutory tax rate of 25% due to higher tax rate applicable to foreign jurisdictions.

#### 20. SALE/PURCHASE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments during the financial period under review, except for the disposal of unquoted shares in a foreign subsidiary as disclosed in Note 11.

#### 21. QUOTED SECURITIES

As at 31 March 2009, the Company had not purchased nor disposed off any quoted shares.

## SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 March 2009

### 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 31 March 2009, 354,000 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 31 March 2009, 3,676,000 options have been exercised.

- b) 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") which constitute 40% of entire issued and paid up capital of SIL to Keppel Oil or its nominees. This agreement is presently pending completion.

- c) On 03 December 2007, the Company announced the following proposals:
- (i) issuance of up to USD60million nominal value 5 year unsecured guaranteed Exchangeable Bonds ("**Exchangeable Bonds**") which are exchangeable into new ordinary shares in SAAG by its wholly – owned subsidiary, which is to be incorporated in the Federal Territory of Labuan, under the Offshore Companies Act, 1990 ("**Labuan Co**");
  - (ii) a share split involving the subdivision of every one (1) existing ordinary share of RM 1.00 each held in SAAG into ten (10) ordinary shares of RM 0.10 each ("**Subdivided Shares**") on an entitlement date to be determined ("**Split Entitlement Date**");
  - (iii) a renounceable rights issue of up to 739,295,500 Rights Shares on the basis of one (1) Rights Share for every one (1) Subdivided Share held in SAAG on an entitlement date to be determined ("**Rights Entitlement Date**"); and
  - (iv) increase in the authorised share capital of SAAG from RM 100,000,000 comprising 1,000,000,000 Subdivided Shares to RM 500,000,000 comprising 5,000,000,000 Subdivided Shares by the creation of an additional 4,000,000,000 new Subdivided Shares.

On 11 April 2008, the Company announced that the Securities Commission ("**SC**") has approved the Proposed Rights Issue and the issuance of new SAAG ordinary shares of RM0.10 each in connection with the issuance of the Exchangeable Bonds, vide its letter dated 10 April 2008 (which was received on 11 April 2008).

In the same letter, the Equity Compliance Unit (via the SC) has also approved the issuance of new SAAG ordinary shares of RM0.10 each in connection with the issuance of the Exchangeable Bonds under the Foreign Investment Committee Requirements.

## **SAAG CONSOLIDATED (M) BHD**

Interim report for the quarter ended 31 March 2009

### **Notes to the Interim Report**

#### **22. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED (con't)**

The approval of the SC is subject to, inter-alia, the condition that SAAG should increase its Bumiputera equity by 9.22% of the new enlarged issued and paid-up share capital of SAAG (or 119,303,300 new SAAG shares) within 2 years after the date of implementation of the Proposed Exchangeable Bonds Issue.

On 29 May 2008, the Company announced that Bank Negara has given its approval for the Proposed Exchangeable Bond Issue vide its letter dated 23 May 2008 (which was received on 29 May 2008).

On 23 June 2008, the Company announced that resolutions pertaining to the said proposals which have been set out in the Notice of Extraordinary General Meeting ("EGM") dated 30 May 2008 and tabled at the EGM held on 23 June 2008, were duly approved by the shareholders.

The Company has completed the share split and the increase in authorized share capital.

On 29 September 2008, the Company announced that the SC has, vide its letter dated 26 September 2008 (which was received on 29 September 2008), granted an extension of time of nine (9) months, i.e. up to 9 July 2009, for the Company to complete the implementation of the Proposed Rights Issue and the issuance of new SAAG ordinary shares in connection with the Proposed Exchangeable Bonds Issue.

- d) On 30 January 2008, the Company proposed to undertake a private placement of up to 10% of the enlarged issued and paid-up share capital of the Company. The number of new SAAG shares that can be issued pursuant to the Proposed Private Placement will be 7,392,955 new SAAG shares.

The issue price for each tranche of the placement shares to be issued pursuant to the Proposed Private Placement shall be determined at later date(s), whereby, the issue price shall not be set at a discount of more than ten percent (10%) to the five (5) day weighted average market price ("WAMP") of SAAG shares immediately prior to the price fixing date.

The SC has, vide its letter dated 21 February 2008, approved the Proposed Private Placement.

On 16 July 2008, the Company has applied to the SC for an extension of time of nine (9) months from 21 August 2008 to 21 May 2009 for the Company to complete the Private Placement.

The SC has, vide its letter dated 27 August 2008, granted an extension of time of six (6) months, up to 20 February 2009, for the Company to complete the implementation of the Proposed Private Placement.

On 22 January 2009, the Company has applied to the SC for a further extension of time of six (6) months from 21 February 2009 to 20 August 2009 for the Company to complete the Private Placement.

The SC has, vide its letter dated 13 February 2009, granted an extension of time of six (6) months, up to 20 August 2009, for the Company to complete the implementation of the Proposed Private Placement.

On 24 April 2009, the Company announced that the issue price for the first tranche of the Private Placement comprising 46,500,000 new ordinary shares of RM0.10 each, has been fixed at RM0.20 per Placement Share. The issue price of RM0.20 per Placement Share represents a discount of approximately 9% over the 5-day weighted average market price of the SAAG shares up to and including 23 April 2009 of RM0.22.

On 30 April 2009, the Company announced that the issue price for the second and final tranche of the Private Placement comprising 18,344,450 new ordinary shares of RM0.10 each, has been fixed at RM0.235 per Placement Share. The issue price of RM0.235 per Placement Share represents a discount of approximately 9.27% over the 5-day weighted average market price of the SAAG shares up to and including 29 April 2009 of RM0.259.

## SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 March 2009

### Notes to the Interim Report

#### 22. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED (con't)

The first tranche of 46,500,000 new ordinary shares of RM0.10 each has been issued pursuant to the Private Placement and has been granted listing and quotation with effect from 11 May 2009.

The second and final tranche of 18,344,450 new ordinary shares of RM0.10 each has been issued pursuant to the Private Placement and has been granted listing and quotation with effect from 15 May 2009.

#### 23. GROUP BORROWINGS

Details of the Group's bank borrowings as at 31 March 2009 are as follows:

	<b>Current RM'000</b>	<b>Non-current RM'000</b>
Unsecured	72,489	38,000
Secured	<u>57,496</u>	<u>40,921</u>
	<u>129,985</u>	<u>78,921</u>

  

	<b>'000</b>	<b>RM '000 equivalent</b>
Bank borrowings denominated in foreign currency –		
Singapore Dollar	<u>3,429</u>	<u>8,248</u>
Indian Rupee	<u>492,944</u>	<u>35,492</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

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, or its value, that were unlawfully taken from Lundang Power Station, Kelantan Darul Naim on or about 30 September 2004 amounting to approximately RM1,500,000 together with interest and cost. Judgment in default was obtained against the 1<sup>st</sup> and 3<sup>rd</sup> Defendants in the sum of RM1,500,000 with interest and costs. The matter has been withdrawn against the 2<sup>nd</sup> Defendant. The Company has recently consented to set aside the judgment in default against the 1<sup>st</sup> Defendant and to proceed with trial against the 1<sup>st</sup> Defendant. The Company has filed the proof of debt against the 3<sup>rd</sup> Defendant on 29 January 2008, who has been adjudicated a bankrupt. Parties have agreed to resolve matters by withdrawing their respective claim and counterclaims with no order as to costs and without liberty to file fresh.

The 1<sup>st</sup> Defendant has further agreed to extinguish his rights to make any future claims / invoices against SOG for work done in respect of the Lundang Power Station and desludging.

Accordingly, a notice of Discontinuance was filed on 7 May 2009.

**SAAG CONSOLIDATED (M) BHD**

Interim report for the quarter ended 31 March 2009

**Notes to the Interim Report****26. EARNINGS PER SHARE****a) Basic earnings per share**

	<b>Current Year Quarter 31.03.2009</b>	<b>Current Year To Date 31.03.2009</b>
Net profit for the period (RM'000)	1,655	1,655
Weighted average number of ordinary shares in issue ('000)	<u>648,445</u>	<u>648,445</u>
Basic earnings per share (sen)	<u>0.26</u>	<u>0.26</u>

**b) Diluted earnings per share**

	<b>Current Year Quarter 31.03.2009</b>	<b>Current Year To Date 31.03.2009</b>
Net profit for the period (RM'000)	1,655	1,655
Weighted average number of ordinary shares in issue and issue able ('000)	648,445	648,445
Effect of dilution from assumed exercise of options grant under ESOS	238	238
Adjusted weighted average number of ordinary shares in issue and issue able ('000)	<u>648,683</u>	<u>648,683</u>
Diluted earnings per share (sen)	<u>0.26</u>	<u>0.26</u>

BY ORDER OF THE BOARD

ANAND SUBRAMANIAN

**EXECUTIVE DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER**