



Interim Report for the 1st Quarter Ended

31 March 2010

SAAG CONSOLIDATED (M) BHD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(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 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
		RM'000	RM'000	RM'000	RM'000
			(*Restated)		(*Restated)
Continuing operations					
Revenue	15	12,793	56,202	12,793	56,202
Costs of sales		<u>(9,888)</u>	<u>(45,029)</u>	<u>(9,888)</u>	<u>(45,029)</u>
Gross profit		2,905	11,173	2,905	11,173
Other operating expenses		(9,073)	(7,913)	(9,073)	(7,913)
Other income		11,125	925	11,125	925
Profit from operations		<u>4,957</u>	<u>4,185</u>	<u>4,957</u>	<u>4,185</u>
Finance costs		(3,062)	(4,741)	(3,062)	(4,741)
Share of results in associates		374	413	374	413
Profit / (loss) before taxation	15	<u>2,269</u>	<u>(143)</u>	<u>2,269</u>	<u>(143)</u>
Taxation	19	(3)	(59)	(3)	(59)
Net profit / (loss) for the period from continuing operations		<u>2,266</u>	<u>(202)</u>	<u>2,266</u>	<u>(202)</u>
Discontinued operations					
Net profit for the period from discontinued operations		-	1,694	-	1,694
Net profit for the period		<u>2,266</u>	<u>1,492</u>	<u>2,266</u>	<u>1,492</u>
Net profit attributable to:					
Owners of the Company					
- from continuing operations		4,895	1,068	4,895	1,068
- from discontinued operations		-	587	-	587
		<u>4,895</u>	<u>1,655</u>	<u>4,895</u>	<u>1,655</u>
Non-controlling interests		<u>(2,629)</u>	<u>(163)</u>	<u>(2,629)</u>	<u>(163)</u>
		<u>2,266</u>	<u>1,492</u>	<u>2,266</u>	<u>1,492</u>
Earnings per share (sen)					
26					
● Basic					
- from continuing operations		0.31	0.17	0.31	0.17
- from discontinued operations		-	0.09	-	0.09
		<u>0.31</u>	<u>0.26</u>	<u>0.31</u>	<u>0.26</u>
● Diluted					
- from continuing operations		-	0.17	-	0.17
- from discontinued operations		-	0.09	-	0.09
		<u>-</u>	<u>0.26</u>	<u>-</u>	<u>0.26</u>
Net profit for the period		<u>2,266</u>	<u>1,492</u>	<u>2,266</u>	<u>1,492</u>
Other comprehensive income after tax :					
Exchange differences on translation		(1,757)	2,197	(1,757)	2,197
Transaction costs arising from conversion of exchangeable bonds		(5,111)	-	(5,111)	0
Share issue expenses		(11)	-	(11)	0
Dividend paid / payable to minority interests of a subsidiary		-	(403)	-	(403)
Total comprehensive income for the period		<u>(4,613)</u>	<u>3,286</u>	<u>(4,613)</u>	<u>3,286</u>
Total comprehensive income attributable to :					
Owners of the Company					
- from continuing operations		(1,543)	3,051	(1,543)	3,051
- from discontinued operations		-	651	-	651
		<u>(1,543)</u>	<u>3,702</u>	<u>(1,543)</u>	<u>3,702</u>
Non-controlling interests		<u>(3,070)</u>	<u>(416)</u>	<u>(3,070)</u>	<u>(416)</u>
		<u>(4,613)</u>	<u>3,286</u>	<u>(4,613)</u>	<u>3,286</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

* The comparative figures have been restated in view of the disposal of Proteus Global Solution Pty Ltd and its subsidiaries in Quarter 2, 2009.

SAAG CONSOLIDATED (M) BHD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(The figures have not been audited)

	Note	As at 31 Mar 2010 RM'000	As at 31 Dec 2009 RM'000
ASSETS			
Non-Current assets			
Property, plant and equipment		325,778	328,578
Investment properties		3,964	4,132
Investment in associates		8,824	8,450
Intangible assets		11,545	11,984
Deferred tax assets		365	370
		<u>350,476</u>	<u>353,514</u>
Current assets			
Amount due from customers for contract works		300,886	288,486
Property development costs		14,375	14,219
Inventories		171,086	158,457
Trade receivables		212,507	216,390
Other receivables, deposits and prepayments		58,703	57,763
Tax recoverable		2,981	2,806
Amount owing by an associate		4,359	4,108
Fixed deposits with licensed bank		105,251	104,875
Cash and bank balances		3,629	3,468
		<u>873,777</u>	<u>850,572</u>
TOTAL ASSETS		<u>1,224,253</u>	<u>1,204,086</u>
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables		19,979	25,649
Other payables and accruals		221,521	216,257
Amounts due to customer for contract works		854	869
Amount owing to directors of subsidiaries		242	277
Hire-purchase creditors		1,070	1,491
Borrowings (Interest bearing)	23	538,216	554,482
Tax liabilities		131	133
		<u>782,013</u>	<u>799,158</u>
Non-current liabilities			
Hire-purchase creditors		1,752	1,765
Borrowings (Interest bearing)	23	53,740	63,693
Deferred tax liabilities		9,013	9,013
		<u>64,505</u>	<u>74,471</u>
Total Liabilities		<u>846,518</u>	<u>873,629</u>
Equity			
Share capital		158,641	125,058
Reserves		198,864	187,287
Issued capital and reserves attributable to owners of the company		357,505	312,345
Non-controlling interests		20,230	18,112
Total Equity		<u>377,735</u>	<u>330,457</u>
		<u>1,224,253</u>	<u>1,204,086</u>
Net Assets per share (RM)		0.23	0.25

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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)

Attributable to Owners of the Company											
Note	Share capital RM'000	Share premium RM'000	Share application money pending allotment 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	Non-Controlling Interest RM'000	Total equity RM'000
At 1 January 2009	64,844	33,782	-	(1,767)	11	1,032	840	75,121	173,863	28,010	201,873
Total comprehensive income for the period	-	-	-	-	-	2,047	-	1,655	3,702	(416)	3,286
At 31 March 2009	<u>64,844</u>	<u>33,782</u>	<u>-</u>	<u>(1,767)</u>	<u>11</u>	<u>3,079</u>	<u>840</u>	<u>76,776</u>	<u>177,565</u>	<u>27,594</u>	<u>205,159</u>
At 1 January 2010	125,058	104,065	17,900	(1,767)	-	(45)	840	66,294	312,345	18,112	330,457
Effects arising from adoption of FRS 139	-	-	-	-	-	-	-	4,429	4,429	5,188	9,617
As at 1 January 2010 (restated)	<u>125,058</u>	<u>104,065</u>	<u>17,900</u>	<u>(1,767)</u>	<u>-</u>	<u>(45)</u>	<u>840</u>	<u>70,723</u>	<u>316,774</u>	<u>23,300</u>	<u>340,074</u>
Issue of share capital arising from:											
- private placement	6	8,829	4,775	-	-	-	-	-	13,604	-	13,604
- conversion of 5-year Exchangeable Bonds	6	24,754	21,816	(17,900)	-	-	-	-	28,670	-	28,670
Money received towards application for shares pending allotment		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(5,122)	-	-	-	(1,316)	-	4,895	(1,543)	(3,070)	(4,613)
At 31 March 2010	<u>158,641</u>	<u>125,534</u>	<u>-</u>	<u>(1,767)</u>	<u>-</u>	<u>(1,361)</u>	<u>840</u>	<u>75,618</u>	<u>357,505</u>	<u>20,230</u>	<u>377,735</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 2009 and the accompanying explanatory notes attached to the interim financial statements.

SAAG CONSOLIDATED (M) BHD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(The figures have not been audited)

	3 months ended 31 Mar 2010 RM'000	3 months ended 31 Mar 2009 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit / (loss) before taxation		
Continuing operations	2,269	(2,892)
Discontinued operations	-	5,288
Adjustments for:-		
Non-cash items	(7,665)	2,838
Non-operating items	2,240	3,800
Operating (loss) / profit before working capital changes	<u>(3,156)</u>	<u>9,034</u>
Net change in current assets	(43,420)	30,989
Net change in current liabilities	2,758	(64,841)
Cash used in operations	<u>(43,818)</u>	<u>(24,818)</u>
Tax paid	(212)	(916)
Tax refund	15	-
Net cash used in operating activities	<u>(44,015)</u>	<u>(25,734)</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Net change in property, plant and equipment	(2,490)	(501)
Net change in investment properties	-	(1,580)
Development costs	(156)	(61)
Net cash used in investing activities	<u>(2,646)</u>	<u>(2,142)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from shares issued	55,052	-
(Increase) / decrease in fixed deposit pledged	(280)	584
Borrowings	(7,074)	563
Interest paid	(2,614)	(4,220)
Dividend paid to minority shareholders	-	(404)
Net cash from / (used in) financing activities	<u>45,084</u>	<u>(3,477)</u>
Net change in cash & cash equivalents	(1,577)	(31,353)
Effect of foreign exchange fluctuations	1,433	294
Cash & cash equivalents brought forward	<u>(25,896)</u>	<u>(6,615)</u>
Cash & cash equivalents carried forward	<u>(26,040)</u>	<u>(37,674)</u>
Cash and cash equivalents comprise the following amounts:		
Cash and bank balances	3,629	2,595
Bank overdrafts	(30,956)	(45,245)
Fixed deposits with licensed banks	105,251	122,723
	<u>77,924</u>	<u>80,073</u>
Less: Fixed deposit pledged	(103,964)	(117,747)
	<u>(26,040)</u>	<u>(37,674)</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

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Interim report for the quarter ended 31 March 2010

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 2009.

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 2009.

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 2009 except for the adoption of the following new/revised FRSs, Amendments to FRS and Interpretations: -

		Effective for financial periods beginning on or after
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment : Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendment to FRS 107	Statement of Cash Flows	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events after the Reporting Period	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interests in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments : Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	
Amendment to FRS 138	Intangible Assets	

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Notes to the Interim Report

Changes in Accounting Policies (cont'd)

		Effective for financial periods beginning on or after
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments : Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives	1 January 2010
Amendment to FRS 140 IC Interpretation 9	Investment Properties Reassessment of Embedded Derivatives	1 January 2010 1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

Other than the application of FRS 8, FRS 101 and FRS 139, the application of new FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial statements commencing from 1 January 2010 did not result in any significant changes in the accounting policies and presentation of financial results of the Group.

FRS 8 : Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segment report had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position of the Group.

FRS 101 : Presentation of Financial Statements

FRS 101 requires the separation of owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income.

In addition, FRS 101 has introduced new title on the financial statements. Statement of Financial Position has replaced Balance Sheet, Statement of Comprehensive Income is introduced to replace Income Statement and Statement of Cash Flow has replaced Cash Flow Statement. This standard does not have any material impact on the financial position and results of the Group.

This Standard also requires a statement of financial position as at the beginning of the earliest comparative period to be presented if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

FRS 139: Financial Instruments : Recognition and Measurements

FRS 139 establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. The Group determines the classification at initial recognition and for the purpose of the first-time adoption of the standard, as at transitional date on 1 January 2010.

The Group categorized financial instruments as follows:

Financial Assets

Loan and receivables

Loan and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gain and losses from the derecognition of the loan and receivables, EIR amortization and impairment losses are recognised in profit or loss.

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Financial Liabilities

Financial liabilities are initially measured at fair value and are subsequently measured at amortised costs, using the effective interest rate method.

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes have been applied prospectively and the comparatives as at 31 December 2009 have not been restated. The changes have been accounted by the Group by restating the following opening balances in the statement of financial position as at 1 January 2010.

	RM'000
Decrease in borrowings	(9,617)
Increase in non-controlling interests	5,188
Increase in retained profit	<u>4,429</u>

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 31 December 2009 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.

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 RM0.10 each pursuant to Exercise of Private Placements	<u>88,285</u>	<u>13,603</u>	<u>88,285</u>	<u>13,603</u>
Issuance of new ordinary shares of RM0.10 each pursuant to conversion of Exchangeable Bonds	<u>247,538</u>	<u>46,570</u>	<u>247,538</u>	<u>46,570</u>

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Notes to the Interim Report

7. DIVIDENDS

There were no dividends paid during the current quarter.

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 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 platform rigs as owner / operator and consultancy services for petroleum and related upstream activities
Maritime 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	Engineering, procurement, project management, construction and commissioning of projects related to power generation / infrastructure / civil works.
Manpower consultancy, design, engineering and fabrication services	Provision of engineering consultancy and specialist manpower services to the oil and gas, power generation and infrastructure based industries

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Interim report for the quarter ended 31 March 2010

Notes to the Interim Report

Segment information for the current financial period to 31 March 2010 is as follows:

	← Oil And Gas →					Construction, infrastructure and project management	Others	Group
	Investment holding	Trading, maintenance, repair & overhaul	Rig services	Manpower consultancy, design, engineering and fabrication services	Maritime logistics & support : Ownership, construction & operations			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	5,676	-	-	1,312	5,805	-	12,793
Segment results	7,902	(59)	(2,204)	(1,504)	(217)	752	(161)	4,509
Unallocated corporate income								448
Unallocated corporate expenses								-
Profit from operations								4,957
Finance Cost								(3,062)
Share of results in associates								374
Profit before tax								2,269
Tax expense								(3)
Profit after taxation								2,266
Minority interests								2,629
Net Profit for the period								4,895

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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 2010.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no significant changes in contingent liabilities and contingent assets since the last annual statement of financial position date.

13. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements as at 31 March 2010 in respect of purchase of property, plant and equipment are as follows:

Approved and contracted for RM 57,121

14. RELATED PARTY TRANSACTIONS

	Current Year 1st Quarter 31.03.2010 RM'000	Current Year To date 31.03.2010 RM'000
With an associated company :		
- <i>purchases of inventories</i>	1	1

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 has reduced from RM56.2 million in preceding year corresponding period to RM12.8 million.

The drop in revenue was mainly due to non-billing of contracts in 2010 as against completion of certain non-recurrent refurbishment contracts in the Year 2009 reflecting a decrease in the gross profit.

Notwithstanding a reduction in the gross profit, the Group has registered a profit before taxation ("PBT") of RM2.3 million as compared to a loss before taxation of RM0.1 million. The improvement in bottom line is mainly attributable to translation differences and reduction in overheads.

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Interim report for the quarter ended 31 March 2010

Notes to the Interim Report

16. QUARTERLY RESULTS COMPARISON

	Current Year 1st Quarter 31.03.2010 RM'000	Prior Year 4th Quarter 31.12.2009 RM'000
Revenue	12,793	25,061
Profit before tax	<u>2,269</u>	<u>(17,289)</u>

Compared to preceding quarter, revenue dropped by 49.0% to RM12.8 million from RM25.1 million. Nonetheless, PBT has improved to RM2.3 million from a loss of RM17.3 million in preceding quarter.

The drop in revenue was mainly due to the recognition of RM7.0 million based on the progressive percentage of completion method for turbo machinery/rigs in Quarter 4, 2009. These contracts are either completed or nearing completion in the preceding year. Apart from this, the manpower services segment also contributed RM7.6 million from design and engineering services provided to refurbish a rig in the preceding quarter.

The improvement in PBT was mainly due to exchange translation and reduction in overheads during current year quarter as against a provision for doubtful / bad debts written off in preceding quarter.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2010

The Group is presently evaluating various capital raising options over and above its existing corporate exercises to improve the liquidity of the Group as well as to meet the funding needs for existing and potential projects.

The Group does not expect major expansion in 2010 but will stay focused in its core competencies and position itself in readiness for a full economic recovery whereby new opportunities in the oil and gas sector is expected to arise 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 31.03.10 RM'000	Current Year To date 31.03.10 RM'000
<u>Current year</u> Deferred Tax	1	1
<u>Prior year</u> Income Tax	<u>2</u>	<u>2</u>
	<u>3</u>	<u>3</u>

The effective tax rate was lower than the statutory tax rate of 25% due to utilization of capital allowances and unabsorbed tax losses by certain subsidiaries.

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Notes to the Interim Report

20. SALE/PURCHASE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments during the financial period under review.

However, during the current quarter, the Company has disposed off a factory which resulted in a gain of RM44,667.63.

21. QUOTED SECURITIES

As at 31 March 2010, the Company had not purchased nor disposed off any quoted shares.

22. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

- a) 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.

- b) 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.

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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.

On 29 May 2009, the Company announced that SAAG (L) Limited ("SAAGL") will be issuing the Exchangeable Bonds on a staggered basis of such amounts to be determined by SAAG / SAAGL in consultation with the Lead Manager for the Exchangeable Bonds. The first tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD5 million nominal value Exchangeable Bonds ("**1st Tranche**").

SAAG / SAAGL had on 29 May 2009 fixed the exchange price for the 1st Tranche at RM0.3266. Based on such exchange price and the agreed fixed exchange rate for the 1st Tranche of USD1.00 : RM3.62, the number of ordinary shares of RM0.10 each in SAAG ("**SAAG Shares**") into which the Exchangeable Bonds to be issued under the 1st Tranche may be converted is approximately 55,420,000 SAAG Shares.

On 2 June 2009, the Company announced that the 2nd tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD5 million nominal value Exchangeable Bonds ("**2nd Tranche**").

SAAG / SAAGL had on 2 June 2009 fixed the exchange price for the 2nd Tranche at RM0.3417. Based on such exchange price and the agreed fixed exchange rate for the 2nd Tranche of USD1.00 : RM3.62, the number of ordinary shares of RM0.10 each in SAAG ("**SAAG Shares**") into which the Exchangeable Bonds to be issued under the 2nd Tranche may be converted is approximately 52,971,000 SAAG Shares.

On 8 June 2009, the Company announced that Bank Negara Malaysia ("BNM") has, vide its letter dated 4 June 2009 (which was received on 8 June 2009), granted an extension of time up to 22 May 2010 in respect of its earlier approval vide its letter dated 23 May 2008.

On 23 June 2009, the Company announced that the 1st Tranche of the Exchangeable Bonds of USD5 million nominal value had been issued on 22 June 2009.

On 6 July 2009, the Company announced that the 2nd Tranche of the Exchangeable Bonds of USD5 million nominal value had been issued on 3 July 2009.

On 10 July 2009, the Company announced that the SC has, vide its letter dated 10 July 2009, granted an extension of time up to 9 May 2010 for the Company to implement the Rights Issue and to complete the Exchangeable Bonds Issue.

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

On 27 July 2009, the Company announced that the Company's additional 108,391,000 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 1st and 2nd Tranches will be granted listing and quotation with effect from 28 July 2009.

On 10 August 2009, the Company announced that the 3rd tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD8.5 million nominal value Exchangeable Bonds ("3rd Tranche").

SAAG / SAAGL had on 10 August 2009 fixed the exchange price for the 3rd Tranche at RM0.2613. Based on such exchange price and the agreed fixed exchange rate for the 3rd Tranche of USD1.00 : RM3.62, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 3rd Tranche may be converted is approximately 117,758,000 SAAG Shares.

On 1 September 2009, the Company announced that the Company's additional 117,758,000 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 3rd Tranche will be granted listing and quotation with effect from 2 September 2009.

On 3 September 2009, the Company announced that the 4th tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD10.0 million nominal value Exchangeable Bonds ("4th Tranche").

SAAG / SAAGL had on 3 September 2009 fixed the exchange price for the 4th Tranche at RM0.241. Based on such exchange price and the agreed fixed exchange rate for the 4th Tranche of USD1.00 : RM3.60, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 4th Tranche may be converted is approximately 149,378,000 SAAG Shares.

On 7 October 2009, the Company announced that the Company's additional 52,282,300 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 4th Tranche will be granted listing and quotation with effect from 8 October 2009.

On 20 October 2009, the Company announced that the 5th tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD5.0 million nominal value Exchangeable Bonds ("5th Tranche").

SAAG / SAAGL had on 20 October 2009 fixed the exchange price for the 5th Tranche at RM0.236. Based on such exchange price and the agreed fixed exchange rate for the 5th Tranche of USD1.00 : RM3.58, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 5th Tranche may be converted is approximately 75,848,000 SAAG Shares.

On 26 October 2009, the Company announced that the Company's additional 44,813,400 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 4th Tranche will be granted listing and quotation with effect from 27 October 2009.

On 4 November 2009, the Company announced that the 6th tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD5.0 million nominal value Exchangeable Bonds ("6th Tranche").

SAAG / SAAGL had on 4 November 2009 fixed the exchange price for the 6th Tranche at RM0.2105. Based on such exchange price and the agreed fixed exchange rate for the 6th Tranche of USD1.00 : RM3.58, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 6th Tranche may be converted is approximately 85,036,000 SAAG Shares.

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

On 17 November 2009, the Company announced that the Company's additional 52,282,300 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 4th Tranche will be granted listing and quotation with effect from 18 November 2009.

On 7 December 2009, the Company announced that the Company's additional 75,848,000 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 5th Tranche will be granted listing and quotation with effect from 8 December 2009.

On 5 January 2010, the Company announced that the 7th tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD6.5 million nominal value Exchangeable Bonds ("7th Tranche").

SAAG / SAAGL had on 5 January 2010 fixed the exchange price for the 7th Tranche at RM0.1805. Based on such exchange price and the agreed fixed exchange rate for the 7th Tranche of USD1.00 : RM3.58, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 7th Tranche may be converted is approximately 128,920,000 SAAG Shares.

On 12 January 2010, the Company announced that the Company's additional 85,036,000 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 6th Tranche will be granted listing and quotation with effect from 13 January 2010.

On 21 January 2010, the Company announced that the Company's additional 59,501,539 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 7th Tranche will be granted listing and quotation with effect from 22 January 2010.

On 8 February 2010, the Company announced that the 8th tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD5.0 million nominal value Exchangeable Bonds ("8th Tranche").

SAAG / SAAGL had on 8 February 2010 fixed the exchange price for the 8th Tranche at RM0.1608. Based on such exchange price and the agreed fixed exchange rate for the 8th Tranche of USD1.00 : RM3.60, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 8th Tranche may be converted is approximately 111,941,000 SAAG Shares.

On 12 February 2010, the Company announced that the Company's additional 69,418,461 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 7th Tranche will be granted listing and quotation with effect from 17 February 2010.

On 16 March 2010, the Company announced that the Company's additional 33,582,300 new ordinary shares of RM0.10 each issued pursuant to the Exchangeable Bonds issued under the 8th Tranche will be granted listing and quotation with effect from 17 March 2010.

On 26 March 2010, the Company announced that the 9th Tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD5.0 million nominal value Exchangeable Bonds ("9th Tranche").

SAAG / SAAGL had on 26 March 2010 fixed the exchange price for the 9th Tranche at RM0.1155. Based on such exchange price and the agreed fixed exchange rate for the 9th Tranche of USD1.00 : RM3.50, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 9th Tranche may be converted is approximately 151,516,000 SAAG Shares.

On 16 April 2010, the Company announced that the 10th Tranche of the Exchangeable Bonds to be issued by SAAGL shall comprise of USD5.0 million nominal value Exchangeable Bonds ("10th Tranche").

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

SAAG / SAAGL had on 16 April 2010 fixed the exchange price for the 10th Tranche at RM0.1105. Based on such exchange price and the agreed fixed exchange rate for the 10th Tranche of USD1.00 : RM3.50, the number of ordinary shares of RM0.10 each in SAAG ("SAAG Shares") into which the Exchangeable Bonds to be issued under the 10th Tranche may be converted is approximately 158,372,000 SAAG Shares.

On 23 April 2010, the Company announced that it has decided not to proceed with the Rights Issue based on the terms approved by the shareholders at the Company's Extraordinary General Meeting held on 23 June 2008. Considering the Group's expansion plans and working capital requirements for current and potential projects, the Company is of the view that the fund raising exercise via the Rights Issue as mentioned above will need to be re-evaluated. The Company is presently evaluating various capital raising options and will make the necessary announcement in due course, if required. The discontinuance of the Rights Issue will not have an impact on the Exchangeable Bonds Issue as the proposals are not inter-conditional.

On 30 April 2010, the Company announced that the Company's additional 90,909,600 new ordinary shares of RM0.10 each issued pursuant to the Exchange Bonds issued under the 9th Tranche will be granted listing and quotation with effect from 3 May 2010.

On 11 May 2010, the Company announced that the Company's additional 98,615,680 new ordinary shares of RM0.10 each issued pursuant to the Exchange Bonds issued under the 9th and 10th will be granted listing and quotation with effect from 12 May 2010.

On 11 May 2010, the Company announced that the SC has, vide its letter dated 10 May 2010, granted an extension of time up to 9 November 2010 for the Company to complete the Exchangeable Bonds Issue.

- c) On 14 December 2009, the Company announced that it proposed to undertake a private placement of up to 10% of the issued and paid-up share capital of the Company.

On 28 December 2009, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the listing and quotation of up to 252,079,769 new SAAG Shares to be issued pursuant to the Proposed Private Placement ("Placement Shares") vide its letter dated 24 December 2009, subject to the following conditions:-

- (i) SAAG and OSK must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Private Placement;
- (ii) SAAG and OSK to inform Bursa Securities upon the completion of the Proposed Private Placement;
- (iii) SAAG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and
- (iv) Additional listing fee payable for each tranche of the Placement Shares listed, together with a copy of the details of the computation of the amount of listing fees payable.

On 5 January 2010, the Company announced that the Board of Directors of SAAG ("Board") has fixed an issue price of RM0.1561 per placement share for the 1st tranche of the placement shares, comprising 59,885,000 placement shares. This issue price represents a discount of approximately 9.98% to the five (5)-day volume weighted average market price of SAAG's shares up to and including 4 January 2010 of RM0.1734.

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

On 14 January 2010, the Company announced that 59,885,000 new ordinary shares of RM0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 15 January 2010.

On 14 January 2010, the Company announced that the Board has fixed an issue price of RM0.1592 per placement share for the 2nd Tranche of the placement shares, comprising 14,400,000 placement shares. This issue price represents a discount of approximately 9.95% to the five (5)-day volume weighted average market price of SAAG's shares up to and including 13 January 2010 of RM0.1768.

On 22 January 2010, the Company announced that 14,400,000 new ordinary shares of RM0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 25 January 2010.

On 22 February 2010, the Company announced that the Board has fixed an issue price of RM0.1402 per placement share for the third tranche of the placement shares, comprising 14,000,000 placement shares. This issue price represents a discount of approximately 9.95% to the five (5)-day volume weighted average market price of SAAG's shares up to and including 19 February 2010 of RM0.1557.

On 1 March 2010, the Company announced that 14,000,000 new ordinary shares of RM0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 2 March 2010.

23. GROUP BORROWINGS

Details of the Group's bank borrowings as at 31 March 2010 are as follows:

	Current RM'000	Non-current RM'000
Unsecured	45,816	30,979
Secured	492,400	22,761
	<u>538,216</u>	<u>53,740</u>
	'000	RM '000 equivalent
Bank borrowings denominated in foreign currency –		
United State Dollar	<u>65,891</u>	<u>215,629</u>
Singapore Dollar	<u>1,968</u>	<u>4,601</u>
Indian Rupee	<u>539,520</u>	<u>39,223</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.

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25. MATERIAL LITIGATION

There was no material litigation since the last annual statement of financial position date to the date of this report.

26. EARNINGS PER SHARE

Basic earnings per share

	Current Year Quarter 31.03.2010	Current Year To Date 31.03.2010
Net profit for the period (RM'000)	4,895	4,895
Weighted average number of ordinary shares in issue ('000)	<u>1,572,693</u>	<u>1,572,693</u>
Basic earnings per share (sen)	<u>0.31</u>	<u>0.31</u>

BY ORDER OF THE BOARD

ANAND SUBRAMANIAN
EXECUTIVE DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER