



**Interim Report for the 3rd Quarter Ended
30 September 2011**

SAAG CONSOLIDATED (M) BERHAD (Company No. : 92246-X)
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements
For the Three Months Ended 30 September 2011

<u>Table of Contents</u>	<u>Page</u>
Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Explanatory Notes Pursuant to FRS 134	5-15

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	30 Sep 2011	30 Sep 2010	30 Sep 2011	30 Sep 2010
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	15,179	23,623	39,313	79,520
Costs of sales	(14,232)	(13,698)	(33,346)	(55,460)
Gross profit	947	9,925	5,967	24,060
Other operating expenses	(16,905)	(10,760)	(37,633)	(28,542)
Other income	1,543	16,402	7,465	28,739
(Loss)/Profit from operations	(14,415)	15,567	(24,201)	24,257
Finance costs	(14,072)	(6,391)	(31,881)	(13,031)
Share of results in associates	527	298	1,069	477
(Loss)/Profit before taxation	(27,960)	9,474	(55,013)	11,703
Taxation	-	(184)	(158)	(219)
Net (loss)/profit for the period from continuing operations	(27,960)	9,290	(55,171)	11,484
Discontinued operations				
Net profit for the period from discontinued operations	-	-	-	-
Gain on disposal of discontinued operations	-	-	-	-
Net (loss)/profit for the period	(27,960)	9,290	(55,171)	11,484
Net (loss)/profit attributable to:				
Owners of the Company				
- from continuing operations	(25,741)	13,541	(47,693)	20,417
- from discontinued operations	-	-	-	-
	(25,741)	13,541	(47,693)	20,417
Non-controlling interests	(2,219)	(4,251)	(7,478)	(8,933)
	(27,960)	9,290	(55,171)	11,484
Earnings per share (sen)				
• Basic				
- from continuing operations	(1.21)	0.75	(2.25)	1.13
- from discontinued operations	-	-	-	-
	(1.21)	0.75	(2.25)	1.13
• Diluted				
- from continuing operations	-	-	-	-
- from discontinued operations	-	-	-	-
	-	-	-	-
Net (loss)/ profit for the period	(27,960)	9,290	(55,171)	11,484
Other comprehensive income after tax :				
Exchange differences on translation	(538)	(9,431)	7,320	(5,243)
Transaction costs arising from conversion of exchangeable bonds	-	(4,887)	-	(13,978)
Changes in equity interest in subsidiaries	-	-	-	-
Share issue expenses	4	-	-	(11)
Dividend paid / payable to minority interests of a subsidiary	-	-	-	-
Total comprehensive income for the period	(28,494)	(5,028)	(47,851)	(7,748)
Total comprehensive income attributable to :				
Owners of the Company				
- from continuing operations	(26,569)	(240)	(45,302)	2,629
- from discontinued operations	-	-	-	-
	(26,569)	(240)	(45,302)	2,629
Non-controlling interests	(1,925)	(4,788)	(2,549)	(10,377)
	(28,494)	(5,028)	(47,851)	(7,748)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

	As at 30 Sep 2011 RM'000	As at 31 Dec 2010 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	380,970	398,829
Investment properties	3,205	3,702
Investment in associates	10,210	9,141
Intangible assets	8,854	8,622
Deferred tax assets	132	124
	<u>403,371</u>	<u>420,418</u>
Current assets		
Amount due from customers for contract works	279,619	273,190
Property development costs	10,975	12,013
Inventories	252,402	241,186
Trade receivables	244,132	259,060
Other receivables, deposits and prepayments	68,661	52,071
Tax recoverable	2,369	2,029
Amount owing by an associate	1,647	1,575
Fixed deposits with licensed bank	17,704	32,317
Cash and bank balances	2,861	22,081
	<u>880,370</u>	<u>895,522</u>
	<u>1,283,741</u>	<u>1,315,940</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	32,122	39,364
Other payables and accruals	200,173	194,983
Amounts due to customer for contract works	-	44
Amount owing to directors of subsidiaries	48	582
Hire-purchase creditors	736	1,259
Borrowings (Interest bearing)	479,973	467,415
Tax liabilities	127	80
	<u>713,179</u>	<u>703,727</u>
Non-current liabilities		
Hire-purchase creditors	570	615
Borrowings (Interest bearing)	248,033	256,474
Deferred tax liabilities	6,535	6,537
	<u>255,138</u>	<u>263,626</u>
Total Liabilities	<u>968,317</u>	<u>967,353</u>
Equity		
Share capital	212,153	197,465
Reserves	105,334	150,636
Issued capital and reserves attributable to owners of the company	<u>317,487</u>	<u>348,101</u>
Non-controlling interests	<u>(2,063)</u>	<u>486</u>
Total Equity	<u>315,424</u>	<u>348,587</u>
	<u>1,283,741</u>	<u>1,315,940</u>
Net Assets per share (RM)	0.15	0.17

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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										
	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 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	8,829	4,775	-	-	-	-	-	-	13,604	-	13,604
- conversion of 5-year Exchangeable Bonds	63,578	30,590	(17,900)	-	-	-	-	-	76,268	-	76,268
Total comprehensive income for the period	-	(13,989)	-	-	-	(3,799)	-	20,417	2,629	(10,377)	(7,748)
At 30 September 2010	<u>197,465</u>	<u>125,441</u>	<u>-</u>	<u>(1,767)</u>	<u>-</u>	<u>(3,844)</u>	<u>840</u>	<u>91,140</u>	<u>409,275</u>	<u>12,923</u>	<u>422,198</u>
At 1 January 2011	197,465	125,832	-	(1,767)	-	(4,859)	840	30,590	348,101	486	348,587
Issue of share capital arising from:											
- private placement	14,688	-	-	-	-	-	-	-	14,688	-	14,688
Total comprehensive income for the period	-	-	-	-	-	2,391	-	(47,693)	(45,302)	(2,549)	(47,851)
At 30 September 2011	<u>212,153</u>	<u>125,832</u>	<u>-</u>	<u>(1,767)</u>	<u>-</u>	<u>(2,468)</u>	<u>840</u>	<u>(17,103)</u>	<u>317,487</u>	<u>(2,063)</u>	<u>315,424</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 2010 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)

	9 months ended 30 Sep 2011 RM'000	9 months ended 30 Sep 2010 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit / (loss) before taxation		
Continuing operations	(55,013)	11,703
Adjustments for:-		
Non-cash items	(77)	(15,238)
Non-operating items	30,424	11,432
Operating profit before working capital changes	<u>(24,666)</u>	<u>7,897</u>
Net change in current assets	(28,202)	(148,683)
Net change in current liabilities	<u>(2,099)</u>	<u>(6,527)</u>
Cash used in operations	<u>(54,967)</u>	<u>(147,313)</u>
Net cash used in operating activities	<u>(54,967)</u>	<u>(147,313)</u>
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Net change in property, plant and equipment	453	(84,561)
Development costs	1,038	3,683
Net cash (used in)/ generated from investing activities	<u>1,491</u>	<u>(80,878)</u>
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from shares issued	14,688	75,883
Decrease in fixed deposit pledged	7,706	13,056
Borrowings	2,540	155,231
Interest paid	<u>(31,493)</u>	<u>(11,908)</u>
Net cash from financing activities	<u>(6,559)</u>	<u>232,262</u>
Net change in cash & cash equivalents	(60,035)	4,071
Effect of foreign exchange fluctuations	33,432	1,140
Cash & cash equivalents brought forward	<u>1,189</u>	<u>(25,896)</u>
Cash & cash equivalents carried forward	<u>(25,414)</u>	<u>(20,685)</u>
Cash and cash equivalents comprise the following amounts:		
Cash and bank balances	2,861	5,897
Bank overdrafts	(30,070)	(31,164)
Fixed deposits with licensed banks	<u>17,704</u>	<u>91,818</u>
	(9,505)	66,551
Less: Fixed deposit pledged	<u>(15,909)</u>	<u>(87,236)</u>
	<u>(25,414)</u>	<u>(20,685)</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARDS (“FRS”) 134, INTERIM FINANCIAL REPORTING

A1. 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 2010.

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 2010.

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 2010 except for the adoption of the following new/revised FRSs, Amendments to FRS and Interpretations which were effective for financial periods beginning 1 January 2011: -

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First Time Adopters
Amendments to FRS 1	Additional Exemptions for First Time Adopters
Amendments to FRS 1	Amendments to FRS 1 First Time Adoption of Financial Reporting Standards [Improvements to FRSs (2010)]
Amendments to FRS 3	Amendments to FRS 3 Business Combinations [Improvements to FRSs (2010)]
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 7	Amendments to FRS 7 Financial Instruments: Disclosures [Improvements to FRSs (2010)]
Amendments to FRS 101	Amendments to FRS 101 Presentation of Financial Statements [Improvements to FRSs (2010)]
Amendments to FRS 121	Amendments to FRS 121 Effects of changes to foreign exchange rates [Improvements to FRSs (2010)]
Amendments to FRS 128	Amendments to FRS 128 Investment in Associates [Improvements to FRSs (2010)]
Amendments to FRS 131	Amendments to FRS 131 Interest in joint ventures [Improvements to FRSs (2010)]
Amendments to FRS 132	Amendments to FRS 132 Financial Instruments: Presentation [Improvements to FRSs (2010)]
Amendments to FRS 134	Amendments to FRS 134 Interim Financial Reporting [Improvements to FRSs (2010)]
Amendments to FRS 139	Amendments to FRS 139 Financial Instruments: Recognition & Measurement [Improvements to FRSs (2010)]
IC interpretation 4	Determining whether an arrangement contains a lease
IC interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (amendments)
IC interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report

A1. ACCOUNTING POLICIES (con't)

The application of new FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial statements commencing from 1 January 2011 did not result in any significant changes in the accounting policies and presentation of financial results of the Group.

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.

Financial Liabilities

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

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The latest audited financial statements for the financial year ended 31 December 2010 were not subject to any qualification.

A3. 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.

A4. 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.

A5. CHANGES IN ESTIMATES

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

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report**A6. CHANGES IN EQUITY**

	Current Quarter		Current Year To Date	
	Number Of Shares	Proceeds From Share Issue	Number Of Shares	Proceeds From Share Issue
	'000	RM'000	'000	RM'000
Issuance of new ordinary shares of RM0.10 each pursuant to Exercise of Private Placements	53,875	5,388	146,875	14,688

A7. DIVIDENDS

There were no dividends paid during the current quarter.

A8. 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	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

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report

Segment information for the current financial period to 30 September 2011 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	-	11,705	184	19	4,172	23,233	-	39,313
Segment results	(1,090)	(1,837)	(7,214)	(2,728)	(3,210)	(8,362)	(147)	(24,588)
Unallocated corporate income								387
Unallocated corporate expenses								-
Profit from operations								(24,201)
Finance costs								(31,881)
Share of results in associates								1,069
Profit before tax								(55,013)
Tax expense								(158)
Profit after taxation								(55,171)
Non - controlling interests								7,478
Net profit for the period								(47,693)

A9. PROPERTY, PLANT AND EQUIPMENT

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

A10.SIGNIFICANT EVENTS SUBSEQUENT TO THE QUARTER UNDER REVIEW

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

A11.CHANGES IN THE COMPOSITION OF THE GROUP

There was no material changes in the composition of the Group during the financial period ended 30 September 2011.

A12.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.

A13.CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements as at 30 September 2011 in respect of purchase of property, plant and equipment are as follows:

Approved and contracted for RM Nil

A14.RELATED PARTY TRANSACTIONS

	Current Year 3rd Quarter 30 September 2011 RM'000	Current Year To date 30 September 2011 RM'000
With an associated company :		
- <i>purchases of inventories</i>	-	-

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

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report**PART B – ADDITIONAL INFORMATION AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS****B1. REVIEW OF PERFORMANCE**

The Group has registered revenue of RM 39.3 million for the nine months period ended 30 September 2011 as compared to RM 79.5 million in the preceding year corresponding period. The drop in revenue was mainly due to the lower revenue recognition based on the progressive percentage of completion method for contracts that were either completed or near completion in the current period as compared to preceding year corresponding period.

The Group achieved a gross profit of RM 6.0 million for the current period as compared to RM 24.0 million in the preceding year corresponding period. It also reported a loss before taxation of RM 55.1 million in the current period as compared to a profit before tax of RM 11.5 million in the preceding year corresponding period. The increase in the loss is attributable to adverse unrealized foreign exchange transactions and other operating expenses/interest costs incurred without matching revenue.

B2. QUARTERLY RESULTS COMPARISON

	Current Year 3rd Quarter 30 Sept 2011 RM'000	Current Year 2nd Quarter 30 June 2011 RM'000
Revenue	15,179	10,933
(Loss) before taxation	<u>(27,960)</u>	<u>(15,774)</u>

Revenue has increased from RM10.9 million in the preceding quarter to RM 15.1 million in the current quarter. The increase in the revenue was mainly due to increase in sale of equipment and parts from the trading, maintenance and repair segment and construction contract income.

The Group however, registered a loss before tax of RM 28.0 million in the current quarter as compared to a loss before tax of RM 15.8 million in the preceding quarter. This increase in loss was mainly due to the adverse foreign exchange transactions and interest costs/other operating expenses during the current quarter not absorbed due to lack of matching revenue.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2011

The Group's efforts to place out its rigs on contract is still on going. Nevertheless, considering pent up demand for workover services of wells and stable oil prices it is expected that the rigs will be deployed by 2012.

The tanker has been on spot charter regularly and efforts to procure a time charter is not expected to materialise in 2011. The tanker underwent dry dock repairs and rectification in October/November 2011 which will affect revenues from the tanker.

The EPCC contracts to construct a 108MW Power Plant in Bangladesh and 40kms of tramway in Melaka is expected to contribute positively to the Group's profitability though both projects are currently awaiting financial closure.

The Group is currently executing contract for civil and structural works and erection, testing and commissioning of Boiler Ducting, Rotary parts, Mills RC feeders, ESP with duct support structure and Coal piping for Boiler unit for 2 x 660 MW Thermal Power Project in India valued at RM26 million. The Group is currently in negotiations for similar contracts in India for power plant construction and commissioning.

For resolving under absorption of finance costs, efforts are underway to restructure debts of the Group to sell and/or deploy idle assets which would contribute to revenue or pare down costs in the foreseeable future. This will enable the Group to realize the value of the assets over the next few years and reduce pressure on liquidity.

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report

In view of the above, the Group can see the effect of restructure and the new contracts only from 2012 onwards.

B4. VARIANCE OF ACTUAL FROM FORECAST PROFIT

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

B5. TAXATION

	Current Year Quarter 30 Sept 2011	Current Year To date 30 Sept 2011
	RM'000	RM'000
<u>Current year</u>		
Income tax	-	158
Deferred Tax	-	-
	<hr/>	<hr/>
	-	158

The tax liability arose as a result of profits made by one of its subsidiaries. In certain subsidiaries, the effective tax rate was lower than the statutory tax rate of 25% due to utilization of capital allowances and unabsorbed tax losses.

B6. SALE/PURCHASE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale or purchase of unquoted investments and properties during the financial period under review.

B7. QUOTED SECURITIES

As at 30 September 2011, the Company had not purchased nor disposed off any quoted shares.

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

- a) On 03 September 2010, the Company announced that it proposed to raise gross proceeds of up to approximately Ringgit Malaysia ("RM") 416 million ("Intended Gross Proceeds") by undertaking the following proposals:
- i) a renounceable two (2) call rights issue of up to 5,200,549,005 new ordinary shares of RM0.10 each in SAAG ("Rights Share(s)") on the basis of five (5) Rights Shares for every two (2) existing ordinary shares of RM0.10 each held in SAAG ("SAAG Share(s)") together with up to 1,040,109,801 free detachable warrants ("Warrant(s)") on the basis of one (1) Warrant for every five (5) Rights Shares subscribed ("Proposed Rights Issue");
 - ii) in the event that the total proceeds of the Proposed Rights Issue shall be less than the amount of the Intended Gross Proceeds, (such difference, referred to as the "Differential Intended Gross Proceeds"), the Differential Intended Gross Proceeds shall be raised by either of the following or a combination of both:
 - (a) proposed issuance of nominal value five (5) year unsecured guaranteed exchangeable bonds ("Exchangeable Bonds") by SAAG (L) Limited ("SAAGL"), a wholly – owned subsidiary of the Company up to such amount equivalent in value to the difference between the Differential Intended Gross Proceeds and the ICPS Proceeds, if any; and/or
 - (b) proposed issuance of nominal value of five (5) year irredeemable convertible preference shares of RM 0.10 each in SAAG ("ICPS") up to such amount equivalent in value to the difference between the Differential Intended Gross Proceeds and the Exchangeable Bonds Proceeds, if any.
 - iii) proposed amendments to the Memorandum and Articles of Association of SAAG

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report

- iv) proposed establishment of an employees' share option scheme ("ESOS") of up to 15% of the issued and paid up share capital of SAAG at anytime for the Directors (including Non – Executive Directors) of SAAG and eligible employees of SAAG and its subsidiaries.

On 03 December 2010, the Company announced that the application to the relevant authorities will be submitted on a date later than 03 December 2010. The Company expects that the application for the Proposed Rights Issue and Proposed ESOS are to be submitted within three (3) months from 03 December 2010 which an announcement will be made accordingly.

On 03 March 2011, the Company announced that the application to the relevant authorities will be submitted on a date later than 03 March 2011. The Company expects that the applications for the Proposals are to be submitted within six (6) months from 03 March 2011 of which an announcement will be made accordingly.

On 04 March 2011, the Company announced that notwithstanding the announcement made on 03 March 2011, the Company targets the submission to be made within the next six (6) to eight (8) weeks. Hence, the six (6) months time frame stated in the announcement dated 03 March 2011 was to provide for any unforeseen contingencies. The additional time frame is required to finalise the Proposals and to ensure that all information therein are duly verified.

On 02 August 2011, the Company announced that MIDF Amanah Investment Bank Berhad ("MIDF") has effectively resigned as Adviser to its proposed corporate exercise. The Company intends to appoint an alternative licensed investment bank in place of MIDF as adviser for the Proposals. The Proposals, as envisaged in the earlier announcement dated 3 September 2010, will undergo changes to reflect the financial re-engineering exercise being undertaken by SAAG. The Proposals will have an extended scope arising out of the financial re-engineering. Hence, an alternative adviser will be chosen and a revised announcement on the changes to the Proposals and the appointment of the new adviser will be made immediately upon these items being confirmed.

- b) On 14 April 2011, the Company announced that it proposes to undertake a private placement of up to 10% of the issued and paid-up share capital of the Company.

On 25 April 2011, the Company announced a variation to the terms of the Proposed Private Placement. The key variation from the announcement dated 14 April 2011 is the placement quantum of up to 197,465,482 Placement shares only.

On 04 May 2011, the Company announced that an application has been submitted to Bursa Securities Malaysia Berhad ("Bursa Securities) for the additional listing of and quotation for up to 197,465,482 new ordinary shares of RM0.10 each in the Company pursuant to the Proposed Private Placement.

On 10 May 2011, the Company announced that Bursa Securities has approved the listing and quotation of up to 197,136,782 new ordinary shares of RM0.10 each in the Company to be issued pursuant to the Proposed Private Placement vide its letter dated 10 May 2011, subject to the following conditions:-

- (i) the Company and KAF Investment Bank Berhad ("KAF") must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) the Company and KAF to inform Bursa Securities upon the completion of the Proposed Private Placement;
- (iii) the Company 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;
- (iv) the Company to furnish Bursa Securities with a certified true copy of the resolution passed pursuant to Section 132D of the Companies Act, 1965, in the event the current authority has expired; and

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report

- (v) 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.

The Company also announced that there is a variance of 328,700 in the quantum of placement shares between the announcement dated 10 May 2011 and the announcement dated 25 April 2011. This variance arises due to the fact that Proposed Private Placement is excluding treasury shares currently held by the Company.

On 16 May 2011, the Company, announced that the Board has fixed the issue price for the first tranche of the placement of 10,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Share represents a premium of 16.96% to the five (5)-day weighted average market price of the Company's shares up to and including 13 May 2011 of RM0.0855 per SAAG Share.

On 23 May 2011, the Company announced that 10,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 24 May 2011.

On 24 May 2011, the Company, announced that the Board has fixed the issue price for the second tranche of the placement of 20,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Share represents a premium of 20.05% to the five (5)-day weighted average market price of the Company's Shares up to and including 23 May 2011 of RM0.0833per SAAG Share.

On 27 May 2011, the Company announced that 20,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 30 May 2011.

On 31 May 2011, the Company announced that the Board has fixed the issue price for the third tranche of placement of 18,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 26.90% to the five (5)-day weighted average market price of the Company's Shares up to and including 30 May 2011 of RM0.0788 per SAAG Share.

On 02 June 2011, the Company announced that 18,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 03 June 2011.

On 7 June 2011, the Company announced that the Board has fixed the issue price for the fourth tranche of placement of 15,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 33.69% to the five (5)-day weighted average market price of the Company's Shares up to and including 6 June 2011 of RM0.0748 per SAAG Share.

On 09 June 2011, the Company announced that 15,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 10 June 2011.

On 13 June 2011, the Company announced that the Board has fixed the issue price for the fifth tranche of placement of 15,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 34.77% to the five (5)-day weighted average market price of the Company's Shares up to and including 10 June 2011 of RM0.0742 per SAAG Share.

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report

On 15 June 2011, the Company announced that 15,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 16 June 2011.

On 20 June 2011, the Company announced that the Board has fixed the issue price for the sixth tranche of placement of 15,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 40.85% to the five (5)-day weighted average market price of the Company's Shares up to and including 17 June 2011 of RM0.0710 per SAAG Share.

On 22 June 2011, the Company announced that 15,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 23 June 2011.

On 15 July 2011, the Company announced that the Board has fixed the issue price for the seventh tranche of placement of 14,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 42.86% to the five (5)-day weighted average market price of the Company's Shares up to and including 14 July 2011 of RM0.0700 per SAAG Share.

On 19 July 2011, the Company announced that 14,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 20 July 2011.

On 29 July 2011, the Company announced that the Board has fixed the issue price for the eight tranche of placement of 7,375,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 45.77% to the five (5)-day weighted average market price of the Company's Shares up to and including 28 July 2011 of RM0.0686 per SAAG Share.

On 01 August 2011, the Company announced that 7,375,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 02 August 2011.

On 3 August 2011, the Company announced that the Board has fixed the issue price for the ninth tranche of placement of 10,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 43.27% to the five (5)-day weighted average market price of the Company's Shares up to and including 2 August 2011 of RM0.0698 per SAAG Share.

On 05 August 2011, the Company announced that 10,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 08 August 2011.

On 18 August 2011, the Company announced that the Board has fixed the issue price for the tenth tranche of placement of 4,500,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 62.34% to the five (5)-day weighted average market price of the Company's Shares up to and including 17 August 2011 of RM0.0616 per SAAG Share.

On 22 August 2011, the Company announced that 4,500,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 23 August 2011.

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 30 September 2011

Notes to the Interim Report

On 06 September 2011, the Company announced that the Board has fixed the issue price for the eleventh tranche of placement of 18,000,000 new ordinary shares of RM0.10 each in the Company ("Placement Shares"), to be issued pursuant to the Proposed Private Placement at an issue price of RM0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 69.20% to the five (5)-day weighted average market price of the Company's Shares up to and including 5 September 2011 of RM0.0591 per SAAG Share.

On 08 September 2011, the Company announced that 18,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 09 September 2011.

On 04 November 2011, the Company announced that it has on 2 November 2011 appointed Inter-Pacific Securities Sdn Bhd (IPS) as the adviser and placement agent for the Proposed Private Placement. IPS, on behalf of the Company, had submitted an application for an extension of implementation time to complete the Proposed Private Placement.

On 17 November 2011, the Company announced that Bursa Securities had, vide its letter dated 16 November 2011 granted the Company an extension of time of 6 months from 10 November 2011 until 10 May 2012 to complete the implementation of the Proposed Private Placement.

B9. GROUP BORROWINGS

Details of the Group's bank borrowings as at 30 September 2011 are as follows:

	Current RM'000	Non-current RM'000
Unsecured	77,250	-
Secured	<u>402,723</u>	<u>248,033</u>
	<u>479,973</u>	<u>248,033</u>
	'000	RM '000 equivalent
Bank borrowings denominated in foreign currency –		
United State Dollar	<u>60,172</u>	<u>191,923</u>
Singapore Dollar	<u>-</u>	<u>-</u>
Indian Rupee	<u>248,300</u>	<u>16,112</u>

B10.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.

B11.MATERIAL LITIGATION

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

B12.EARNINGS PER SHARE

Basic earnings per share

	Current Year Quarter 30 Sept 2011	Current Year To Date 30 Sept 2011
Net profit for the period (RM'000)	(27,960)	(55,171)
Weighted average number of ordinary shares in issue ('000)	<u>2,121,529</u>	<u>2,121,529</u>
Basic earnings per share (sen)	<u>(1.32)</u>	<u>(2.60)</u>

B13. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The following analysis of realised and unrealised retained profits/(accumulated losses) is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad's Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	Current Year 2nd Quarter 30 June 2011 RM '000	Current Year 2nd Quarter 30 June '11 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	(25,366)	(7,270)
- Unrealised	(4,916)	3,255
	<u>(30,282)</u>	<u>(4,015)</u>
Total share of retained profits / (accumulated losses) from associated companies :		
- Realised	10,263	9,737
- Unrealised	-	-
Total share of retained profits / (accumulated losses) from jointly controlled entities :		
- Realised	(697)	(697)
	<u>(20,716)</u>	<u>5,025</u>
Add : Consolidation adjustments	3,613	3,613
Total group retained profits as per the Consolidated Financial Statements	<u>(17,103)</u>	<u>8,638</u>

BY ORDER OF THE BOARD

ANAND SUBRAMANIAN
EXECUTIVE DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER