



Interim Report for the 4th Quarter Ended

31 December 2011

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

Condensed Consolidated Financial Statements
For the Three Months Ended 31 December 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	12 Months Ended	12 Months Ended
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	27,714	31,105	51,848	110,625
Costs of sales	(29,183)	(23,595)	(48,297)	(79,055)
Gross profit	(1,469)	7,510	3,551	31,570
Other operating expenses	(118,784)	(73,185)	(139,512)	(101,727)
Other income	1,865	6,793	7,787	35,532
(Loss)/Profit from operations	(118,388)	(58,882)	(128,174)	(34,625)
Finance costs	(23,591)	(7,042)	(41,400)	(20,073)
Share of results in associates	2,870	214	3,412	691
(Loss)/Profit before taxation	(139,109)	(65,710)	(166,162)	(54,007)
Taxation	3	2,374	(155)	2,155
Net (loss)/profit for the period from continuing operations	(139,106)	(63,336)	(166,317)	(51,852)
Discontinued operations				
Net profit for the period from discontinued operations	13	-	13	-
Gain on disposal of discontinued operations	4,450	-	4,450	-
Net (loss)/profit for the period	(134,643)	(63,336)	(161,854)	(51,852)
Net (loss)/profit attributable to:				
Owners of the Company				
- from continuing operations	(134,510)	(56,120)	(156,462)	(35,703)
- from discontinued operations	4,463	-	4,463	-
	(130,047)	(56,120)	(151,999)	(35,703)
Non-controlling interests	(4,597)	(7,216)	(9,856)	(16,149)
	(134,644)	(63,336)	(161,855)	(51,852)
Earnings per share (sen)				
• Basic				
- from continuing operations	(6.19)	(3.11)	(7.20)	(1.81)
- from discontinued operations	0.21	-	0.21	-
	(5.99)	(3.11)	(7.00)	(1.81)
• Diluted				
- from continuing operations	-	-	-	-
- from discontinued operations	-	-	-	-
	-	-	-	-
Net (loss)/ profit for the period	(134,643)	(63,336)	(161,854)	(51,852)
Other comprehensive income after tax :				
Exchange differences on translation	(7,346)	(1,049)	4,975	(6,292)
Transaction costs arising from conversion of exchangeable bonds	-	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	(141,985)	(50,396)	(156,879)	(58,144)
Total comprehensive income attributable to :				
Owners of the Company				
- from continuing operations	(135,559)	(43,146)	(154,292)	(40,517)
- from discontinued operations	-	-	4,463	-
	(135,559)	(43,146)	(149,829)	(40,517)
Non-controlling interests	(6,426)	(7,250)	(7,050)	(17,627)
	(141,985)	(50,396)	(156,879)	(58,144)

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 31 Dec 2011 RM'000	As at 31 Dec 2010 RM'000
ASSETS		
Non-Current assets		
Property, plant and equipment	204,238	398,829
Investment properties	2,948	3,702
Investment in associates	12,553	9,141
Intangible assets	2,079	8,622
Deferred tax assets	135	124
	<u>221,953</u>	<u>420,418</u>
Current assets		
Amount due from customers for contract works	253,250	273,190
Property development costs	9,832	12,013
Inventories	413,954	241,186
Trade receivables	83,147	259,060
Other receivables, deposits and prepayments	37,980	52,071
Tax recoverable	2,397	2,029
Amount owing by an associate	1,877	1,575
Fixed deposits with licensed bank	6,328	32,317
Cash and bank balances	2,289	22,081
	<u>811,054</u>	<u>895,522</u>
	<u>1,033,007</u>	<u>1,315,940</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	35,571	39,364
Other payables and accruals	63,930	194,983
Amounts due to customer for contract works	-	44
Amount owing to directors of subsidiaries	-	582
Hire-purchase creditors	1,063	1,259
Borrowings (Interest bearing)	476,527	467,415
Tax liabilities	149	80
	<u>577,240</u>	<u>703,727</u>
Non-current liabilities		
Hire-purchase creditors	-	615
Borrowings (Interest bearing)	237,817	256,474
Deferred tax liabilities	6,528	6,537
	<u>244,345</u>	<u>263,626</u>
Total Liabilities	<u>821,585</u>	<u>967,353</u>
Equity		
Share capital	217,179	197,465
Reserves	807	150,636
Issued capital and reserves attributable to owners of the company	<u>217,986</u>	<u>348,101</u>
Non-controlling interests	<u>(6,564)</u>	<u>486</u>
Total Equity	<u>211,422</u>	<u>348,587</u>
	<u>1,033,007</u>	<u>1,315,940</u>
Net Assets per share (RM)	0.10	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	66,293	312,344	18,113	330,457
Issue of share capital arising from:											
- private placement	8,828	4,775	-	-	-	-	-	-	13,603	-	13,603
- conversion of 5-year Exchangeable Bonds	63,579	30,591	(17,900)	-	-	-	-	-	76,270	-	76,270
Total comprehensive income for the period	-	(13,599)	-	-	-	(4,814)	-	(35,703)	(54,116)	(17,627)	(71,743)
At 31 December 2010	<u>197,465</u>	<u>125,832</u>	<u>-</u>	<u>(1,767)</u>	<u>-</u>	<u>(4,859)</u>	<u>840</u>	<u>30,590</u>	<u>348,101</u>	<u>486</u>	<u>348,587</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	19,714	-	-	-	-	-	-	-	19,714	-	19,714
Total comprehensive income for the period	-	(10)	-	-	-	2,181	-	(152,000)	(149,829)	(7,050)	(156,879)
At 31 December 2011	<u>217,179</u>	<u>125,822</u>	<u>-</u>	<u>(1,767)</u>	<u>-</u>	<u>(2,678)</u>	<u>840</u>	<u>(121,410)</u>	<u>217,986</u>	<u>(6,564)</u>	<u>211,422</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)

	12 months ended 31 Dec 2011 RM'000	12 months ended 31 Dec 2010 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit / (loss) before taxation		
Continuing operations	(161,699)	(54,007)
Adjustments for:-		
Non-cash items	(10,115)	64,348
Non-operating items	37,501	17,674
Operating profit before working capital changes	<u>(134,313)</u>	<u>28,015</u>
Net change in current assets	221,592	(171,486)
Net change in current liabilities	<u>(131,927)</u>	<u>4,494</u>
Cash used in operations	(44,648)	(138,977)
Tax paid	-	(227)
Tax refund	-	4
Net cash used in operating activities	<u>(44,648)</u>	<u>(139,200)</u>
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Other investments	-	86
Net change in property, plant and equipment	(2,080)	(97,669)
Development costs	2,181	2,205
Net cash movement from disposal of subsidiary	1,497	-
Net cash (used in)/ generated from investing activities	<u>1,598</u>	<u>(95,378)</u>
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Proceeds from shares issued	19,714	94,174
Decrease in fixed deposit pledged	19,107	71,368
Borrowings	10,461	107,454
Interest paid	<u>(40,913)</u>	<u>(18,451)</u>
Net cash from financing activities	<u>8,369</u>	<u>254,545</u>
Net change in cash & cash equivalents	(34,681)	19,967
Effect of foreign exchange fluctuations	29,408	(1,583)
Cash & cash equivalents brought forward	1,189	(25,896)
Cash & cash equivalents carried forward	<u>(4,084)</u>	<u>(7,512)</u>
Cash and cash equivalents comprise the following amounts:		
Cash and bank balances	2,289	22,081
Bank overdrafts	(8,194)	(29,593)
Fixed deposits with licensed banks	<u>6,328</u>	<u>32,317</u>
	423	24,805
Less: Fixed deposit pledged	(4,507)	(32,317)
	<u>(4,084)</u>	<u>(7,512)</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.

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 December 2011

Notes to the Interim Report

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 31 December 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 31 December 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	50,262	5,026	197,137	19,714
Issuance of new ordinary shares of RM0.10 each pursuant to conversion of Exchangeable Bonds	-	-	-	-

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 31 December 2011

Notes to the Interim Report

Segment information for the current financial period to 31 December 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	-	12,959	184	131	4,172	34,402	-	51,848
Segment results	(78,720)	(11,159)	(9,206)	(9,149)	(9,532)	(10,734)	(162)	(128,662)
Unallocated corporate income								487
Unallocated corporate expenses								-
Profit from operations								(128,175)
Finance costs								(41,400)
Share of results in associates								3,412
Profit before tax								(166,163)
Tax expense								(155)
Profit after taxation								(166,318)
Non - controlling interests								9,856
Gain on disposal of discontinued operation								4,462
Net profit for the period								(152,000)

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 December 2011

Notes to the Interim Report

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 31 December 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 31 December 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 4th Quarter 31 December 2011 RM'000	Current Year To date 31 December 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 31 December 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 51.8 million for the twelve months period ended 31 December 2011 as compared to RM 110.6 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 3.6 million as compared to RM 31.5 million in the preceding year corresponding period. It also reported a loss before taxation of RM 166.1 million in the current period as compared to a loss before tax of RM 54.0 million in the preceding year corresponding period. The increase in the loss is attributable to impairment in values of inventories (RM 37.1 million) and contract work in progress (RM 34.9 million) and under-absorption of operating expenses due to lower revenues.

B2. QUARTERLY RESULTS COMPARISON

	Current Year 4th Quarter 31 December 2011 RM'000	Current Year 3rd Quarter 30 Sept 2011 RM'000
Revenue	27,714	15,179
(Loss) before taxation	<u>(139,109)</u>	<u>(26,427)</u>

Revenue has increased from RM15.1 million in the preceding quarter to RM 27.7 million in the current quarter. The increase in the revenue was mainly due to increase in billings on projects in Engineering and Construction segment.

The Group however, registered a loss before tax of RM 139.1 million in the current quarter as compared to a loss before tax of RM 26.4 million in the preceding quarter. This increase in loss was mainly due to the impairment in values of inventories (RM 37.1 million) and contract work in progress (RM 34.9 million) and under-absorption in other operating expenses due to lower revenue during the current quarter.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2012

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

The tanker has been on spot charter regularly and efforts to procure a time charter is not expected to materialise in 2012.

For resolving under absorption of finance costs, approvals to restructure debts of the Group have been obtained from Creditor Banks and deploy idle assets which would contribute to revenue 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 and also lower financing costs on the restructured debts.

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

Current Year

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 December 2011

Notes to the Interim Report

	Quarter 31 Dec 2011	To date 30 Dec 2011
	RM'000	RM'000
<u>Current year</u>		
Income tax	(3)	155
Deferred Tax	-	-
	<u>(3)</u>	<u>158</u>

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 31 December 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
 - 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.

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 December 2011

Notes to the Interim Report

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.

On 13 February 2012, the Company announced that pursuant to the restructure with creditors banks and ongoing negotiations with potential equity investors to subscribe to an issue of shares, the Company has discontinued with the Proposals announced on 30 September 2010.

- (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 31 December 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 RM0.0833 per 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 31 December 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, 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 31 December 2011

Notes to the Interim Report

On 06 September 2011, 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.

On 24 November 2011, the Company announced that the Board has fixed the issue price for the twelve tranche of placement of 22,000,000 new ordinary shares of RM 0.10 each in the Company ("Placement Shares") to be issued pursuant to the Proposed Private Placement at an issue price of RM 0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 37.93% to the five (5)-day weighted average market price of the Company's Shares up to and including 23 November 2011 of RM0.0725 per SAAG Share.

On 29 November 2011, the Company announced that 22,000,000 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 30 November 2011.

On 05 December 2011, the Company announced that the Board has fixed the issue price for the thirteen tranche of placement of 25,784,990 new ordinary shares of RM 0.10 each in the Company ("Placement Shares") to be issued pursuant to the Proposed Private Placement at an issue price of RM 0.10 per Placement Share ("Placement Price"). The Placement Price of RM0.10 per Placement Shares represents a premium of 42.65% to the five (5)-day weighted average market price of the Company's Shares up to and including 02 December 2011 of RM0.0701 per SAAG Share.

On 07 December 2011, the Company announced that 25,784,990 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 08 December 2011.

On 13 December 2011, the Company announced that the Board has fixed the issue price for the fourteenth tranche of placement of 2,476,792 new ordinary shares of RM 0.10 each in the Company ("Placement Shares") to be issued pursuant to the Proposed Private Placement at an issue price of RM 0.10 per Placement Share ("Placement Price"). This represents the final tranche of the placement shares to be issued pursuant to the Proposed Private Placement. The Placement Price of RM0.10 per Placement Shares represents a premium of 46.41% to the five (5)-day weighted average market price of the Company's Shares up to and including 12 December 2011 of RM0.0683 per SAAG Share.

On 15 December 2011, the Company announced that 2,476,792 new ordinary shares of RM 0.10 each issued pursuant to the Private Placement will be granted listing and quotation with effect from 16 December 2011.

On 16 December 2011, the Company announced that the Private Placement is completed following the listing and quotation of the final tranche of the private placement, comprising 2,476,792 placement shares on the Main Market Malaysia Securities Berhad on 16 December 2011.

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 December 2011

Notes to the Interim Report

- (c) On 13 February 2012, the Company announced that it entered into the following Agreements:
- i) Subscription Agreement with Garisan Etika Bangladesh (Pvt) Ltd (“GEB”) to subscribe for 281,250 new ordinary shares of Taka 100.00 each (“Subscription Shares”) at an issue price of Taka 100.00 per ordinary share for an aggregate subscription consideration of Bangladesh TK 28,125,000 only representing 36% of the enlarged issued and paid up capital of GEB ; and
 - ii) A Shareholders Agreement with Dato’ Mohd Tuffile Nawab Din, Kondapuram Raghuram, Garisan Etika (M) Sdn Bhd and Garisan Etika Bangladesh (Pvt) Ltd (“GEB”) to agree and set forth and record the terms and conditions to govern the relationship in their mutual capacity as the shareholders and to agree to their respective rights and obligations in relation to the management and functioning of GEB and other matters incidental thereto.
- (d) On 13 February 2012, the Company announced that it proposes to undertake the following:
- (i) proposed restricted issue of a value of RM100 million new ordinary shares of RM0.10 each in SAAG (“Restricted Issue Shares”) at an issue price to be determined later with entitlement to free warrants (“Warrants A”) on the basis of one (1) free Warrant A for every five (5) Restricted Issue Shares to investor(s) to be identified by the Company (“Proposed Restricted Issue”);
 - (ii) proposed issuance of up to 1,380,000,000 free warrants (“Warrants B”) to loan creditors (“Proposed Issuance of Warrants B to Loan Creditors”);
 - (iii) proposed renounceable rights issue of up to 3,035,906,443 new ordinary shares of RM0.10 each in SAAG (“Rights Shares”) at an issue price of RM0.10 per Rights Share on the basis of seven (7) Rights Shares for every five (5) existing ordinary shares of RM0.10 each held in SAAG (“SAAG Shares” or “Shares”) at an entitlement date to be determined (“Entitlement Date”), together with up to 607,181,289 free detachable warrants (“Warrants C”) on the basis of one (1) Warrant C for every five (5) Rights Shares subscribed (“Proposed Rights Issue with Warrants C”);
 - (iv) proposed provision of financial assistance by SAAG to its proposed associate company, Garisan Etika Bangladesh (Pvt) Ltd (“GEB”) (a company which SAAG will be holding 36% equity interest) by way of advances for an amount of up to RM170 million and by way of corporate guarantee for an amount of USD72 million (“Proposed Provision of Financial Assistance”); and
 - (v) proposed establishment of an Employees’ Share Option Scheme (“ESOS”) of up to fifteen percent (15%) of the issued and paid-up share capital of SAAG at any point in time for the Directors (including Non-Executive Directors) of SAAG and eligible employees of SAAG and its subsidiaries (“SAAG Group” or “Group”) (“Proposed ESOS”).
- (e) On 13 February 2012, the Company announced on the proposed debt restructuring in respect of facilities from AmBank (M) Berhad (“AmBank”), Export-Import Bank Malaysia Berhad (“EXIM Bank”) and Collateral Loan Obligations Holders as at 31 July 2011. On 31 January 2012, SAAG had accepted a letter of offer from EXIM Bank to restructure its existing debt with EXIM Bank.

On 22 February 2012, the Company announced that AmBank has vide its offer letter dated 16 February 2012 approved the proposed debt restructuring subject to terms and conditions stated in the said offer letter.

B9. GROUP BORROWINGS

Details of the Group’s bank borrowings as at 31 December 2011 are as follows:

Current RM’000	Non-current RM’000
-------------------	-----------------------

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 December 2011

Notes to the Interim Report

Unsecured	74,616	-
Secured	401,911	237,817
	<u>476,527</u>	<u>237,817</u>

	'000	RM '000 equivalent
Bank borrowings denominated in foreign currency –		
United State Dollar	<u>57,467</u>	<u>183,203</u>
Singapore Dollar	<u>-</u>	<u>-</u>
Indian Rupee	<u>563,751</u>	<u>33,768</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 31 Dec 2011	Current Year To Date 31 Dec 2011
Net profit for the period (RM'000)	(134,510)	(156,462)
Weighted average number of ordinary shares in issue ('000)	<u>2,171,791</u>	<u>2,171,791</u>
Basic earnings per share (sen)	<u>(6.19)</u>	<u>(7.20)</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 4th Quarter 31 Dec 2011 RM '000	Current Year 3rd Quarter 30 Sept '11 RM '000
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	(126,839)	(25,032)
- Unrealised	<u>(5,765)</u>	<u>(4,916)</u>

SAAG CONSOLIDATED (M) BHD

Interim report for the quarter ended 31 December 2011

Notes to the Interim Report

	(132,604)	(30,282)
Total share of retained profits / (accumulated losses) from associated companies :		
- Realised	12,294	10,263
- Unrealised	-	-
Total share of retained profits / (accumulated losses) from jointly controlled entities :		
- Realised	(4,713)	(697)
	<hr/>	<hr/>
	(125,023)	(20,716)
Add : Consolidation adjustments	3,613	3,613
	<hr/>	<hr/>
Total group retained profits as per the Consolidated Financial Statements	<u>(121,410)</u>	<u>(17,103)</u>

BY ORDER OF THE BOARD

ANAND SUBRAMANIAN

EXECUTIVE DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER