SCOMI MARINE BHD (397979-A) (Incorporated in Malaysia)

Unaudited Condensed Consolidated Income Statements For Six Months Ended 30 June 2007

	3 months 30 Ju	Current Quarter 3 months ended 30 June 2007 2006		Cumulative 6 months ended 30 June 2007 2006	
	RM'000	RM'000	RM'000	RM'000	
Continuing operations					
Revenue	116,665	109,120	233,137	218,203	
Cost of sales	(87,078)	(73,686)	(177,397)	(154,438)	
Gross profit	29,587	35,434	55,740	63,765	
Administrative expenses	. (14,172)	(9,302)	(24,221)	(16,362)	
Other operating income	43	17	335	17	
Profit from continuing operations	15,458	26,149	31,854	47,420	
Interest expense	(9,356)	(11,223)	(19,442)	(22,536)	
Interest income	1,333	1,631	2,364	2,981	
Share of profits in an associated company	6,072	4,537	16,213	7,892	
Profit before taxation	13,507	21,094	30,989	35,757	
Taxation	(1,798)	(1,330)	(3,501)	(3,106)	
Profit for the period from continuing operations	11,709	19,764	27,488	32,651	
Profit for the period from discontinued operation	-	322	-	1,347	
Profit for the period	11,709	20,086	27,488	33,998	
Attributable to :					
Shareholders of the Company Minority interests Profit for the period	10,661 1,048 11,709	19,709 377 20,086	25,055 2,433 27,488	32,927 1,071 33,998	
Earnings per share attributable to shareholders of the Company:					
Basic earnings per ordinary share (sen) - For profit from continuing operations - For profit from discontinued operations	1.45 0.00 1.45	3.08 0.05 3.13	3.42 0.00 3.42	4.95 0.23 5.18	
<u>Diluted earnings per ordinary share (sen)</u> - For profit from continuing operations - For profit from discontinued operations	1.45 0.00 1.45	2.66 0.04 2.70	3.42 0.00 3.42	4.34 0.18 4.52	

Note: The detailed calculation for the Basic and Diluted earnings per share is shown in note B13.

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

Unaudited Condensed Consolidated Balance Sheets As At 30 June 2007

Non-current assets		As at 30 June 2007 RM'000	As at 31 December 2006 RM'000
Property, plant and equipment 735,684 780,918 Investment in associated companies 206,118 196,973 Goodwill on consolidation 441,993 452,242 Deferred tax assets 15 6 Long term receivables 266 8 Total non-current assets 1,384,076 1,430,147 Current assets 1,384,076 1,430,147 Current assets 193,913 238,937 Deposit with licensed banks 78,336 45,933 Cash and bank balances 58,831 49,813 Cash and bank balances 58,831 49,813 Cash and bank balances 1,715,156 1,764,830 EQUITY AND LIABILITIES Capital and reserves 2,115 1,291 Share capital 733,009 733,009 Share premium 121,913 121,913 Exchange fluctuation reserves (73,706) (55,203) Options reserve 2,115 1,366 Retained profits 109,456 102,726 Total equity attributable to shareholders of the Company 892,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities Non-current liabilities 1,2403 2,411 Provision for retirement benefits 2,403 2,211 Provision for retirement benefits 2,403 2,411 Current Habilities 281,207 280,083 Short term borrowings 61,791 56,129 Current Liabilities 768,920 808,951 Total equity and liabilities 768,920 808,951	ASSETS		
Investment in associated companies 206,118 196,973	Non-current assets	<u> </u>	
Deferred tax assets	Property, plant and equipment	735,684	780,918
Deferred tax assets	Investment in associated companies	206,118	196,973
Long term receivables 266 8	Goodwill on consolidation	441,993	452,242
Total non-current assets	Deferred tax assets	15	6
Current assets 193,913 (4,933) 238,937 (4,933) Deposit with licensed banks 58,831 (4,933) 49,813 Cash and bank balances 58,831 (4,933) 331,080 334,683 Total assets 1,715,156 (1,764,830) 1,764,830 EQUITY AND LIABILITIES Capital and reserves Share capital (73,009) (733,	Long term receivables	266	8
Trade and other receivables 193,913 238,937 Deposit with licensed banks 78,336 45,933 49,813 331,080 334,683 331,080 334,683 Total assets 1,715,156 1,764,830	Total non-current assets	1,384,076	1,430,147
Deposit with licensed banks			
Cash and bank balances 58,831 49,813 331,080 334,683 334,083 334,683 Total assets 1,715,156 1,764,830 EQUITY AND LIABILITIES			238,937
Total assets 1,715,156 1,764,830		78,336	45,933
Total assets 1,715,156 1,764,830 EQUITY AND LIABILITIES Capital and reserves Share capital 733,009 733,009 Share premium 121,913 121,913 Exchange fluctuation reserves (73,706) (55,203) Options reserve 2,115 1,366 Retained profits 109,456 102,726 Retained profits \$92,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities 2,403 2,111 Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities 2,403 2,111 Trade and other payables 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 Total liabilities 768,920 808,951 Total equity and liabilities 1,764,830	Cash and bank balances		
EQUITY AND LIABILITIES		331,080	334,683
Share capital 733,009 733,009 Share premium 121,913 121,915 123,668 109,456 109,456 102,726 10	Total assets	1,715,156	1,764,830
Share capital 733,009 733,009 Share premium 121,913 121,913 Exchange fluctuation reserves (73,706) (55,203) Options reserve 2,115 1,366 Retained profits 109,456 102,726 Total equity attributable to shareholders of the Company 892,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities Value 466,751 Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830	EQUITY AND LIABILITIES		
Share premium 121,913 121,913 Exchange fluctuation reserves (73,706) (55,203) Options reserve 2,115 1,366 Retained profits 109,456 102,726 Total equity attributable to shareholders of the Company 892,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities Non-current liabilities 2,403 2,711 Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830	Capital and reserves		
Exchange fluctuation reserves (73,706) (55,203) Options reserve 2,115 1,366 Retained profits 109,456 102,726 Total equity attributable to shareholders of the Company 892,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities Value of the Company 422,217 466,751 Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830			
Options reserve Retained profits 2,115 1,366 1,366 102,726 109,456 102,726 102,726			
Retained profits 109,456 102,726 Total equity attributable to shareholders of the Company 892,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities Long term borrowings 422,217 466,751 Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities Trade and other payables 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830			
Total equity attributable to shareholders of the Company 892,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities Non-current liabilities Long term borrowings 422,217 466,751 Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830			
of the Company 892,787 903,811 Minority interests 53,449 52,068 Total equity 946,236 955,879 Liabilities Value of the policy of the		109,456	102,726
Total equity 946,236 955,879		892,787	903,811
Non-current liabilities Long term borrowings 422,217 466,751 424,620 424,620 468,862	Minority interests	53,449	52,068
Non-current liabilities Long term borrowings 422,217 466,751 2,403 2,111 424,620 468,862	Total equity	946,236	955,879
Long term borrowings 422,217 466,751 Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities Trade and other payables 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830	Liabilities		
Provision for retirement benefits 2,403 2,111 424,620 468,862 Current liabilities 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830			
424,620 468,862 Current liabilities Trade and other payables 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830			
Current liabilities Trade and other payables 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830	Provision for retirement benefits		2,111
Trade and other payables 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830		424,620	468,862
Trade and other payables 281,207 280,083 Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830	Current liablilities		
Short term borrowings 61,791 56,129 Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830		281.207 I	280 083
Current tax liabilities 1,302 3,877 344,300 340,089 Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830			
Total liabilities 768,920 808,951 Total equity and liabilities 1,715,156 1,764,830			
Total equity and liabilities 1,715,156 1,764,830		344,300	
	Total liabilities	768,920	808,951
Net assets per share (RM) 1.22 1.23	Total equity and liabilities	1,715,156	1,764,830
	Net assets per share (RM)	1.22	1.23

SCOMI MARINE BHD (397979-A) (Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Changes in Equity For The Six Months Ended 30 June 2007

State convertible spanniable capital capital preference share receives permitting from the following services (28,905) (Non Distributable	-	1	Distributable	Attributable to		
Cable Convertible contamilation Cable			Redeemable					the Company	-	
587/913 1,600 259,329 7,1165 686,027 55,249 1 20 20 20 20 20 20 20 1 20 (28,965) 20,927 32,927 32,927 32,927 1,071 5,791 869 20,660 25,660 25,600 25,660		Share capital RM '000	convertible cumulative preference shares RM '000	Share premium RM '000	fuctuation reserve RM '000	Option reserves RM '000	Retained profits RM '000	Total RM '000	Minority interests RM '000	Total equity RM '000
5771 5791 65897 734,000 (28,905) (20,905) (20,905) (20,051) (20,05	As at 1 January 2006	587,913	1,600	259,329	•	•	37,185	886,027	55,249	941,276
S,791 S69 C68,905 C7,051 S,791 S69 C7,051 C7,051 S,791 S69 C7,051 C7,051 S,791 S69 C7,051 C7,051 S,791 S69 C7,051 C7,051 S,791 S69 C7,01 C7,001 S,791 S,792 C7,001 S,791 S69 C7,001 S,791 S69 C7,001 S,791 S69 C7,001 S,791 S69 C7,001 S,791 S,792 C7,001 S,792 S,793 C7,001 S,792 S,793 C7,001 S,792 S,793 S,793 S,793 C7,001 S,793 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S,794 S	Net income recognised directly in equity : Overprovision of corporate expenses relating to corporate exercise in previous year	,		20	,		,	20		20
5,791	Exchange difference arising from translation of financial statements of foreign subsidiary companies	1	,	•	(28,905)	•		(28,905)	(2,051)	(30,956)
5,791 869 1,670 6,660 1,671 1,670 1	recognised income and expense		r	20	(28,905)		3	(28,885)	(2,051)	(30,936)
5,791 869 6660 293,704 1,600 260,218 (28,905) 258 67,712 894,587 54,269 733,009 121,913 (55,203) 1,366 102,726 903,811 52,068 102,736 121,913 (18,503) 1,366 102,726 903,811 52,068 103,730 103,730 1,375 1,135 1,135 103,733,009 113,335 118,325 1,135 103,730 113,325 1,135 103,433 1,135 1,135 123,009 1121,913 123,706 2,115	for the period	•	•	٠		,	32,927	32,927	1,071	33,998
599,704 1,600 260,218 (28,605) 258 (2,400) (2,400) 258 54,269 993,811 54,269 993,811 54,269 993,811 52,068 993,811	of shares	5,791	•	869	,	Ţ	1	6,660	ŀ	6,660
593,704 1,600 260,218 (28,905) 258 67,712 894,587 54,269 9 733,009 121,913 (55,203) 1,366 102,726 903,811 52,068 52,068 (1,175) (18,503) (1,8,503) (1,175) (1,175) 123 733,009 (18,503) (18,503) (1,175) (1,175) 113 733,009 (18,503) (18,503) (1,175) 113 733,009 (18,503) (18,503) (1,175) 733,009 (18,325) (18,325) 24,33 733,009 1115 749 749 749	nds on Redeemable Convertible Iulative Preference Shares	ı	•	ì	٠	i	(2,400)	(2,400)	•	(2,400)
593,704 1,600 260,218 (25,03) 1,366 102,726 903,811 52,068 9 733,009 121,913 (55,203) 1,366 102,726 903,811 52,068 9 10,400 121,913 (18,503) 1,366 102,726 903,811 52,068 9 10,175 11,175 11,175 11,175 11,175 11,175 11,175 10,175 11,175 11,175 11,175 11,175 11,175 10,175 11,175 11,175 11,175 11,175 11,175 10,175 11,175 11,175 11,175 11,175 11,175 10,175 11,175 11,175 11,175 11,175 11,175 10,175 11,175 11,175 11,175 11,175 11,175 11,175 11,175 11,175 11,175 11,175 11,175	nition of share-based payments	ż	•	1	•	258	,	258	ı	258
733,009 1,000 25,203 1,366 102,726 903,811 54,269 9 733,009 - 121,913 (55,203) 1,366 102,726 903,811 52,068 9 - (18,503) - (18,503) - (11,175) (1,175) - - (18,503) - - (18,503) (1,175) - - - (18,503) - - (18,503) (1,175) - - - - - - - - - - <td< td=""><td>שטער ביייור מפ</td><td>100</td><td>4 6 7 7</td><td></td><td></td><td>,</td><td></td><td></td><td></td><td></td></td<>	שטער ביייור מפ	100	4 6 7 7			,				
733,009 121,913 (55,203) 1,366 102,726 903,811 52,068 10,175 (18,503) (1,175) (11,175) (11,175) (11,175) 10,175 121,913 (1,175) (11,175) (1,175) 10,175 121,913 (1,175) (1,175) 10,175 121,913 (18,503) (1,175) 12,133 121,913 (18,325) (18,325) 2,433 12,134 121,913 (73,706) 2,115 109,456 892,787 53,449 9	so rane zono	593,704	1,600	260,218	(28,905)	258	67,712	894,587	54,269	948,856
(18,503) (1,175) (1,17	1 January 2007	733,009	•	121,913	(55,203)	1,366	102,726	903,811	52,068	955,879
(18,503) (1,175) (1,17	ome recognised directly in equity : age difference arising from translation of lai statements of foreign sidiary companies				(18,503)	,		(18,503)	(1,175)	(19,678)
123 123 124 125,055 126,055 127,335 121,913	ecognised income and expense	,			(18,503)	•		(18,503)	(1,175)	(19,678)
25,055 25,055 2,433 (18,325) (18,325) 749 749 733,009 121,913 (73,706) 2,115 109,456 892,787 53,449 9	if shares by subsidiary company	1	,	•			•	•	123	123
(18,325) (18,325) 749 749 733,009 121,913 (73,706) 2,115 109,456 892,787 53,449 9	or the period.	1		•	,	•	25,055	25,055	2,433	27,488
749 749 733,009 121,913 (73,706) 2,115 109,456 892,787 53,449 946,	id approved in respect of the previous year	1			•	1	(18,325)	(18,325)	•	(18,325)
733,009 121,913 (73,706) 2,115 109,456 892,787 53,449	nition of share-based payments	•	•	•	ı	749		749	i	749
	30 June 2007	733,009		121,913	(73,706)	2,115	109,456	892,787	53,449	946,236

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006

Certain comparative figures have been reclassified to comform with current period's presentation.

SCOMI MARINE BHD (397979-A) (Incorporated in Malaysia)

Bank overdrafts

Amount pledged

Unaudited Condensed Consolidated Cash Flow Statements For The Six Months Ended 30 June 2007

	Six months ended 30 June 2007 RM'000	Six months ended 30 June 2006 RM'000
Cash Flows From Operating Activities		
Profit for the period	27,488	33,998
Adjustments for: Income tax expense Depreciation of property, plant and equipment	3,501 28,198	4,545 28,549
Gain on disposal of property, plant and equipment Amortisation of expense Recognition of share base payment expense	(9) 3,715 749	· <u>-</u> -
Interest expense Interest income Share of profit of an associated company	19,442 (2,364) (16,213)	258 25,475 (3,575) (7,892)
Operating profit before working capital changes	64,507	81,358
Changes in working capital		
Increase in inventories Decrease in trade and other receivables (Decrease)/Increase in trade and other payables	39,925 (9,599)	(2,326) 1,352 24,344
Cash generated from operations	94,833	104,728
Interest received Income tax paid Net cash generated from operating activities	2,364 (5,936) 91,261	3,575 (4,607) 103,696
Cash Flows From Investing Activities		
Purchase of property, plant and equipment Proceeds from disposal of property, plant and equiment Dividend received from associated company	(267) 25	(291)
Proceeds from disposal of subsidiary companies Decrease in amount pledged to financial institution	2,320 - 5,848	2,339 16,417 -
Net cash generated from investing activities	7,926	18,465
Cash Flows From Financing Activities		
Repayment of loans and other borrowings Drawdown of loan and hire purchase	(30,964)	(40,866)
Interest paid Proceeds from issuance of shares	(19,442)	(25,475) 6,660
Proceeds from issuance of shares by subsidiary companies Net cash used in financing activities	<u>123</u> (50,283)	(59,681)
Net increase in cash and cash equivalents	48,904	62,480
Cash and cash equivalents at 1 January	78,184	122,646
Effect of exchange rate changes	(1,306)	(3,940)
Cash and cash equivalents at 30 June	125,782	181,186
Cash and cash equivalents included in the cash flow statement com	prise the following balance s	heet amounts:-
	RM'000	RM'000
Deposits with licensed banks Cash and bank balances	78,336 58,831	117,533 90,225

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

207,758 (26,572) 181,186