

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

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

	Current Quarter 3 months ended 30 June		Cumulative 6 months ended 30 June	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 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	10,661	19,709	25,055	32,927
Minority interests	1,048	377	2,433	1,071
Profit for the period	11,709	20,086	27,488	33,998
Earnings per share attributable to shareholders of the Company:				
<u>Basic earnings per ordinary share (sen)</u>				
- For profit from continuing operations	1.45	3.08	3.42	4.95
- For profit from discontinued operations	0.00	0.05	0.00	0.23
	<u>1.45</u>	<u>3.13</u>	<u>3.42</u>	<u>5.18</u>
<u>Diluted earnings per ordinary share (sen)</u>				
- For profit from continuing operations	1.45	2.66	3.42	4.34
- For profit from discontinued operations	0.00	0.04	0.00	0.18
	<u>1.45</u>	<u>2.70</u>	<u>3.42</u>	<u>4.52</u>

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

	As at 30 June 2007 RM'000	As at 31 December 2006 RM'000
ASSETS		
Non-current assets		
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		
Trade and other receivables	193,913	238,937
Deposit with licensed banks	78,336	45,933
Cash and bank balances	58,831	49,813
	331,080	334,683
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
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		
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
Net assets per share (RM)	1.22	1.23

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

	Non Distributable				Distributable		Attributable to shareholders of the Company		Total equity RM '000
	Share capital RM '000	Redeemable convertible preference shares RM '000	Share premium RM '000	Exchange fluctuation reserve RM '000	Option reserves RM '000	Retained profits RM '000	Total RM '000	Minority interests RM '000	
As at 1 January 2006	587,913	1,600	259,329	-	-	37,185	886,027	55,249	941,276
Net income recognised directly in equity : Overprovision of corporate expenses relating to corporate exercise in previous year	-	-	20	-	-	-	20	-	20
Exchange difference arising from translation of financial statements of foreign subsidiary companies	-	-	-	(28,905)	-	-	(28,905)	(2,051)	(30,956)
Total recognised income and expense	-	-	20	(28,905)	-	-	(28,885)	(2,051)	(30,936)
Profit for the period	-	-	-	-	-	32,927	32,927	1,071	33,998
Issue of shares	5,791	-	869	-	-	-	6,660	-	6,660
Dividends on Redeemable Convertible Cumulative Preference Shares	-	-	-	-	-	(2,400)	(2,400)	-	(2,400)
Recognition of share-based payments	-	-	-	-	258	-	258	-	258
As at 30 June 2006	593,704	1,600	260,218	(28,905)	258	67,712	894,587	54,269	948,856
As at 1 January 2007	733,009	-	121,913	(55,203)	1,366	102,776	903,811	52,068	955,879
Net income recognised directly in equity : Exchange difference arising from translation of financial statements of foreign subsidiary companies	-	-	-	(18,503)	-	-	(18,503)	(1,175)	(19,678)
Total recognised income and expense	-	-	-	(18,503)	-	-	(18,503)	(1,175)	(19,678)
Issue of shares by subsidiary company	-	-	-	-	-	-	-	123	123
Profit for the period	-	-	-	-	-	25,055	25,055	2,433	27,488
Dividend approved in respect of the previous year	-	-	-	-	-	(18,325)	(18,325)	-	(18,325)
Recognition of share-based payments	-	-	-	-	749	-	749	-	749
As at 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 conform with current period's presentation.

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**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	3,501	4,545
Depreciation of property, plant and equipment	28,198	28,549
Gain on disposal of property, plant and equipment	(9)	-
Amortisation of expense	3,715	-
Recognition of share base payment expense	749	258
Interest expense	19,442	25,475
Interest income	(2,364)	(3,575)
Share of profit of an associated company	(16,213)	(7,892)
Operating profit before working capital changes	64,507	81,358
Changes in working capital		
Increase in inventories	-	(2,326)
Decrease in trade and other receivables	39,925	1,352
(Decrease)/Increase in trade and other payables	(9,599)	24,344
Cash generated from operations	94,833	104,728
Interest received	2,364	3,575
Income tax paid	(5,936)	(4,607)
Net cash generated from operating activities	91,261	103,696
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(267)	(291)
Proceeds from disposal of property, plant and equipment	25	-
Dividend received from associated company	2,320	2,339
Proceeds from disposal of subsidiary companies	-	16,417
Decrease in amount pledged to financial institution	5,848	-
Net cash generated from investing activities	7,926	18,465
Cash Flows From Financing Activities		
Repayment of loans and other borrowings	(30,964)	(40,866)
Drawdown of loan and hire purchase	-	-
Interest paid	(19,442)	(25,475)
Proceeds from issuance of shares	-	6,660
Proceeds from issuance of shares by subsidiary companies	123	-
Net cash used in financing activities	(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 comprise the following balance sheet amounts:-

	RM'000	RM'000
Deposits with licensed banks	78,336	117,533
Cash and bank balances	58,831	90,225
Bank overdrafts	-	-
	137,167	207,758
Amount pledged	(11,385)	(26,572)
	125,782	181,186

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