

**SCOMI ENGINEERING BHD (formerly known as Bell & Order Berhad) (111633-M)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Income Statements**  
**For the three and six month periods ended 30 June 2006**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2006 RM'000 Unaudited	30/06/2005 RM'000 Unaudited	30/06/2006 RM'000 Unaudited	30/06/2005 RM'000 Unaudited
<b><u>Continuing Operations</u></b>				
Revenue	61,915	-	105,238	-
Cost of sales	(45,340)	-	(75,666)	-
<b>Gross profit</b>	<b>16,575</b>	<b>-</b>	<b>29,572</b>	<b>-</b>
Other operating expenses	(40)	-	(309)	-
Indirect depreciation	(166)	-	(332)	-
Operating & administrative expenses	(5,823)	-	(10,318)	-
<b>Profit from operations</b>	<b>10,546</b>	<b>-</b>	<b>18,613</b>	<b>-</b>
Finance costs	(917)	-	(1,777)	-
<b>Profit before taxation</b>	<b>9,629</b>	<b>-</b>	<b>16,836</b>	<b>-</b>
Taxation	(2,208)	-	(3,965)	-
<b>Profit for the period from continuing operations</b>	<b>7,421</b>	<b>-</b>	<b>12,871</b>	<b>-</b>
<b><u>Discontinued Operations</u></b>				
Loss for the period from the discontinued operations	-	(719)	-	(1,600)
<b>Profit/(loss) for the period</b>	<b>7,421</b>	<b>(719)</b>	<b>12,871</b>	<b>(1,600)</b>
<b>Attributable to:</b>				
Equity holders of the parent	7,421	(719)	12,871	(1,600)
Minority interest	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>7,421</b>	<b>(719)</b>	<b>12,871</b>	<b>(1,600)</b>
Earnings per share attributable to equity holders of the parent:				
<b>Basic earnings per ordinary share (sen)</b>				
- For profit from continuing operations	2.75	-	4.89	-
- For loss from discontinued operations	-	(3.75)	-	(8.34)
	<b>2.75</b>	<b>(3.75)</b>	<b>4.89</b>	<b>(8.34)</b>
<b>Diluted earnings per ordinary share (sen)</b>				
- For profit from continuing operations	2.75	-	4.89	-
- For loss from discontinued operations	-	(3.75)	-	(8.34)
	<b>2.75</b>	<b>(3.75)</b>	<b>4.89</b>	<b>(8.34)</b>

Note: The detailed calculations for Basic and Diluted earnings per share are shown in Note B14.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements.

**SCOMI ENGINEERING BHD (formerly known as Bell & Order Berhad) (111633-M)**  
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**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Balance Sheet As at 30 June 2006**

	As at 30/06/2006 RM'000 Unaudited	As at 31/12/2005 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	51,243	47,836
Intangible Assets	201,261	207,487
Other Investment	542	542
	<u>253,046</u>	<u>255,865</u>
<b>Current assets</b>		
Inventories	48,137	42,995
Trade Receivables	42,089	46,753
Other receivables	32,813	8,300
Tax recoverable	1,302	2,205
Amount due from related corporations	26,464	27,276
Investment	10,000	-
Deposits with licensed banks	17,028	991
Cash and bank balances	27,985	19,519
	<u>205,818</u>	<u>148,039</u>
<b>Total assets</b>	<u><b>458,864</b></u>	<u><b>403,904</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	270,047	211,751
Share premium	78,299	68,516
Merger relief reserve	21,260	21,260
Currency translation reserve	(1,889)	-
Accumulated losses	(23,012)	(35,883)
<b>Shareholders' Funds</b>	<u>344,705</u>	<u>265,644</u>
Minority interest	-	-
<b>Total equity</b>	<u>344,705</u>	<u>265,644</u>
<b>Non-current liabilities</b>		
Hire purchase creditors	12,076	10,862
Borrowings - Term Loan	16,380	19,539
Deferred tax liabilities	932	1,116
	<u>29,388</u>	<u>31,517</u>
<b>Current liabilities</b>		
Trade payables	23,814	23,137
Other payables	21,020	41,372
Amount due to holding company	2,140	898
Provision for taxation	6,439	6,583
Borrowings	26,500	31,264
Hire purchase creditors	4,858	3,489
	<u>84,771</u>	<u>106,743</u>
<b>Total liabilities</b>	<u>114,159</u>	<u>138,260</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>458,864</b></u>	<u><b>403,904</b></u>
<i>Net assets per share attributable to equity holders of the parent (RM)</i>	<u>1.28</u>	<u>1.25</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements.

**SCOMI ENGINEERING BHD (formerly known as Bell & Order Berhad) (111633-M)**  
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**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Cash Flow Statements**  
**For the period ended 30 June 2006**

	6 MONTHS ENDED	
	30/06/2006 RM'000 Unaudited	30/06/2005 RM'000 Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	16,836	(1,600)
Adjustment for :-		
Non-cash items	3,971	61
Non-operating items	(1,889)	(17)
Interest income	(70)	(1)
Interest expense	1,777	1,014
Operating profit/(loss) before changes in working capital	20,625	(543)
Changes in working capital		
(Increase)/decrease in current assets	(24,179)	426
(Decrease)/Increase in current liabilities	(18,433)	653
Cash flow (used in)/ generated from operating activities	(21,987)	536
Tax paid/(received)	(3,390)	3
Interest paid	(1,777)	-
Net cash flow (used in)/generated from operating activities	(27,154)	539
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE	(7,450)	-
Proceeds from disposal of PPE	72	17
Investment	(10,000)	-
Interest received	70	1
Profit guarantee monies received	6,226	-
Net cash flow (used in)/generated from investing activities	(11,082)	18
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	69,806	-
Share issue expenses	(1,727)	-
Repayment of borrowings / HP	(5,622)	(446)
Net cash flow generated from/(used in) financing activities	62,457	(446)
Net change in cash and cash equivalents	24,221	111
<b>Cash and cash equivalents at beginning of period</b>	16,452	(987)
<b>Cash and cash equivalents at end of period</b>	40,673	(876)

Cash and cash equivalents at the end of the financial period comprise the following:

	30/06/2006 RM'000	30/06/2005 RM'000
Deposits with licensed banks	17,028	-
Cash and bank balances	27,985	32
Bank overdraft	(4,340)	(908)
	40,673	(876)

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements.

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**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statements of Changes in Equity**  
**For the six month period ended 30 June 2006**

	←-----Attributable to equity holders of the parent----->							
	Share Capital RM'000	Share Premium RM'000	Merger Relief Reserve RM'000	Currency Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 January 2005	19,184	65	-	2,270	(52,584)	(31,065)	-	(31,065)
Net loss	-	-	-	-	(1,600)	(1,600)	-	(1,600)
<b>At 30 June 2005</b>	<b>19,184</b>	<b>65</b>	<b>-</b>	<b>2,270</b>	<b>(54,184)</b>	<b>(32,665)</b>	<b>-</b>	<b>(32,665)</b>
At 1 January 2006	211,751	68,516	21,260	-	(35,883)	265,644	-	265,644
Rights issue	57,552	11,510	-	-	-	69,062	-	69,062
Employees Share Options Scheme (ESOS)	744	-	-	-	-	744	-	744
Share issue expenses	-	(1,727)	-	-	-	(1,727)	-	(1,727)
Net profit for the period	-	-	-	-	12,871	12,871	-	12,871
Foreign currency translation	-	-	-	(1,889)	-	(1,889)	-	(1,889)
<b>At 30 June 2006</b>	<b>270,047</b>	<b>78,299</b>	<b>21,260</b>	<b>(1,889)</b>	<b>(23,012)</b>	<b>344,705</b>	<b>-</b>	<b>344,705</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2005 and the accompanying explanatory notes attached to the interim financial statements.