SCOMI ENGINEERING BHD(111633-M)

(incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	INDIVIDUA	LOUADTED	CUMULATIVE QUARTER			
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR PRECEDING YEAR			
	QUARTER	CORRESPONDING	PERIOD	CORRESPONDING		
	ENDED	QUARTER ENDED	ENDED	PERIOD ENDED		
	2.13.23	Q07.11.1.2.1.2.2.2	2.1323	. 2.1205 2.1525		
	30-Sep-08	30-Sep-07	30-Sep-08	30-Sep-07 RM'000		
	RM'000	RM'000	RM'000			
	Unaudited	Unaudited	Unaudited	Unaudited		
Continuing Operations						
Revenue	91,936	88,631	318,578	263,994		
Cook of color	(74 202)	(64.262)	(252.074)	(202,410)		
Cost of sales	(71,383)	(64,362)	(253,874)	(202,418)		
Gross Profit	20,553	24,269	64,704	61,576		
0.000 1.000	20,000	,	0.,, 0.	02/07		
Other income	242	772	2,762	3,563		
Operating expenses	(15,521)	(10,023)	(36,777)	(27,419)		
Finance costs	(1.421)	(026)	(2,000)	(2.252)		
Finance costs	(1,421)	(836)	(3,666)	(2,253)		
Profit before taxation	3,853	14,182	27,023	35,467		
	,	, -	,	,		
Taxation	673	(3,655)	(4,632)	(7,716)		
Position the market form and the state of th	4.526	10 527	22.201	27.754		
Profit for the period from continuing operations	4,526	10,527	22,391	27,751		
Discontinued Operations						
Loss for the period from	-	(440)	(662)	(781)		
discontinued operations			()	(-)		
·						
Profit for the period	4,526	10,087	21,729	26,970		
Attributable to :						
Equity holders of the parent	4 276	10.000	21 400	26 620		
Equity holders of the parent	4,376	10,002	21,409	26,629		
Minority interest	150	85	320	341		
,,						
Profit for the period	4,526	10,087	21,729	26,970		
Earnings per share attributable to						
equity holders of the parent:						
Basic earnings per ordinary share (sen)	4 50	2.04	2.22	10.00		
- For profit from continuing operations	1.59	3.81	8.01	10.08		
- For loss from discontinued operations	1.50	(0.16)	(0.24)	(0.29)		
Diluted carnings per ordinary chara (can)	1.59	3.65	7.77	9.79		
<u>Diluted earnings per ordinary share (sen)</u> - For profit from continuing operations	_	3.57	_	9.44		
- For loss from discontinuing operations - For loss from discontinued operations	-	(0.15)	-	(0.27)		
1 of 1033 from discondituded operations		3.42		9.17		
		5.12		5.17		

Note: The detailed calculations for the Basic and Diluted earnings per share are shown in Note B13.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007 and the accompanying explanatory notes attached to the interim financial statements.

SCOMI ENGINEERING BHD (111633-M) (incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008

Property, plant & equipment 102,904 90,154 Other investments 966 967 Intangible assets 246,768 237,551 Prepaid land lease payments 6,074 6,141 Deferred tax assets 5,684 5,270 Total non-current assets 362,396 340,083 Current Assets 1,500 700 Other investments 1,500 700 Inventories 94,030 79,347 Receivables, deposits and prepayments 163,178 155,401 Tax recoverable 1,740 849 Amounts due from related corporations - 598 Short-term deposits, cash and bank balances 26,847 20,985 Assets of disposal group classified as held for sale - 16,288 Total current assets 287,295 274,168 Total assets 649,691 614,251 EQUITY AND LIABILITIES Equity attributable to equity holders of the parent 275,694 274,871 Share capital 275,694 274,871	ASSETS Non-current Assets	As at 30-Sep-08 RM'000 Unaudited	As at 31-Dec-07 RM'000 Audited
Other investments 966 967, 142, 768 237, 551 Prepaid land lease payments 6,074 6,141 6,141 Deferred tax assets 5,684 5,270 Total non-current assets 362,396 340,083 340,083 340,083 Total non-current assets 362,396 340,083 340,083 70 700 700 700 700 700 79,347 79,347 70 79,347 79,347 70 79,347 79,347 70 79,347 79,347 70 79,347 79,347 70 79,347 70 79,347 70 79,347 70 79,347 70	·	102,904	90,154
Prepaid land lease payments		· ·	967
Total non-current assets 5,684 5,270		· · · · · · · · · · · · · · · · · · ·	
Total non-current assets 362,396 340,083 Current Assets 700 700 700 Other investments 1,500 70,307 79,347 Receivables, deposits and prepayments 163,178 155,401 1,740 849 Amounts due from related corporations - 598 598 50,847 20,985 20,847 20,985 20,847 20,985 20,847 20,985 20,847 20,985 20,847 20,985 20,847 20,985 20,847 20,985 20,847 20,985 20,885 20,847 20,985 20,885 20,847 20,985 20,845 274,168 275,694 274,168 274,871 20,885 20,825 274,871 20,885 20,825 274,871 276,872 274,871			
Current Assets Other investments 1,500 700 Inventories 94,030 79,347 Receivables, deposits and prepayments 163,178 155,401 Tax recoverable 1,740 849 Amounts due from related corporations - 598 Short-term deposits, cash and bank balances 26,847 20,985 Assets of disposal group classified as held for sale - 16,288 Total current assets 287,295 274,168 Total assets 649,691 614,251 EQUITY AND LIABILITIES 649,691 614,251 EQUITY AND LIABILITIES 649,691 614,251 Equity attributable to equity holders of the parent 275,694 274,871 Share capital 275,694 274,871 Treasury shares (99) (2) Reserves 144,995 132,777 Minority interest 582 262 Total equity 421,172 407,908 Non-current liabilities 33,415 10,055 Long term borrowings 33,415	_	,	
1,500 700	Total non-current assets	362,396	340,083
Inventories 94,030 79,347 Receivables, deposits and prepayments 163,178 155,401 Tax recoverable 1,1740 849 Amounts due from related corporations 26,847 20,985 257,8295 227,925 274,168 287,295 287,295	Current Assets		
Receivables, deposits and prepayments 163,178 155,401 Tax recoverable 1,740 849 84		,	
Tax recoverable		· ·	
Amounts due from related corporations Short-term deposits, cash and bank balances Short-term deposits, cash and bank balances Assets of disposal group classified as held for sale Total current assets Total assets EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital Treasury shares (99) (2) Reserves (99) (2) Reserves (99) (2) Total equity Minority interest Total equity Non-current liabilities Long term borrowings Deferred tax liabilities Trade and other payables Amount due to ultimate holding company Short term borrowings Current tax liabilities Li		· · · · · · · · · · · · · · · · · · ·	
Short-term deposits, cash and bank balances 26,847 20,985 287,295 257,880 287,295 257,880 16,288 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 274,168 287,295 2		-	
Total current assets 287,295 274,168		26,847	20,985
Total current assets 287,295 274,168		287,295	257,880
Total assets 649,691 614,251	Assets of disposal group classified as held for sale	-	•
Total assets 649,691 614,251 EOUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital 275,694 274,871 Treasury shares (99) (2) Reserves 144,995 132,777 Minority interest 582 262 Total equity 421,172 407,908 Non-current liabilities 33,415 10,055 Deferred tax liabilities 37,863 15,003 Total non-current liabilities 37,863 15,003 Current liabilities 37,863 15,003 Current liabilities 131,926 118,346 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 </th <th>Total current assets</th> <th>287,295</th> <th>274,168</th>	Total current assets	287,295	274,168
Equity attributable to equity holders of the parent Share capital 275,694 274,871 Treasury shares (99) (2) (2) (2) (2) (2) (3) (40,950) (407,646 (40,950) (407,646 (40,950) (407,646 (407,946 (
Share capital 275,694 274,871 Treasury shares (99) (2) (2) (2) (2) (2) (3) (2) (3) (2) (3)	Total assets	649,691	614,251
Treasury shares (99) (2) 144,995 132,777 144,995 132,777 420,590 407,646 582 262	Equity attributable to equity holders of the parent	275.694	274.871
Reserves 144,995 132,777 420,590 407,646 582 262 2	·	· · · · · · · · · · · · · · · · · · ·	·
Minority interest 582 262 Total equity 421,172 407,908 Non-current liabilities 33,415 10,055 Long term borrowings 33,415 10,055 Deferred tax liabilities 4,448 4,948 Total non-current liabilities 37,863 15,003 Current liabilities 131,926 118,346 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251	Reserves	144,995	132,777
Non-current liabilities 33,415 10,055 Deferred tax liabilities 4,448 4,948 Total non-current liabilities 37,863 15,003 Current liabilities 131,926 118,346 Trade and other payables 1,022 78 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251		-	
Non-current liabilities Long term borrowings 33,415 10,055 Deferred tax liabilities 4,448 4,948 Total non-current liabilities 37,863 15,003 Current liabilities 131,926 118,346 Trade and other payables 1,022 78 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251	Minority interest	582	262
Current liabilities	Total equity	421,172	407,908
Current liabilities	Non-current liabilities		
Deferred tax liabilities 4,448 4,948 Total non-current liabilities 37,863 15,003 Current liabilities Trade and other payables 131,926 118,346 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251		33,415	10,055
Current liabilities Trade and other payables 131,926 118,346 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251			
Trade and other payables 131,926 118,346 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251	Total non-current liabilities	37,863	15,003
Trade and other payables 131,926 118,346 Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251	Community Park Physics		
Amounts due to related corporations 1,022 78 Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251		131 926	118 346
Amount due to ultimate holding company 237 5,588 Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 190,656 180,832 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251			
Short term borrowings 47,364 42,879 Current tax liabilities 10,107 13,941 190,656 180,832 Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251		· · · · · · · · · · · · · · · · · · ·	
Liabilities directly associated with the assets classified as held for sale 190,656 180,832 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251		47,364	
Liabilities directly associated with the assets classified as held for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251	Current tax liabilities		
for sale - 10,508 Total current liabilities 190,656 191,340 Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251		190,656	180,832
Total liabilities 228,519 206,343 TOTAL EQUITY AND LIABILITIES 649,691 614,251	for sale	-	
TOTAL EQUITY AND LIABILITIES 649,691 614,251	Total current liabilities	190,656	191,340
	Total liabilities	228,519	206,343
Net assets per share attributable to equity holders of the parent (RM) 1.53 1.48	TOTAL EQUITY AND LIABILITIES	649,691	614,251
	Net assets per share attributable to equity holders of the parent (RM)	1.53	1.48

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007 and the accompanying explanatory notes attached to the interim financial statements.

SCOMI ENGINEERING BERHAD (111633-M)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

CASH FLOWS FROM OPERATING ACTIVITIES	30-Sep-08 RM'000 Unaudited	30-Sep-07 RM'000 Unaudited
D 6:///		
Profit/(loss) before taxation from:	27 022	35,467
Continuing operations Discontinued operations	27,023 (662)	(545)
Discontinued operations	26,361	34,922
Adjustments for:	-,	,-
Non-cash items	5,328	280
Non-operating items	(2,030)	7,404
Interest expense	3,857	2,878
Interest income Operating profit before changes in working capital	(461) 33,055	<u>(497)</u> 44,987
Operating profit before changes in working capital	33,033	44,967
Changes in working capital:		
(Increase)/decrease in current assets	(19,019)	94,366
Decrease/(increase) in current liabilities	19,308	(63,234)
	22.244	76 110
Cash flow generated from operating activities Tax paid	33,344 (10,618)	76,119 (12,869)
Interest paid	(3,791)	(2,878)
Net cash flow generated from operating activities	18,935	60,372
	-	
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in subsidiary	_	(30,823)
Proceeds from disposal of subsidiary, net of cash in subsidiary disposed	3,178	-
Purchase of property, plant and equipment	(17,792)	(18,743)
(Investment in) / Upliftment of money market fund	(800)	7,050
Profit guarantee monies received	-	8,295
Interest received	461 304	497 278
Proceeds from disposal of property, plant and equipment Development expenditure incurred	(9,259)	(15,547)
Net cash flow used in investing activities	(23,908)	(48,993)
	(==)===)	(10)000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	823	4,217
Treasury shares purchased Dividend paid	(97) (13,778)	(2) (8,230)
Proceeds from borrowings	25,039	3,239
Repayment of borrowings	(9,990)	(22,810)
Net utilisation / (settlement) of trade facilities	69	(2,952)
Short term deposits released as securities for bank facilities	350	
Net cash flow generated from/(used in) financing activities	2,416	(26,538)
Net change in cash and cash equivalents	(2,557)	(15,159)
Currency translation differences	564	(630)
Cash and cash equivalents at the beginning of the period	12,251	30,826
Cash and cash equivalents at the end of the period	10,258	15,037
Cook and cook assistations commisses		
Cash and cash equivalents comprise: Deposits placed with licensed banks	8,728	187
Cash and bank balances	8,728 18,119	20,827
Bank overdrafts	(15,894)	(6,258)
	10,953	14,756
Cash and cash equivalents of disposal group	-	938
Deposits with licensed banks pledged as security for bank facilities	(695)	(657)
	10,258	15,037

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financia Report for the year ended 31st December 2007 and the accompanying explanatory notes attached to the interim financial statements.

SCOMI ENGINEERING BERHAD (111633-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2008

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	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Merger relief reserve RM'000	Currency	•	Accumulated profit/(losses) RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
9-month ended 30 September 2008										
At 1 January 2008	274,871	(2)	45,435	21,260	(10,086)	2,991	73,177	407,646	262	407,908
Employee Share Options Scheme (ESOS)										
- shares issued	823	-	-	-	-	-	-	823	-	823
- transfer from share option reserve on exercise of share options	-	-	163	-	-	(163) 839	-	839	-	- 839
- options granted	-	-	-	-	-	839	-	839	-	839
Treasury shares purchased	-	(97)	-	-	-	-	-	(97)	-	(97)
Amount recognised directly in equity in relation										
to disposal of subsidiary company	-	-	-	-	-	(113)	750	637	-	637
Dividend paid	-	-	-	-	-	-	(13,778)	(13,778)	-	(13,778)
Currency translation differences arising during the period	-	-	-	-	3,111	-	-	3,111	-	3,111
Net profit for the period	-	-	-	-	-	-	21,409	21,409	320	21,729
At 30 September 2008	275,694	(99)	45,598	21,260	(6,975)	3,554	81,558	420,590	582	421,172
9-month ended 30 September 2007										
At 1 January 2007	270,627	-	78,598	21,260	(4,908)	2,731	(7,616)	360,692	14,404	375,096
Employee Share Options Scheme (ESOS)										
- shares issued	4,085	-	132	-	-	-	-	4,217	-	4,217
- transfer from share option reserve on exercise of share options	-	-	817	-	-	(817)		1.045	-	1.045
- options granted	-	-	-	-	-	1,045	-	1,045	-	1,045
Treasury shares purchased	-	(2)	-	-	-	-	-	(2)	-	(2)
Acquisition of additional equity interest in subsidiary company	-	-	-	-	-	-	-	-	(14,464)	(14,464)
Dividend paid	-	-	-	-	-	-	(8,230)	(8,230)	-	(8,230)
Currency translation differences arising during the period	-	-	-	-	(4,023)	-	-	(4,023)	-	(4,023)
Net profit for the period	-	-	-	-	-	-	26,629	26,629	341	26,970
At 30 September 2007	274,712	(2)	79,547	21,260	(8,931)	2,959	10,783	380,328	281	380,609

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007 and the accompanying explanatory notes attached to the interim financial statements.