

**SCOMI ENGINEERING BHD (111633-M)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS****CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-08 RM'000 Unaudited	31-Dec-07 RM'000 Audited	31-Dec-08 RM'000 Unaudited	31-Dec-07 RM'000 Audited
<b>Continuing Operations</b>				
Revenue	108,535	98,142	427,113	362,136
Cost of sales	(91,935)	(73,040)	(345,808)	(275,458)
<b>Gross Profit</b>	16,600	25,102	81,305	86,678
Other income	346	4,814	3,108	8,377
Operating expenses	(23,480)	(16,705)	(60,259)	(44,124)
Finance costs	(1,604)	(931)	(5,270)	(3,184)
<b>Profit / (Loss) before taxation</b>	(8,138)	12,280	18,884	47,747
Taxation	(1,199)	2,286	(5,831)	(5,430)
<b>Profit / (Loss) for the year from continuing operations</b>	(9,337)	14,566	13,053	42,317
<b>Discontinued Operations</b>				
(Loss) / Profit for the year from discontinued operations	-	406	(662)	(375)
<b>Profit / (Loss) for the year</b>	(9,337)	14,972	12,391	41,942
<b>Attributable to :</b>				
Equity holders of the parent	(8,973)	15,787	12,435	42,416
Minority interest	(364)	(815)	(44)	(474)
<b>Profit / (Loss) for the year</b>	(9,337)	14,972	12,391	41,942
Earnings per share attributable to equity holders of the parent:				
<u>Basic earnings per ordinary share (sen)</u>				
- For profit / (loss) from continuing operations	(3.26)	5.59	4.76	15.69
- For (loss) / profit from discontinued operations	0.00	0.15	(0.24)	(0.14)
	(3.26)	5.74	4.52	15.55
<u>Diluted earnings per ordinary share (sen)</u>				
- For profit from continuing operations	-	5.23	-	14.67
- For (loss) / profit from discontinued operations	-	0.14	-	(0.13)
	-	5.37	-	14.54

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 Audited 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)**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2008**

	As at 31-Dec-08 RM'000 Unaudited	As at 31-Dec-07 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	131,365	90,154
Other investments	749	967
Intangible assets	268,512	237,551
Prepaid lease payments	6,238	6,141
Deferred tax assets	6,216	5,270
<b>Total non-current assets</b>	<b>413,080</b>	<b>340,083</b>
<b>Current Assets</b>		
Other investments	1,500	700
Inventories	55,518	79,347
Receivables, deposits and prepayments	165,788	155,401
Tax recoverable	1,720	849
Amounts due from related corporations	-	598
Short-term deposits, cash and bank balances	16,800	20,985
Assets of disposal group classified as held for sale	-	16,288
<b>Total current assets</b>	<b>241,326</b>	<b>274,168</b>
<b>Total assets</b>	<b>654,406</b>	<b>614,251</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	275,694	274,871
Treasury shares	(100)	(2)
Reserves	135,989	132,777
Minority interest	599	262
<b>Total equity</b>	<b>412,182</b>	<b>407,908</b>
<b>Non-current liabilities</b>		
Long term borrowings	39,817	10,055
Deferred tax liabilities	5,312	4,948
<b>Total non-current liabilities</b>	<b>45,129</b>	<b>15,003</b>
<b>Current liabilities</b>		
Trade and other payables	130,151	118,346
Amounts due to related corporations	423	78
Amount due to ultimate holding company	483	5,588
Short term borrowings	56,199	42,879
Current tax liabilities	9,839	13,941
Liabilities directly associated with the assets classified as held for sale	-	10,508
<b>Total current liabilities</b>	<b>197,095</b>	<b>191,340</b>
<b>Total liabilities</b>	<b>242,224</b>	<b>206,343</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>654,406</b>	<b>614,251</b>
Net assets per share attributable to equity holders of the parent (RM)	1.50	1.48

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited 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)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	31-Dec-08 RM'000 Unaudited	31-Dec-07 RM'000 Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation from:		
Continuing operations	18,884	47,747
Discontinued operations	(662)	(385)
	<u>18,222</u>	<u>47,362</u>
Adjustments for:		
Non-cash items	11,601	7,560
Non-operating items	(2,025)	1,419
Interest expense	5,439	3,803
Interest income	(625)	(464)
Operating profit before changes in working capital	<u>32,612</u>	<u>59,680</u>
Changes in working capital:		
(Increase)/decrease in current assets	(5,289)	13,124
Decrease in current liabilities	12,945	8,404
Cash flow generated from operating activities	<u>40,268</u>	<u>81,208</u>
Tax paid	(12,162)	(14,379)
Interest paid	(5,072)	(3,803)
<b>Net cash flow generated from operating activities</b>	<u>23,034</u>	<u>63,026</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of additional shares in subsidiary	-	(30,732)
Proceeds from disposal of subsidiary, net of cash in subsidiary disposed	3,178	-
Purchase of property, plant and equipment	(48,358)	(27,263)
Prepayment of land lease	-	(1,971)
(Investment) / Upliftment in money market fund	(800)	7,050
Profit guarantee monies received	22,976	8,295
Interest received	625	464
Proceeds from disposal of property, plant and equipment	303	445
Development expenditure incurred	(31,031)	(14,676)
<b>Net cash flow used in investing activities</b>	<u>(53,107)</u>	<u>(58,388)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- exercise of ESOS	823	4,389
Treasury shares purchased	(98)	(2)
Dividend paid	(13,778)	(8,230)
Net drawdown / (repayment) of borrowings	22,834	(15,039)
Net utilisation / (settlement) of trade facilities	947	(1,410)
Short term deposits released as securities for bank facilities	206	(559)
<b>Net cash flow generated from/(used in) financing activities</b>	<u>10,934</u>	<u>(20,851)</u>
<b>Net change in cash and cash equivalents</b>	(19,139)	(16,213)
<b>Currency translation differences</b>	799	(2,362)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>12,251</u>	<u>30,826</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>(6,089)</u>	<u>12,251</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits placed with licensed banks	3,316	2,603
Cash and bank balances	13,484	18,382
Bank overdrafts	(22,048)	(7,923)
	<u>(5,248)</u>	<u>13,062</u>
Cash and cash equivalents of disposal group	-	236
Deposits with licensed banks pledged as security for bank facilities	(841)	(1,047)
	<u>(6,089)</u>	<u>12,251</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited 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)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<-----Attributable to equity holders of the parent----->									
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Merger relief reserve RM'000	Currency translation reserve RM'000	Share option and capital contribution reserves RM'000	Accumulated profit RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b><u>12-month ended 31 December 2008</u></b>										
<b>At 1 January 2008</b>	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)	-	-	-	-
- options granted	-	-	-	-	-	1,117	-	1,117	-	1,117
Treasury shares purchased	-	(98)	-	-	-	-	-	(98)	-	(98)
Amount recognised directly in equity in relation to disposal of subsidiary company	-	-	-	-	-	(115)	750	635	-	635
Incorporation of subsidiary	-	-	-	-	-	-	-	-	381	381
Dividend paid	-	-	-	-	-	-	(13,778)	(13,778)	-	(13,778)
Currency translation differences arising during the year	-	-	-	-	2,803	-	-	2,803	-	2,803
Net profit for the year	-	-	-	-	-	-	12,435	12,435	(44)	12,391
<b>At 31 December 2008</b>	<b>275,694</b>	<b>(100)</b>	<b>45,598</b>	<b>21,260</b>	<b>(7,283)</b>	<b>3,830</b>	<b>72,584</b>	<b>411,583</b>	<b>599</b>	<b>412,182</b>
<b><u>12-month ended 31 December 2007</u></b>										
<b>At 1 January 2007</b>	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	4,244	-	849	-	-	(849)	-	4,244	-	4,244
- transfer from share option reserve on exercise of share options	-	-	145	-	-	-	-	145	-	145
- options granted	-	-	-	-	-	1,109	-	1,109	-	1,109
Treasury shares purchased	-	(2)	-	-	-	-	-	(2)	-	(2)
Share premium reduction	-	-	(34,157)	-	-	-	34,157	-	-	-
Acquisition of additional equity interest in subsidiary company	-	-	-	-	-	-	-	-	(13,668)	(13,668)
Dividend paid	-	-	-	-	-	-	(8,230)	(8,230)	-	(8,230)
Currency translation differences arising during the year	-	-	-	-	(5,178)	-	-	(5,178)	-	(5,178)
Amount recognised directly in equity in relation to profit guarantee receivable	-	-	-	-	-	-	12,450	12,450	-	12,450
Net profit for the year	-	-	-	-	-	-	42,416	42,416	(474)	41,942
<b>At 31 December 2007</b>	<b>274,871</b>	<b>(2)</b>	<b>45,435</b>	<b>21,260</b>	<b>(10,086)</b>	<b>2,991</b>	<b>73,177</b>	<b>407,646</b>	<b>262</b>	<b>407,908</b>

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