

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	31-Dec-09 RM'000 <u>Unaudited</u>	31-Dec-08 RM'000 <u>Audited</u>	31-Dec-09 RM'000 <u>Unaudited</u>	31-Dec-08 RM'000 <u>Audited</u>
<u>Continuing Operations</u>				
Revenue	137,448	114,143	537,649	432,721
Cost of sales	<u>(112,130)</u>	<u>(98,080)</u>	<u>(407,272)</u>	<u>(351,954)</u>
Gross Profit	25,318	16,063	130,377	80,767
Other income	2,571	1,600	4,257	4,362
Operating expenses	(11,384)	(26,653)	(56,123)	(63,432)
Finance costs	(2,891)	(1,605)	(6,858)	(5,270)
Profit / (Loss) before taxation	13,614	(10,595)	71,653	16,427
Taxation	<u>(1,663)</u>	<u>1,258</u>	<u>(10,790)</u>	<u>(3,374)</u>
Profit / (Loss) for the year from continuing operations	11,951	(9,337)	60,863	13,053
<u>Discontinued Operations</u>				
Loss for the year from discontinued operations	-	-	-	(662)
Profit / (Loss) for the year	<u>11,951</u>	<u>(9,337)</u>	<u>60,863</u>	<u>12,391</u>
Attributable to :				
Equity holders of the parent	12,126	(8,973)	60,941	12,435
Minority interest	(175)	(364)	(78)	(44)
Profit / (Loss) for the year	<u>11,951</u>	<u>(9,337)</u>	<u>60,863</u>	<u>12,391</u>
Earnings / (Loss) per share attributable to equity holders of the parent:				
<u>Basic earnings / (loss) per ordinary share (sen)</u>				
- For profit / (loss) from continuing operations	4.40	(3.26)	22.10	4.75
- For loss from discontinued operations	-	-	-	(0.24)
	<u>4.40</u>	<u>(3.26)</u>	<u>22.10</u>	<u>4.51</u>
<u>Diluted earnings per ordinary share (sen)</u>				
- For profit from continuing operations	4.38	-	22.02	-
- For loss from discontinued operations	-	-	-	-
	<u>4.38</u>	<u>-</u>	<u>22.02</u>	<u>-</u>

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2009

	As at 31-Dec-09 RM'000 <u>Unaudited</u>	As at 31-Dec-08 RM'000 <u>Audited</u>
ASSETS		
Non-current Assets		
Property, plant & equipment	152,886	131,456
Other investments	749	749
Intangible assets	277,470	268,063
Prepaid lease payments	5,754	5,937
Deferred tax assets	7,332	7,406
Total non-current assets	444,191	413,611
Current Assets		
Other investments	-	1,500
Inventories	50,681	50,070
Trade and other receivables	292,081	159,113
Tax recoverable	14,381	2,548
Amounts due from related corporations	-	343
Short-term deposits, cash and bank balances	31,522	23,071
Total current assets	388,665	236,645
TOTAL ASSETS	832,856	650,256
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	276,180	275,694
Treasury shares	(101)	(100)
Reserves	183,051	135,164
Minority interest	459,130	410,758
	521	599
Total equity	459,651	411,357
Non-current Liabilities		
Borrowings (interest bearing)	33,280	33,353
Deferred tax liabilities	5,462	4,047
Total non-current liabilities	38,742	37,400
Current Liabilities		
Trade and other payables	163,009	118,237
Deferred government grant	431	431
Amounts due to related corporations	2,544	767
Amount due to ultimate holding company	701	483
Borrowings (interest bearing)	158,361	71,865
Current tax liabilities	9,417	9,716
Total current liabilities	334,463	201,499
Total liabilities	373,205	238,899
TOTAL EQUITY AND LIABILITIES	832,856	650,256
Net assets per share attributable to equity holders of the parent (RM)	1.66	1.50

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Report for the year ended 31st December 2008 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 2009**

	31-Dec-09 RM'000 <u>Unaudited</u>	31-Dec-08 RM'000 <u>Audited</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation from:		
Continuing operations	71,653	16,427
Discontinued operations	-	(662)
	<u>71,653</u>	<u>15,765</u>
Adjustments for:		
Non-cash items	10,643	10,751
Interest expense	6,858	5,439
Interest income	(597)	(437)
Operating profit before changes in working capital	<u>88,557</u>	<u>31,518</u>
Changes in working capital:		
(Increase) / Decrease in current assets	(125,108)	5,865
Increase / (Decrease) in current liabilities	53,978	(3,339)
Cash flow from operating activities	<u>17,427</u>	<u>34,044</u>
Tax paid	(21,236)	(13,109)
Interest received	597	437
Net cash flow (used in) / from operating activities	<u>(3,212)</u>	<u>21,372</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiary, net of cash in subsidiary disposed	-	3,178
Purchase of property, plant and equipment	(31,866)	(44,808)
Upliftment/(placement) in money market fund	1,500	(800)
Proceeds from disposal of property, plant and equipment	8	254
Government grant received	-	431
Profit guarantee monies received	-	22,976
Development expenditure incurred	(20,067)	(29,912)
Net cash flow used in investing activities	<u>(50,425)</u>	<u>(48,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	486	823
Treasury shares purchased	(1)	(98)
Dividend paid	(13,779)	(13,778)
Interest expenses	(6,468)	(5,072)
Net drawdown of borrowings	16,316	24,209
Net drawdown of trade facilities	12,980	7,481
Short term deposits pledged as securities for bank facilities	(12,236)	(1,378)
Net cash flow (used in) / from financing activities	<u>(2,702)</u>	<u>12,187</u>
Net change in cash and cash equivalents	(56,339)	(15,122)
Currency translation differences	(228)	799
Cash and cash equivalents at the beginning of the year	<u>(2,072)</u>	<u>12,251</u>
Cash and cash equivalents at the end of the year	<u>(58,639)</u>	<u>(2,072)</u>
<u>Cash and cash equivalents comprise:</u>		
Deposits placed with licensed banks	16,161	3,316
Cash and bank balances	15,361	19,755
Bank overdrafts	(75,500)	(22,718)
	<u>(43,978)</u>	<u>353</u>
Deposits with licensed banks pledged as security for bank facilities	(14,661)	(2,425)
	<u>(58,639)</u>	<u>(2,072)</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Report for the year ended 31st December 2008 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 2009**

<-----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 exchange reserve RM'000	Share option and capital contribution reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
12-month ended 31 December 2009										
At 1 January 2009	275,694	(100)	45,598	21,260	(7,358)	3,830	71,834	410,758	599	411,357
Share options:										
- shares issued	486	-	-	-	-	-	-	486	-	486
- transfer from share option reserve on exercise of share options	-	-	97	-	-	(97)	-	-	-	-
- options granted	-	-	-	-	-	1,132	-	1,132	-	1,132
Treasury shares purchased	-	(1)	-	-	-	-	-	(1)	-	(1)
Currency translation differences arising during the year	-	-	-	-	(407)	-	-	(407)	-	(407)
Dividend paid	-	-	-	-	-	-	(13,779)	(13,779)	-	(13,779)
Net profit for the year	-	-	-	-	-	-	60,941	60,941	(78)	60,863
At 31 December 2009	276,180	(101)	45,695	21,260	(7,765)	4,865	118,996	459,130	521	459,651
12-month ended 31 December 2008										
At 1 January 2008	274,871	(2)	45,435	21,260	(10,086)	2,991	73,177	407,646	262	407,908
Share options:										
- 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)
Currency translation differences arising during the year	-	-	-	-	2,728	-	-	2,728	-	2,728
Incorporation of a subsidiary	-	-	-	-	-	-	-	-	381	381
Amount recognised directly in equity in relation to disposal of subsidiary company	-	-	-	-	-	(115)	-	(115)	-	(115)
Dividend paid	-	-	-	-	-	-	(13,778)	(13,778)	-	(13,778)
Net profit for the year	-	-	-	-	-	-	12,435	12,435	(44)	12,391
At 31 December 2008	275,694	(100)	45,598	21,260	(7,358)	3,830	71,834	410,758	599	411,357

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements.