

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

**INTERIM FINANCIAL STATEMENTS**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	31-Mar-10 RM'000 Unaudited	31-Mar-09 RM'000 Unaudited	31-Mar-10 RM'000 Unaudited	31-Mar-09 RM'000 Unaudited
<b>Continuing Operations</b>				
Revenue	103,556	77,191	103,556	77,191
Cost of sales	(87,316)	(62,245)	(87,316)	(62,245)
Gross Profit	16,240	14,946	16,240	14,946
Other (expenses)/income	(657)	1,985	(657)	1,985
Operating expenses	(6,141)	(5,188)	(6,141)	(5,188)
Finance costs	(1,257)	(1,614)	(1,257)	(1,614)
Net loss on financial liabilities at fair value	(1,053)	-	(1,053)	-
Profit before taxation	7,132	10,129	7,132	10,129
Taxation	(2,063)	(204)	(2,063)	(204)
Profit for the period from continuing operations	5,069	9,925	5,069	9,925
<b>Discontinued Operations</b>				
Profit for the period from discontinued operations	2,995	7,829	2,995	7,829
Profit for the period	8,064	17,754	8,064	17,754
<b>Other comprehensive income</b>				
Currency translation differences arising from foreign operation	(4,507)	1,891	(4,507)	1,891
Available-for-sale investment fair value movement	(19)	-	(19)	-
<b>Total other comprehensive income</b>	<b>(4,526)</b>	<b>1,891</b>	<b>(4,526)</b>	<b>1,891</b>
<b>Total comprehensive income for the period</b>	<b>3,538</b>	<b>19,645</b>	<b>3,538</b>	<b>19,645</b>
<b>Profit attributable to :</b>				
Owners of the Company	8,111	17,708	8,111	17,708
Non-controlling interest	(47)	46	(47)	46
	8,064	17,754	8,064	17,754
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3,585	19,599	3,585	19,599
Non-controlling interest	(47)	46	(47)	46
	3,538	19,645	3,538	19,645
<b>Earnings per share (EPS) attributable to owners of the Company (sen):</b>				
Basic, for profit from continuing operations	1.80	3.59	1.80	3.59
Basic, for profit from discontinued operations	1.06	2.84	1.06	2.84
	2.86	6.43	2.86	6.43
Diluted, for profit from continuing operations	1.78	-	1.78	-
Diluted, for profit from discontinued operations	1.05	-	1.05	-
	2.83	-	2.83	-

Note: The detailed calculations for the Basic and Diluted EPS are shown in Note B13.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2010**

	<b>As at 31-Mar-10 RM'000 Unaudited</b>	As at 31-Dec-09 RM'000 Audited (Restated)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	68,163	154,875
Intangible assets	98,537	277,311
Prepaid land lease payments	-	2,361
Available-for-sale investments	189	749
Deferred tax assets	7,795	7,825
<b>Total non-current assets</b>	<b>174,684</b>	<b>443,121</b>
<b>Current Assets</b>		
Inventories	40,283	51,890
Receivables	319,116	289,958
Tax recoverable	14,677	14,376
Amounts due from related corporations	-	12
Deposits with licensed banks	47,104	16,161
Cash and bank balances	2,729	13,536
	<b>423,909</b>	<b>385,933</b>
Assets classified as held for sale	<b>330,070</b>	-
<b>Total current assets</b>	<b>753,979</b>	<b>385,933</b>
<b>TOTAL ASSETS</b>	<b>928,663</b>	<b>829,054</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	276,212	276,180
Share premium	45,702	45,695
Treasury shares	(102)	(101)
Reserves	183,988	138,144
	<b>505,800</b>	459,918
Non-controlling interest	474	521
<b>Total equity</b>	<b>506,274</b>	460,439
<b>Non-current Liabilities</b>		
Borrowings (interest bearing)	50,678	59,508
Irredeemable convertible unsecured loan stock (ICULS)	4,670	-
Deferred tax liabilities	754	3,628
<b>Total non-current liabilities</b>	<b>56,102</b>	63,136
<b>Current Liabilities</b>		
Payables	148,734	160,351
Deferred government grant	431	431
Amounts due to related corporations	3,510	2,554
Amount due to ultimate holding company	964	700
Borrowings (interest bearing)	148,509	134,217
ICULS	2,182	-
Financial liabilities at fair value	1,315	-
Current tax liabilities	4,607	7,226
Dividend payable	13,862	-
	<b>324,114</b>	305,479
Liabilities classified as held for sale	<b>42,173</b>	-
<b>Total current liabilities</b>	<b>366,287</b>	305,479
<b>Total liabilities</b>	<b>422,389</b>	368,615
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>928,663</b>	<b>829,054</b>
Net assets per share attributable to owners of the Company (RM)	<b>1.83</b>	1.67

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 QUARTER ENDED 31 MARCH 2010**

	-----Attributable to owners of the Company-----											
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	ICULS RM'000	Available- for-sale reserve 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	Non- controlling interest RM'000	Total equity RM'000
<b>3-month ended 31 March 2010</b>												
<b>At 1 January 2010, as previously stated</b>	276,180	(101)	45,695	-	-	21,260	(6,977)	4,865	118,996	459,918	521	460,439
Effect arising from adoption of FRS 139 (Note A1)	-	-	-	-	-	-	-	-	(262)	(262)	-	(262)
<b>At 1 January 2010, as restated</b>	276,180	(101)	45,695	-	-	21,260	(6,977)	4,865	118,734	459,656	521	460,177
Total comprehensive income for the period	-	-	-	-	(19)	-	(4,507)	-	8,111	3,585	(47)	3,538
<b>Transactions with owners in their capacity as owners:</b>												
Employee Share Options Scheme (ESOS)												
- shares issued	32	-	7	-	-	-	-	(7)	-	32	-	32
- options granted	-	-	-	-	-	-	-	176	-	176	-	176
Treasury share purchased	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Issuance of ICULS	-	-	-	56,214	-	-	-	-	-	56,214	-	56,214
Dividends declared	-	-	-	-	-	-	-	-	(13,862)	(13,862)	-	(13,862)
<b>At 31 March 2010</b>	276,212	(102)	45,702	56,214	(19)	21,260	(11,484)	5,034	112,983	505,800	474	506,274
<b>3-month ended 31 March 2009</b>												
<b>At 1 January 2009</b>	275,694	(100)	45,598	-	-	21,260	(7,358)	3,830	71,834	410,758	599	411,357
Total comprehensive income for the period	-	-	-	-	-	-	1,891	-	17,708	19,599	46	19,645
<b>Transactions with owners in their capacity as owners:</b>												
Employee Share Options Scheme (ESOS)												
- options granted	-	-	-	-	-	-	-	218	-	218	-	218
<b>At 31 March 2009</b>	275,694	(100)	45,598	-	-	21,260	(5,467)	4,048	89,542	430,575	645	431,220

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**SCOMI ENGINEERING BERHAD (111633-M)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 31 MARCH 2010**

	<b>31-Mar-10</b>	31-Mar-09
	<b>RM'000</b>	RM'000
	<b>Unaudited</b>	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
- continuing operations	<b>7,132</b>	10,129
- discontinued operations	<b>4,159</b>	9,773
Adjustments for:		
Non-cash items	<b>4,387</b>	1,951
Interest expense	<b>1,560</b>	1,940
Interest income	<b>(53)</b>	(334)
Operating profit before changes in working capital	<b>17,185</b>	23,459
Changes in working capital:		
Increase in current assets	<b>(67,072)</b>	(28,163)
Increase in current liabilities	<b>3,923</b>	16,957
Cash flow (used in)/from operating activities	<b>(45,964)</b>	12,253
Tax paid	<b>(2,668)</b>	(3,631)
Interest received	<b>53</b>	334
Net cash flow (used in)/from operating activities	<b>(48,579)</b>	8,956
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(2,935)</b>	(11,781)
Upliftment in money market fund	-	1,500
Development expenditure incurred	<b>(5,074)</b>	(2,394)
Net cash flow used in investing activities	<b>(8,009)</b>	(12,675)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- exercise of ESOS	<b>32</b>	-
Treasury shares purchased	<b>(1)</b>	-
Proceeds from issuance of ICULS	<b>61,353</b>	-
Interest expenses	<b>(1,455)</b>	(1,723)
Net drawdown of borrowings	<b>622</b>	(2,425)
Net drawdown of trade facilities	<b>(8,949)</b>	(3,511)
Short term deposits pledged as securities for bank facilities	<b>(20,649)</b>	(1,283)
Net cash flow from/(used in) financing activities	<b>30,953</b>	(8,942)
<b>Net change in cash and cash equivalents</b>	<b>(25,635)</b>	(12,661)
<b>Currency translation differences</b>	<b>(291)</b>	697
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(60,700)</b>	(2,073)
<b>Cash and cash equivalents at the end of the period</b>	<b>(86,626)</b>	(14,037)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	<b>2,729</b>	6,708
Cash and bank balances	<b>47,104</b>	18,281
Bank overdrafts	<b>(105,742)</b>	(35,318)
	<b>(55,909)</b>	(10,329)
Cash and cash equivalents classified as held for sale	<b>4,830</b>	-
Deposits with licensed banks pledged as security for bank facilities	<b>(35,547)</b>	(3,708)
	<b>(86,626)</b>	(14,037)

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.