

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	30-Jun-10 RM'000 Unaudited	30-Jun-09 RM'000 Unaudited	30-Jun-10 RM'000 Unaudited	30-Jun-09 RM'000 Unaudited
Continuing Operations				
Revenue	61,994	95,795	165,549	172,986
Cost of sales	(75,898)	(67,776)	(163,213)	(130,021)
Gross (loss)/profit	(13,904)	28,019	2,336	42,965
Other income/(expenses)	19,169	(909)	18,513	1,077
Operating expenses	(4,088)	(8,128)	(10,230)	(13,316)
Finance costs	(1,326)	(262)	(2,584)	(1,876)
Net gain on financial liabilities at fair value	1,315	-	262	-
Profit before taxation	1,166	18,720	8,297	28,850
Taxation	2,008	(8,099)	(55)	(8,303)
Profit for the period from continuing operations	3,174	10,621	8,242	20,547
Discontinued Operations				
(Loss)/Profit for the period from discontinued operations	(489)	8,644	2,506	16,472
Profit for the period	2,685	19,265	10,748	37,019
Other comprehensive income				
Currency translation differences arising from foreign operation	(2,139)	(909)	(6,646)	982
Available-for-sale investment fair value movement	(29)	-	(48)	-
Total other comprehensive income	(2,168)	(909)	(6,694)	982
Total comprehensive income for the period	517	18,356	4,054	38,001
Profit attributable to :				
Owners of the Company	2,907	19,215	11,018	36,923
Non-controlling interest	(222)	50	(270)	96
	2,685	19,265	10,748	37,019
Total comprehensive income attributable to:				
Owners of the Company	739	18,306	4,324	37,905
Non-controlling interest	(222)	50	(270)	96
	517	18,356	4,054	38,001
Earnings per share (EPS) attributable to owners of the Company (sen):				
Basic, for profit from continuing operations	0.94	3.85	2.66	7.46
Basic, for (loss)/profit from discontinued operations	(0.08)	3.12	0.90	5.94
	0.86	6.97	3.56	13.40
Diluted, for profit from continuing operations	0.93	3.83	2.64	7.41
Diluted, for (loss)/profit from discontinued operations	(0.08)	3.10	0.89	5.90
	0.85	6.93	3.53	13.31

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 30 JUNE 2010

	As at 30-Jun-10 RM'000 Unaudited	As at 31-Dec-09 RM'000 Audited (Restated)
ASSETS		
Non-current Assets		
Property, plant & equipment	71,625	154,875
Intangible assets	102,182	277,311
Prepaid land lease payments	-	2,361
Available-for-sale investments	701	749
Deferred tax assets	8,388	7,825
Total non-current assets	182,896	443,121
Current Assets		
Inventories	35,675	51,890
Receivables	348,471	289,958
Tax recoverable	16,556	14,376
Amounts due from related corporations	-	12
Deposits with licensed banks	38,404	16,161
Cash and bank balances	304,244	13,536
Total current assets	743,350	385,933
TOTAL ASSETS	926,246	829,054
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	278,151	276,180
Share premium	45,768	45,695
Treasury shares	(102)	(101)
Reserves	183,134	138,144
	506,951	459,918
Non-controlling interest	-	521
Total equity	506,951	460,439
Non-current Liabilities		
Borrowings (interest bearing)	89,917	59,508
Irredeemable convertible unsecured loan stock (ICULS)	4,449	-
Deferred tax liabilities	753	3,628
Total non-current liabilities	95,119	63,136
Current Liabilities		
Payables	166,105	160,351
Deferred government grant	431	431
Amounts due to related corporations	7,562	2,554
Amount due to ultimate holding company	68	700
Borrowings (interest bearing)	144,484	134,217
ICULS	2,224	-
Current tax liabilities	3,302	7,226
Total current liabilities	324,176	305,479
Total liabilities	419,295	368,615
TOTAL EQUITY AND LIABILITIES	926,246	829,054
Net assets per share attributable to owners of the Company (RM)	1.82	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 PERIOD ENDED 30 JUNE 2010**

	-----Attributable to owners of the Company----->											
	<u>Share capital</u> RM'000	<u>Treasury shares</u> RM'000	<u>Share premium</u> RM'000	<u>ICULS</u> RM'000	<u>Available-for-sale reserve</u> RM'000	<u>Merger relief reserve</u> RM'000	<u>Currency exchange reserve</u> RM'000	<u>Share option and capital contribution reserves</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total</u> RM'000	<u>Non-controlling interest</u> RM'000	<u>Total equity</u> RM'000
6-month ended 30 June 2010												
At 1 January 2010, as previously stated	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)	-	-	-	-	-	-	-	-	(484)	(484)	-	(484)
At 1 January 2010, as restated	276,180	(101)	45,695	-	-	21,260	(6,977)	4,865	118,512	459,434	521	459,955
Total comprehensive income for the period	-	-	-	-	(48)	-	(6,646)	-	11,018	4,324	(270)	4,054
Transactions with owners in their capacity as owners:												
Employee Share Options Scheme (ESOS)												
- shares issued	364	-	73	-	-	-	-	(73)	-	364	-	364
- options granted	-	-	-	-	-	-	-	343	-	343	-	343
Treasury share purchased	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Issuance of ICULS	-	-	-	56,214	-	-	-	-	-	56,214	-	56,214
Conversion of ICULS	1,607	-	-	(1,472)	-	-	-	-	-	135	-	135
Disposal of subsidiaries	-	-	-	-	-	-	14,105	(1,858)	(12,247)	-	(251)	(251)
Dividends	-	-	-	-	-	-	-	-	(13,862)	(13,862)	-	(13,862)
At 30 June 2010	278,151	(102)	45,768	54,742	(48)	21,260	482	3,277	103,421	506,951	-	506,951
6-month ended 30 June 2009												
At 1 January 2009	275,694	(100)	45,598	-	-	21,260	(7,358)	3,830	71,834	410,758	599	411,357
Total comprehensive income for the period	-	-	-	-	-	-	982	-	36,923	37,905	96	38,001
Transactions with owners in their capacity as owners:												
Employee Share Options Scheme (ESOS)												
- options granted	-	-	-	-	-	-	-	376	-	376	-	376
Treasury share purchased	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	-	(13,779)	(13,779)	-	(13,779)
At 30 June 2009	275,694	(101)	45,598	-	-	21,260	(6,376)	4,206	94,978	435,259	695	435,954

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 PERIOD ENDED 30 JUNE 2010**

	30-Jun-10	30-Jun-09
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- continuing operations	8,297	28,850
- discontinued operations	4,587	20,335
Adjustments for:		
Non-cash items	9,081	5,208
Non-operating items	(22,164)	-
Interest expense	6,962	2,449
Interest income	(185)	(49)
Operating profit before changes in working capital	6,578	56,793
Changes in working capital:		
Increase in current assets	(118,471)	(82,193)
Increase in current liabilities	46,860	61,353
Cash flow (used in)/from operating activities	(65,033)	35,953
Tax paid	(5,725)	(7,436)
Interest received	185	49
Net cash flow (used in)/from operating activities	(70,573)	28,566
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash in subsidiaries disposed	303,715	-
Purchase of property, plant and equipment	(10,505)	(18,134)
Proceed from disposal of property, plant and equipment	-	268
Upliftment in money market fund	-	1,500
Development expenditure incurred	(8,603)	(8,327)
Net cash flow from/(used in) investing activities	284,607	(24,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	364	-
Treasury shares purchased	(1)	(1)
Dividend paid	(13,862)	-
Proceeds from issuance of ICULS	61,350	-
Interest expenses	(6,273)	(2,059)
Net drawdown of borrowings	89,625	(5,345)
Net drawdown of trade facilities	(13,366)	(11,921)
Short term deposits pledged as securities for bank facilities	(14,678)	(1,621)
Net cash flow from/(used in) financing activities	103,159	(20,947)
Net change in cash and cash equivalents	317,193	(17,074)
Currency translation differences	(494)	264
Cash and cash equivalents at the beginning of the period	(60,700)	(2,073)
Cash and cash equivalents at the end of the period	255,999	(18,883)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	38,404	10,492
Cash and bank balances	304,244	24,638
Bank overdrafts	(57,074)	(49,967)
	285,574	(14,837)
Deposits with licensed banks pledged as security for bank facilities	(29,575)	(4,046)
	255,999	(18,883)

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.