

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	30-Sep-10 RM'000 Unaudited	30-Sep-09 RM'000 Unaudited	30-Sep-10 RM'000 Unaudited	30-Sep-09 RM'000 Unaudited
<b>Continuing Operations</b>				
Revenue	77,208	78,644	242,757	251,631
Cost of sales	(59,120)	(70,146)	(222,333)	(200,167)
Gross profit	18,088	8,498	20,424	51,464
Other (expenses)/income	(5,419)	(240)	13,094	837
Operating expenses	(6,083)	(6,031)	(16,313)	(19,348)
Finance costs	(2,428)	(1,254)	(5,012)	(3,130)
Net gain on financial liabilities at fair value	20	-	282	-
Profit before taxation	4,178	973	12,475	29,823
Taxation	(2,833)	4,502	(2,888)	(3,801)
Profit for the period from continuing operations	1,345	5,475	9,587	26,022
<b>Discontinued Operations</b>				
Profit for the period from discontinued operations	-	6,417	2,506	22,890
Profit for the period	1,345	11,892	12,093	48,912
<b>Other comprehensive income</b>				
Currency translation differences arising from foreign operation	(299)	(321)	(6,945)	661
Available-for-sale investment fair value movement	(9)	-	(57)	-
<b>Total other comprehensive income</b>	<b>(308)</b>	<b>(321)</b>	<b>(7,002)</b>	<b>661</b>
<b>Total comprehensive income for the period</b>	<b>1,037</b>	<b>11,571</b>	<b>5,091</b>	<b>49,573</b>
<b>Profit attributable to :</b>				
Owners of the Company	1,345	11,891	12,363	48,815
Non-controlling interest	-	1	(270)	97
	1,345	11,892	12,093	48,912
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	1,037	11,570	5,361	49,476
Non-controlling interest	-	1	(270)	97
	1,037	11,571	5,091	49,573
<b>Earnings per share (EPS) attributable to owners of the Company (sen):</b>				
Basic, for profit from continuing operations	0.39	1.99	2.99	9.44
Basic, for profit from discontinued operations	-	2.33	0.87	8.27
	0.39	4.32	3.86	17.71
Diluted, for profit from continuing operations	0.39	1.97	2.98	9.38
Diluted, for profit from discontinued operations	-	2.31	0.86	8.22
	0.39	4.29	3.84	17.60

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 SEPTEMBER 2010**

	<b>As at 30-Sep-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	70,668	154,875
Intangible assets	106,648	277,311
Prepaid land lease payments	-	2,361
Available-for-sale investments	692	749
Deferred tax assets	8,525	7,825
<b>Total non-current assets</b>	<b>186,533</b>	<b>443,121</b>
<b>Current Assets</b>		
Inventories	32,403	51,890
Receivables	433,194	289,958
Financial assets at fair value	31	-
Tax recoverable	13,368	14,376
Amounts due from related corporations	-	12
Deposits with licensed banks	62,234	16,161
Cash and bank balances	40,190	13,536
<b>Total current assets</b>	<b>581,420</b>	<b>385,933</b>
<b>TOTAL ASSETS</b>	<b>767,953</b>	<b>829,054</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	285,923	276,180
Share premium	46,605	45,695
Treasury shares	(103)	(101)
Reserves	100,229	138,144
	432,654	459,918
Non-controlling interest	-	521
<b>Total equity</b>	<b>432,654</b>	<b>460,439</b>
<b>Non-current Liabilities</b>		
Borrowings (interest bearing)	49,487	59,508
Irredeemable convertible unsecured loan stock (ICULS)	3,444	-
Deferred tax liabilities	773	3,628
<b>Total non-current liabilities</b>	<b>53,704</b>	<b>63,136</b>
<b>Current Liabilities</b>		
Payables	127,082	160,351
Deferred government grant	431	431
Amounts due to related corporations	2,691	2,554
Amount due to ultimate holding company	122	700
Borrowings (interest bearing)	143,507	134,217
ICULS	1,722	-
Current tax liabilities	6,040	7,226
<b>Total current liabilities</b>	<b>281,595</b>	<b>305,479</b>
<b>Total liabilities</b>	<b>335,299</b>	<b>368,615</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>767,953</b>	<b>829,054</b>
Net assets per share attributable to owners of the Company (RM)	<b>1.51</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 PERIOD ENDED 30 SEPTEMBER 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
<b>9-month ended 30 September 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)	-	-	-	-	-	-	-	-	(484)	(484)	-	(484)
<b>At 1 January 2010, as restated</b>	276,180	(101)	45,695	-	-	21,260	(6,977)	4,865	118,512	459,434	521	459,955
Total comprehensive income for the period	-	-	-	-	(57)	-	(6,945)	-	12,363	5,361	(270)	5,091
<b>Transactions with owners in their capacity as owners:</b>												
Employee Share Options Scheme (ESOS)												
- shares issued	4,547	-	910	-	-	-	-	(910)	-	4,547	-	4,547
- options granted	-	-	-	-	-	-	-	473	-	473	-	473
Treasury share purchased	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
Issuance of ICULS	-	-	-	56,214	-	-	-	-	-	56,214	-	56,214
Conversion of ICULS	5,196	-	-	(4,762)	-	-	-	-	-	434	-	434
Disposal of subsidiaries	-	-	-	-	-	-	14,105	(1,858)	(12,247)	-	(251)	(251)
Dividends	-	-	-	-	-	-	-	-	(93,807)	(93,807)	-	(93,807)
<b>At 30 September 2010</b>	285,923	(103)	46,605	51,452	(57)	21,260	183	2,570	24,821	432,654	-	432,654
<b>9-month ended 30 September 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	-	-	-	-	-	-	(661)	-	48,815	48,154	97	48,251
<b>Transactions with owners in their capacity as owners:</b>												
Employee Share Options Scheme (ESOS)												
- shares issued	189	-	38	-	-	-	-	(38)	-	189	-	189
- options granted	-	-	-	-	-	-	-	573	-	573	-	573
Treasury share purchased	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	-	(13,779)	(13,779)	-	(13,779)
<b>At 30 September 2009</b>	275,883	(101)	45,636	-	-	21,260	(8,019)	4,365	106,870	445,894	696	446,590

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 SEPTEMBER 2010**

	<b>30-Sep-10</b>	30-Sep-09
	<b>RM'000</b>	RM'000
	<b>Unaudited</b>	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
- continuing operations	<b>12,475</b>	29,823
- discontinued operations	<b>4,587</b>	28,215
Adjustments for:		
Non-cash items	<b>(10,797)</b>	8,596
Interest expense	<b>8,370</b>	4,941
Interest income	<b>(791)</b>	(108)
Operating profit before changes in working capital	<b>13,844</b>	71,467
Changes in working capital:		
Increase in current assets	<b>(204,794)</b>	(143,707)
Increase in current liabilities	<b>8,231</b>	70,816
Cash flow used in operating activities	<b>(182,719)</b>	(1,424)
Tax paid	<b>(2,810)</b>	(9,817)
Interest received	<b>791</b>	108
Net cash flow used in operating activities	<b>(184,738)</b>	(11,133)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of subsidiaries, net of cash in subsidiaries disposed	<b>303,715</b>	-
Purchase of property, plant and equipment	<b>(9,856)</b>	(27,210)
Proceed from disposal of property, plant and equipment	-	233
Upliftment in money market fund	-	1,500
Development expenditure incurred	<b>(12,906)</b>	(18,012)
Net cash flow from/(used in) investing activities	<b>280,953</b>	(43,489)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares		
- exercise of ESOS	<b>4,547</b>	189
Treasury shares purchased	<b>(2)</b>	(1)
Dividend paid	<b>(93,807)</b>	(13,779)
Proceeds from issuance of ICULS	<b>61,353</b>	-
Interest paid	<b>(9,859)</b>	(4,551)
Net drawdown of borrowings	<b>(1,847)</b>	(5,720)
Net drawdown of trade facilities	<b>(11,265)</b>	(5,117)
Short term deposits pledged as securities for bank facilities	<b>(7,398)</b>	(1,768)
Net cash flow used in financing activities	<b>(58,278)</b>	(30,747)
<b>Net change in cash and cash equivalents</b>	<b>37,937</b>	(85,369)
<b>Currency translation differences</b>	<b>(494)</b>	(45)
<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>(23,257)</b>	(87,487)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	<b>62,234</b>	4,193
Cash and bank balances	<b>40,190</b>	18,638
Bank overdrafts	<b>(103,385)</b>	(106,125)
	<b>(961)</b>	(83,294)
Deposits with licensed banks pledged as security for bank facilities	<b>(22,296)</b>	(4,193)
	<b>(23,257)</b>	(87,487)

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.