

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	31-Dec-10 RM'000 Unaudited	31-Dec-09 RM'000 Audited	31-Dec-10 RM'000 Unaudited	31-Dec-09 RM'000 Audited
Continuing Operations				
Revenue	107,227	105,480	349,984	357,110
Cost of sales	(104,282)	(90,813)	(326,614)	(290,980)
Gross profit	2,945	14,667	23,370	66,130
Other (expenses)/income	(20,581)	1,844	(7,486)	2,680
Operating expenses	(14,433)	(8,117)	(30,747)	(27,464)
Finance costs	(1,864)	(2,205)	(6,876)	(5,335)
Net gain on financial liabilities at fair value	220	-	502	-
(Loss)/Profit before taxation	(33,713)	6,189	(21,237)	36,011
Taxation	10,399	(168)	7,511	(3,969)
(Loss)/Profit for the year from continuing operations	(23,314)	6,021	(13,726)	32,042
Discontinued Operations				
Profit for the year from discontinued operations	-	5,931	2,506	28,821
(Loss)/Profit for the year	(23,314)	11,952	(11,220)	60,863
Other comprehensive income				
Currency translation differences arising from foreign operation	573	1,042	(6,373)	381
Available-for-sale investment fair value movement	(23)	-	(80)	-
Total other comprehensive income	550	1,042	(6,453)	381
Total comprehensive income for the year	(22,764)	12,994	(17,673)	61,244
(Loss)/Profit attributable to :				
Owners of the Company	(23,314)	12,126	(10,950)	60,941
Non-controlling interest	-	(174)	(270)	(78)
	(23,314)	11,952	(11,220)	60,863
Total comprehensive income attributable to:				
Owners of the Company	(22,764)	13,168	(17,403)	61,322
Non-controlling interest	-	(174)	(270)	(78)
	(22,764)	12,994	(17,673)	61,244
(Loss)/Earnings per share attributable to owners of the Company (sen):				
Basic, for (loss)/profit from continuing operations	(6.82)	2.18	(4.21)	11.62
Basic, for profit from discontinued operations	-	2.21	0.85	10.48
	(6.82)	4.39	(3.36)	22.10
Diluted, for (loss)/profit from continuing operations	(6.79)	2.17	(4.19)	11.58
Diluted, for profit from discontinued operations	-	2.21	0.85	10.44
	(6.79)	4.38	(3.34)	22.02

Note: The detailed calculations for the Basic and Diluted earnings/(loss) per share 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 DECEMBER 2010

	As at 31-Dec-10 RM'000 Unaudited	As at 31-Dec-09 RM'000 Audited (Restated)
ASSETS		
Non-current Assets		
Property, plant & equipment	80,175	154,875
Intangible assets	104,369	277,311
Prepaid land lease payments	-	2,361
Available-for-sale investments	1,516	749
Deferred tax assets	20,346	7,825
Total non-current assets	206,406	443,121
Current Assets		
Inventories	17,660	51,890
Receivables	454,994	289,958
Financial assets at fair value	240	-
Tax recoverable	13,824	14,376
Amounts due from related corporations	-	12
Amount due from ultimate holding company	1,118	-
Deposits with licensed banks	17,320	16,161
Cash and bank balances	29,920	13,536
Total current assets	535,076	385,933
TOTAL ASSETS	741,482	829,054
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	285,969	276,180
Share premium	46,605	45,695
Treasury shares	(103)	(101)
Reserves	77,953	138,144
	410,424	459,918
Non-controlling interest	-	521
Total equity	410,424	460,439
Non-current Liabilities		
Borrowings (interest bearing)	48,019	59,508
Irredeemable convertible unsecured loan stock (ICULS)	2,566	-
Deferred tax liabilities	799	3,628
Total non-current liabilities	51,384	63,136
Current Liabilities		
Payables	127,548	160,351
Deferred government grant	1,568	431
Amounts due to related corporations	3,058	2,554
Amount due to ultimate holding company	-	700
Borrowings (interest bearing)	140,754	134,217
ICULS	2,053	-
Current tax liabilities	4,693	7,226
Total current liabilities	279,674	305,479
Total liabilities	331,058	368,615
TOTAL EQUITY AND LIABILITIES	741,482	829,054
Net assets per share attributable to owners of the Company (RM)	1.44	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 YEAR ENDED 31 DECEMBER 2010**

	-----Attributable to owners of the Company----->											
	<u>Share capital</u>	<u>Treasury shares</u>	<u>Share premium</u>	<u>ICULS</u>	<u>Available-for-sale reserve</u>	<u>Merger relief reserve</u>	<u>Currency exchange reserve</u>	<u>Share option and capital contribution reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>12-months ended 31 December 2010</u>												
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 year	-	-	-	-	(80)	-	(6,373)	-	(10,950)	(17,403)	(270)	(17,673)
Transactions with owners in their capacity as owners:												
Employee Share Options Scheme (ESOS)												
- shares issued	4,546	-	910	-	-	-	-	(910)	-	4,546	-	4,546
- options granted	-	-	-	-	-	-	-	1,002	-	1,002	-	1,002
Treasury share purchased	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
Issuance of ICULS	-	-	-	56,207	-	-	-	-	-	56,207	-	56,207
Conversion of ICULS	5,243	-	-	(4,796)	-	-	-	-	-	447	-	447
Disposal of subsidiaries	-	-	-	-	-	-	14,105	(1,858)	(12,247)	-	(251)	(251)
Dividends	-	-	-	-	-	-	-	-	(93,807)	(93,807)	-	(93,807)
At 31 December 2010	285,969	(103)	46,605	51,411	(80)	21,260	755	3,099	1,508	410,424	-	410,424
<u>12-months ended 31 December 2009</u>												
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 year	-	-	-	-	-	-	381	-	60,941	61,322	(78)	61,244
Transactions with owners in their capacity as owners:												
Employee Share Options Scheme (ESOS)												
- shares issued	486	-	97	-	-	-	-	(97)	-	486	-	486
- options granted	-	-	-	-	-	-	-	1,132	-	1,132	-	1,132
Treasury share purchased	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	-	(13,779)	(13,779)	-	(13,779)
At 31 December 2009	276,180	(101)	45,695	-	-	21,260	(6,977)	4,865	118,996	459,918	521	460,439

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 YEAR ENDED 31 DECEMBER 2010**

	31-Dec-10	31-Dec-09
	RM'000	RM'000
	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation		
- continuing operations	(21,237)	36,011
- discontinued operations	4,587	33,301
Adjustments for:		
Non-cash items	7,404	12,254
Interest expense	17,732	6,452
Interest income	(1,245)	(304)
Operating profit before working capital changes	7,241	87,714
Movements in working capital:		
Increase in current assets	(211,482)	(124,722)
(Decrease)/Increase in current liabilities	(10,257)	55,661
Cash flow used in operating activities	(214,498)	18,653
Tax paid	(6,101)	(23,437)
Interest received	1,245	304
Net cash flow used in operating activities	(219,354)	(4,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash in subsidiaries disposed	300,092	-
Acquisition of property, plant and equipment	(14,808)	(31,548)
Government grant received	1,137	-
Purchase of unquoted investment	(848)	-
Proceeds from disposal of property, plant and equipment	-	256
Upliftment of money market fund	-	1,500
Development expenditure incurred	(11,704)	(23,584)
Net cash flow from/(used in) investing activities	273,869	(53,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	4,547	486
Treasury shares purchased	(2)	(1)
Dividend paid	(93,807)	(13,779)
Proceeds from issuance of ICULS	61,353	-
Interest paid	(17,619)	(6,062)
ICULS Interest paid	(1,646)	-
Net (repayment)/drawdown of borrowings	(3,311)	17,538
Net (settlement)/utilisation of trade facilities	(12,400)	13,747
Short term deposits pledged as securities for bank facilities	(9,154)	(12,473)
Net cash flow used in financing activities	(72,039)	(544)
Net change in cash and cash equivalents	(17,524)	(58,400)
Currency translation differences	(386)	(228)
Cash and cash equivalents at the beginning of the year	(60,700)	(2,072)
Cash and cash equivalents at the end of the year	(78,610)	(60,700)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	17,320	16,161
Cash and bank balances	29,920	13,536
Bank overdrafts	(101,798)	(75,499)
	(54,558)	(45,802)
Deposits with licensed banks pledged as security for bank facilities	(24,052)	(14,898)
	(78,610)	(60,700)

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.