

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	31-Mar-11 RM'000 Unaudited	31-Mar-10 RM'000 Unaudited	31-Mar-11 RM'000 Unaudited	31-Mar-10 RM'000 Unaudited
Continuing operations				
Revenue	79,187	103,556	79,187	103,556
Cost of sales	(66,125)	(87,316)	(66,125)	(87,316)
Gross profit	13,062	16,240	13,062	16,240
Other income	252	25	252	25
Operating expenses	(7,907)	(7,194)	(7,907)	(7,194)
Net unrealised foreign exchange losses	(6,371)	(682)	(6,371)	(682)
Operating (loss)/profit	(964)	8,389	(964)	8,389
Finance costs	(1,744)	(1,257)	(1,744)	(1,257)
(Loss)/profit before taxation	(2,708)	7,132	(2,708)	7,132
Tax credit/(expense)	236	(2,063)	236	(2,063)
(Loss)/profit for the period from continuing operations	(2,472)	5,069	(2,472)	5,069
Discontinued operations				
Profit for the period from discontinued operations	-	2,995	-	2,995
(Loss)/profit for the financial period	(2,472)	8,064	(2,472)	8,064
Other comprehensive (loss)/income				
Currency translation differences arising from foreign operations	(529)	(4,507)	(529)	(4,507)
Available-for-sale financial assets	10	(19)	10	(19)
Total other comprehensive loss	(519)	(4,526)	(519)	(4,526)
Total comprehensive loss for the financial period	(2,991)	3,538	(2,991)	3,538
(Loss)/profit attributable to :				
Owners of the Company	(2,472)	8,111	(2,472)	8,111
Non-controlling interest	-	(47)	-	(47)
	(2,472)	8,064	(2,472)	8,064
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(2,991)	3,585	(2,991)	3,585
Non-controlling interest	-	(47)	-	(47)
	(2,991)	3,538	(2,991)	3,538
(Loss)/earnings per share (sen) from continuing and discontinued operations attributable to owners of the Company:				
Basic, (loss)/profit from continuing operations	(0.72)	1.80	(0.72)	1.80
Basic, profit from discontinued operations	-	1.06	-	1.06
	(0.72)	2.86	(0.72)	2.86
Diluted, profit from continuing operations	-	1.78	-	1.78
Diluted, profit from discontinued operations	-	1.05	-	1.05
	-	2.83	-	2.83

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	As at 31-Mar-11 RM'000 Unaudited	As at 31-Dec-10 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	79,689	80,175
Intangible assets	105,151	104,369
Deferred tax assets	20,666	19,547
Available-for-sale financial assets	1,526	1,516
	207,032	205,607
CURRENT ASSETS		
Inventories	15,694	17,659
Receivables, deposits and prepayments	433,165	458,518
Tax recoverable	13,617	13,412
Derivative financial assets	504	240
Short term deposits, cash and bank balances	57,517	47,241
	520,497	537,070
TOTAL ASSETS	727,529	742,677
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	285,981	285,969
Treasury shares	(103)	(103)
Share premium	46,605	46,605
Irredeemable convertible unsecured loan stock ("ICULS")	51,400	51,411
Available-for-sale reserve	(2,457)	(2,467)
Merger relief reserve	21,260	21,260
Share option and capital contribution reserve	3,544	3,099
Currency exchange reserve	226	755
Retained earnings	1,423	3,895
	407,879	410,424
NON-CURRENT LIABILITIES		
Borrowings	46,016	46,562
ICULS	2,041	2,566
	48,057	49,128
CURRENT LIABILITIES		
Payables	139,858	131,283
Short term borrowings	122,134	143,582
Current income tax liabilities	5,513	4,639
Deferred government grant	2,047	1,568
ICULS	2,041	2,053
	271,593	283,125
TOTAL LIABILITIES	319,650	332,253
TOTAL EQUITY AND LIABILITIES	727,529	742,677
Net assets per share attributable to owners of the Company (RM)	1.43	1.44

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011**

	-----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
3-months ended 31 March 2011												
At 1 January 2011	285,969	(103)	46,605	51,411	(2,467)	21,260	755	3,099	3,895	410,424	-	410,424
<u>Comprehensive income</u>												
Loss for the period	-	-	-	-	-	-	-	-	(2,472)	(2,472)	-	(2,472)
<u>Other comprehensive (loss)/income</u>												
Currency translation differences	-	-	-	-	-	-	(529)	-	-	(529)	-	(529)
Available-for-sale financial assets	-	-	-	-	10	-	-	-	-	10	-	10
Total comprehensive (loss)/income	-	-	-	-	10	-	(529)	-	(2,472)	(2,991)	-	(2,991)
Share options:												
- options granted	-	-	-	-	-	-	-	445	-	445	-	445
Conversion of ICULS	12	-	-	(11)	-	-	-	-	-	1	-	1
At 31 March 2011	285,981	(103)	46,605	51,400	(2,457)	21,260	226	3,544	1,423	407,879	-	407,879
3-months ended 31 March 2010												
At 1 January 2010 (as previously reported)	276,180	(101)	45,695	-	-	21,260	(6,977)	4,865	118,996	459,918	521	460,439
Effect of adopting FRS 139	-	-	-	-	(2,387)	-	-	-	1,903	(484)	-	(484)
At 1 January 2010 (as restated)	276,180	(101)	45,695	-	(2,387)	21,260	(6,977)	4,865	120,899	459,434	521	459,955
<u>Comprehensive income</u>												
Profit for the period	-	-	-	-	-	-	-	-	8,111	8,111	(47)	8,064
<u>Other comprehensive loss</u>												
Currency translation differences	-	-	-	-	-	-	(4,507)	-	-	(4,507)	-	(4,507)
Available-for-sale financial assets	-	-	-	-	(19)	-	-	-	-	(19)	-	(19)
Total comprehensive income/(loss)	-	-	-	-	(19)	-	(4,507)	-	8,111	3,585	(47)	3,538
Share options:												
- options granted	-	-	-	-	-	-	-	176	-	176	-	176
- shares issued	32	-	7	-	-	-	-	(7)	-	32	-	32
Issuance of ICULS	-	-	-	56,215	-	-	-	-	-	56,215	-	56,215
Purchase of Treasury shares	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Dividends	-	-	-	-	-	-	-	-	(13,861)	(13,861)	-	(13,861)
At 31 March 2010	276,212	(102)	45,702	56,215	(2,406)	21,260	(11,484)	5,034	115,149	505,580	474	506,054

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

SCOMI ENGINEERING BERHAD (111633-M)
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

	31-Mar-11	31-Mar-10
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation from:		
- continuing operations	(2,708)	7,132
- discontinued operations	-	4,159
Adjustments for:		
Non-cash items	9,035	4,387
Interest expense	4,744	3,402
Interest income	(51)	(53)
Operating profit before working capital changes	11,020	19,027
Movements in working capital:		
Decrease/(Increase) in current assets	16,804	(67,072)
Increase in current liabilities	11,371	3,923
Cash flows from/(used in) operations	39,195	(44,122)
Tax paid	(21)	(2,668)
Interest received	51	53
Net cash flow from/(used in) operating activities	39,225	(46,737)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(789)	(2,935)
Government grant received	479	-
Development expenditure incurred	(788)	(5,074)
Net cash flow used in investing activities	(1,098)	(8,009)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	-	32
Purchase of Treasury shares	-	(1)
Repayment of term loans	(1,500)	-
Finance lease principal repayment	(18)	-
Net (settlement)/utilisation of trade facilities	(20,948)	(8,327)
Proceeds from issuance of ICULS	-	61,353
ICULS Interest paid	(536)	-
Interest paid	(4,690)	(3,297)
Short term deposits pledged as securities for bank facilities	(2,435)	(20,649)
Net cash flow used in financing activities	(30,127)	29,111
Net increase/(decrease) in cash and cash equivalents during the financial period	8,000	(25,635)
Currency translation differences	(631)	(291)
Cash and cash equivalents at beginning of financial year	(69,788)	(60,700)
Cash and cash equivalents at end of the period	(62,419)	(86,626)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	29,007	2,729
Cash and bank balances	28,510	47,104
Bank overdrafts	(102,270)	(105,742)
	(44,753)	(55,909)
Cash and cash equivalents classified as held for sale	-	4,830
Deposits with licensed banks pledged as security for bank facilities	(17,666)	(35,547)
	(62,419)	(86,626)

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.