

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	30-Jun-11 RM'000 Unaudited	30-Jun-10 RM'000 Unaudited	30-Jun-11 RM'000 Unaudited	30-Jun-10 RM'000 Unaudited
Continuing operations				
Revenue	88,788	61,994	167,975	165,549
Cost of sales	(75,069)	(75,898)	(141,194)	(163,213)
Gross profit/(loss)	13,719	(13,904)	26,781	2,336
Other income	758	247	1,010	272
Operating expenses	(7,833)	(6,524)	(15,740)	(13,718)
Net unrealised foreign exchange (losses)/gains	(890)	343	(7,261)	(339)
Gain on disposal of subsidiaries	-	22,330	-	22,330
Operating profit	5,754	2,492	4,790	10,881
Finance costs	(1,793)	(1,326)	(3,537)	(2,584)
Profit before taxation	3,961	1,166	1,253	8,297
Tax (expense)/credit	(3,116)	2,008	(2,880)	(55)
Profit/(loss) for the period from continuing operations	845	3,174	(1,627)	8,242
Discontinued operations				
(Loss)/profit for the period from discontinued operations	-	(489)	-	2,506
Profit/(loss) for the financial period	845	2,685	(1,627)	10,748
Other comprehensive (loss)/income				
Currency translation differences arising from foreign operations	(1,100)	(2,139)	(1,629)	(6,646)
Available-for-sale financial assets	23	(29)	33	(48)
Total other comprehensive loss	(1,077)	(2,168)	(1,596)	(6,694)
Total comprehensive (loss)/profit for the financial period	(232)	517	(3,223)	4,054
Profit/(loss) attributable to :				
Owners of the Company	845	2,907	(1,627)	11,018
Non-controlling interest	-	(222)	-	(270)
	845	2,685	(1,627)	10,748
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(232)	739	(3,223)	4,324
Non-controlling interest	-	(222)	-	(270)
	(232)	517	(3,223)	4,054
Earnings/(loss) per share (sen) from continuing and discontinued operations attributable to owners of the Company:				
Basic, profit/(loss) from continuing operations	0.25	0.94	(0.48)	2.66
Basic, (loss)/profit from discontinued operations	-	(0.08)	-	0.90
	0.25	0.86	(0.48)	3.56
Diluted, profit from continuing operations	-	0.93	-	2.64
Diluted, (loss)/profit from discontinued operations	-	(0.08)	-	0.89
	-	0.85	-	3.53

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 30 JUNE 2011

	As at 30-Jun-11 RM'000 Unaudited	As at 31-Dec-10 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	78,617	80,175
Intangible assets	105,620	104,369
Deferred tax assets	19,250	19,547
Available-for-sale financial assets	1,549	1,516
	<u>205,036</u>	<u>205,607</u>
CURRENT ASSETS		
Inventories	14,282	17,659
Receivables, deposits and prepayments	477,445	458,518
Tax recoverable	14,665	13,412
Derivative financial assets	-	240
Short term deposits, cash and bank balances	39,383	47,241
	<u>545,775</u>	<u>537,070</u>
TOTAL ASSETS	<u>750,811</u>	<u>742,677</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	285,992	285,969
Treasury shares	(103)	(103)
Share premium	46,605	46,605
Irredeemable convertible unsecured loan stock ("ICULS")	51,390	51,411
Available-for-sale reserve	(2,434)	(2,467)
Merger relief reserve	21,260	21,260
Share option and capital contribution reserve	3,727	3,099
Currency exchange reserve	(874)	755
Retained earnings	2,268	3,895
	<u>407,831</u>	<u>410,424</u>
NON-CURRENT LIABILITIES		
Borrowings	44,000	46,562
ICULS	1,488	2,566
	<u>45,488</u>	<u>49,128</u>
CURRENT LIABILITIES		
Payables	139,538	131,283
Short term borrowings	146,554	143,582
Current income tax liabilities	7,241	4,639
Derivative financial liabilities	49	-
Deferred government grant	2,047	1,568
ICULS	2,063	2,053
	<u>297,492</u>	<u>283,125</u>
TOTAL LIABILITIES	<u>342,980</u>	<u>332,253</u>
TOTAL EQUITY AND LIABILITIES	<u>750,811</u>	<u>742,677</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.43</u>	<u>1.44</u>

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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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
6-months ended 30 June 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	-	-	-	-	-	-	-	-	(1,627)	(1,627)	-	(1,627)
<u>Other comprehensive (loss)/income</u>												
Currency translation differences	-	-	-	-	-	-	(1,629)	-	-	(1,629)	-	(1,629)
Available-for-sale financial assets	-	-	-	-	33	-	-	-	-	33	-	33
Total comprehensive (loss)/income	-	-	-	-	33	-	(1,629)	-	(1,627)	(3,223)	-	(3,223)
Share options:												
- options granted	-	-	-	-	-	-	-	628	-	628	-	628
Conversion of ICULS	23	-	-	(21)	-	-	-	-	-	2	-	2
At 30 June 2011	285,992	(103)	46,605	51,390	(2,434)	21,260	(874)	3,727	2,268	407,831	-	407,831
6-months ended 30 June 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	-	-	-	-	-	-	-	-	11,018	11,018	(270)	10,748
<u>Other comprehensive loss</u>												
Currency translation differences	-	-	-	-	-	-	(6,646)	-	-	(6,646)	-	(6,646)
Available-for-sale financial assets	-	-	-	-	(48)	-	-	-	-	(48)	-	(48)
Total comprehensive income/(loss)	-	-	-	-	(48)	-	(6,646)	-	11,018	4,324	(270)	4,054
Share options:												
- options granted	-	-	-	-	-	-	-	343	-	343	-	343
- shares issued	364	-	73	-	-	-	-	(73)	-	364	-	364
Issuance of ICULS	-	-	-	56,214	-	-	-	-	-	56,214	-	56,214
Conversion of ICULS	1,607	-	-	(1,472)	-	-	-	-	-	135	-	135
Purchase of Treasury shares	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
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	(2,435)	21,260	482	3,277	105,808	506,951	-	506,951

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 30 JUNE 2011**

	30-Jun-11	30-Jun-10
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from:		
- continuing operations	1,253	8,297
- discontinued operations	-	4,587
Adjustments for:		
Non-cash items	11,147	(13,083)
Interest expense	12,470	6,962
Interest income	(220)	(185)
Operating profit before working capital changes	24,650	6,578
Movements in working capital:		
Increase in current assets	(28,516)	(118,471)
Increase in current liabilities	12,771	46,860
Cash flows from/(used in) operations	8,905	(65,033)
Tax paid	(24)	(5,725)
Interest received	220	185
Net cash flow from/(used in) operating activities	9,101	(70,573)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash in subsidiaries disposed	-	303,715
Acquisition of property, plant and equipment	(1,730)	(10,505)
Government grant received	479	-
Proceeds from disposal of property, plant and equipment	54	-
Development expenditure incurred	(984)	(8,603)
Net cash flow used in investing activities	(2,181)	284,607
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	-	364
Dividend paid	-	(13,862)
Purchase of Treasury shares	-	(1)
Repayment of term loans	(3,000)	-
Finance lease principal repayment	(83)	-
Net (settlement)/utilisation of trade facilities	23,767	76,259
Proceeds from issuance of ICULS	-	61,350
ICULS Interest paid	(1,066)	-
Interest paid	(12,392)	(6,273)
Short term deposits pledged as securities for bank facilities	(3,358)	(14,678)
Net cash flow used in financing activities	3,868	103,159
Net increase/(decrease) in cash and cash equivalents during the financial period	10,788	317,193
Currency translation differences	(1,730)	(494)
Cash and cash equivalents at beginning of financial year	(69,788)	(60,700)
Cash and cash equivalents at end of the period	(60,730)	255,999
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	11,111	38,404
Cash and bank balances	28,272	304,244
Bank overdrafts	(81,524)	(57,074)
	(42,141)	285,574
Deposits with licensed banks pledged as security for bank facilities	(18,589)	(29,575)
	(60,730)	255,999

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.