

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	30-Sep-11 RM'000 Unaudited	30-Sep-10 RM'000 Unaudited	30-Sep-11 RM'000 Unaudited	30-Sep-10 RM'000 Unaudited
Continuing operations				
Revenue	76,518	77,208	244,493	242,757
Cost of sales	(69,013)	(59,120)	(210,207)	(222,333)
Gross profit	7,505	18,088	34,286	20,424
Other income	216	837	1,226	1,109
Operating expenses	(7,902)	(9,807)	(23,642)	(23,525)
Net unrealised foreign exchange losses	(9,641)	(2,512)	(16,902)	(2,851)
Gain on disposal of subsidiaries	-	-	-	22,330
Operating (loss)/profit	(9,822)	6,606	(5,032)	17,487
Finance costs	(1,574)	(2,428)	(5,111)	(5,012)
(Loss)/profit before taxation	(11,396)	4,178	(10,143)	12,475
Tax credit/(expense)	3,916	(2,833)	1,036	(2,888)
(Loss)/profit for the period from continuing operations	(7,480)	1,345	(9,107)	9,587
Discontinued operations				
Profit for the period from discontinued operations	-	-	-	2,506
(Loss)/profit for the financial period	(7,480)	1,345	(9,107)	12,093
Other comprehensive loss				
Currency translation differences arising from foreign operations	(2,055)	(299)	(3,684)	(6,945)
Available-for-sale financial assets	(37)	(9)	(4)	(57)
Total other comprehensive loss	(2,092)	(308)	(3,688)	(7,002)
Total comprehensive (loss)/profit for the financial period	(9,572)	1,037	(12,795)	5,091
(Loss)/profit attributable to :				
Owners of the Company	(7,480)	1,345	(9,107)	12,363
Non-controlling interest	-	-	-	(270)
	(7,480)	1,345	(9,107)	12,093
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(9,572)	1,037	(12,795)	5,361
Non-controlling interest	-	-	-	(270)
	(9,572)	1,037	(12,795)	5,091
(Loss)/earnings per share (sen) from continuing and discontinued operations attributable to owners of the Company:				
Basic, (loss)/profit from continuing operations	(2.19)	0.39	(2.66)	2.99
Basic, profit from discontinued operations	-	-	-	0.87
	(2.19)	0.39	(2.66)	3.86
Diluted, profit from continuing operations	-	0.39	-	2.98
Diluted, profit from discontinued operations	-	-	-	0.86
	-	0.39	-	3.84

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 SEPTEMBER 2011

	As at 30-Sep-11 RM'000 Unaudited	As at 31-Dec-10 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	77,123	80,175
Intangible assets	107,858	104,369
Deferred tax assets	18,354	19,547
Available-for-sale financial assets	1,512	1,516
	<u>204,847</u>	<u>205,607</u>
CURRENT ASSETS		
Inventories	15,006	17,659
Receivables, deposits and prepayments	523,250	458,518
Tax recoverable	14,816	13,412
Derivative financial assets	-	240
Short term deposits, cash and bank balances	26,123	47,241
	<u>579,195</u>	<u>537,070</u>
TOTAL ASSETS	<u>784,042</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	(2,471)	(2,467)
Merger relief reserve	21,260	21,260
Share option and capital contribution reserve	3,727	3,099
Currency exchange reserve	(2,929)	755
(Accumulated losses) / Retained earnings	(5,212)	3,895
	<u>398,259</u>	<u>410,424</u>
NON-CURRENT LIABILITIES		
Borrowings	42,000	46,562
ICULS	986	2,566
	<u>42,986</u>	<u>49,128</u>
CURRENT LIABILITIES		
Payables	138,352	131,283
Short term borrowings	198,443	143,582
Current income tax liabilities	1,320	4,639
Derivative financial liabilities	487	-
Deferred government grant	2,155	1,568
ICULS	2,040	2,053
	<u>342,797</u>	<u>283,125</u>
TOTAL LIABILITIES	<u>385,783</u>	<u>332,253</u>
TOTAL EQUITY AND LIABILITIES	<u>784,042</u>	<u>742,677</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.39</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 SEPTEMBER 2011**

<-----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/(accumulated losses)</u> RM'000	<u>Total</u> RM'000	<u>Non-controlling interest</u> RM'000	<u>Total equity</u> RM'000
9-months ended 30 September 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	-	-	-	-	-	-	-	-	(9,107)	(9,107)	-	(9,107)
<u>Other comprehensive (loss)/income</u>												
Currency translation differences	-	-	-	-	-	-	(3,684)	-	-	(3,684)	-	(3,684)
Available-for-sale financial assets	-	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Total comprehensive (loss)/income	-	-	-	-	(4)	-	(3,684)	-	(9,107)	(12,795)	-	(12,795)
Share options:												
- options granted	-	-	-	-	-	-	-	628	-	628	-	628
Conversion of ICULS	23	-	-	(21)	-	-	-	-	-	2	-	2
At 30 September 2011	285,992	(103)	46,605	51,390	(2,471)	21,260	(2,929)	3,727	(5,212)	398,259	-	398,259
9-months ended 30 September 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	-	-	-	-	-	-	-	-	12,363	12,363	(270)	12,093
<u>Other comprehensive loss</u>												
Currency translation differences	-	-	-	-	-	-	(6,945)	-	-	(6,945)	-	(6,945)
Available-for-sale financial assets	-	-	-	-	(57)	-	-	-	-	(57)	-	(57)
Total comprehensive income/(loss)	-	-	-	-	(57)	-	(6,945)	-	12,363	5,361	(270)	5,091
Share options:												
- options granted	-	-	-	-	-	-	-	473	-	473	-	473
- shares issued	4,547	-	910	-	-	-	-	(910)	-	4,547	-	4,547
Issuance of ICULS	-	-	-	56,214	-	-	-	-	-	56,214	-	56,214
Conversion of ICULS	5,196	-	-	(4,762)	-	-	-	-	-	434	-	434
Purchase of Treasury shares	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
Disposal of subsidiaries	-	-	-	-	-	-	14,105	(1,858)	(12,247)	-	(251)	(251)
Dividends	-	-	-	-	-	-	-	-	(93,807)	(93,807)	-	(93,807)
At 30 September 2010	285,923	(103)	46,605	51,452	(2,444)	21,260	183	2,570	27,208	432,654	-	432,654

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)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	30-Sep-11	30-Sep-10
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation from:		
- continuing operations	(10,143)	12,475
- discontinued operations	-	4,587
Adjustments for:		
Non-cash items	22,633	(10,797)
Interest expense	18,936	8,370
Interest income	(339)	(791)
Operating profit before working capital changes	31,087	13,844
Movements in working capital:		
Increase in current assets	(90,304)	(204,794)
Increase in current liabilities	13,914	8,231
Cash flows used in operations	(45,303)	(182,719)
Tax paid	(1,106)	(2,810)
Interest received	339	791
Net cash flow used in operating activities	(46,070)	(184,738)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash in subsidiaries disposed	-	303,715
Acquisition of property, plant and equipment	(1,908)	(9,856)
Government grant received	587	-
Proceeds from disposal of property, plant and equipment	103	-
Development expenditure incurred	(2,991)	(12,906)
Net cash flow (used in)/from investing activities	(4,209)	280,953
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	-	4,547
Dividend paid	-	(93,807)
Purchase of Treasury shares	-	(2)
Repayment of term loans	(4,500)	-
Finance lease principal repayment	(79)	-
Net (settlement)/utilisation of trade facilities	52,782	(13,112)
Proceeds from issuance of ICULS	-	61,353
ICULS Interest paid	(1,684)	-
Interest paid	(18,581)	(9,859)
Short term deposits pledged as securities for bank facilities	(3,668)	(7,398)
Net cash flow from/(used in) financing activities	24,270	(58,278)
Net (decrease)/increase in cash and cash equivalents during the financial period	(26,009)	37,937
Currency translation differences	(873)	(494)
Cash and cash equivalents at beginning of financial year	(69,788)	(60,700)
Cash and cash equivalents at end of the period	(96,670)	(23,257)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	3,700	62,234
Cash and bank balances	22,423	40,190
Bank overdrafts	(103,894)	(103,385)
	(77,771)	(961)
Deposits with licensed banks pledged as security for bank facilities	(18,899)	(22,296)
	(96,670)	(23,257)

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.