

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	31-Dec-11 RM'000 Unaudited	31-Dec-10 RM'000 Audited	31-Dec-11 RM'000 Unaudited	31-Dec-10 RM'000 Audited
Continuing operations				
Revenue	59,160	107,227	303,653	349,984
Cost of sales	(71,496)	(103,453)	(281,703)	(325,786)
Gross (loss)/profit	(12,336)	3,774	21,950	24,198
Other income	1,190	1,035	2,416	2,145
Operating expenses	(19,957)	(16,070)	(43,599)	(39,595)
Net unrealised foreign exchange losses	(26,674)	(18,200)	(43,576)	(21,051)
(Loss)/gain on disposal of subsidiaries	-	(2,653)	-	19,677
Operating loss	(57,777)	(32,114)	(62,809)	(14,626)
Finance costs	(2,801)	(1,599)	(7,912)	(6,611)
Loss before taxation	(60,578)	(33,713)	(70,721)	(21,237)
Tax (expense)/credit	(9,170)	10,399	(8,134)	7,511
Loss for the year from continuing operations	(69,748)	(23,314)	(78,855)	(13,726)
Discontinued operations				
Profit for the year from discontinued operations	-	-	-	2,506
Loss for the financial year	(69,748)	(23,314)	(78,855)	(11,220)
Other comprehensive (loss)/profit				
Currency translation differences arising from foreign operations	(2,987)	573	(6,671)	(6,373)
Available-for-sale financial assets	4	(23)	-	(80)
Total other comprehensive (loss)/profit	(2,983)	550	(6,671)	(6,453)
Total comprehensive loss for the financial year	(72,731)	(22,764)	(85,526)	(17,673)
Loss attributable to :				
Owners of the Company	(69,748)	(23,314)	(78,855)	(10,950)
Non-controlling interest	-	-	-	(270)
	(69,748)	(23,314)	(78,855)	(11,220)
Total comprehensive loss attributable to:				
Owners of the Company	(72,731)	(22,764)	(85,526)	(17,403)
Non-controlling interest	-	-	-	(270)
	(72,731)	(22,764)	(85,526)	(17,673)
(Loss)/earnings per share (sen) from continuing and discontinued operations attributable to owners of the Company:				
Basic, loss from continuing operations	(20.40)	(6.82)	(23.06)	(4.21)
Basic, profit from discontinued operations	-	-	-	0.85
	(20.40)	(6.82)	(23.06)	(3.36)
Diluted, loss from continuing operations	-	(6.79)	-	(4.19)
Diluted, profit from discontinued operations	-	-	-	0.85
	-	(6.79)	-	(3.34)

Note: The detailed calculations for the Basic and Diluted (loss) /earnings per share are shown in Note B10

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 DECEMBER 2011

	As at 31-Dec-11 RM'000 Unaudited	As at 31-Dec-10 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	76,364	80,175
Intangible assets	106,172	104,369
Deferred tax assets	12,871	19,547
Available-for-sale financial assets	1,516	1,516
	196,923	205,607
CURRENT ASSETS		
Inventories	11,746	17,659
Receivables, deposits and prepayments	498,505	458,518
Tax recoverable	10,833	13,412
Derivative financial assets	-	240
Short term deposits, cash and bank balances	52,925	47,241
	574,009	537,070
TOTAL ASSETS	770,932	742,677
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	286,044	285,969
Treasury shares	(103)	(103)
Share premium	46,605	46,605
Irredeemable convertible unsecured loan stock ("ICULS")	51,342	51,411
Available-for-sale reserve	(2,467)	(2,467)
Merger relief reserve	21,260	21,260
Share option and capital contribution reserve	4,423	3,099
Currency exchange reserve	(5,916)	755
(Accumulated losses) / Retained earnings	(74,960)	3,895
	326,228	410,424
NON-CURRENT LIABILITIES		
Borrowings	454	46,562
ICULS	490	2,566
	944	49,128
CURRENT LIABILITIES		
Payables	130,221	131,283
Short term borrowings	310,070	143,582
Current income tax liabilities	1,453	4,639
Deferred government grant	-	1,568
ICULS	2,016	2,053
	443,760	283,125
TOTAL LIABILITIES	444,704	332,253
TOTAL EQUITY AND LIABILITIES	770,932	742,677
Net assets per share attributable to owners of the Company (RM)	1.14	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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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
12-months ended 31 December 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 year	-	-	-	-	-	-	-	-	(78,855)	(78,855)	-	(78,855)
<u>Other comprehensive loss</u>												
Currency translation differences	-	-	-	-	-	-	(6,671)	-	-	(6,671)	-	(6,671)
Available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	-	(6,671)	-	(78,855)	(85,526)	-	(85,526)
Share options:												
- options granted	-	-	-	-	-	-	-	1,324	-	1,324	-	1,324
Conversion of ICULS	75	-	-	(69)	-	-	-	-	-	6	-	6
At 31 December 2011	286,044	(103)	46,605	51,342	(2,467)	21,260	(5,916)	4,423	(74,960)	326,228	-	326,228
12-months ended 31 December 2010												
Loss for the financial year	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>												
Loss for the year	-	-	-	-	-	-	-	-	(10,950)	(10,950)	(270)	(11,220)
<u>Other comprehensive loss</u>												
Currency translation differences	-	-	-	-	-	-	(6,373)	-	-	(6,373)	-	(6,373)
Available-for-sale financial assets	-	-	-	-	(80)	-	-	-	-	(80)	-	(80)
Total comprehensive loss	-	-	-	-	(80)	-	(6,373)	-	(10,950)	(17,403)	(270)	(17,673)
Share options:												
- options granted	-	-	-	-	-	-	-	1,002	-	1,002	-	1,002
- shares issued	4,546	-	910	-	-	-	-	(910)	-	4,546	-	4,546
Issuance of ICULS	-	-	-	56,215	-	-	-	-	-	56,215	-	56,215
Conversion of ICULS	5,243	-	-	(4,804)	-	-	-	-	-	439	-	439
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 31 December 2010	285,969	(103)	46,605	51,411	(2,467)	21,260	755	3,099	3,895	410,424	-	410,424

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 YEAR ENDED 31 DECEMBER 2011**

	31-Dec-11	31-Dec-10
	RM'000	RM'000
	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation from:		
- continuing operations	(70,721)	(21,237)
- discontinued operations	-	4,587
Adjustments for:		
Non-cash items	57,633	11,767
Interest expense	29,500	17,466
Interest income	(1,161)	(1,234)
Operating profit before working capital changes	15,251	11,349
Movements in working capital:		
Increase in current assets	(98,230)	(232,300)
Increase in current liabilities	4,360	4,524
Cash flows used in operations	(78,619)	(216,427)
Tax paid	(771)	(6,101)
Interest received	1,161	1,234
Net cash flow used in operating activities	(78,229)	(221,294)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash in subsidiaries disposed	-	300,092
Acquisition of property, plant and equipment	(3,186)	(14,881)
Government grant received	587	1,137
Purchase of unquoted investment	-	(847)
Proceeds from disposal of property, plant and equipment	259	257
Development expenditure incurred	(2,243)	(11,770)
Net cash flow (used in)/from investing activities	(4,583)	273,988
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares		
- exercise of ESOS	-	4,546
Dividend paid	-	(93,807)
Purchase of Treasury shares	-	(2)
Repayment of term loans	(6,000)	(7,464)
Finance lease principal repayment	(95)	-
Net (settlement)/utilisation of trade facilities	111,954	(7,261)
Proceeds from issuance of ICULS	-	61,353
ICULS Interest paid	(2,243)	(1,647)
Interest paid	(28,525)	(17,619)
Short term deposits pledged as securities for bank facilities	(5,025)	(333)
Net cash flow from/(used in) financing activities	70,066	(62,234)
Net decrease in cash and cash equivalents during the financial year	(12,746)	(9,540)
Currency translation differences	(1,117)	452
Cash and cash equivalents at beginning of financial year	(69,788)	(60,700)
Cash and cash equivalents at end of the year	(83,651)	(69,788)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	20,515	29,194
Cash and bank balances	32,410	18,047
Bank overdrafts	(116,320)	(101,798)
	(63,395)	(54,557)
Deposits with licensed banks pledged as security for bank facilities	(20,256)	(15,231)
	(83,651)	(69,788)

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.