

SCOMI ENGINEERING BHD (111633-M)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	31-Mar-12 RM'000 Unaudited	31-Mar-11 RM'000 Unaudited	31-Mar-12 RM'000 Unaudited	31-Mar-11 RM'000 Unaudited
Revenue	73,008	79,187	73,008	79,187
Cost of sales	(66,191)	(66,125)	(66,191)	(66,125)
Gross profit	6,817	13,062	6,817	13,062
Other income	1,673	252	1,673	252
Operating expenses	(7,669)	(7,907)	(7,669)	(7,907)
Net unrealised foreign exchange gain/(losses)	512	(6,371)	512	(6,371)
Operating profit/(loss)	1,333	(964)	1,333	(964)
Finance costs	(1,284)	(1,744)	(1,284)	(1,744)
Profit/(loss) before taxation	49	(2,708)	49	(2,708)
Tax credit	23	236	23	236
Profit/(loss) for the financial period	72	(2,472)	72	(2,472)
Other comprehensive profit/(loss)				
Currency translation differences arising from foreign operations	862	(529)	862	(529)
Available-for-sale financial assets	-	10	-	10
Total other comprehensive profit/(loss)	862	(519)	862	(519)
Total comprehensive profit/(loss) for the financial period	934	(2,991)	934	(2,991)
Earnings/(loss) per share (sen) from operations attributable to owners of the Company:	0.02	(0.72)	0.02	(0.72)

Note: The detailed calculations for the Basic earnings/(loss) 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 2011 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 2012

	As at 31-Mar-12 RM'000 Unaudited	As at 31-Dec-11 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	75,080	76,358
Intangible assets	144,812	142,306
Deferred tax assets	14,019	13,638
Available-for-sale financial assets	1,516	1,516
	<u>235,427</u>	<u>233,818</u>
CURRENT ASSETS		
Inventories	11,567	10,899
Receivables, deposits and prepayments	521,124	464,234
Tax recoverable	11,196	10,966
Short term deposits, cash and bank balances	75,689	53,721
	<u>619,576</u>	<u>539,820</u>
	<u>855,003</u>	<u>773,638</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	286,044	286,044
Treasury shares	(103)	(103)
Share premium	46,605	46,605
Irredeemable convertible unsecured loan stock ("ICULS")	51,342	51,342
Merger relief reserve	21,260	21,260
Share option and capital contribution reserve	4,545	4,423
Currency exchange reserve	(5,134)	(5,996)
Accumulated losses	(77,639)	(77,711)
	<u>326,920</u>	<u>325,864</u>
NON-CURRENT LIABILITIES		
Borrowings	462	482
ICULS	-	490
	<u>462</u>	<u>972</u>
CURRENT LIABILITIES		
Payables	177,344	133,989
Short term borrowings	344,965	307,216
Current income tax liabilities	1,164	1,427
Deferred government grant	2,155	2,155
ICULS	1,993	2,015
	<u>527,621</u>	<u>446,802</u>
	<u>528,083</u>	<u>447,774</u>
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
	<u>855,003</u>	<u>773,638</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.14</u>	<u>1.14</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012**

<-----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/ (accumulated losses) RM'000	Total equity RM'000
<u>3-months ended 31 March 2012</u>										
At 1 January 2012	286,044	(103)	46,605	51,342	-	21,260	(5,996)	4,423	(77,711)	325,864
<u>Comprehensive income</u>										
Profit for the period	-	-	-	-	-	-	-	-	72	72
<u>Other comprehensive income</u>										
Currency translation differences	-	-	-	-	-	-	862	-	-	862
Total comprehensive income	-	-	-	-	-	-	862	-	72	934
Share options:										
- options granted	-	-	-	-	-	-	-	122	-	122
At 31 March 2012	286,044	(103)	46,605	51,342	-	21,260	(5,134)	4,545	(77,639)	326,920
<u>3-months ended 31 March 2011</u>										
At 1 January 2011	285,969	(103)	46,605	51,411	(2,467)	21,260	755	3,099	3,895	410,424
<u>Comprehensive income</u>										
Loss for the period	-	-	-	-	-	-	-	-	(2,472)	(2,472)
<u>Other comprehensive loss</u>										
Currency translation differences	-	-	-	-	-	-	(529)	-	-	(529)
Available-for-sale financial assets	-	-	-	-	10	-	-	-	-	10
Total comprehensive income/(loss)	-	-	-	-	10	-	(529)	-	(2,472)	(2,991)
Share options:										
- options granted	-	-	-	-	-	-	-	445	-	445
Conversion of ICULS	12	-	-	(11)	-	-	-	-	-	1
At 31 March 2011	285,981	(103)	46,605	51,400	(2,457)	21,260	226	3,544	1,423	407,879

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 31 December 2011 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 2012**

	31-Mar-12 RM'000 Unaudited	31-Mar-11 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	49	(2,708)
Adjustments for:		
Non-cash items	1,053	9,035
Interest expense	7,027	4,744
Interest income	(922)	(51)
Operating profit before working capital changes	7,207	11,020
Movements in working capital:		
(Increase)/Decrease in current assets	(53,910)	16,804
Increase in current liabilities	41,499	11,371
Cash flows (used in)/from operations	(5,204)	39,195
Tax refund/(paid)	38	(21)
Interest received	922	51
Net cash flow (used in)/from operating activities	(4,244)	39,225
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(374)	(789)
Government grant received	-	479
Development expenditure incurred	(2,301)	(788)
Net cash flow used in investing activities	(2,675)	(1,098)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(1,500)	(1,500)
Drawdown of term loans	29,979	-
Finance lease principal repayment	(16)	(18)
Net utilisation/(settlement) of trade facilities	23,618	(20,948)
ICULS interest paid	(559)	(536)
Interest paid	(7,037)	(4,690)
Short term deposits pledged as securities for bank facilities	(2,238)	(2,435)
Net cash flow from/(used in) financing activities	42,247	(30,127)
Net increase in cash and cash equivalents during the financial period	35,328	8,000
Currency translation differences	(27)	(631)
Cash and cash equivalents at beginning of financial year	(82,855)	(69,788)
Cash and cash equivalents at end of the period	(47,554)	(62,419)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	46,100	29,007
Cash and bank balances	29,589	28,510
Bank overdrafts	(100,749)	(102,270)
	(25,060)	(44,753)
Deposits with licensed banks pledged as security for bank facilities	(22,494)	(17,666)
	(47,554)	(62,419)

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.