

SCOMI ENGINEERING BHD (111633-M)

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Quarter	Current Year Period Ended	Preceding Year Period Ended
	31-Dec-12 RM'000 Unaudited	31-Dec-11 RM'000 Audited	31-Dec-12 RM'000 Unaudited	31-Dec-11 RM'000 Audited
Revenue	118,283	2,304	387,233	246,796
Cost of sales	(103,687)	(37,329)	(345,642)	(247,536)
Gross profit	14,596	(35,025)	41,591	(740)
Other income	214	1,006	2,888	2,232
Operating expenses	(11,379)	(26,200)	(35,524)	(49,841)
Net unrealised foreign exchange losses	(5,057)	(3,173)	(19,079)	(20,076)
Operating loss	(1,626)	(63,392)	(10,124)	(68,425)
Finance costs	(710)	(893)	(3,534)	(6,004)
Loss before taxation	(2,336)	(64,285)	(13,658)	(74,429)
Tax expense	(980)	(8,213)	(3,589)	(7,177)
Loss for the financial period	(3,316)	(72,498)	(17,247)	(81,606)
Other comprehensive loss				
Currency translation differences arising from foreign operations	(210)	(3,067)	(2,559)	(6,751)
Available-for-sale financial assets	-	2,471	-	2,467
Total other comprehensive loss	(210)	(596)	(2,559)	(4,284)
Total comprehensive loss for the financial period	(3,526)	(73,094)	(19,806)	(85,890)
Loss per share (sen) from operations attributable to owners of the Company:	(0.98)	(21.20)	(5.11)	(23.86)

Note: The detailed calculations for the Basic 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 DECEMBER 2012

	As at 31-Dec-12 RM'000 Unaudited	As at 31-Dec-11 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	72,777	76,358
Intangible assets	147,520	142,306
Deferred tax assets	12,285	13,638
Available-for-sale financial assets	1,516	1,516
	234,098	233,818
CURRENT ASSETS		
Inventories	13,975	10,899
Receivables, deposits and prepayments	606,943	464,234
Tax recoverable	11,392	10,966
Short term deposits, cash and bank balances	74,624	53,721
	706,934	539,820
TOTAL ASSETS	941,032	773,638
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	4,913	4,423
Currency exchange reserve	(8,555)	(5,996)
Accumulated losses	(94,958)	(77,711)
	306,548	325,864
NON-CURRENT LIABILITIES		
Borrowings	72,574	482
ICULS	-	490
	72,574	972
CURRENT LIABILITIES		
Payables	154,357	133,989
Short term borrowings	404,752	307,216
Current income tax liabilities	156	1,427
Deferred government grant	2,155	2,155
ICULS	490	2,015
	561,910	446,802
TOTAL LIABILITIES	634,484	447,774
TOTAL EQUITY AND LIABILITIES	941,032	773,638
Net assets per share attributable to owners of the Company (RM)	1.07	1.14

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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 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
12-months ended 31 December 2012										
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>										
Loss for the period	-	-	-	-	-	-	(2,559)	-	(17,247)	(19,806)
<u>Other comprehensive loss</u>										
Currency translation differences	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	(2,559)	-	(17,247)	(19,806)
Share options:										
- options granted	-	-	-	-	-	-	-	490	-	490
At 31 December 2012	286,044	(103)	46,605	51,342	-	21,260	(8,555)	4,913	(94,958)	306,548
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
<u>Comprehensive income</u>										
Loss for the period	-	-	-	-	2,467	-	(6,751)	-	(81,606)	(85,890)
<u>Other comprehensive loss</u>										
Currency translation differences	-	-	-	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	2,467	-	(6,751)	-	(81,606)	(85,890)
Share options:										
- options granted	-	-	-	-	-	-	-	1,324	-	1,324
Conversion of ICULS	75	-	-	(69)	-	-	-	-	-	6
At 31 December 2011	286,044	(103)	46,605	51,342	-	21,260	(5,996)	4,423	(77,711)	325,864

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 DECEMBER 2012**

	31-Dec-12 RM'000 Unaudited	31-Dec-11 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(13,658)	(74,429)
Adjustments for:		
Non-cash items	20,247	33,330
Interest expense	23,462	29,550
Interest income	(3,051)	(999)
Operating profit before working capital changes	27,000	(12,548)
Movements in working capital:		
Increase in current assets	(114,877)	(38,014)
(Decrease)/Increase in current liabilities	(16,939)	11,179
Cash flows used in operations	(104,816)	(39,383)
Tax paid	(4,089)	(837)
Interest received	3,051	999
Net cash flow used in operating activities	(105,854)	(39,221)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,130)	(3,180)
Government grant received	-	587
Dividend received	-	544
Proceeds from disposal of property, plant and equipment	40	284
Upliftment of money market fund	-	-
Development expenditure incurred	(4,156)	(39,040)
Net cash flow used in investing activities	(7,246)	(40,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(16,672)	(7,589)
Drawdown of borrowings	172,297	84,476
Finance lease principal repayment	(6)	(94)
Net (settlement)/utilisation of trade facilities	(9,662)	26,241
ICULS Interest paid	(2,016)	(2,243)
Interest paid	(22,701)	(28,569)
Short term deposits pledged as security for bank facilities	(4,357)	(5,025)
Net cash flow from financing activities	116,883	67,197
Net increase in cash and cash equivalents during the financial period	3,783	(12,829)
Currency translation differences	(2,835)	(238)
Cash and cash equivalents at beginning of financial year	(82,855)	(69,788)
Cash and cash equivalents at end of the period	(81,907)	(82,855)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	34,372	20,515
Cash and bank balances	40,252	33,206
Bank overdrafts	(131,919)	(116,320)
	(57,295)	(62,599)
Deposits with licensed banks pledged as security for bank facilities	(24,612)	(20,256)
	(81,907)	(82,855)

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.