

SCOMI ENGINEERING BHD (111633-M)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 MARCH 2013**

	Current Year Quarter 31-Mar-13 RM'000 Unaudited	Current Year 15-month Period Ended 31-Mar-13 RM'000 Unaudited
Revenue	72,120	459,354
Cost of sales	<u>(69,523)</u>	<u>(415,165)</u>
Gross profit	2,597	44,189
Other income	165	3,053
Operating expenses	(20,395)	(55,919)
Net unrealised foreign exchange gain/(losses)	14,970	(4,110)
	<hr/>	<hr/>
Operating loss	(2,663)	(12,787)
Finance costs	(1,062)	(4,596)
	<hr/>	<hr/>
Loss before taxation	(3,725)	(17,383)
Tax expense	596	(2,993)
	<hr/>	<hr/>
Loss for the financial period	<u>(3,129)</u>	<u>(20,376)</u>
Other comprehensive profit/(loss)		
Currency translation differences arising from foreign operations	1,046	(1,513)
	<hr/>	<hr/>
Total other comprehensive profit/(loss)	<u>1,046</u>	<u>(1,513)</u>
	<hr/>	<hr/>
Total comprehensive profit/(loss) for the financial period	<u>(2,083)</u>	<u>(21,889)</u>
	<hr/>	<hr/>
Loss per share (sen) from operations attributable to owners of the Company:	<u>(1.09)</u>	<u>(7.11)</u>

Note: The detailed calculations for the Basic loss per share are shown in Note B10.

The financial year end of the Group and the Company have been changed from 31 December to 31 March to cover the 15-month period from 1 January 2012 to 31 March 2013 and thereafter, to end on 31 March each year. Accordingly, there are no comparative figures to be presented in this Condensed Consolidated Statements of Comprehensive Income

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	As at 31-Mar-13 RM'000 Unaudited	As at 31-Dec-11 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	75,911	76,358
Intangible assets	157,704	142,306
Deferred tax assets	12,162	13,638
Available-for-sale financial assets	1,516	1,516
	247,293	233,818
CURRENT ASSETS		
Inventories	13,310	10,899
Receivables, deposits and prepayments	621,771	464,234
Tax recoverable	13,029	10,966
Short term deposits, cash and bank balances	73,116	53,721
	721,226	539,820
TOTAL ASSETS	968,519	773,638
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	342,080	286,044
Treasury shares	(103)	(103)
Share premium	41,911	46,605
Irredeemable convertible unsecured loan stock ("ICULS")	-	51,342
Merger relief reserve	21,260	21,260
Share option and capital contribution reserve	4,994	4,423
Currency exchange reserve	(7,481)	(5,996)
Accumulated losses	(98,087)	(77,711)
	304,574	325,864
NON-CURRENT LIABILITIES		
Borrowings	75,412	482
ICULS	-	490
	75,412	972
CURRENT LIABILITIES		
Payables	151,789	133,989
Short term borrowings	435,038	307,216
Current income tax liabilities	-	1,427
Deferred government grant	1,706	2,155
ICULS	-	2,015
	588,533	446,802
TOTAL LIABILITIES	663,945	447,774
TOTAL EQUITY AND LIABILITIES	968,519	773,638
Net assets per share attributable to owners of the Company (RM)	0.89	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 MARCH 2013**

	-----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
15-months ended 31 March 2013										
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	-	-	-	-	-	-	(1,485)	-	(20,376)	(21,861)
<u>Other comprehensive loss</u>										
Currency translation differences	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	(1,485)	-	(20,376)	(21,861)
Share options:										
- options granted	-	-	-	-	-	-	-	571	-	571
- shares issued	-	-	-	-	-	-	-	-	-	-
Issuance of ICULS	-	-	-	-	-	-	-	-	-	-
Conversion of ICULS	56,036	-	(4,694)	(51,342)	-	-	-	-	-	-
At 31 March 2013	342,080	(103)	41,911	-	-	21,260	(7,481)	4,994	(98,087)	304,574
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)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013**

	15-month Period Ended 31-Mar-13 RM'000 Unaudited	12-month Period Ended 31-Dec-11 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(17,383)	(74,429)
Adjustments for:		
Non-cash items	17,966	33,330
Interest expense	35,076	29,550
Interest income	(3,711)	(999)
Operating profit before working capital changes	31,948	(12,548)
Movements in working capital:		
Increase in current assets	(169,349)	(38,014)
(Decrease)/Increase in current liabilities	20,188	11,179
Cash flows used in operations	(117,213)	(39,383)
Tax paid	(4,891)	(837)
Interest received	3,711	999
Net cash flow used in operating activities	(118,393)	(39,221)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(8,287)	(3,180)
Government grant received	-	587
Dividend received	-	544
Proceeds from disposal of property, plant and equipment	40	284
Development expenditure incurred	(17,649)	(39,040)
Net cash flow used in investing activities	(25,896)	(40,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(18,652)	(7,589)
Drawdown of borrowings	214,892	84,476
Finance lease principal repayment	(26)	(94)
Net (settlement)/utilisation of trade facilities	(49,363)	26,241
ICULS Interest paid	(2,506)	(2,243)
Interest paid	(35,076)	(28,569)
Short term deposits pledged as security for bank facilities	(1,965)	(5,025)
Net cash flow from financing activities	107,304	67,197
Net increase in cash and cash equivalents during the financial period	(36,985)	(12,829)
Currency translation differences	(1,485)	(238)
Cash and cash equivalents at beginning of financial year	(82,855)	(69,788)
Cash and cash equivalents at end of the period	(121,325)	(82,855)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	38,837	20,515
Cash and bank balances	34,279	33,206
Bank overdrafts	(172,221)	(116,320)
	(99,105)	(62,599)
Deposits with licensed banks pledged as security for bank facilities	(22,220)	(20,256)
	(121,325)	(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.