

SCOMI ENGINEERING BHD (111633-M)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD AND YEAR ENDED 31 MARCH 2016**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|----------------------------------|--|----------------------------------|---|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year Period Ended | Preceding Year Corresponding Period Ended |
| | 31-Mar-16 RM'000 Unaudited | 31-Mar-15 RM'000 Unaudited | 31-Mar-16 RM'000 Unaudited | 31-Mar-15 RM'000 Audited |
| Revenue | 35,671 | 50,980 | 174,548 | 238,321 |
| Cost of sales | (37,563) | (47,269) | (165,874) | (214,365) |
| Gross (loss)/profit | (1,892) | 3,711 | 8,674 | 23,956 |
| Other income | 14,837 | (93) | 17,075 | 1,405 |
| Operating expenses | (28,279) | (2,504) | (30,775) | (20,211) |
| Operating (loss)/profit | (15,334) | 1,114 | (5,026) | 5,150 |
| Finance costs | (1,953) | (2,731) | (6,854) | (7,198) |
| Loss before taxation | (17,287) | (1,617) | (11,880) | (2,048) |
| Tax credit | 10,555 | 1,798 | 10,037 | 2,426 |
| (Loss)/profit for the financial period/year | (6,732) | 181 | (1,843) | 378 |
| Other comprehensive (expense)/income | | | | |
| Currency translation differences arising from foreign operations | (1,426) | 57 | (2,548) | (1,005) |
| Total other comprehensive (expense)/income | (1,426) | 57 | (2,548) | (1,005) |
| Total comprehensive (expense)/income for the financial period/year | (8,158) | 238 | (4,391) | (627) |
| Basic (loss)/earnings per share (sen) from operations attributable to owners of the Company: | (1.97) | 0.05 | (0.54) | 0.11 |

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

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Report for the year ended 31 March 2015 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 2016

| | As at 31-Mar-16 RM'000 Unaudited | As at 31-Mar-15 RM'000 Audited |
|---|---|---|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant & equipment | 66,971 | 72,181 |
| Intangible assets | 156,463 | 158,922 |
| Deferred tax assets | 34,006 | 31,036 |
| Available-for-sale financial assets | 104 | 104 |
| | 257,544 | 262,243 |
| CURRENT ASSETS | | |
| Inventories | 7,372 | 9,901 |
| Receivables, deposits and prepayments | 660,419 | 688,959 |
| Current tax assets | 4,077 | 2,845 |
| Short term deposits, cash and bank balances | 31,594 | 32,325 |
| | 703,462 | 734,030 |
| TOTAL ASSETS | 961,006 | 996,273 |
| EQUITY AND LIABILITIES | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | |
| Share capital | 342,080 | 342,080 |
| Treasury shares | (103) | (103) |
| Share premium | 46,605 | 46,605 |
| Merger relief reserve | 21,260 | 21,260 |
| Share option reserve | - | 4,374 |
| Currency exchange reserve | (11,547) | (8,999) |
| Accumulated losses | (133,022) | (135,553) |
| | 265,273 | 269,664 |
| NON-CURRENT LIABILITIES | | |
| Payables | 59,521 | 55,141 |
| Loans and borrowings | 45,851 | 13,669 |
| | 105,372 | 68,810 |
| CURRENT LIABILITIES | | |
| Payables | 153,439 | 143,164 |
| Loans and borrowings | 423,966 | 506,949 |
| Current tax liabilities | 12,327 | 6,698 |
| Deferred government grant | 629 | 988 |
| | 590,361 | 657,799 |
| TOTAL LIABILITIES | 695,733 | 726,609 |
| TOTAL EQUITY AND LIABILITIES | 961,006 | 996,273 |
| Net assets per share attributable to owners of the Company (RM) | 0.78 | 0.79 |

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

SCOMI ENGINEERING BERHAD (111633-M)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

<-----Attributable to owners of the Company----->

| | Share capital RM'000 | Treasury shares RM'000 | Share premium RM'000 | Merger relief reserve RM'000 | Foreign currency translation reserve RM'000 | Share option reserves RM'000 | Accumulated losses RM'000 | Total equity RM'000 |
|--|-------------------------------------|---------------------------------------|-------------------------------------|---|--|---|--|------------------------------------|
| <u>12-months ended 31 March 2016</u> | | | | | | | | |
| At 1 April 2015 | 342,080 | (103) | 46,605 | 21,260 | (8,999) | 4,374 | (135,553) | 269,664 |
| Foreign currency translation differences for foreign operations | - | - | - | - | (2,548) | - | - | (2,548) |
| Total other comprehensive expense for the period | - | - | - | - | (2,548) | - | - | (2,548) |
| Loss for the period | - | - | - | - | - | - | (1,843) | (1,843) |
| Total comprehensive (expense)/income for the period | - | - | - | - | (2,548) | - | (1,843) | (4,391) |
| Share options: - net options granted and forfeited | - | - | - | - | - | (4,374) | 4,374 | - |
| At 31 March 2016 | 342,080 | (103) | 46,605 | 21,260 | (11,547) | - | (133,022) | 265,273 |
| <u>12-months ended 31 March 2015</u> | | | | | | | | |
| At 1 April 2014 | 342,080 | (103) | 46,605 | 21,260 | (7,994) | 4,518 | (136,075) | 270,291 |
| Foreign currency translation differences for foreign operations | - | - | - | - | (1,005) | - | - | (1,005) |
| Total other comprehensive expense for the period | - | - | - | - | (1,005) | - | - | (1,005) |
| Profit for the period | - | - | - | - | - | - | 378 | 378 |
| Total comprehensive (expense)/income for the period | - | - | - | - | (1,005) | - | 378 | (627) |
| Share options: - net options granted and forfeited | - | - | - | - | - | (144) | 144 | - |
| At 31 March 2015 | 342,080 | (103) | 46,605 | 21,260 | (8,999) | 4,374 | (135,553) | 269,664 |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

| | 12 months ended 31-Mar-16 RM'000 Unaudited | 12 months ended 31-Mar-15 RM'000 Audited |
|--|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (11,880) | (2,048) |
| Adjustments for: | | |
| Non-cash items | (3,571) | 8,136 |
| Interest expense | 36,370 | 33,251 |
| Interest income | (2,134) | (996) |
| Operating profit before changes in working capital | 18,785 | 38,343 |
| Changes in current assets | 52,113 | (40,285) |
| Changes in current liabilities | 19,752 | 17,033 |
| Cash generated from operations | 90,650 | 15,091 |
| Tax paid | (1,146) | (445) |
| Tax refunded | 291 | - |
| Interest received | 2,134 | 996 |
| Net cash generated from operating activities | 91,929 | 15,642 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (1,403) | (770) |
| Development expenditure incurred | - | (4,037) |
| Net cash used in investing activities | (1,403) | (4,807) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Advance from ultimate holding company | 4,373 | 3,086 |
| Repayment of borrowings | (27,939) | (9,565) |
| Drawdown of borrowings | 2,244 | 120,942 |
| Repayment of term loan | (938) | - |
| Net finance lease principal repayment | (2,050) | (2,048) |
| Net (settlement)/utilisation of trade facilities | (20,853) | 1,505 |
| Interest paid | (36,370) | (33,251) |
| Short term deposits pledged as security for bank facilities | (3,264) | 3,007 |
| Net cash (used in)/from financing activities | (84,797) | 83,676 |
| Net increase in cash and cash equivalents during the financial year | 5,730 | 94,511 |
| Currency translation differences | (1,472) | (8,391) |
| Cash and cash equivalents at beginning of financial year | (69,790) | (155,910) |
| Cash and cash equivalents at end of the financial year | (65,532) | (69,790) |
| Cash and cash equivalents comprise: | | |
| Deposits placed with licensed banks | 25,904 | 25,914 |
| Cash and bank balances | 5,690 | 6,411 |
| Bank overdrafts | (71,909) | (80,162) |
| | (40,315) | (47,837) |
| Deposits with licensed banks pledged as security for bank facilities | (25,217) | (21,953) |
| | (65,532) | (69,790) |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Report for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.