

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 ENDED 31 DECEMBER 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Period Ended	Preceding Year Corresponding Period Ended
	31-Dec-16 RM'000 Unaudited	31-Dec-15 RM'000 Unaudited	31-Dec-16 RM'000 Unaudited	31-Dec-15 RM'000 Unaudited
Revenue	55,073	49,478	118,613	138,877
Cost of sales	(60,949)	(45,855)	(126,212)	(128,311)
Gross (loss)/profit	(5,876)	3,623	(7,599)	10,566
Other income	18,814	399	34,167	2,238
Operating expenses	(6,303)	(927)	(16,819)	(2,496)
Operating profit	6,635	3,095	9,749	10,308
Finance costs	(3,575)	(1,552)	(9,106)	(4,901)
Profit before taxation	3,060	1,543	643	5,407
Tax expense	(31)	(307)	(241)	(518)
Profit for the financial period	3,029	1,236	402	4,889
Other comprehensive income/(expense)				
Currency translation differences arising from foreign operations	256	(3,274)	12,359	(1,122)
Total other comprehensive income/(expense)	256	(3,274)	12,359	(1,122)
Total comprehensive income/(expense) for the financial period	3,285	(2,038)	12,761	3,767
Basic earnings per share (sen) from operations attributable to owners of the Company:	0.89	0.36	0.12	1.43

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 2016 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 2016

	As at 31-Dec-16 RM'000 Unaudited	As at 31-Mar-16 RM'000 Audited
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	64,660	66,971
Intangible assets	153,693	156,463
Deferred tax assets	33,845	34,006
Available-for-sale financial assets	104	104
	252,302	257,544
CURRENT ASSETS		
Inventories	12,034	7,372
Receivables, deposits and prepayments	802,343	660,419
Current tax assets	4,526	4,077
Short term deposits, cash and bank balances	41,929	31,594
	860,832	703,462
TOTAL ASSETS	1,113,134	961,006
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
Currency exchange reserve	812	(11,547)
Accumulated losses	(132,620)	(133,022)
	278,034	265,273
NON-CURRENT LIABILITIES		
Payables	75,644	59,521
Loans and borrowings	120,764	71,486
	196,408	131,007
CURRENT LIABILITIES		
Payables	215,159	153,439
Loans and borrowings	407,119	398,331
Current tax liabilities	16,055	12,327
Deferred government grant	359	629
	638,692	564,726
TOTAL LIABILITIES	835,100	695,733
TOTAL EQUITY AND LIABILITIES	1,113,134	961,006
Net assets per share attributable to owners of the Company (RM)	0.81	0.78

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 March 2016 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 PERIOD ENDED 31 DECEMBER 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>9-months ended 31 December 2016</u>								
At 1 April 2016	342,080	(103)	46,605	21,260	(11,547)	-	(133,022)	265,273
Foreign currency translation differences for foreign operations	-	-	-	-	12,359	-	-	12,359
Total other comprehensive income for the period	-	-	-	-	12,359	-	-	12,359
Profit for the period	-	-	-	-	-	-	402	402
Total comprehensive income for the period	-	-	-	-	12,359	-	402	12,761
At 31 December 2016	342,080	(103)	46,605	21,260	812	-	(132,620)	278,034
<u>9-months ended 31 December 2015</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	-	-	-	-	(1,122)	-	-	(1,122)
Total other comprehensive expense for the period	-	-	-	-	(1,122)	-	-	(1,122)
Profit for the period	-	-	-	-	-	-	4,889	4,889
Total comprehensive (expense)/income for the period	-	-	-	-	(1,122)	-	4,889	3,767
At 31 December 2015	342,080	(103)	46,605	21,260	(10,121)	4,374	(130,664)	273,431

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Report for the year ended 31 March 2016 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 PERIOD ENDED 31 DECEMBER 2016

	9 months ended 31-Dec-16 RM'000 Unaudited	9 months ended 31-Dec-15 RM'000 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	643	5,407
Adjustments for:		
Non-cash items	(26,371)	(4,248)
Interest expense	34,312	28,529
Interest income	(926)	(1,569)
Operating profit before changes in working capital	7,658	28,119
Changes in current assets	(106,264)	44,466
Changes in current liabilities	55,753	24,405
Cash (used in)/generated from operations	(42,853)	96,990
Tax paid	(1,083)	(877)
Tax refunded	-	170
Interest received	926	1,569
Net cash (used in)/generated from operating activities	(43,010)	97,852
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(9)	(1,078)
Net cash used in investing activities	(9)	(1,078)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from/(repayment to) ultimate holding company	16,223	(6,427)
Repayment of borrowings	(11,872)	(27,439)
Drawdown of borrowings	16,487	3,958
Repayment of term loan	-	(3,240)
Drawdown of term loan	2,804	-
Net finance lease principal drawdown/(repayment)	36,816	(1,578)
Net settlement of trade facilities	(181)	(21,245)
Interest paid	(34,312)	(28,529)
Short term deposits pledged as security for bank facilities	(3,656)	(2,834)
Net cash from/(used in) financing activities	22,309	(87,334)
Net (decrease)/increase in cash and cash equivalents during the financial period	(20,710)	9,440
Currency translation differences	25,384	(3,800)
Cash and cash equivalents at beginning of financial period	(65,532)	(69,790)
Cash and cash equivalents at end of the financial period	(60,858)	(64,150)
Cash and cash equivalents comprise:		
Deposits placed with licensed banks	29,057	25,798
Cash and bank balances	12,872	8,016
Bank overdrafts	(73,914)	(73,177)
	(31,985)	(39,363)
Deposits with licensed banks pledged as security for bank facilities	(28,873)	(24,787)
	(60,858)	(64,150)

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Report for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.