

## SEREMBAN ENGINEERING BERHAD ("SEB") (Company No.45332X)

# CONDENSED INTERIM FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2010

	3 months ended		6 months ended		
	30.06.2010 RM	30.06.2009 RM	30.06.2010 RM	30.06.2009 RM	
Revenue Cost of Sales	9,880,240 (7,610,258)	17,970,383 (13,738,979)	16,232,191 (13,042,497)	36,001,604 (27,239,369)	
Gross Profit	2,269,982	4,231,404	3,189,694	8,762,235	
Other Income	73,000	49,267	184,442	102,013	
Administrative Expenses	(1,256,358)	(1,206,693)	(2,441,875)	(2,457,117)	
Other Operating Expenses	(16,177)	(9,930)	(19,125)	(32,745)	
Finance Costs	(124,765)	(155,974)	(229,539)	(357,864)	
Profit before tax	945,682	2,908,074	683,597	6,016,522	
Income tax expense	(195,475)	(704,958)	(196,137)	(1,493,033)	
Profit for the period	750,207	2,203,116	487,460	4,523,489	
Other comprehensive income	-	-	-	-	
Total comprehensive income for the period	750,207	2,203,116	487,460	4,523,489	
Profit attributable to: Owners of the parent	761,174	2,177,175	495,103	4,456,674	
Non-Controlling Interest	(10,967)	25,941	(7,643)	66,815	
	750,207	2,203,116	487,460	4,523,489	
Earnings per share - (in sen)					
Basic earnings per share	1.06	3.05	0.75	6.77	

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31 December 2009 with the accompanying explanatory notes attached to the financial statements



# CONDENSED INTERIM FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Unaudited as at 30.06.2010 RM	Audited as at 31.12.2009 RM
ASSETS		
Non-current assets		
Property, plant and equipment	26,377,961	26,221,076
Investment properties	97,000	97,000
Investment in jointly controlled entity	14,028	14,028
	26,488,989	26,332,104
Current assets		
Inventories	12,618,812	5,325,130
Trade and other receivables	16,341,790	23,084,693
Amount due from contract customer	2,260,194	3,170,319
Deposit, cash and bank balances	21,087,289	11,663,047
	52,308,085	43,243,189
TOTAL ASSETS	78,797,074	69,575,293
EQUITY AND LIABILITIES		
Equity	10,000,000	1 000 000
Share capital	40,000,000	1,000,000
Share premium	5,177,275	40.167.500
Reserves	8,126,631	42,167,529
Equity attributable to owners of the parent	53,303,906	43,167,529
Non-controlling interest	508,792	516,435
Total equity	53,812,698	43,683,964
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Non-current liabilities		
Long term borrowings	2,901,570	3,032,870
Hire purchase payables	280,225	108,238
Deferred tax liabilities	2,274,919	2,249,511
	5,456,714	5,390,619
Current liabilities		
Trade and other payables	11,376,911	12,200,612
Bank borrowings	7,859,132	7,365,979
Hire purchase payables	120,186	84.431
Tax liability	171,433	849,688
Tux nuomity	19,527,662	20,500,710
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TOTAL LIABILITIES	24,984,376	25,891,329
TOTAL EQUITY AND LIABILITIES	78,797,074	69,575,293
Net Asset per share attributable to		
owners of the parent (RM)	0.67	43.17

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## CONDENSED INTERIM FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2010

Profit before tax		6 months ended 30/06/2010 RM	6 months ended 30/06/2009 RM
Profit before tax   Adjustments for   Depreciation of property, plant and equipment   G. 19.73   S. 154, 544   Write-back of allowance for doubtful debt   (1.500)   - (1.500)   - (2.0459)   - (2.045	Cash flows from operating activities		
Depreciation of property, plant and equipment   C1,500   S-1		683,597	6,016,522
Write-back of allowance for doubtful debt (1,500)	Adjustments for:		
Gain) on disposal of PPE   20,459  31,79     Property, plant & equipment written off   2,698   179     Interest expenses   208,749   333,355     Interest income   (70,083)   (49,364)     Operating profit before changes in working capital   1,432,725   6,855,416     Changes in working capital:		,	554,544
Property, plant & equipment written off			-
Interest expenses   208,749   333,555   Interest income   7(0,083)   4(49,364)     Operating profit before changes in working capital   1,432,725   6,855,416     Changes in working capital:			- 170
Interest income		,	
Changes in working capital:   Changes in working capital:   Inventories			,
Inventories			
Inventories	Changes in working capital:		
Trade and other receivables		(7.293.682)	4 942 836
Trade and other payables			
Cash generated from operating activities         724,750         768,174           Tax paid         (1,135,027)         (854,780)           Interest paid         (208,749)         (333,535)           Interest received         70,083         49,364           Net cash used in operating activities         (548,943)         (370,777)           Cash flows from investing activities         8         (902,210)           Purchase of property, plant and equipment Proceeds from disposal of PPE Proceeds from financing activities         (502,848)         (902,210)           Net cash used in investing activities         (502,848)         (920,110)           Cash flows from financing activities         (58,258)         (170,520)           Repayment to fire purchase payables         (58,258)         (170,520)           Repayment to fire molans         (1,672,12)         (456,667	Trade and other payables		
Tax paid	Amount due from contract customers	910,125	1,995,361
Tax paid	Cash generated from operating activities	724,750	768,174
Interest received   70,083   49,364     Net cash used in operating activities   (548,943)   (370,777)     Cash flows from investing activities		(1,135,027)	(854,780)
Net cash used in operating activities         (548,943)         (370,777)           Cash flows from investing activities         902,210)         902,210)           Purchase of property, plant and equipment Proceeds from disposal of PPE S2,020 - (17,900)         52,020 - (17,900)         17,900           Net cash used in investing activities         (502,848)         (920,110)           Cash flows from financing activities         (502,848)         (920,110)           Cash flows from financing activities         (11,119)         (10,393)           Drawdown from term loans Portions G97,000 S06,615         697,000 S06,615         806,615           Dividend paid Dividend paid S05,000,000 S06,615         (1,266,362) S06,615         500,000 S06,615           Repayment to hire-purchase payables S05,258 S1 (170,520)         (17,0520)         (1,697,212) (456,667)           Repayment of term loans S05,259 S1 (1,697,212) (456,667)         (1,697,212) (456,667)         (1,697,212) (456,667)           Net movement in trade bills S05,259 S1 (1,697,212) (1,697,612)         (1,697,212) (1,697,612)         (1,697,212) (1,697,612)           Net cash from / (used in) financing activities S1,280,00			
Purchase of property, plant and equipment   (554,868)   (902,210)   Proceeds from disposal of PPE   52,020   - (17,900)     Investment in jointly controlled entity   - (17,900)     Net cash used in investing activities   (502,848)   (920,110)     Net cash used in investing activities   (502,848)   (920,110)     Cash flows from financing activities   (502,848)   (920,110)     Net (increase) in fixed deposit pledged   (11,119)   (10,393)     Drawdown from term loans   697,000   806,615     Dividend paid   (5,500,000)   - (1,266,362)   -	Interest received	70,083	49,364
Purchase of property, plant and equipment Proceeds from disposal of PPE 52,020 1.         (902,210)           Investment in jointly controlled entity         52,020 2.           Net cash used in investing activities         (502,848)         (920,110)           Cash flows from financing activities           Net (increase) in fixed deposit pledged Drawdown from term loans 697,000 806,615 Dividend paid (5,500,000) 1.         (10,393) 697,000 806,615 Dividend paid (5,500,000) 1.         (1,266,362) 1.         1.           Repayment to hire-purchase payables (58,258) (170,520) Repayment to hire-purchase payables (1,697,212) (456,667) Net movement in trade bills (1,281,000 (3,509,000) Proceeds from public issue (16,938,800 (3,509,000) Proceeds from public issue (16,938,800 (3,509,000) Proceeds from public issue (16,938,800 (3,339,965)         (3339,965)           Net increase / (decrease) in cash and cash equivalents (10,228,683 (4,630,852) (3,339,965)         (3,60,852) (3,339,965)           Net increase / (decrease) in cash and cash equivalents at end of financial period (10,228,683 (4,630,852) (4,630,852) (4,630,852) (4,630,852)           Cash and cash equivalents at end of period comprise:         Cash & bank balances (5,947,128 (5,118,276) (5,118,276) (1,119,944) (1,119,944) (1,119,1944) (1,119,1944) (1,119,1944) (1,119,944) (1,119	Net cash used in operating activities	(548,943)	(370,777)
Proceeds from disposal of PPE   52,020   (17,900)	Cash flows from investing activities		
Proceeds from disposal of PPE   52,020   (17,900)	Purchase of property, plant and equipment	(554,868)	(902.210)
Net cash used in investing activities         (502,848)         (920,110)           Cash flows from financing activities           Net (increase) in fixed deposit pledged         (11,119)         (10,393)           Drawdown from term loans         697,000         806,615           Dividend paid         (5,500,000)         -           Listing expenses paid         (1,266,362)         -           Repayment to hire-purchase payables         (58,258)         (170,520)           Repayment of term loans         (1,697,212)         (456,667)           Net movement in trade bills         1,281,000         (3,509,000)           Proceeds from public issue         16,938,800         -           Net cash from / (used in) financing activities         10,383,849         (3,339,965)           Net increase / (decrease) in cash and cash equivalents         9,332,058         (4,630,852)           Cash and cash equivalents at beginning of financial period         10,228,683         9,629,184           Cash and cash equivalents at end of period comprise:         21,087,289         6,118,276           Deposits with licensed banks         21,087,289         6,118,276           Less : Fixed deposits not readily available for use         (1,140,161)         (1,119,944)           19,947,128         4,998,332			-
Net (increase) in fixed deposit pledged   (11,119)   (10,393)     Drawdown from term loans   697,000   806,615     Dividend paid   (5,500,000)   -   Listing expenses paid   (1,266,362)   -   Repayment to hire-purchase payables   (58,258)   (170,520)     Repayment to hire purchase payables   (1,697,212)   (456,667)     Net movement in trade bills   1,281,000   (3,509,000)     Proceeds from public issue   16,938,800   -   Net cash from / (used in) financing activities   10,383,849   (3,339,965)     Net increase / (decrease) in cash and cash equivalents   9,332,058   (4,630,852)     Cash and cash equivalents at beginning of financial period   10,228,683   9,629,184     Cash and cash equivalents at end of financial period   19,560,741   4,998,332     Cash and cash equivalents at end of period comprise:    Cash & bank balances   5,947,128   6,118,276     Deposits with licensed banks   15,140,161   -   Cash & bank balances   21,087,289   6,118,276     Less : Fixed deposits not readily available for use   (1,140,161)   (1,119,944)     Less : Fixed deposits not readily available for use   (3,86,387)   -		, , , , , , , , , , , , , , , , , , ,	(17,900)
Net (increase) in fixed deposit pledged	Net cash used in investing activities	(502,848)	(920,110)
Drawdown from term loans   697,000   806,615	Cash flows from financing activities		
Drawdown from term loans   697,000   806,615	Net (increase) in fixed deposit pledged	(11.119)	(10.393)
Dividend paid			
Repayment to hire-purchase payables         (58,258)         (170,520)           Repayment of term loans         (1,697,212)         (456,667)           Net movement in trade bills         1,281,000         (3,509,000)           Proceeds from public issue         16,938,800         -           Net cash from/ (used in) financing activities         10,383,849         (3,339,965)           Net increase / (decrease) in cash and cash equivalents         9,332,058         (4,630,852)           Cash and cash equivalents at beginning of financial period         10,228,683         9,629,184           Cash and cash equivalents at end of financial period         19,560,741         4,998,332           Cash and cash equivalents at end of period comprise:         5,947,128         6,118,276           Deposits with licensed banks         15,140,161         -           Less: Fixed deposits not readily available for use         (1,140,161)         (1,119,944)           Bank overdraft- unsecured         (386,387)         -	Dividend paid	(5,500,000)	-
Repayment of term loans       (1,697,212)       (456,667)         Net movement in trade bills       1,281,000       (3,509,000)         Proceeds from public issue       16,938,800       -         Net cash from / (used in) financing activities       10,383,849       (3,339,965)         Net increase / (decrease) in cash and cash equivalents       9,332,058       (4,630,852)         Cash and cash equivalents at beginning of financial period       10,228,683       9,629,184         Cash and cash equivalents at end of financial period       19,560,741       4,998,332         Cash and cash equivalents at end of period comprise:       5,947,128       6,118,276         Deposits with licensed banks       15,140,161       -         Less: Fixed deposits not readily available for use       (1,140,161)       (1,119,944)         Bank overdraft- unsecured       (386,387)       -		(1,266,362)	-
Net movement in trade bills Proceeds from public issue         1,281,000 16,938,800         (3,509,000) -           Net cash from / (used in) financing activities         10,383,849         (3,339,965)           Net increase / (decrease) in cash and cash equivalents         9,332,058         (4,630,852)           Cash and cash equivalents at beginning of financial period         10,228,683         9,629,184           Cash and cash equivalents at end of financial period         19,560,741         4,998,332           Cash and cash equivalents at end of period comprise:         5,947,128         6,118,276           Cash & bank balances Deposits with licensed banks         15,140,161         -           Less: Fixed deposits not readily available for use         (1,140,161)         (1,119,944)           Bank overdraft- unsecured         (386,387)         -			. , ,
Proceeds from public issue   16,938,800   -     Net cash from / (used in) financing activities   10,383,849   (3,339,965)     Net increase / (decrease) in cash and cash equivalents   9,332,058   (4,630,852)     Cash and cash equivalents at beginning of financial period   10,228,683   9,629,184     Cash and cash equivalents at end of financial period   19,560,741   4,998,332     Cash and cash equivalents at end of period comprise:    Cash & bank balances   5,947,128   6,118,276     Deposits with licensed banks   15,140,161   -     21,087,289   6,118,276     Less : Fixed deposits not readily available for use   (1,140,161)   (1,119,944)     19,947,128   4,998,332     Bank overdraft- unsecured   (386,387)   -			
Net increase / (decrease) in cash and cash equivalents       9,332,058       (4,630,852)         Cash and cash equivalents at beginning of financial period       10,228,683       9,629,184         Cash and cash equivalents at end of financial period       19,560,741       4,998,332         Cash and cash equivalents at end of period comprise:         Cash & bank balances       5,947,128       6,118,276         Deposits with licensed banks       15,140,161       -         Less: Fixed deposits not readily available for use       (1,140,161)       (1,119,944)         Less : Fixed readily available for use       (386,387)       -			(3,509,000)
Net increase / (decrease) in cash and cash equivalents       9,332,058       (4,630,852)         Cash and cash equivalents at beginning of financial period       10,228,683       9,629,184         Cash and cash equivalents at end of financial period       19,560,741       4,998,332         Cash and cash equivalents at end of period comprise:         Cash & bank balances       5,947,128       6,118,276         Deposits with licensed banks       15,140,161       -         Less: Fixed deposits not readily available for use       (1,140,161)       (1,119,944)         Less : Fixed readily available for use       (386,387)       -	Net cash from / (used in) financing activities	10 383 849	(3 339 965)
Cash and cash equivalents at beginning of financial period       10,228,683       9,629,184         Cash and cash equivalents at end of financial period       19,560,741       4,998,332         Cash and cash equivalents at end of period comprise:			
Cash and cash equivalents at end of financial period         19,560,741         4,998,332           Cash and cash equivalents at end of period comprise:           Cash & bank balances         5,947,128         6,118,276           Deposits with licensed banks         15,140,161         -           Less: Fixed deposits not readily available for use         (1,140,161)         (1,119,944)           Less with licensed banks         19,947,128         4,998,332           Bank overdraft- unsecured         (386,387)         -	Net increase / (decrease) in cash and cash equivalents	9,332,058	(4,630,852)
Cash and cash equivalents at end of period comprise:           Cash & bank balances         5,947,128         6,118,276           Deposits with licensed banks         15,140,161         -           21,087,289         6,118,276           Less: Fixed deposits not readily available for use         (1,140,161)         (1,119,944)           19,947,128         4,998,332           Bank overdraft- unsecured         (386,387)         -	Cash and cash equivalents at beginning of financial period	10,228,683	9,629,184
Cash & bank balances         5,947,128         6,118,276           Deposits with licensed banks         15,140,161         -           21,087,289         6,118,276           Less: Fixed deposits not readily available for use         (1,140,161)         (1,119,944)           Bank overdraft- unsecured         (386,387)         -	Cash and cash equivalents at end of financial period	19,560,741	4,998,332
Deposits with licensed banks         15,140,161         -           21,087,289         6,118,276           Less: Fixed deposits not readily available for use         (1,140,161)         (1,119,944)           19,947,128         4,998,332           Bank overdraft- unsecured         (386,387)         -	Cash and cash equivalents at end of period comprise:		
Less : Fixed deposits not readily available for use 21,087,289 6,118,276 (1,140,161) (1,119,944) 19,947,128 4,998,332  Bank overdraft- unsecured (386,387) -	Cash & bank balances	5,947,128	6,118,276
Less : Fixed deposits not readily available for use       (1,140,161)       (1,119,944)         19,947,128       4,998,332    Bank overdraft- unsecured          (386,387)       -	Deposits with licensed banks		
Bank overdraft- unsecured (386,387) -			
Bank overdraft- unsecured (386,387) -	Less: Fixed deposits not readily available for use		
		19,947,128	4,998,332
	Bank overdraft- unsecured	(386 387)	_
			4,998,332

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31 December 2009 with the accompanying explanatory notes attached to the financial statements.



### SEREMBAN ENGINEERING BERHAD ("SEB") (Company No.45332X)

#### CONDENSED INTERIM FINANCIAL STATEMENTS UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2010

	⊢	├─ Attributable to Equity Holders of the Parent		he Parent	-1		
	Share Capital	Share Premium	Non-distributable Revaluation reserve	Distributable Retained Profit	Total	Non- controlling Interests	Total Equity
	RM	RM	RM	RM	RM	RM	RM
At 1 January 2009	1,000,000	-	1,126,511	28,342,093	30,468,604	269,137	30,737,741
Total comprehensive income for the period	-	-	-	4,456,674	4,456,674	66,815	4,523,489
At 30 June 2009	1,000,000	=	1,126,511	32,798,767	34,925,278	335,952	35,261,230
At 1 January 2010	1,000,000	-	4,820,483	37,347,045	43,167,528	516,435	43,683,963
Issue of bonus shares Issue of ordinary shares Listing expenses Dividend paid Total comprehensive income for the period	29,036,000 9,964,000 - -	6,974,800 (1,797,525)	(1,027,000) - -	(28,009,000) (5,500,000) 495,103	16,938,800 (1,797,525) (5,500,000) 495,103	- (7,643)	16,938,800 (1,797,525) (5,500,000) 487,460
At 30 June 2010	40,000,000	5,177,275	3,793,483	4,333,148	53,303,906	508,792	53,812,698