



**SEREMBAN ENGINEERING BERHAD (“SEB”)**  
**(Company No: 45332-X)**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>st</sup> DECEMBER 2014**

	Unaudited as at 31.12.2014 RM	Audited as at 31.12.2013 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	51,933,377	46,848,836
Other receivables	690,000	885,000
Deferred Tax Asset	85,443	95,800
Investment properties	90,352	91,992
Investment in Associate & Jointly Controlled Company	9,093,830	8,481,912
	61,893,002	56,403,540
<b>Current assets</b>		
Inventories	30,590,140	26,496,256
Trade and other receivables	44,543,306	44,575,291
Deposit, cash and bank balances	14,424,351	10,476,443
	89,557,797	81,547,990
<b>TOTAL ASSETS</b>	<b>151,450,799</b>	<b>137,951,530</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	40,000,000	40,000,000
Treasury Shares	(157,426)	(155,934)
Other Reserves	5,583,931	5,583,931
Reserves	16,178,923	23,761,006
<b>Equity attributable to owners of the parent</b>	61,605,428	69,189,003
<b>Non-controlling interest</b>	1,018,544	753,719
<b>Total equity</b>	62,623,972	69,942,722
<b>Non-current liabilities</b>		
Bank borrowings	6,810,838	7,798,409
Hire purchases and lease payables	1,435,502	689,078
Deferred tax liabilities	649,286	2,527,357
	8,895,626	11,014,844
<b>Current liabilities</b>		
Trade and other payables	29,075,182	26,929,693
Bank borrowings	50,399,042	29,726,277
Hire purchases and lease payables	456,977	337,995
	79,931,201	56,993,965
<b>TOTAL LIABILITIES</b>	88,826,827	68,008,808
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>151,450,799</b>	<b>137,951,530</b>
<b>Net Asset per share attributable to owners of the parent (RM)</b>	<b>0.77</b>	<b>0.87</b>

*The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31 December 2013 with the accompanying explanatory notes attached to the financial statements.*



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31<sup>ST</sup> DECEMBER 2014**

	← Attributable to Owners of the Company →						Non- Controlling Interests RM	Total Equity RM
	← Non-distributable →			Distributable		Total RM		
	Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Profit RM	Total RM			
<b>As at 1 January 2014</b>	40,000,000	5,583,931	(155,934)	23,761,006	69,189,003	753,719	69,942,722	
Total comprehensive income / (expense) for the period	-	-	-	(5,748,446)	(5,748,446)	24,825	(5,723,621)	
Increase in paid up capital from reserve in subsidiary	-	-	-	(240,000)	(240,000)	240,000	-	
Dividend Paid	-	-	-	(1,593,636)	(1,593,636)	-	(1,593,636)	
Share buy back	-	-	(1,492)	-	(1,492)	-	(1,492)	
<b>As at 31 December 2014</b>	40,000,000	5,583,931	(157,426)	16,178,924	61,605,429	1,018,544	62,623,972	
<b>At 1 January 2013</b>	40,000,000	5,583,931	(144,211)	19,084,849	64,524,570	703,257	65,227,827	
Dividend paid	-	-	-	(1,594,036)	(1,594,036)	-	(1,594,036)	
Total comprehensive income for the period	-	-	-	6,270,193	6,270,193	50,462	6,320,655	
Share buy back	-	-	(11,723)	-	(11,723)	-	(11,723)	
<b>At 31 December 2013</b>	40,000,000	5,583,931	(155,934)	23,761,006	69,189,003	753,719	69,942,722	



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31<sup>st</sup> DECEMBER 2014**

	4 <sup>th</sup> Quarter ended		12 months/ Financial Year ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013 (Audited)
	RM	RM	RM	RM
Revenue	26,248,288	30,054,141	121,959,631	105,798,138
Operating (Loss) / Profit	(11,203,139)	2,408,998	(5,780,419)	10,597,053
Interest expense	(606,067)	(704,946)	(1,927,138)	(1,838,035)
Interest income	150,482	13,067	189,212	24,659
Share of profit / (loss) of Associate company	1,953	(85,683)	11,919	(301,421)
(Loss) / Profit before tax	<u>(11,656,771)</u>	<u>1,631,437</u>	<u>(7,506,426)</u>	<u>8,482,256</u>
Income tax expense	2,787,235	(453,882)	1,782,805	(2,161,601)
Net (Loss) / Profit for the period / year	<u>(8,869,536)</u>	<u>1,177,554</u>	<u>(5,723,621)</u>	<u>6,320,655</u>
Total Comprehensive Income for the period / year	<u>(8,869,536)</u>	<u>1,177,554</u>	<u>(5,723,621)</u>	<u>6,320,655</u>
Net (Loss) / Profit for the period / year attributable to :				
Owners of the Company	(9,115,618)	1,040,686	(5,748,446)	6,270,193
Non-Controlling Interest	<u>246,083</u>	<u>136,868</u>	<u>24,825</u>	<u>50,462</u>
	<u>(8,869,536)</u>	<u>1,177,554</u>	<u>(5,723,621)</u>	<u>6,320,655</u>
Total Comprehensive Income / (Expense) attributable to :				
Owners of the Company	(9,115,618)	1,040,686	(5,748,446)	6,270,193
Non-Controlling Interest	<u>246,083</u>	<u>136,868</u>	<u>24,825</u>	<u>50,462</u>
	<u>(8,869,536)</u>	<u>1,177,554</u>	<u>(5,723,621)</u>	<u>6,320,655</u>
Basic (Loss) / Earnings per share	(11.44)	1.31	(7.21)	7.87

*The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31 December 2013 with the accompanying explanatory notes attached to the financial statements.*



**SEREMBAN ENGINEERING BERHAD (“SEB”)**  
**(Company No: 45332-X)**

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FOURTH QUARTER ENDED 31<sup>st</sup> DECEMBER 2014**

	<b>Financial year ended 31.12.2014 (Unaudited) RM</b>	<b>Financial year ended 31.12.2013 (Audited) RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss) / Profit before tax</b>	(7,506,426)	8,482,256
<b>Adjustment for:-</b>		
Impairment losses on trade receivables	179,773	21,392
Unrealised gain on foreign exchange	-	(46,405)
Depreciation on plant, property and equipment PPE	2,506,970	2,275,653
Depreciation on investment property	1,640	1,641
Gain on disposal of property, plant and equipment	(940)	(93,850)
Property, Plant & Equipment Written Off	26,468	15,988
Share of results in associates	(11,919)	301,421
Reversal of impairment losses on trade receivables	-	(481,299)
Interest expenses	1,927,138	1,634,685
Interest income	(189,212)	(24,659)
	<hr/>	<hr/>
	(3,066,508)	12,086,822
<b>Changes in working capital</b>		
Inventories	(4,093,884)	523,780
Amount due from contract customers	(12,922,691)	(3,319,087)
Trade and other receivables, prepayment and other assets	14,797,067	(13,894,998)
Trade and other payables	2,318,174	6,078,484
	<hr/>	<hr/>
<b>Cash generated from / (used in) operations</b>	(2,967,842)	1,475,001
Interest paid	(1,927,138)	(1,634,685)
Interest received	189,212	24,659
Tax refund	-	1,759,141
Tax paid	(2,080,562)	(2,193,505)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	(6,786,330)	(569,388)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	2,100	96,367
Purchase of property, plant and equipment	(7,623,334)	(3,469,815)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(8,221,234)	(3,373,448)

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**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FOURTH QUARTER ENDED 31<sup>st</sup> DECEMBER 2014 - continued**

	<b>Financial year ended 31.12.2014 (Unaudited) RM</b>	<b>Financial year ended 31.12.2013 (Audited) RM</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown from hire purchase and lease payables	1,231,400	-
Drawdown from Revolving Credit	9,000,000	-
Dividend paid	(1,593,636)	(1,594,036)
Net decrease / (increase) in fixed deposits pledged	-	1,211,760
Net movement in trade bills	11,074,254	2,707,000
Repayment of hire purchase and lease payables	(365,994)	(330,471)
Repayment of term loans	(964,363)	(1,060,297)
Purchase of treasury shares	(1,492)	(11,723)
<b>Net cash from financing activities</b>	<b>18,380,169</b>	<b>922,233</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,372,605</b>	<b>(3,020,603)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIALYEAR</b>	<b>10,028,505</b>	<b>13,049,108</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIALYEAR</b>	<b>13,401,110</b>	<b>10,028,505</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Short term deposit placed with licensed banks	7,698,693	2,349,829
Cash and bank balances	6,726,795	8,126,615
	14,425,488	10,476,444
Bank overdraft	(1,023,241)	(447,939)
	13,401,110	10,028,505

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**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**Notes to the quarterly report – 31<sup>st</sup> December 2014**

**PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

These condensed consolidated interim financial statements, for the year ended 31<sup>st</sup> December 2014, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s Audited Financial Statements for the year ended 31 December 2013.

**A2. Significant Accounting Policies**

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the annual consolidated financial statements for 31 December 2013 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2013 except as described below.

As of 1 January 2014, the Group has adopted the following amendments to MFRSs and IC Interpretation which are effective for annual periods beginning on or after 1 January 2014.

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities  
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities  
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets  
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting  
IC Interpretation 21 Levies

The adoption of the above amendments to MFRSs and IC Interpretation do not have material impact to the financial statements of the Group.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**A2. Significant Accounting Policies (cont)**

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above mentioned accounting standards and interpretations (including the consequential amendments) do not have any financial impact on the Group’s financial statements upon their initial application.

**A3. Qualification of Annual Financial Statements**

The latest audited consolidated financial statements of SEB for the financial year ended 31 December 2013 were not qualified.

**A4. Seasonal and cyclical factors**

The Group’s business operation results were not materially affected by any major seasonal or cyclical factors during the financial year ended 31 December 2014. However, the process equipment’s business operation result is very much dependent on the timing of completion of each project.

**A5. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

There were no items of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows during the financial year ended 31 December 2014.

**A6. Changes in accounting estimates**

There were no changes in accounting estimates that have a material effect in the current quarter results.

**A7. Debt and Equity Securities**

During the financial year, the Company re-purchased 2,000 of its issued ordinary shares of RM0.50 each (“SEB Shares”) from open market at an average price of approximately RM0.75 per share. The total consideration paid for the re-purchase including transaction cost was RM1,492. The shares re-purchased are held as treasury shares in accordance with section 67A of the Companies Act, 1965 and are presented as a deduction from total equity.

As at 31<sup>st</sup> December 2014, the number of treasury shares held was 319,200 SEB Shares as treasury shares out of its 80,000,000 SEB Shares.



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**Notes to the quarterly report – 31<sup>st</sup> December 2014**

**A8. Dividend Paid**

During the financial year ended 31 December 2014, an interim single-tier dividend of 4% amounting to RM1,593,636 in respect of financial year ending 31 December 2014 was paid on 5 June 2014.

**A9. Segmental information**

The Group is principally engaged in the fabrication of process equipment and metal structure and the provision of maintenance, repair and shutdown works. Therefore, business segmental information has not been prepared as the Group’s revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and non-cash expenses are confined to one business segment and located in Malaysia.

Major segments analysed by geographical location of customers are as follows:-

	Financial year ended	
	31.12.2014	31.12.2013
	<u>RM</u>	<u>RM</u>
<b>Revenue</b>		
— Domestic	96,130,661	58,839,458
— Overseas	25,828,970	46,958,680
	<u>121,959,631</u>	<u>105,798,138</u>

**A10. Capital Commitment**

The amount of capital commitment is as follows:

Approved and contracted for:	<u>RM</u>
Purchase of Property, Plant & Equipment	2,900,000

**A11. Material events subsequent to the end of the interim**

There was no material event subsequent to the end of the current year under review.

**A12. Changes in the composition of the Group**

There was no change in the composition of the Group during the current quarter under review.

**A13. Changes in contingent liabilities and contingent assets**

As at the date of this announcement, there were no material contingent liabilities and contingent assets incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.





**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**Notes to the quarterly report – 31<sup>st</sup> December 2014**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS  
OF BURSA SECURITIES**

**B1. Review of performance**

The current quarter results showed lower Group revenue of RM 26.25 million and a net loss after taxation after non-controlling interest of RM 9.12 million as compared to a revenue of RM 30.05 million and profit after tax after non-controlling interest of RM 1.04 million in the corresponding quarter in the previous financial year.

Meanwhile, the current year results also showed improved Group revenue of RM 121.96 million and a net loss after taxation after non-controlling interest of RM 5.758 million as compared to a revenue of RM 105.80 million and profit after tax after non-controlling interest of RM 6.27 million in the previous financial year.

The results were due to cost over-run on a particular project.

**B2. Variation of results against preceding quarter**

The Group’s loss before taxation of RM 11.66 million for the current quarter as compared to preceding quarter profit before tax of RM 1.29 million was attributed to cost over-run on a particular project.

**B3. Prospects**

With the market outlook in the palm oil and oil and gas sector remaining competitive, the Board anticipates 2015 to be challenging.

**B4. Profit forecast or profit guarantee**

The Group did not disclose or announce any profit forecast or projection in a public document in the current quarter or prior financial period.

**B5. Tax expense / (income)**

	Quarter Ended 31.12.2014 <u>RM’000</u>	Financial Year Ended 31.12.2014 <u>RM’000</u>
Income Tax	(1,191)	91
Deferred Tax	(1,596)	(1,874)
Total	<u>(2,787)</u>	<u>(1,783)</u>

The effective tax rate current quarter under review is lower than the statutory tax rate of 25% mainly due to tax losses that is not likely to reverse.



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**Notes to the quarterly report – 31<sup>st</sup> December 2014**

**B6. Notes to the Statements of Comprehensive Income**

	3 months ended		Year to date ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(150)	(14)	(189)	(25)
Interest expense	606	705	1,927	1,634
Depreciation	739	578	1,770	2,277
Impairment loss on trade receivables	179	21	179	21
(Gain) / Loss on disposal of property, plant and equipment	(1)	(188)	(1)	(94)

**B7. Group Borrowings**

The Group's borrowings as at 31<sup>st</sup> December 2014 were as follows:-

<u>Current</u>		RM'000
Secured	— Trade bills and other short term borrowings	48,382
	— Bank Overdraft	1,023
	— Term Loan	993
	— Hire Purchase	457
		<u>50,855</u>
<u>Non-current</u>		
Secured	— Term Loan	6,811
	— Hire Purchase	1,436
		<u>8,247</u>
		<u>59,102</u>

**B8. Changes in material litigation**

The Group is not engaged in any material litigation and arbitration, either as plaintiff or defendant, which has material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Group.

**B9. Dividends**

Saved as disclosed in Note A8, the Board does not recommend any dividend in respect of current quarter under review.



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**Notes to the quarterly report – 31<sup>st</sup> December 2014**

**B10. Loss per ordinary share (sen)**

**(a) Basic**

The basic loss per ordinary share amounts are calculated by dividing loss for the period attributable to ordinary equity owners of the parent by the weighted average number of ordinary shares in issue during the finance quarter ended 31<sup>st</sup> December 2014 are computed as follow:-

<u>Basic loss per share</u>	Current quarter <u>RM</u>	Current financial year <u>RM</u>
Net loss attributable to the owners of the company	(9,115,618)	(5,748,446)
Weighted average number of ordinary shares in issue	79,681,624	79,681,624
Basic loss per share (sen)	(11.44)	(7.21)

**(b) Diluted**

The diluted loss per share of the Group were not presented as there were no dilutive potential ordinary shares during the financial year.



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
(Company No: 45332-X)**

**Notes to the quarterly report – 31 December 2014**

**B11. Realised and unrealised profit / (losses) disclosure**

The breakdown of the retained profits / (accumulated losses) of the Group into realised and unrealised profit / (losses) are presented pursuant to the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance of Special Matter No 1 “*Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*”, issued by the Malaysian Institute of Accountants (Bursa Securities), as follows:

	As at end of current quarter <u>31.12.2014</u>	As at end of preceding quarter <u>30.09.2014</u>
Retained profits / (losses) of the Company and its subsidiaries:-		
— Realised	17,892,241	28,361,624
— Unrealised	(563,843)	(2,159,783)
	<u>17,328,398</u>	<u>26,201,841</u>
Share of accumulated profits / (losses) from associate and jointly controlled entities:-		
— Realised	(306,170)	(308,123)
	<u>17,022,228</u>	<u>25,893,718</u>
Less: Consolidation adjustments	(843,305)	(599,177)
Total Group retained profits as per Statement of Financial Position	<u>16,178,923</u>	<u>25,294,541</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By Order of the Board

Wong Chee Kian  
Managing Director