



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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH 2015**

	Unaudited as at 31.03.2015 RM	Audited as at 31.12.2014 RM
ASSETS		
Non-current assets		
Property, plant and equipment	53,909,574	51,933,378
Other receivables	645,000	765,000
Deferred Tax Asset	2,035,861	90,700
Investment properties	89,942	90,352
Investment in Associate & Jointly Controlled Company	9,040,091	9,069,419
	65,720,468	61,948,849
Current assets		
Inventories	27,190,940	31,423,484
Trade and other receivables	66,095,935	47,457,568
Deposit, cash and bank balances	471,871	14,628,489
	93,758,746	93,509,541
TOTAL ASSETS	159,479,214	155,458,390
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000,000	40,000,000
Treasury Shares	(157,426)	(157,426)
Other Reserves	5,583,931	5,583,931
Reserves	9,653,260	16,258,892
Equity attributable to owners of the parent	55,079,765	61,685,397
Non-controlling interest	767,309	838,506
Total equity	55,847,074	62,523,903
Non-current liabilities		
Bank borrowings	11,085,120	6,786,220
Hire purchases and lease payables	1,261,930	1,357,955
Deferred tax liabilities	-	353,002
	12,347,050	8,497,177
Current liabilities		
Trade and other payables	37,478,493	33,500,273
Bank borrowings	53,322,965	50,424,796
Hire purchases and lease payables	483,632	512,241
	91,285,090	84,437,310
TOTAL LIABILITIES	103,632,140	92,934,487
TOTAL EQUITY AND LIABILITIES	159,479,214	155,458,390
Net Asset per share attributable to owners of the parent (RM)	0.69	0.77

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31 December 2014 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 31ST MARCH 2015**

	← Attributable to Owners of the Company →					Non-Controlling Interests	Total Equity
	← Non-distributable →		Distributable				
	Share Capital	Share Premium	Treasury Shares	Retained Profit	Total		
	RM	RM	RM	RM	RM	RM	RM
As at 1st January 2015	40,000,000	5,583,931	(157,426)	16,258,892	61,685,397	838,506	62,523,903
Total comprehensive income / (expense) for the period	-	-	-	(6,605,632)	(6,605,632)	(71,197)	(6,676,829)
As at 31st March 2015	40,000,000	5,583,931	(157,426)	9,653,260	55,079,765	767,309	55,847,074
At 1st January 2014	40,000,000	5,583,931	(155,934)	23,761,006	69,189,003	753,719	69,942,722
Dividend paid	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,119,579	1,119,579	9,835	1,129,414
Share buy back	-	-	-	-	-	-	-
At 31st March 2014	40,000,000	5,583,931	(155,934)	24,880,585	70,308,582	763,554	71,072,136



**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 FIRST QUARTER ENDED 31ST MARCH 2015**

	1 st Quarter Ended		Financial Period Ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM	RM	RM	RM
Revenue	36,248,350	29,614,556	36,248,350	29,614,556
Operating (Loss) / Profit	(8,389,914)	1,991,585	(8,389,914)	1,991,585
Interest Expense	(576,501)	(416,279)	(576,501)	(416,279)
Interest Income	20,794	14,378	20,794	14,378
Share of loss of Associates	(29,328)	(93,863)	(29,328)	(93,863)
(Loss) / Profit before tax	<u>(8,974,948)</u>	<u>1,495,821</u>	<u>(8,974,948)</u>	<u>1,495,821</u>
Tax Credit / (Expense)	2,298,119	(366,407)	2,298,119	(366,407)
(Loss) / Profit after taxation	<u>(6,676,829)</u>	<u>1,129,414</u>	<u>(6,676,829)</u>	<u>1,129,414</u>
Total Comprehensive (Expense) / Income for the period	<u>(6,676,829)</u>	<u>1,129,414</u>	<u>(6,676,829)</u>	<u>1,129,414</u>
(Loss) / Profit after taxation attributable to :				
Owners of the Company	(6,605,632)	1,119,579	(6,605,632)	1,119,579
Non-Controlling Interest	<u>(71,197)</u>	<u>9,835</u>	<u>(71,197)</u>	<u>9,835</u>
	<u>(6,676,829)</u>	<u>1,129,414</u>	<u>(6,676,829)</u>	<u>1,129,414</u>
Total Comprehensive (Expense) / Income attributable to :				
Owners of the Company	(6,605,632)	1,119,579	(6,605,632)	1,119,579
Non-Controlling Interest	<u>(71,197)</u>	<u>9,835</u>	<u>(71,197)</u>	<u>9,835</u>
	<u>(6,676,829)</u>	<u>1,129,414</u>	<u>(6,676,829)</u>	<u>1,129,414</u>
Basic (Loss) / Earnings per share (sen)	(8.29)	1.40	(8.29)	1.40

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31st December 2014 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 31st MARCH 2015**

	1 st Quarter Ended	
	31.03.2015	31.03.2014
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(8,974,948)	1,495,821
Adjustment for:-		
Depreciation on plant, property and equipment	717,084	591,268
Depreciation on investment property	410	410
(Gain)/ Loss on disposal of property, plant and equipment	-	6,648
Share of results in associates	29,328	93,862
Interest expenses	576,501	416,278
Interest income	(20,794)	(14,378)
	<u>(7,672,419)</u>	<u>2,589,909</u>
Changes in working capital		
Inventories	4,232,544	6,190,942
Amount due from contract customers	(6,034,008)	(1,773,713)
Trade and other receivables, prepayment and other assets	(11,962,047)	2,832,414
Trade and other payables	3,912,917	(11,597,902)
	<u>(17,523,013)</u>	<u>(1,758,350)</u>
Cash generated from / (used in) operations	(17,523,013)	(1,758,350)
Interest paid	(576,501)	(416,278)
Interest received	20,793	14,378
Tax refund	-	-
Tax paid	(457,052)	(482,653)
	<u>(18,535,773)</u>	<u>(2,642,903)</u>
Net cash used in operating activities	(18,535,773)	(2,642,903)
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,693,280)	(664,593)
	<u>(2,693,280)</u>	<u>(664,593)</u>
Net cash used in investing activities	(2,693,280)	(664,593)

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31st December 2014 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 31st MARCH 2015 - continued

	1 st Quarter Ended	
	31.03.2015	31.03.2014
	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from Term Loan	4,546,522	-
Drawdown from hire purchase and lease payables	-	221,500
Repayment of Revolving Credit	(5,000,000)	-
Net movement in trade bills	7,013,446	(1,869,000)
Repayment of hire purchase and lease payables	(124,634)	(88,553)
Repayment of term loans	(250,757)	(238,650)
Purchase of treasury shares	-	(641)
Net cash from financing activities	<u>6,184,577</u>	<u>(1,975,344)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,044,476)	(5,282,840)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>13,604,111</u>	<u>10,028,505</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u><u>(1,440,365)</u></u>	<u><u>4,745,665</u></u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Short term deposit placed with licensed banks	67,218	2,230,391
Cash and bank balances	404,653	2,788,258
	<u>471,871</u>	<u>5,018,649</u>
Bank overdraft	<u>(1,912,236)</u>	<u>(272,984)</u>
	<u><u>(1,440,365)</u></u>	<u><u>4,745,665</u></u>

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31st December 2014 with the accompanying explanatory notes attached to the financial statements.



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

Notes to the quarterly report – 31st March 2015

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 period ended 31st March 2015, 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 31st December 2014.

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 2014 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 2014 except as described below.

As of 1 January 2015, the Group has adopted the following amendments to MFRSs and IC Interpretation which are effective for annual periods beginning on or after 1 January 2015.

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

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

- Amendments to MFRS 2 “Share-based Payment”
- Amendment to MFRS 3 “Business Combinations”
- Amendment to MFRS 8 “Operating Segments”
- Amendment to MRRS 13 “Fair Value Measurement”
- Amendment to MFRS 116 “Property, Plant and Equipment”
- Amendment to MFRS 124 “Related Party Disclosures”

Annual Improvements to MFRSs 2011 – 2013 Cycle

- Amendments to MFRS 3
- Amendments to MFRS 13
- Amendment to MFRS 140 “Investment Property”

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



**SEREMBAN ENGINEERING BERHAD (“SEB”)
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Notes to the quarterly report – 31st March 2015

A2. Significant Accounting Policies (cont)

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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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
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 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
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 2014 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 period ended 31st March 2015. 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 period ended 31st March 2015.

A6. Changes in accounting estimates

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



**SEREMBAN ENGINEERING BERHAD (“SEB”)
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Notes to the quarterly report – 31st March 2015

A7. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale or repayments of debt and equity securities during the quarter ended 31st March 2015.

As at 31st March 2015, the number of treasury shares held was 319,200 SEB Shares as treasury shares out of its 80,000,000 SEB Shares.

A8. Dividend Paid

There were no dividends paid for the financial period ended 31 March 2015.

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:-

	3 months’ period ended	
	31.03.2015	31.03.2014
	<u>RM</u>	<u>RM</u>
Revenue		
— Domestic	26,343,403	27,882,226
— Overseas	9,904,947	1,732,330
	<u>36,248,350</u>	<u>29,614,556</u>

A10. Capital Commitment

There were no capital commitment approved and contracted for during the current period ended 31st March 2015.

A11. Material events subsequent to the end of the interim

There was no material event subsequent to the end of the current quarter 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.



**SEREMBAN ENGINEERING BERHAD (“SEB”)
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Notes to the quarterly report – 31st March 2015

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.

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

B1. Review of performance

The current quarter results showed higher Group revenue of RM 36.25 million and a net loss after taxation after non-controlling interest of RM 6.61 million as compared to a revenue of RM 29.61 million and profit after tax after non-controlling interest of RM 1.12 million in the corresponding quarter 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 8.97 million for the current quarter as compared to preceding quarter’s loss before tax of RM 12.02 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 credit / (expense)

	Quarter Ended 31.03.2015 RM’000	Quarter Ended 31.03.2014 RM’000
Income Tax	(11)	(484)
Deferred Tax	2,309	118
Total	<u>2,298</u>	<u>(366)</u>

The effective tax rate for the current quarter approximates that of the statutory tax rate of 25%.



**SEREMBAN ENGINEERING BERHAD (“SEB”)
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Notes to the quarterly report – 31st March 2015

B6. Notes to the Statements of Comprehensive Income

	3 months ended		Year to date ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Interest income	(20)	(14)	(20)	(14)
Interest expense	576	416	576	416
Depreciation	717	592	717	592

B7. Group Borrowings

The Group's borrowings as at 31st March 2015 were as follows:-

<u>Current</u>		RM'000
Secured	— Trade bills and other short term borrowings	50,396
	— Bank Overdraft	1,912
	— Term Loan	1,015
	— Hire Purchase	484
		<hr/> 53,807
<u>Non-current</u>		
Secured	— Term Loan	11,085
	— Hire Purchase	1,262
		<hr/> 12,347
		<hr/> <hr/> 66,154

B8. Status of Corporate Proposals

There were no corporate proposals announced by the Company as at the date of the issue of this quarterly report.

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.



**SEREMBAN ENGINEERING BERHAD (“SEB”)
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Notes to the quarterly report – 31st March 2015

B9. Dividends

The Board does not recommend any dividend in respect of current quarter under review.

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 financial period ended 31st March 2015, computed as follows:-

<u>Basic loss per share</u>	Current quarter <u>RM</u>	Current year to date <u>RM</u>
Net loss attributable to the owners of the company	(6,605,632)	(6,605,632)
Weighted average number of ordinary shares in issue	79,680,800	79,680,800
Basic loss per share (sen)	(8.29)	(8.29)

(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”)
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Notes to the quarterly report – 31st March 2015

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 <u>31.3.2015</u>	As at <u>31.12.2014</u>
Retained profits / (losses) of the Company and its subsidiaries:-		
— Realised	8,623,119	17,539,453
— Unrealised	2,035,861	(262,302)
	<u>10,658,980</u>	<u>17,277,151</u>
Share of accumulated profits / (losses) from associate and jointly controlled entities:-		
— Realised	(359,909)	(330,581)
	<u>10,299,071</u>	<u>16,946,570</u>
Less: Consolidation adjustments	(645,811)	(687,678)
Total Group retained profits as per Statement of Financial Position	<u><u>9,653,260</u></u>	<u><u>16,258,892</u></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