



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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>ST</sup> DECEMBER 2015**

	<b>Unaudited as at 31.12.2015 RM</b>	<b>Audited as at 31.12.2014 RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	54,733,334	51,933,378
Other receivables	615,000	765,000
Deferred Tax Asset	79,030	90,700
Investment properties	88,713	90,352
Investment in Associate & Jointly Controlled Company	10,974	9,069,419
	<u>55,527,051</u>	<u>61,948,849</u>
<b>Current assets</b>		
Inventories	26,757,399	31,423,484
Trade and other receivables	49,339,231	47,457,568
Deposit, cash and bank balances	8,237,220	14,628,489
Asset held for sale	8,673,447	-
	<u>93,007,297</u>	<u>93,509,541</u>
<b>TOTAL ASSETS</b>	<b><u>148,534,348</u></b>	<b><u>155,458,390</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	40,000,000	40,000,000
Treasury Shares	(157,426)	(157,426)
Other Reserves	5,583,931	5,583,931
Reserves	(2,711,988)	16,258,892
<b>Equity attributable to owners of the parent</b>	<u>42,714,517</u>	<u>61,685,397</u>
<b>Non-controlling interest</b>	814,663	838,506
<b>Total equity</b>	<u>43,529,180</u>	<u>62,523,903</u>
<b>Non-current liabilities</b>		
Bank borrowings	11,598,096	6,786,220
Hire purchases and lease payables	935,810	1,357,955
Deferred tax liabilities	376,832	353,002
	<u>12,910,737</u>	<u>8,497,177</u>
<b>Current liabilities</b>		
Trade and other payables	53,395,216	33,500,273
Bank borrowings	38,229,999	50,424,796
Hire purchases and lease payables	469,216	512,241
	<u>92,094,431</u>	<u>84,437,310</u>
<b>TOTAL LIABILITIES</b>	105,005,168	92,934,487
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>148,534,348</u></b>	<b><u>155,458,390</u></b>
<b>Net Asset per share attributable to owners of the parent (RM)</b>	<b>0.54</b>	<b>0.77</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 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 31<sup>ST</sup> DECEMBER 2015**

	← Attributable to Owners of the Company →						Non-Controlling Interests	Total Equity	
	← Non-distributable →			Distributable		RM			RM
	Share Capital	Share Premium	Treasury Shares	Retained Profit	Total				
RM	RM	RM	RM	RM	RM	RM			
<b>As at 1<sup>st</sup> January 2015</b>	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	-	-	-	(18,970,880)	(18,970,880)	(23,843)	(18,994,723)		
<b>As at 31<sup>st</sup> December 2015</b>	40,000,000	5,583,931	(157,426)	(2,711,988)	42,714,517	814,663	43,529,180		
<b>As at 1<sup>st</sup> January 2014</b>	40,000,000	5,583,931	(155,934)	23,761,006	69,189,003	753,719	69,942,722		
Dividend paid	-	-	-	(1,593,636)	(1,593,636)	-	(1,593,636)		
Total comprehensive income for the period	-	-	-	(5,908,478)	(5,908,478)	84,787	(5,823,691)		
Share buy back	-	-	(1,492)	-	(1,492)	-	(1,492)		
<b>As at 31<sup>st</sup> December 2014</b>	40,000,000	5,583,931	(157,426)	16,258,893	61,685,397	838,506	62,523,903		



**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 2015**

	4 <sup>th</sup> Quarter Ended		Financial Period Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM	RM	RM	RM
Revenue	21,954,713	26,798,993	114,359,338	122,510,336
Operating (Loss) / Profit	(1,527,858)	(11,590,777)	(15,592,178)	(6,180,558)
Interest Expense	(1,019,795)	(553,996)	(3,084,604)	(1,862,569)
Interest Income	17,443	150,482	40,051	189,212
Share of Profit / ( loss) of Associates	(313,672)	(22,459)	(384,998)	(12,493)
(Loss) / Profit before tax	<u>(2,843,883)</u>	<u>(12,016,750)</u>	<u>(19,021,729)</u>	<u>(7,866,408)</u>
Tax Credit / (Expense)	35,042	3,047,147	27,006	2,042,717
(Loss) / Profit after taxation	<u>(2,808,841)</u>	<u>(8,969,603)</u>	<u>(18,994,723)</u>	<u>(5,823,691)</u>
Total Comprehensive (Expense) / Income for the period	<u>(2,808,841)</u>	<u>(8,969,603)</u>	<u>(18,994,723)</u>	<u>(5,823,691)</u>
(Loss) / Profit after taxation attributable to :				
Owners of the Company	(2,972,062)	(9,275,648)	(18,970,880)	(5,908,478)
Non-Controlling Interest	163,221	306,045	(23,843)	84,787
	<u>(2,808,841)</u>	<u>(8,969,603)</u>	<u>(18,994,723)</u>	<u>(5,823,691)</u>
Total Comprehensive (Expense) / Income attributable to :				
Owners of the Company	(2,972,062)	(9,275,648)	(18,970,880)	(5,908,478)
Non-Controlling Interest	163,221	306,045	(23,843)	84,787
	<u>(2,808,841)</u>	<u>(8,969,603)</u>	<u>(18,994,723)</u>	<u>(5,823,691)</u>
Basic (Loss) / Earnings per share (sen)	(3.73)	(11.64)	(23.81)	(7.42)

*The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 31<sup>st</sup> 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 31<sup>st</sup> DECEMBER 2015**

	<b>4<sup>th</sup> Quarter Ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss) before tax</b>	(19,021,729)	(7,866,408)
<b>Adjustment for:-</b>		
Impairment losses on trade receivables	2,278,024	671,015
Unrealised gain on foreign exchange	-	46,405
Depreciation on plant, property and equipment	2,717,142	2,506,436
Depreciation on investment property	1,639	1,640
Foreseeable losses from contractual customer	-	4,662,045
Gain on disposal of property, plant and equipment	-	(940)
Property, Plant & Equipment Written Off	67,679	26,468
Share of results in associates	384,998	12,493
Reversal of impairment losses on trade receivables	-	(209)
Interest expenses	3,084,604	1,862,569
Interest income	(40,051)	(189,212)
	<u>(10,527,696)</u>	<u>1,732,302</u>
<b>Changes in working capital</b>		
Inventories	4,666,085	(4,927,228)
Amount due from contract customers	11,922,462	(13,473,396)
Trade and other receivables, prepayment and other assets	(14,139,792)	11,291,612
Trade and other payables	6,713,724	2,531,063
	<u>(1,365,217)</u>	<u>(2,845,648)</u>
<b>Cash generated (used in) operations</b>		
Interest paid	(3,084,604)	(1,862,569)
Interest received	40,051	189,212
Tax paid	518,877	(2,046,770)
	<u>(3,890,893)</u>	<u>(6,565,774)</u>
<b>Net cash used in operating activities</b>		
	<u>(3,890,893)</u>	<u>(6,565,774)</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	726,529	8,327
Purchase of property, plant and equipment	(6,311,307)	(6,269,691)
Investment in Associates	-	(600,000)
	<u>(5,584,778)</u>	<u>(6,861,364)</u>
<b>Net cash used in investing activities</b>		
	<u>(5,584,778)</u>	<u>(6,861,364)</u>

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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 2015 – continued**

	<b>4<sup>th</sup> Quarter Ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount due to ultimate holding company	10,932,495	-
Drawdown from Term Loan	6,166,304	-
Dividend paid	-	(1,593,636)
Net movement in trade bills	(12,400,881)	20,074,254
Repayment of hire purchase and lease payables	(465,171)	(512,019)
Repayment of term loans	(866,452)	(964,363)
Purchase of treasury shares	-	(1,492)
<b>Net cash from financing activities</b>	<u>3,366,295</u>	<u>17,002,744</u>
<b>NET (DECREASE) / INCREASE / IN CASH AND CASH EQUIVALENTS</b>	(6,109,376)	3,575,606
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>13,604,111</u>	<u>10,028,505</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u><u>7,494,735</u></u>	<u><u>13,604,111</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Short term deposit placed with licensed banks	3,409,002	7,698,693
Cash and bank balances	<u>4,828,218</u>	<u>6,929,796</u>
	8,237,220	14,628,489
Bank overdraft	<u>(742,485)</u>	<u>(1,024,378)</u>
	<u><u>7,494,735</u></u>	<u><u>13,604,111</u></u>

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

**Notes to the quarterly report – 31<sup>st</sup> December 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 31<sup>st</sup> December 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 31<sup>st</sup> 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 MFRS 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 – 31<sup>st</sup> December 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:-

<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 & Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
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<sup>st</sup> 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 31<sup>st</sup> December 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 31<sup>st</sup> December 2015.



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
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**Notes to the quarterly report – 31<sup>st</sup> December 2015**

**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**

There were no issuance, cancellations, repurchases, resale or repayments of debt and equity securities during the quarter ended 31<sup>st</sup> December 2015.

As at 31<sup>st</sup> December 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<sup>st</sup> December 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:-

	12 months’ period ended	
	31.12.2015	31.12.2014
	<u>RM</u>	<u>RM</u>
<b>Revenue</b>		
— Domestic	88,975,270	96,681,366
— Overseas	25,384,068	25,828,970
	<u>114,359,338</u>	<u>122,510,336</u>

**A10. Capital Commitment**

There were no capital commitment approved and contracted for during the current period ended 31<sup>st</sup> December 2015.





**SEREMBAN ENGINEERING BERHAD (“SEB”)  
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**Notes to the quarterly report – 31<sup>st</sup> December 2015**

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

The Group has, on 22<sup>nd</sup> July 2015, entered into a conditional Share Sale Agreement with Grand River Marketing Sdn Bhd (1140512-P) (“Purchaser”) for, inter alia, the proposed disposal of the entire 40% equity interest held by SEB in Selektta Spektra Sdn Bhd (942891-H) (“SELEKTA”) comprising 2,370,000 ordinary shares of RM1.00 each (“Sale Shares”) to the Purchaser at approximately RM4.22 per Sale Share for a cash consideration of RM10,000,000 (Ringgit Malaysia Ten Million) only upon the terms and subject to the conditions as stipulated in the Agreement (“Proposed Disposal”). The details of the arrangement was announced on 22<sup>nd</sup> July 2015 at the Company Announcement section of Bursa Malaysia.

Further to the company announcement made on 22<sup>nd</sup> July 2015, we have received RM2,000,000 ( Ringgit Malaysia Two Million) being the deposit pursuant to Clause 1.3(a) of the Share Sale Agreement.

On 23<sup>rd</sup> February 2016, purchaser solicitor confirmed their Client’s satisfaction with the Due Diligence Review report pursuant to Clause 2.6 of the share Sales Agreement dated 22<sup>nd</sup> July 2015

**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.

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

**B1. Review of performance**

The current quarter results showed Group revenue of RM21.95 and a net loss after taxation after non-controlling interest of RM2.97 million after deducting the provision of impairment of other receivable of project amounting to RM2.28 million as compared to a revenue of RM 26.80 million and loss after tax after non-controlling interest of RM 9.28 million in the corresponding quarter in the previous financial year.

Meanwhile, the current year results showed Group revenue of RM 114.36 million and a net loss after taxation after non-controlling interest of RM 18.97 million as compared to a revenue of RM 122.51 million and loss after tax after non-controlling interest of RM 5.91 million in the corresponding quarter in the previous financial year.

The results were mainly due to cost overrun on SAMUR project recognised during the year and impairment of other receivable which was partly offset by positive contribution from other projects.



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
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**Notes to the quarterly report – 31<sup>st</sup> December 2015**

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

The Group recorded loss before taxation of RM2.84 million for the current quarter as compared to preceding quarter’s loss before tax of RM8.00 million mainly due to provision for impairment of other receivable of project amounting to RM2.28 million.

**B3. Prospects**

Malaysia’s economic outlook remain challenging due to decline in oil prices and depreciating currency.

Nevertheless, the company is stepping up its effort to focus on its core business in fabrication of pressure vessels and process equipment for oil and fats industries, chemical, downstream petrochemical, water treatment and power plants.

With the encouraging inquiries received, the Board is aim to turnaround the Company and expect to achieve positive result in 2016.

**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**

	3 months ended		Year to date ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>	<u>RM’000</u>
Income Tax	-	(1,155)	-	126
Deferred Tax	(35)	(1,892)	(27)	(2,169)
<b>Total</b>	<b>(35)</b>	<b>(3,047)</b>	<b>(27)</b>	<b>(2,043)</b>

No provision of tax is required as the company suffered losses for the financial year.



**SEREMBAN ENGINEERING BERHAD (“SEB”)  
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**Notes to the quarterly report – 31<sup>st</sup> December 2015**

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

	3 months ended		Year to date ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Interest income	(17)	(150)	(40)	(189)
Interest expense	1,020	554	3,085	1,862
Depreciation	730	417	2,717	2,506

**B7. Group Borrowings**

The Group's borrowings as at 31<sup>st</sup> December 2015 were as follows:-

<u>Current</u>		RM'000
Secured	— Trade bills and other short term borrowings	35,981
	— Bank Overdraft	742
	— Term Loan	1,506
	— Hire Purchase	469
		<u>38,699</u>
 <u>Non-current</u>		
Secured	— Term Loan	11,598
	— Hire Purchase	936
		<u>12,534</u>
		<u><u>51,233</u></u>

**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, save as disclosed below.

The Group was served with a notice pursuant to Section 218 of the Companies Act 1965 (“218 Notice”) by a vendor to demand repayment of a purported debt. In response, the Group filed an Originating Summons ( OS) together with a Notice of Application seeking an injunction to restrain the said vendor from taking any further action in relation to the 218 Notice. An interlocutory injunction pursuant to the said Notice of Application was granted on 23.12.2015, pending final disposal of the OS.



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**Notes to the quarterly report – 31<sup>st</sup> December 2015**

On 3.2.2016, a decision in respect of the OS was delivered by the Kuala Lumpur High Court (KLHC) which found in the Group’s favour. The learned Judge found that the Group had shown that the purported debt was a bona fide disputed debt and satisfied the Court’s threshold for granting the declarations sought by the Group. In essence, the vendor is now prevented from presenting a winding-up petition against the Group for the purported debt and this decision constitutes final disposal of the KLHC proceedings.

However, the vendor has appealed against this decision to the Court of Appeal (COA). The appeal is being duly case managed but has not been scheduled for hearing as yet.

**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 31<sup>st</sup> December 2015, computed as follow:-

<u>Basic loss per share</u>	Current quarter <u>RM</u>	Current year to date <u>RM</u>
Net Profit / (Net loss) attributable to the owners of the company	(2,972,062)	(18,970,880)
Weighted average number of ordinary shares in issue	79,680,800	79,680,800
Basic earnings / (loss) per share (sen)	(3.73)	(23.81)

**(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 – 31<sup>st</sup> December 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:

	<u>As at 31.12.2015</u>	<u>As at 30.09.2015</u>
Retained profits / (losses) of the Company and its subsidiaries:-		
— Realised	(649,772)	1,504,259
— Unrealised	(297,802)	(270,338)
	<u>(947,574)</u>	<u>1,233,921</u>
Share of accumulated profits / (losses) from associate and jointly controlled entities:-		
— Realised	(715,579)	(401,907)
	<u>(1,663,153)</u>	<u>832,015</u>
Less: Consolidation adjustments	(1,048,835)	(571,942)
Total Group retained profits as per Statement of Financial Position	<u>(2,711,988)</u>	<u>260,073</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 Wai Hung  
Executive Director