



SEREMBAN ENGINEERING BERHAD (45332 – X)

A3. 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 March 2017. However, the process equipment's business operation result is depend on the status of work in progress and timing of completion of each project.

A4. 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 March 2017.

A5. Changes in accounting estimates

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

A6. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale or repayments of debt and equity securities during the quarter ended 31 March 2017.

As at 31 March 2017, the number of treasury shares held was 319,200 SEB Shares as treasury shares out of its 80,000,000 SEB Shares.

A7. Dividend Paid

There were no dividends paid for the financial period ended 31 March 2017.

A8. 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:-

	9 months' period ended	
	31.03.2017	31.03.2016
	<u>RM'000</u>	<u>RM'000</u>
Revenue		
— Domestic	30,093	N/A
— Overseas	35,712	N/A
	<u>65,805</u>	<u>N/A</u>



SEREMBAN ENGINEERING BERHAD (45332 – X)

A9. Capital Commitment

Capital commitment not provided for in the interim report as at 31 March 2016 was RM636,000.00.

A10. Material events subsequent to the end of the interim

There were no material events subsequent to the end of the quarter under review.

A11. Changes in the composition of the Group

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

A12. Changes in contingent liabilities and contingent assets

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.

A13. Significant related party transactions

There were no significant related party transactions during the financial period under review.



SEREMBAN ENGINEERING BERHAD (45332 – X)

PART B : OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

B1. Review of performance

The Group recorded its revenue of RM20.34 million and profit after tax of RM1.57 million for the current financial quarter ended 31 March 2017 as compare a revenue of RM20.58 million and Loss after tax of RM0.92 million in its preceding year's corresponding quarter ended 31 March 2016.

The Group recorded an increase in profit after tax of RM2.49 million during the current quarter as compared to its preceding year's corresponding quarter and it was mainly due to better project management and cost control and partial recovery of its impaired debts.

As on the year to date basis, the Group recorded revenue and profit after tax of RM65.8 million and RM5.71 million respectively. There were no comparative information for the 9 months period ended 31 March 2016 as due to change of financial year end.

B2. Comparison with immediate preceding quarter's results

The Group's profit after tax of RM1.57 million in the current financial quarter ended 31 March 2017 was lower as compare to the immediate preceding quarter profit after tax of RM3.12 million mainly due to high recovery of impaired debts registered in the immediate preceding financial quarter.

B3. Prospects for the financial year

Despite challenging economic outlook, the company is stepping up its efforts 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 Company marketing strategy in broadening the customer base and products especially in steel structure and piping works coupled with strengthening project management and cost control, the Board aims to streamline the operations so to generate positive results for the Company in this coming financial year end.

B4. Profit forecast or profit guarantee

This is not applicable to the Group.

B5. Tax expense

No provision of tax is required as the company has sufficient unabsorbed tax losses brought forward.



SEREMBAN ENGINEERING BERHAD (45332 – X)

B6. Notes to the Statements of Comprehensive Income

	Individual Period 3 months ended 31.03.2017 RM'000	Cumulative Period 9 months ended 31.03.2017 RM'000
Interest income	(69)	(71)
Interest expense	536	1,991
Depreciation	493	1,493
Gain on foreign exchange	(85)	(293)
Gain on disposal of PPE	-	(413)
Reversal of impairment losses on trade receivable	(1,040)	(4,354)
Other income	(303)	(668)

B7. Group Borrowings

The Group's borrowings as at 31 March 2017 were as follows:-

	Current Secured RM'000	Non-Current Secured RM'000	Total RM'000
Term loan	1,945	13,944	15,889
Hire Purchase	355	686	1,041
Trade bills and other short term borrowings	24,085	-	24,085
Total	26,385	14,630	41,015

All the borrowings are denominated in Ringgit Malaysia (RM)

B8. Status of Corporate Proposals

There are no corporate proposals pending during the quarter under review.

B9. Material litigation updates

Save as disclosed below, there were no material litigation pending or changes to the status of material litigations since the last annual balance sheet date up to the date of this report.

The Company had on 3 May 2017 filed a Writ of Summons and Statement of Claim in the High Court of Malaya at Seremban against Aarykin Special Steel Sdn Bhd ("ASS"). The claim is for a sum of RM1,312,104.12 for breach of contract.

The court had on 4 May 2017 fixed the matter on case management on 19 June 2017.



SEREMBAN ENGINEERING BERHAD (45332 - X)

B10. Dividends

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

B11. Earnings per ordinary share

(a) Basic

The basic earnings per ordinary share amounts are calculated by dividing profit 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 March 2017, computed as follow:-

	Individual Period 3 months ended 31.03.2017	Individual Period 3 months ended 31.03.2016	Cumulative Period 9 months ended 31.03.17	Cumulative Period 9 months ended 31.03.16
Net profit attributable to the owners of the Company (RM'000)	1,571	(782)	3,708	N/A
Weighted average number of ordinary shares in issue ('000)	79,681	79,681	79,681	N/A
Basic earnings per share (Sen)	1.97	(0.98)	4.65	N/A

Note: Due to the change in financial year end from 31 December 2015 to 30 June 2016, there were no comparative financial information available for the cumulative 9 months financial period ended 31 March 2016.

(b) Diluted

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



SEREMBAN ENGINEERING BERHAD (45332 – X)

B12. Realised and unrealised profit / (losses) disclosure

The breakdown of the 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.

	As at 31.03.2017 (unaudited) RM'000	As at 30.06.2016 (Audited) RM'000
Total accumulated losses of the Group:-		
— Realised	(12,136)	(20,850)
— Unrealised	85	106
	<u>(12,051)</u>	<u>(20,744)</u>
Share of accumulated losses from associate and jointly controlled entities:-		
— Realised	(283)	(284)
	<u>(12,334)</u>	<u>(21,028)</u>
Less: Consolidation adjustments	(3,865)	1,121
Total Group accumulated losses as per Statement of Financial Position	<u>(16,199)</u>	<u>(19,907)</u>

The disclosure of realised and unrealised (losses)/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.

This interim financial report is dated 29 May 2017.

By Order of the Board

Wong Wai Hung
Executive Director