



SEREMBAN ENGINEERING BERHAD  
[Company No: 197901001059 (45332 – X)]

CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021

|  | As at 30.09.2021<br>Unaudited<br>RM'000 | As at 30.06.2021<br>Audited<br>RM'000 |
|--|---|---------------------------------------|
| <b>ASSETS</b>  |   |                                       |
| <b>Non-current assets</b>  |   |                                       |
| Property, plant and equipment  | 32,065                                  | 32,257                                |
| Deferred tax asset   | 1,380                                   | 1,380                                 |
|  | <b>33,445</b>                           | <b>33,637</b>                         |
| <b>Current assets</b>  |   |                                       |
| Inventories  | 3,706                                   | 3,181                                 |
| Trade and other receivables  | 23,353                                  | 33,861                                |
| Contract assets  | 31,051                                  | 21,450                                |
| Assets held for sale   | 8,755                                   | 10,300                                |
| Current tax assets   | 222                                     | 210                                   |
| Deposit, cash and bank balances                                      | 3,849                                   | 3,619                                 |
|  | <b>70,936</b>                           | <b>72,621</b>                         |
| <b>TOTAL ASSETS</b>  | <b>104,381</b>                          | <b>106,258</b>                        |
| <b>EQUITY AND LIABILITIES</b>  |   |                                       |
| <b>Equity</b>  |   |                                       |
| Share capital  | 45,584                                  | 45,584                                |
| Treasury shares  | (157)                                   | (157)                                 |
| Reserves   | (20,235)                                | (20,992)                              |
| <b>Equity attributable to owners of the parent</b>                   | <b>25,192</b>                           | <b>24,435</b>                         |
| Non-controlling interest   | -                                       | -                                     |
| <b>Total equity</b>  | <b>25,192</b>                           | <b>24,435</b>                         |
| <b>Non-current liabilities</b>                                       |   |                                       |
| Bank borrowings  | 12,812                                  | 12,812                                |
| Hire purchases payables  | 1,744                                   | 536                                   |
|  | <b>14,556</b>                           | <b>13,348</b>                         |
| <b>Current liabilities</b>   |   |                                       |
| Trade and other payables   | 34,396                                  | 42,687                                |
| Contract liabilities   | 10,365                                  | 5,031                                 |
| Bank borrowings  | 19,370                                  | 20,357                                |
| Hire purchases payables  | 502                                     | 400                                   |
|  | <b>64,633</b>                           | <b>68,475</b>                         |
| <b>TOTAL LIABILITIES</b>   | <b>79,189</b>                           | <b>81,823</b>                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  | <b>104,381</b>                          | <b>106,258</b>                        |
| <b>Net Asset per share attributable to owners of the parent (RM)</b> | <b>0.32</b>                             | <b>0.31</b>                           |

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 30th June 2021 with the accompanying explanatory notes attached to the financial statements.



**SEREMBAN ENGINEERING BERHAD**  
[Company No: 197901001059 (45332 – X)]

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

|  | Current<br>Quarter Ended<br>30.09.2021 | Preceding<br>Corresponding<br>Quarter Ended<br>30.09.2020 | Current Financial<br>Year Ended<br>30.09.2021 | Preceding<br>Financial Corresponding<br>Year Ended<br>30.09.2020 |
|--|--|---|---|--|
|  | RM'000                                 | RM'000  | RM'000  | RM'000   |
| Revenue                                      | 30,034                                 | 15,110  | 30,034  | 15,110   |
| Operating profit                             | 1,097                                  | 693   | 1,097   | 693  |
| Interest expense                             | (342)                                  | (551)   | (342)   | (551)  |
| Interest income                              | 1                                      | 8   | 1   | 8  |
| Profit before taxation                       | <u>756</u>                             | <u>150</u>  | <u>756</u>                                    | <u>150</u>   |
| Taxation                                     | 1                                      | -   | 1   | -  |
| Profit after taxation                        | <u>757</u>                             | <u>150</u>  | <u>757</u>                                    | <u>150</u>   |
| Total comprehensive profit for the period    | <u>757</u>                             | <u>150</u>  | <u>757</u>                                    | <u>150</u>   |
| Profit after taxation attributable to :      |  |   |   |  |
| Owners of the company                        | 757                                    | 150   | 757   | 150  |
| Non-controlling interests                    | -                                      | -   | -   | -  |
|  | <u>757</u>                             | <u>150</u>  | <u>757</u>                                    | <u>150</u>   |
| Total comprehensive profit attributable to : |  |   |   |  |
| Owners of the company                        | 757                                    | 150   | 757   | 150  |
| Non-controlling interests                    | -                                      | -   | -   | -  |
|  | <u>757</u>                             | <u>150</u>  | <u>757</u>                                    | <u>150</u>   |
| Basic earnings per share (sen)               | 0.95                                   | 0.19  | 0.95  | 0.19   |

*The unaudited Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 30th June 2021 with the accompanying explanatory notes attached to the financial statements.*



SEREMBAN ENGINEERING BERHAD  
[Company No: 197901001059 (45332 – X)]

CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

|   | Share Capital | Treasury Shares | Accumulated Losses | Total  | Non-Controlling Interests | Total Equity |
|---|---------------|-----------------|--------------------|--------|---------------------------|--------------|
|   | RM'000        | RM'000          | RM'000             | RM'000 | RM'000                    | RM'000       |
| <b>Restated as at 30 June 2020</b>        | 45,584        | (157)           | (23,603)           | 21,824 | -                         | 21,824       |
| Total comprehensive income for the period | -             | -               | 2,611              | 2,611  | -                         | 2,611        |
| <b>As at 30 June 2021</b>                 | 45,584        | (157)           | (20,992)           | 24,435 | -                         | 24,435       |
| Total comprehensive income for the period | -             | -               | 757                | 757    | -                         | 757          |
| <b>As at 30 September 2021</b>            | 45,584        | (157)           | (20,235)           | 25,192 | -                         | 25,192       |

*The unaudited Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 30th June 2021 with the accompanying explanatory notes attached to the financial statements.*



**SEREMBAN ENGINEERING BERHAD**

[Company No: 197901001059 (45332 – X)]

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF CASHFLOW  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

|   | <b>Financial Period</b> | <b>Preceding</b>      |
|---|-------------------------|-----------------------|
|   | <b>Ended</b>            | <b>Financial Year</b> |
|   | <b>30.09.2021</b>       | <b>Ended</b>          |
|   | <b>Unaudited</b>        | <b>30.06.2021</b>     |
|   | <b>RM'000</b>           | <b>Audited</b>        |
|   |                         | <b>RM'000</b>         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |                         |                       |
| <b>Profit before Tax</b>  | 757                     | 2,611                 |
| <b>As at 30 September 2021</b>  |                         |                       |
| <b>Adjustments :</b>  |                         |                       |
| Unrealised gain on foreign exchange                                       | (5)                     | (43)                  |
| Reversal of impairment losses on receivables                              | -                       | (92)                  |
| Allowance for impairment losses on contract assets                        | -                       | 238                   |
| Reversal of inventories written down                                      | (112)                   | -                     |
| Inventories written down  | -                       | 427                   |
| Depreciation on plant, property and equipment                             | 397                     | 1,705                 |
| Depreciation on investment properties                                     | -                       | 253                   |
| Gain on disposal of property, plant and equipment                         | -                       | (3,880)               |
| Loss on disposal of investment property                                   | -                       | 190                   |
| Interest expense  | 342                     | 1,998                 |
| Interest income   | (1)                     | (30)                  |
| Operating profit before working capital changes                           | 1,378                   | 3,377                 |
| <b>Changes in working capital</b>   |                         |                       |
| Inventories   | (413)                   | 166                   |
| Contract assets   | (9,599)                 | (2,047)               |
| Contract liabilities  | 5,334                   | 2,960                 |
| Trade and other receivables   | 11,480                  | (18,587)              |
| Trade and other payables  | (6,858)                 | 14,158                |
| <b>Cash generated from operations</b>                                     | 1,322                   | 27                    |
| Interest paid   | (342)                   | (1,723)               |
| Interest received   | 1                       | 30                    |
| Tax paid  | (11)                    | (108)                 |
| <b>Net cash generated from / (used in) operating activities</b>           | 970                     | (1,774)               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |                         |                       |
| Proceeds from disposal of property, plant and equipment                   | 550                     | 953                   |
| Purchase of property, plant and equipment                                 | (205)                   | (1,027)               |
| Increase in pledged deposit with licensed bank                            | (274)                   | (1,760)               |
| Release of pledged deposit with licensed bank                             | 468                     | 1,177                 |
| <b>Net cash generated from / (used in) investing activities</b>           | 539                     | (657)                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |                         |                       |
| Drawdown from short-term borrowings                                       | 11,041                  | 28,478                |
| Repayment of short-term borrowings  | (11,180)                | (39,590)              |
| Drawdown from term loan   | -                       | 57,041                |
| Repayment of term loan  | (849)                   | (46,086)              |
| Repayment of hire purchase payables                                       | (102)                   | (380)                 |
| <b>Net cash used in financing activities</b>                              | (1,090)                 | (537)                 |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>             | 419                     | (2,967)               |
| <b>EFFECT OF EXCHANGE RATE CHANGES</b>                                    | 5                       | 8                     |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>       | 2,924                   | 5,883                 |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>             | 3,348                   | 2,924                 |
| <b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>                             |                         |                       |
| Short term deposit and security account placed with licensed banks        | 501                     | 695                   |
| Cash and bank balances  | 3,348                   | 2,924                 |
|   | 3,849                   | 3,619                 |
| Less : Short term deposit and security account pledged with licensed bank | (501)                   | (695)                 |
|   | 3,348                   | 2,924                 |
| Bank overdraft  | -                       | -                     |
| Cash and cash equivalents   | 3,348                   | 2,924                 |

*The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 30th June 2021 with the accompanying explanatory notes attached to the financial statements.*



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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

**A1. Basis of preparation**

These unaudited condensed consolidated interim financial statements for the period ended 30 September 2021 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 financial year ended 30 June 2021.

The financial information presented herein has been prepared in accordance with the accounting policies used in preparing the annual consolidated financial statements for 30 June 2021 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 30 June 2021 except for the adoption of the following new MFRSs, amendments to MFRSs and IC interpretation that are effective for the Group’s financial year beginning on or after 1st July 2021:

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

The Conceptual Framework for Financial Reporting (Revised 2018)  
Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’  
Amendments to MFRS 3 ‘Definition of a Business’  
Amendments to MFRS 9, 139 & 7 ‘Interest Rate Benchmark Reform’  
Amendments to MFRS 16 ‘COVID-19-Related Rent Concessions’

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

**A2 Qualification of financial statements**

The preceding year’s annual audited financial statements were not subject to any qualification.

**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 30 September 2021.

**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 30 September 2021.

**A5 Changes in accounting estimates**

There were no changes in accounting estimates that have a material effect on 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 financial period ended 30 September 2021.

As at 30 September 2021, the number of treasury shares held was 319,200 shares out of its 80,000,000 SEB Shares.

**A7 Dividends Paid**

There were no dividends paid for the financial period ended 30 September 2021.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

**A8 Segmental information**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely fabrication of process equipment and metal structures and the provision of maintenance, repair and shutdown works.

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

|                | 3 months period ended |               |
|----------------|-----------------------|---------------|
|                | 30/09/2021            | 30/09/2020    |
|                | <u>RM'000</u>         | <u>RM'000</u> |
| <b>Revenue</b> |                       |               |
| Domestic       | 28,502                | 12,544        |
| Overseas       | 1,532                 | 2,566         |
|                | <u>30,034</u>         | <u>15,110</u> |

**A9 Capital Commitment**

The commitments for the purchase of property, plant and equipment not provided in the financial statements as at 30 September 2021 were as follows:

|                             |  |
|-----------------------------|--|
| Approved and contracted for | The Group<br><u>RM'000</u><br><u>1,228</u> |
|-----------------------------|--|

**A10 Material events subsequent to the end of the quarter**

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 changes in the composition of the Group during the current quarter under review.

**A12 Changes in contingent liabilities and contingent assets**

There were no provision for material contingent liabilities and contingent assets to be 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**

Related party transactions had been entered into in the ordinary course of business on normal commercial terms. The followings are significant related party transactions:

|                                       | Individual Period |            | Cumulative Period |            |
|---------------------------------------|-------------------|------------|-------------------|------------|
|                                       | 3 months ended    |            | 3 months ended    |            |
|                                       | 30/09/2021        | 30/09/2020 | 30/09/2021        | 30/09/2020 |
|                                       | RM'000            | RM'000     | RM'000            | RM'000     |
| <u>MIE Industrial Sdn Bhd ("MIE")</u> |                   |            |                   |            |
| Revenue                               | 19,548            | 7,269      | 19,548            | 7,269      |



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

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

**B1 Review of performance**

The Group recorded revenue of RM 30.03 million and profit after tax of RM 0.76 million for the 3 months period ended 30 September 2021 ("Current Quarter") as compared to the revenue of RM 15.11 million and profit after tax of RM 0.15 million in the preceding year's corresponding quarter ended 30 September 2020. The increase in revenue of RM 14.92 million and profit after tax of RM 0.61 million was mainly contributed by the higher revenue recorded from projects in oil & gas and rubber glove industries and lower operating expenses.

**B2 Comparison with immediate preceding quarter's results**

The Group registered revenue and profit before tax for the Current Quarter at RM 30.03 million and RM 0.76 million respectively as compared to the immediate preceding quarter ended 30 June 2021 revenue and profit before tax of RM 41.26 million and RM 7.96 million respectively. The decrease in revenue of RM 11.23 million was mainly due to closure of operation for approximately one month during Movement Control Order period in the quarter. The profit before tax decreased by RM7.20 million mainly due to decrease in revenue and lower project profit margin coupled with other income recorded on the disposal of Rawang factory in the immediate preceding quarter.

**B3 Prospects**

The Group expects the on-going prolonged COVID-19 pandemic remains a key risk to pose uncertainties and challenges to the market and business environment. Nevertheless, the Group continues its effort to strengthen its project management to improve quality and productivity to stay resilient in the industry under the challenging market conditions.

Moving forward, the Group has taken steps to improve the project execution on delivery and cost control while leveraging on the group synergy with MIE Group for market expansion and penetration. At the same time, the group will take effort to broaden its customers base and products in offering civil construction, structural steel and piping works for Projects while remain focusing on its core business by retaining key customers and products and aim for better performance in the coming quarters.

**B4 Profit forecast or profit guarantee**

This is not applicable to the Group.

**B5 Taxation**

|                                 | 3 months ended<br>30/09/2021<br>RM'000 | 3 months ended<br>30/09/2020<br>RM'000 | 3 months ended<br>30/09/2021<br>RM'000 | 3 months ended<br>30/09/2020<br>RM'000 |
|---------------------------------|--|--|--|--|
| Provision of current year       | -                                      | -                                      | -                                      | -                                      |
| Overprovision of prior year tax | 1                                      | -                                      | 1                                      | -                                      |
| Deferred tax assets             | -                                      | -                                      | -                                      | -                                      |
| Taxation                        | <u>1</u>                               | <u>-</u>                               | <u>1</u>                               | <u>-</u>                               |

The above income tax provision during the quarter were related to non-business income from the Group

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

|                                   | Individual<br>Period<br>30/09/2021<br>RM'000 | Individual<br>Period<br>30/09/2020<br>RM'000 | Cumulative<br>3 months ended<br>30/09/2021<br>RM'000 | Cumulative<br>3 months ended<br>30/09/2020<br>RM'000 |
|-----------------------------------|--|--|--|--|
| Interest income                   | (1)  | (8)  | (1)  | (8)  |
| Interest expense                  | 342  | 551  | 342  | 551  |
| Depreciation                      | 397  | 486  | 397  | 486  |
| (Gain) / Loss on foreign exchange | 134  | (33)   | 134  | (33)   |
| Gain / (Loss) on disposal of PPE  | -  | -  | -  | -  |
| Other income                      | -  | 1  | -  | 1  |



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

**B7 Group Borrowings**

The Group's borrowings as at 30 September 2021 were as follows:-

|   | <b>Current Secured<br/>RM'000</b> | <b>Non-Current Secured<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---|-----------------------------------|---------------------------------------|-------------------------|
| Term loan                                   | 2,620                             | 12,812                                | 15,432                  |
| Hire Purchase                               | 502                               | 1,744                                 | 2,246                   |
| Trade bills and other short term borrowings | 16,750                            | -                                     | 16,750                  |
| <b>Total</b>                                | <b>19,872</b>                     | <b>14,556</b>                         | <b>34,428</b>           |

All 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**

There was no pending material litigation since the last audited consolidated financial statements for the year ended 30 June 2021.

**B10 Dividends**

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

**B11 Earnings per ordinary share****Basic**

The basic earnings per ordinary share amounts are calculated by dividing net 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 as computed as follow:-

|   | <b>Individual Period<br/>3 months ended</b> |                   | <b>Cumulative Period<br/>3 months ended</b> |                   |
|---|---|-------------------|---|-------------------|
|   | <b>30/09/2021</b>                           | <b>30/09/2020</b> | <b>30/09/2021</b>                           | <b>30/09/2020</b> |
| Net profit attributable to the owners of the Company (RM'000) | 757   | 150               | 757   | 150               |
| Weighted average number of ordinary shares in issue ('000)    | 79,681                                      | 79,681            | 79,681                                      | 79,681            |
| Basic earnings per share (Sen)                                | 0.95  | 0.19              | 0.95  | 0.19              |

This interim financial report is dated 26 November 2021.