



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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	As at 31.03.2023 Unaudited RM'000	As at 30.06.2022 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,808	32,436
Deferred tax asset	1,580	1,580
	34,388	34,016
<b>Current assets</b>		
Inventories	1,546	1,872
Trade and other receivables	23,980	35,791
Contract assets	57,457	32,346
Current tax assets	248	233
Deposit, cash and bank balances	17,607	15,414
	100,838	85,656
<b>TOTAL ASSETS</b>	<b>135,226</b>	<b>119,672</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	45,584	45,584
Treasury shares	(157)	(157)
Reserves	(12,028)	(15,840)
<b>Equity attributable to owners of the parent</b>	33,399	29,587
Non-controlling interest	-	-
<b>Total equity</b>	33,399	29,587
<b>Non-current liabilities</b>		
Bank borrowings	3,799	6,074
Hire purchases payables	2,298	1,936
	6,097	8,010
<b>Current liabilities</b>		
Trade and other payables	30,035	35,163
Contract liabilities	27,909	16,791
Bank borrowings	37,624	29,467
Hire purchases payables	162	654
	-	-
	95,730	82,075
<b>TOTAL LIABILITIES</b>	101,827	90,085
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>135,226</b>	<b>119,672</b>
<b>Net Asset per share attributable to owners of the parent (RM)</b>	<b>0.42</b>	<b>0.37</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 2022 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 31 MARCH 2023**

	Current Quarter Ended 31.03.2023  RM'000	Preceding Corresponding Quarter Ended 31.03.2022  RM'000	Current Financial Year Ended 31.03.2023  RM'000	Preceding Financial Corresponding Year Ended 31.03.2022  RM'000
Revenue	61,603	43,878	194,139	122,828
Operating profit / (loss)	2,115	1,451	5,541	4,716
Interest expense	(752)	(409)	(1,860)	(1,225)
Interest income	49	32	130	59
Profit / (loss) before taxation	<u>1,412</u>	<u>1,074</u>	<u>3,812</u>	<u>3,550</u>
Taxation	-	-	-	1
Profit / (loss) after taxation	<u>1,412</u>	<u>1,074</u>	<u>3,812</u>	<u>3,551</u>
Total comprehensive profit / (loss) for the period	<u>1,412</u>	<u>1,074</u>	<u>3,812</u>	<u>3,551</u>
Profit / (loss) after taxation attributable to :				
Owners of the company	1,412	1,074	3,812	3,551
Non-controlling interests	-	-	-	-
	<u>1,412</u>	<u>1,074</u>	<u>3,812</u>	<u>3,551</u>
Total comprehensive profit / (loss) attributable to :				
Owners of the company	1,412	1,074	3,812	3,551
Non-controlling interests	-	-	-	-
	<u>1,412</u>	<u>1,074</u>	<u>3,812</u>	<u>3,551</u>
Basic earnings per share (sen)	1.77	1.35	4.78	4.46

*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 2022 with the accompanying explanatory notes attached to the financial statements.*



CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	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>Balance as at 1 July 2021</b>	45,584	(157)	(20,992)	24,435	-	24,435
Total comprehensive income for the period	-	-	3,551	3,551	-	3,551
<b>Balance as at 31 March 2022</b>	45,584	(157)	(17,440)	27,986	-	27,986
<b>Balance as at 1 July 2022</b>	45,584	(157)	(15,840)	29,587	-	29,587
Total comprehensive income for the period	-	-	3,812	3,812	-	3,812
<b>Balance as at 31 March 2023</b>	45,584	(157)	(12,028)	33,399	-	33,399

*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 2022 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 31 MARCH 2023

	Financial Period Ended 31.03.2023 Unaudited RM'000	Financial Period Ended 31.03.2022 Unaudited RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	3,812	3,551
<b>As at 31 March 2023</b>		
<b>Adjustments :</b>		
Unrealised gain on foreign exchange	-	-
Unrealised (gain) / loss on foreign exchange	(119)	30
Allowance for impairment losses on receivables	-	860
Reversal of impairment losses on receivables	(230)	-
Allowance for impairment losses on contract assets	-	-
Inventories written down	63	5
Depreciation on plant, property and equipment	1,312	1,159
Gain on disposal of property, plant and equipment	(26)	(50)
Property, plant and equipment written off	8	-
Interest expense	1,860	1,225
Interest income	(130)	(59)
Operating profit before working capital changes	6,550	6,721
<b>Changes in working capital</b>		
Inventories	263	845
Contract assets	(25,111)	(11,606)
Contract liabilities	11,118	26,661
Trade and other receivables	12,016	(36,402)
Trade and other payables	(5,102)	2,037
<b>Cash (used in) / generated from operations</b>	(266)	(11,744)
Interest paid	(1,860)	(1,225)
Interest received	130	59
Tax refund	-	-
Tax paid	(15)	(22)
<b>Net cash used in operating activities</b>	(2,011)	(12,932)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	26	6,125
Proceeds from disposal of investment properties	-	-
Purchase of property, plant and equipment	(1,692)	(1,625)
Increase in pledged deposit with licensed bank	(1,922)	(5,352)
Release of pledged deposit with licensed bank	-	695
<b>Net cash used in investing activities</b>	(3,588)	(157)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from ultimate holding company	-	-
Repayment to ultimate holding company	-	-
Drawdown from short-term borrowings	77,652	43,460
Repayment of short-term borrowings	(69,604)	(30,512)
Repayment of term loan	(2,166)	(2,342)
Drawdown from hire purchase payables	379	-
Repayment of hire purchase payables	(509)	(482)
<b>Net cash generated from / (used in) financing activities</b>	5,752	10,124
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	153	(2,965)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	119	(30)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	8,010	2,924
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	8,282	(71)
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Short term deposit and security account placed with licensed banks	9,325	5,352
Cash and bank balances	8,282	119
	17,607	5,471
Less : Short term deposit and security account pledged with licensed bank	(9,325)	(5,352)
	8,282	119
Bank overdraft	-	(190)
Cash and cash equivalents	8,282	(71)

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 2022 with the accompanying explanatory notes attached to the financial statements.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023

### 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 31 March 2023 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 2022.

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 2022 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 2022 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 2022:

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

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’
- Amendments to MFRS 116 ‘Proceeds before intended use’
- Annual improvements to MFRSs 2018 – 2020 Cycle
- Amendments to MFRS 137 ‘Onerous contracts-cost of fulfilling a contract’

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 31 March 2023.

#### 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 2023.

#### 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 31 March 2023.

As at 31 March 2023, 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 31 March 2023.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023

**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:-

	9 months period ended	
	31/03/2023	31/3/2022
	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>		
Domestic	177,532	111,675
Overseas	16,607	11,153
	<u>194,139</u>	<u>122,828</u>

**A9 Capital Commitment**

The commitments for the purchase of property, plant and equipment not provided in the financial statements as at 31 March 2023 were as follows:

Approved and contracted for	The Group <u>RM'000</u> 221
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**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		9 months ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>MIE Industrial Sdn Bhd ("MIE")</u>				
Revenue	38,658	27,874	67,546	88,555
Purchase	18,204	-	74,439	-
<u>CTCI Engineering &amp; Construction Sdn Bhd</u>				
Revenue	-	84	382	3,800



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023

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

## B1 Review of performance

The Group recorded revenue of RM 61.60 million and profit after tax of RM 1.41 million for the 3 months period ended 31 March 2023 ("Current Quarter") as compared to the revenue of RM 43.88 million and profit after tax of RM 1.07 million in the preceding year's corresponding quarter ended 31 March 2022. The increase in revenue of RM 17.72 million and profit after tax of RM 0.34 million for the current quarter was mainly generated from projects in food, oil & gas and palm oil refineries industries.

On a year to year basis, the Group recorded its revenue and profit after tax of RM 194.14 million and RM 3.81 million respectively for the financial year ended 31 March 2023 as compared to the revenue of RM 122.83 million and profit after tax of RM 3.55 million for the preceding financial year. The increase in revenue of RM 71.31 million and profit after tax of RM 0.26 million was mainly contributed by the higher revenue and project profit recorded from projects in food, oil & gas and palm oil refineries industries.

## B2 Comparison with immediate preceding quarter's results

The Group registered revenue and profit before tax for the Current Quarter at RM 61.60 million and RM 1.41 million respectively as compared to the immediate preceding quarter ended 31 December 2022 revenue and profit before tax of RM 68.96 million and RM 1.17 million respectively. The decrease in revenue of RM 7.36 million was mainly attributable by the lower revenue recorded from projects in food, oil & gas and palm oil refineries industries while the improved net results of RM0.24 million was mainly due to better project profit margin recorded.

## B3 Prospects

As the global economic environment is expected to remain uncertain, the Board anticipates that the prospects for the short to medium-term will continue to be challenging.

Moving forward, the Group will continue looking for business opportunities in civil construction, structural steel and piping works for projects and plants expansion as well as focusing on our business in pressure vessel fabrication. Meanwhile, the Group will step up its efforts to strengthen its project and resources management in achieving efficient cost control and optimization.

Barring any unforeseen circumstances, the Group aims for positive performance for the remaining quarter for this financial year.

## B4 Profit forecast or profit guarantee

This is not applicable to the Group.

## B5 Taxation

	Individual 3 months ended 31/03/2023 RM'000	Individual 3 months ended 31/03/2022 RM'000	Cumulative 9 months ended 31/03/2023 RM'000	Cumulative 9 months ended 31/03/2022 RM'000
Provision of current year	-	-	-	-
Overprovision of prior year tax	-	-	-	1
Deferred tax assets	-	-	-	-
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</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 Period 31/03/2023 RM'000	Individual Period 31/03/2022 RM'000	Cumulative 9 months ended 31/03/2023 RM'000	Cumulative 9 months ended 31/03/2022 RM'000
Interest income	(49)	(32)	(130)	(59)
Interest expense	752	409	1,860	1,225
Depreciation	441	376	1,312	1,159
(Loss) / Gain on foreign exchange	(21)	128	196	221
Gain on disposal of property, plant and equipment	(26)	-	(26)	(50)
Other income	-	-	-	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2023**
**B7 Group Borrowings**

The Group's borrowings as at 31 March 2023 were as follows:-

	<b>Current Secured RM'000</b>	<b>Non-Current Secured RM'000</b>	<b>Total RM'000</b>
Term loan	3,092	3,799	6,891
Hire Purchase	162	2,298	2,460
Trade bills and other short term borrowings	34,532	-	34,532
<b>Total</b>	<b>37,786</b>	<b>6,097</b>	<b>43,883</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 2022.

**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 3 months ended</b>		<b>Cumulative Period 9 months ended</b>	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
Net profit / (loss) attributable to the owners of the Company (RM'000)	1,412	1,074	3,812	3,551
Weighted average number of ordinary shares in issue ('000)	79,681	79,681	79,681	79,681
Basic earnings per share (Sen)	1.77	1.35	4.78	4.46

This interim financial report is dated 26 May 2023.