



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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	As at 30.06.2023 Unaudited RM'000	As at 30.06.2022 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,609	32,436
Deferred tax asset	1,580	1,580
	34,189	34,016
Current assets		
Inventories	1,346	1,872
Trade and other receivables	48,791	35,791
Contract assets	73,657	32,346
Current tax assets	254	233
Deposit, cash and bank balances	11,801	15,414
	135,849	85,656
TOTAL ASSETS	170,038	119,672
EQUITY AND LIABILITIES		
Equity		
Share capital	45,584	45,584
Treasury shares	(157)	(157)
Reserves	(11,219)	(15,840)
Equity attributable to owners of the parent	34,208	29,587
Non-controlling interest	-	-
Total equity	34,208	29,587
Non-current liabilities		
Bank borrowings	3,030	6,074
Hire purchases payables	1,653	1,936
	4,683	8,010
Current liabilities		
Trade and other payables	49,800	35,163
Contract liabilities	22,603	16,791
Bank borrowings	58,099	29,467
Hire purchases payables	645	654
	131,147	82,075
TOTAL LIABILITIES	135,830	90,085
TOTAL EQUITY AND LIABILITIES	170,038	119,672
Net Asset per share attributable to owners of the parent (RM)	0.43	0.37

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 30 JUNE 2023

	Current Quarter Ended 30.06.2023	Preceding Corresponding Quarter Ended 30.06.2022	Current Financial Year Ended 30.06.2023	Preceding Financial Corresponding Year Ended 30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	80,685	71,448	274,824	194,275
Operating profit / (loss)	1,639	1,851	7,181	6,567
Interest expense	(880)	(481)	(2,740)	(1,706)
Interest income	50	31	180	90
Profit / (loss) before taxation	<u>809</u>	<u>1,401</u>	<u>4,621</u>	<u>4,951</u>
Taxation	-	200	-	201
Profit / (loss) after taxation	<u>809</u>	<u>1,601</u>	<u>4,621</u>	<u>5,152</u>
Total comprehensive profit / (loss) for the period	<u><u>809</u></u>	<u><u>1,601</u></u>	<u><u>4,621</u></u>	<u><u>5,152</u></u>
Profit / (loss) after taxation attributable to :				
Owners of the company	809	1,601	4,621	5,152
Non-controlling interests	-	-	-	-
	<u>809</u>	<u>1,601</u>	<u>4,621</u>	<u>5,152</u>
Total comprehensive profit / (loss) attributable to :				
Owners of the company	809	1,601	4,621	5,152
Non-controlling interests	-	-	-	-
	<u>809</u>	<u>1,601</u>	<u>4,621</u>	<u>5,152</u>
Basic earnings per share (sen)	1.02	2.01	5.80	6.47

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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
Balance as at 1 July 2021	45,584	(157)	(20,992)	24,435	-	24,435
Total comprehensive income for the period	-	-	5,152	5,152	-	5,152
Balance as at 30 June 2022	45,584	(157)	(15,840)	29,587	-	29,587
Balance as at 1 July 2022	45,584	(157)	(15,840)	29,587	-	29,587
Total comprehensive income for the period	-	-	4,621	4,621	-	4,621
Balance as at 30 June 2023	45,584	(157)	(11,219)	34,208	-	34,208

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 30 JUNE 2023

	Financial Period Ended 30.06.2023 Unaudited RM'000	Financial Period Ended 30.06.2022 Audited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	4,621	4,951
As at 30 June 2023		
Adjustments :		
Unrealised gain on foreign exchange	(80)	(360)
Allowance for impairment losses on receivables	170	1,565
Reversal of impairment losses on receivables	(1,704)	-
Allowance for impairment losses on contract assets	-	352
Inventories written down	75	43
Depreciation on plant, property and equipment	1,762	1,605
Gain on disposal of property, plant and equipment	(26)	(51)
Property, plant and equipment written off	8	-
Interest expense	2,740	1,706
Interest income	(180)	(90)
Operating profit before working capital changes	<u>7,386</u>	<u>9,721</u>
Changes in working capital		
Inventories	451	1,266
Contract assets	(41,311)	(11,247)
Contract liabilities	5,812	11,760
Trade and other receivables	(11,465)	(3,616)
Trade and other payables	14,637	(6,051)
Cash (used in) / generated from operations	<u>(24,490)</u>	<u>1,833</u>
Interest paid	(2,740)	(1,459)
Interest received	180	90
Tax refund	-	5
Tax paid	(21)	(27)
Net cash (used in) / generated operating activities	<u>(27,071)</u>	<u>442</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	26	51
Proceeds from disposal of investment properties	-	1,009
Purchase of property, plant and equipment	(1,943)	(749)
Increase in pledged deposit with licensed bank	(2,424)	(2,364)
Release of pledged deposit with licensed bank	-	695
Net cash used in investing activities	<u>(4,341)</u>	<u>(1,358)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from ultimate holding company	-	1,500
Repayment to ultimate holding company	-	(1,500)
Drawdown from short-term borrowings	125,784	55,720
Repayment of short-term borrowings	(97,299)	(46,124)
Repayment of term loan	(2,897)	(2,993)
Drawdown from hire purchase payables	379	-
Repayment of hire purchase payables	(671)	(683)
Net cash generated from financing activities	<u>25,296</u>	<u>5,920</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(6,116)</u>	<u>5,004</u>
EFFECT OF EXCHANGE RATE CHANGES	80	82
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	8,010	2,924
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>1,974</u>	<u>8,010</u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Short term deposit and security account placed with licensed banks	9,827	7,404
Cash and bank balances	1,974	8,010
	<u>11,801</u>	<u>15,414</u>
Less : Short term deposit and security account pledged with licensed bank	(9,827)	(7,404)
Cash and cash equivalents	<u>1,974</u>	<u>8,010</u>

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 FOURTH QUARTER ENDED 30 JUNE 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 30 June 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 30 June 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 30 June 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 30 June 2023.

As at 30 June 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 30 June 2023.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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:-

	12 months year ended		3 months period ended	
	30-06-23	30-06-2022	30-06-23	30-06-22
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue				
Domestic	254,122	177,108	76,590	65,433
Overseas	20,702	17,167	4,096	6,014
	<u>274,824</u>	<u>194,275</u>	<u>80,686</u>	<u>71,447</u>

A9 Capital Commitment

The commitments for the purchase of property, plant and equipment not provided in the financial statements as at 30 June 2023 were as follows:

Approved and contracted for	The Group <u>RM'000</u> 174
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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		12 months year ended	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>MIE Industrial Sdn Bhd ("MIE")</u>				
Revenue	48,128	14,987	115,674	103,542
Purchase	10,281	-	84,720	-
<u>CTCI Engineering & Construction Sdn Bhd</u>				
Revenue	-	98	382	3,898



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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 80.69 million and profit after tax of RM 0.81 million for the 3 months period ended 30 June 2023 ("Current Quarter") as compared to the revenue of RM 71.45 million and profit after tax of RM 1.60 million in the preceding year's corresponding quarter ended 30 June 2022. The increase in revenue of RM 9.24 million for the current quarter was mainly contributed by projects in electrical & electronics, food, and palm oil refineries industries. Nevertheless, the Group recorded a decrease in profit after tax of RM 0.79 million as compared to the preceding year's corresponding quarter mainly due to lower project profit margin recorded.

On a year to year basis, the Group recorded its revenue and profit after tax of RM 274.82 million and RM 4.62 million respectively for the financial year ended 30 June 2023 as compared to the revenue of RM 194.28 million and profit after tax of RM 5.15 million for the preceding financial year. The increase in revenue of RM 80.54 million was mainly contributed by the higher revenue recorded from projects in electrical & electronics, food, and palm oil refineries industries. However, the Group recorded a decrease in profit after tax of RM 0.53 million as compared to last financial year ended 30 June 2022 mainly due to lower project profit margin in certain projects resulting to marginal decrease in net result.

B2 Comparison with immediate preceding quarter's results

The Group recorded revenue and profit before tax for the Current Quarter of RM 80.69 million and RM 0.81 million respectively as compared to the immediate preceding quarter ended 31 March 2023 revenue and profit before tax of RM 61.60 million and RM 1.41 million respectively. The increase in revenue of RM 19.09 million was mainly contributed by the higher revenue recorded from projects in electrical & electronics, food, and palm oil refineries industries. However, the Group recorded a decrease in profit before tax of RM 0.6 million as a result of lower project profit margin recorded in certain projects.

B3 Prospects

The Board expects the operating environment for both local and global economies remain volatile and continue to be challenging.

Looking ahead, the Group will step up its market effort for business opportunities in civil construction, structural steel and piping works for projects and plants expansion while remain focus on our existing business in pressure vessel fabrication. Meanwhile, the Group will continue enhancing its competitiveness via its project and resources management in achieving efficient cost control and optimization.

Barring any unforeseen circumstances, the Group aims for better performance for the next financial year.

B4 Profit forecast or profit guarantee

This is not applicable to the Group.

B5 Taxation

	Individual 3 months ended 30-06-2023 RM'000	Individual 3 months ended 30-06-2022 RM'000	Cumulative 12 months year ended 30-06-2023 RM'000	Cumulative 12 months year ended 30-06-2022 RM'000
Provision of current year	-	-	-	-
Overprovision of prior year tax	-	200	-	201
Deferred tax assets	-	-	-	-
Taxation	<u>-</u>	<u>200</u>	<u>-</u>	<u>201</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 30-06-2023 RM'000	Individual Period 30-06-2022 RM'000	Cumulative 12 months year ended 30-06-2023 RM'000	Cumulative 12 months year ended 30-06-2022 RM'000
Interest income	(50)	(31)	(180)	(90)
Interest expense	880	481	2,740	1,706
Depreciation	450	446	1,762	1,605
Gain on foreign exchange	(181)	(604)	(377)	(825)
Gain on disposal of property, plant and equipment	-	-	(26)	(50)
Other income	-	(6)	-	(6)



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2023

B7 Group Borrowings

The Group's borrowings as at 30 June 2023 were as follows:-

	Current Secured RM'000	Non-Current Secured RM'000	Total RM'000
Term loan	3,130	3,030	6,160
Hire Purchase	645	1,653	2,298
Trade bills and other short term borrowings	54,969	-	54,969
Total	<u>58,744</u>	<u>4,683</u>	<u>63,427</u>

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:-

	Individual Period 3 months ended		Cumulative Period 12 months year ended	
	30-06-2023	30-06-2022	30-06-2023	30-06-2022
Net profit / (loss) attributable to the owners of the Company (RM'000)	<u>809</u>	<u>1,601</u>	<u>4,621</u>	<u>5,152</u>
Weighted average number of ordinary shares in issue ('000)	<u>79,681</u>	<u>79,681</u>	<u>79,681</u>	<u>79,681</u>
Basic earnings per share (Sen)	<u>1.01</u>	<u>2.01</u>	<u>5.80</u>	<u>6.47</u>

This interim financial report is dated 29 August 2023.