



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

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

	As at 30.09.2023 Unaudited RM'000	As at 30.06.2023 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,501	32,609
Deferred tax asset	1,580	1,580
	34,081	34,189
<b>Current assets</b>		
Inventories	1,366	1,346
Trade and other receivables	29,044	52,821
Contract assets	68,777	73,447
Current tax assets	223	254
Deposit, cash and bank balances	20,160	11,801
	119,570	139,669
<b>TOTAL ASSETS</b>	<b>153,651</b>	<b>173,858</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	45,584	45,584
Treasury shares	(157)	(157)
Reserves	(10,550)	(11,219)
<b>Equity attributable to owners of the parent</b>	34,877	34,208
Non-controlling interest	(1)	-
<b>Total equity</b>	34,876	34,208
<b>Non-current liabilities</b>		
Bank borrowings	2,255	3,030
Hire purchases payables	1,921	1,653
	4,176	4,683
<b>Current liabilities</b>		
Trade and other payables	51,822	53,569
Contract liabilities	7,336	22,654
Bank borrowings	54,918	58,099
Hire purchases payables	523	645
	114,599	134,967
<b>TOTAL LIABILITIES</b>	118,775	139,650
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>153,651</b>	<b>173,858</b>
<b>Net Asset per share attributable to owners of the parent (RM)</b>	<b>0.44</b>	<b>0.43</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 2023 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 2023**

	Current Quarter Ended <b>30.09.2023</b>	Preceding Corresponding Quarter Ended <b>30.09.2022</b>	Current Financial Year Ended <b>30.09.2023</b>	Preceding Financial Corresponding Year Ended <b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	55,620	63,577	55,620	63,577
Operating profit / (loss)	1,726	1,694	1,726	1,694
Interest expense	(1,124)	(503)	(1,124)	(503)
Interest income	66	36	66	36
Profit / (loss) before taxation	<u>668</u>	<u>1,227</u>	<u>668</u>	<u>1,227</u>
Taxation	-	-	-	-
Profit / (loss) after taxation	<u>668</u>	<u>1,227</u>	<u>668</u>	<u>1,227</u>
Total comprehensive profit / (loss) for the period	<u>668</u>	<u>1,227</u>	<u>668</u>	<u>1,227</u>
Profit / (loss) after taxation attributable to :				
Owners of the company	668	1,227	668	1,227
Non-controlling interests	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>669</u>	<u>1,227</u>	<u>669</u>	<u>1,227</u>
Total comprehensive profit / (loss) attributable to :				
Owners of the company	668	1,227	668	1,227
Non-controlling interests	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>669</u>	<u>1,227</u>	<u>669</u>	<u>1,227</u>
Basic earnings per share (sen)	0.84	1.54	0.84	1.54

*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 2023 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 2023**

	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Accumulated Losses</b>	<b>Total</b>	<b>Non-Controlling Interests</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Balance as at 1 July 2022</b>	45,584	(157)	(15,840)	29,587	-	29,587
Total comprehensive income for the period	-	-	1,227	1,227	-	1,227
<b>Balance as at 30 September 2022</b>	45,584	(157)	(14,613)	30,814	-	30,814
<b>Balance as at 1 July 2023</b>	45,584	(157)	(11,219)	34,208	-	34,208
<b>Investment in subsidiary</b>	-	-	-	-	-	-
Total comprehensive income for the period	-	-	669	669	(1)	668
<b>Balance as at 30 September 2023</b>	45,584	(157)	(10,550)	34,877	(1)	34,876

Notes: The Company subscribed 80 ordinary shares of RM1 each, which represents an 80% equity interest in NSC SEB Jetty Sdn. Bhd.

*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 2023 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 2023**

	<b>Financial Period Ended 30.09.2023 Unaudited RM'000</b>	<b>Financial Period Ended 30.09.2022 Unaudited RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	668	1,227
<b>As at 30 September 2023</b>		
<b>Adjustments :</b>		
Unrealised gain / (loss) on foreign exchange	65	(254)
Allowance for impairment losses on receivables	-	(88)
Reversal of inventories written down	-	(965)
Inventories written down	66	-
Depreciation on plant, property and equipment	439	438
Gain on disposal of property, plant and equipment	(6)	-
Interest expense	1,124	503
Interest income	(66)	(36)
Operating profit before working capital changes	<u>2,290</u>	<u>825</u>
<b>Changes in working capital</b>		
Inventories	(86)	1,348
Contract assets	4,671	(6,397)
Contract liabilities	(15,318)	(13,101)
Trade and other receivables	23,777	13,344
Trade and other payables	(1,748)	(3,076)
<b>Net cash generated / (used in) from operations</b>	<u>13,586</u>	<u>(7,057)</u>
Interest paid	(1,124)	(503)
Interest received	66	36
Tax refund	36	-
Tax paid	(5)	(4)
<b>Net cash generated / (used in) operating activities</b>	<u>12,559</u>	<u>(7,528)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	6	-
Investment in subsidiary	-	-
Purchase of property, plant and equipment	(330)	(139)
Increase in pledged deposit with licensed bank	(1,058)	(484)
<b>Net cash used in investing activities</b>	<u>(1,382)</u>	<u>(623)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown from short-term borrowings	36,859	25,853
Repayment of short-term borrowings	(40,080)	(20,949)
Repayment of term loan	(735)	(722)
Drawdown from hire purchase payables	317	-
Repayment of hire purchase payables	(172)	(188)
<b>Net cash (used in) / generated from financing activities</b>	<u>(3,811)</u>	<u>3,994</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,366	(4,157)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(65)	254
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	1,974	8,010
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>9,275</u>	<u>4,107</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:</b>		
Short term deposit and security account placed with licensed banks	10,885	7,888
Cash and bank balances	9,275	4,107
	<u>20,160</u>	<u>11,995</u>
Less : Short term deposit and security account pledged with licensed bank	(10,885)	(7,888)
Cash and cash equivalents	<u>9,275</u>	<u>4,107</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 2023 with the accompanying explanatory notes attached to the financial statements.*



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 September 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 2023.

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 2023 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 2023 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 September 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 September 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 September 2023.

As at 30 September 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 September 2023.

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

	Individual Period 3 months period ended		Cumulative Period 3 months period ended	
	30-09-23	30-09-2022	30-09-23	30-09-22
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>				
Domestic	49,033	59,296	49,033	59,296
Overseas	6,588	4,280	6,588	4,280
	<u>55,621</u>	<u>63,576</u>	<u>55,621</u>	<u>63,576</u>

**A9 Capital Commitment**

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

Approved and contracted for	The Group <u>RM'000</u> 712
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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**

The Group have entered into a Subscription and Shareholders Agreement with NSC for the incorporation of a special purpose vehicle to implement the JV. Upon its incorporation, the JV company became the subsidiary of the Company on 25 July 2023.

On 25 July 2023, NSC SEB Jetty Sdn. Bhd. was incorporated with an initial issued share capital of RM1 comprising 1 ordinary share of RM1 each. On 24 August 2023, the Company subscribed to an additional 79 new ordinary shares, which represents an 80% equity interest in NSC SEB Jetty Sdn. Bhd.

**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 3 months ended		Cumulative Period 3 months ended	
	30-09-2023	30-09-2022	30-09-2023	30-09-2022
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>MIE Industrial Sdn Bhd ("MIE")</u>				
Revenue	24,528	13,567	24,528	13,567
Purchase	5,510	-	5,510	-
<u>CTCI Engineering &amp; Construction Sdn Bhd</u>				
Revenue	-	382	-	382

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 55.62 million and profit after tax of RM 0.67 million for the 3 months period ended 30 September 2023 ("Current Quarter") as compared to the revenue of RM 63.58 million and profit after tax of RM 1.23 million in the preceding year's corresponding quarter ended 30 September 2022. The decrease in revenue of RM 7.98 million for the current quarter was mainly due to decrease in revenue contribution and lower profit margin from projects in electrical & electronics and food industries.

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

The Group recorded revenue and profit before tax for the Current Quarter of RM 55.62 million and RM 0.67 million respectively as compared to the immediate preceding quarter ended 30 June 2023 revenue and profit before tax of RM 80.69 million and RM 0.81 million respectively. The decrease in revenue of RM 25.09 million was mainly due to decrease in revenue contribution from projects in electrical & electronics and food industries.

**B3 Prospects**

The Group will continue to explore business opportunities in civil construction, structural steel and piping works for projects and plants expansion whilst remain focus on our existing business in pressure vessel fabrication.

Despite the uncertain and volatile local and global economies, the Group still aims for better performance in the remaining quarters for the financial year.

**B4 Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee for the financial period ended 30 September 2023.

**B5 Taxation**

	<b>Individual 3 months ended 30-09-2023 RM'000</b>	<b>Individual 3 months ended 30-09-2022 RM'000</b>	<b>Cumulative 3 months ended 30-09-2023 RM'000</b>	<b>Cumulative 3 months ended 30-09-2022 RM'000</b>
Provision of current year	-	-	-	-
Overprovision of prior year tax	-	-	-	-
Deferred tax assets	-	-	-	-
Taxation	<u>-</u>	<u>-</u>	<u>-</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**

	<b>Individual Period 30-09-2023 RM'000</b>	<b>Individual Period 30-09-2022 RM'000</b>	<b>Cumulative 3 months ended 30-09-2023 RM'000</b>	<b>Cumulative 3 months ended 30-09-2022 RM'000</b>
Interest income	(66)	(36)	(66)	(36)
Interest expense	1,124	503	1,124	503
Depreciation	439	438	439	438
Gain on foreign exchange	(28)	(158)	(28)	(158)
Gain on disposal of property, plant and equipment	(6)	-	(6)	-
Other income	-	-	-	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**
**B7 Group Borrowings**

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

	<b>Current Secured RM'000</b>	<b>Non-Current Secured RM'000</b>	<b>Total RM'000</b>
Term loan	3,171	2,255	5,426
Hire Purchase	523	1,921	2,444
Trade bills and other short term borrowings	51,747	-	51,747
<b>Total</b>	<b>55,441</b>	<b>4,176</b>	<b>59,617</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 2023.

**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 3 months ended</b>	
	<b>30-09-2023</b>	<b>30-09-2022</b>	<b>30-09-2023</b>	<b>30-09-2022</b>
Net profit / (loss) attributable to the owners of the Company (RM'000)	669	1,227	669	1,227
Weighted average number of ordinary shares in issue ('000)	79,681	79,681	79,681	79,681
Basic earnings per share (Sen)	0.84	1.54	0.84	1.54

This interim financial report is dated 24 November 2023.