



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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	As at 31.03.2024	As at 30.06.2023
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,880	32,609
Deferred tax asset	1,580	1,580
	34,460	34,189
Current assets		
Inventories	1,019	1,346
Trade and other receivables	116,943	52,821
Contract assets	59,800	73,447
Current tax assets	404	254
Deposit, cash and bank balances	13,811	11,801
	191,977	139,669
TOTAL ASSETS	226,437	173,858
EQUITY AND LIABILITIES		
Equity		
Share capital	45,584	45,584
Treasury shares	(157)	(157)
Reserves	(9,198)	(11,219)
Equity attributable to owners of the parent	36,229	34,208
Non-controlling interest	1	-
Total equity	36,230	34,208
Non-current liabilities		
Bank borrowings	688	3,030
Hire purchases payables	2,708	1,653
	3,396	4,683
Current liabilities		
Trade and other payables	77,067	53,569
Contract liabilities	46,744	22,654
Bank borrowings	62,786	58,099
Hire purchases payables	214	645
	186,811	134,967
TOTAL LIABILITIES	190,207	139,650
TOTAL EQUITY AND LIABILITIES	226,437	173,858
Net Asset per share attributable to owners of the parent (RM)	0.45	0.43

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 31 MARCH 2024

	Current Quarter Ended 31.03.2024	Preceding Corresponding Quarter Ended 31.03.2023	Current Financial Year Ended 31.03.2024	Preceding Financial Corresponding Year Ended 31.03.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	78,850	61,603	187,557	194,139
Operating profit / (loss)	2,025	2,115	5,249	5,541
Interest expense	(1,161)	(752)	(3,436)	(1,860)
Interest income	83	49	209	130
Profit / (loss) before taxation	<u>947</u>	<u>1,412</u>	<u>2,022</u>	<u>3,812</u>
Taxation	-	-	-	-
Profit / (loss) after taxation	<u>947</u>	<u>1,412</u>	<u>2,022</u>	<u>3,812</u>
Total comprehensive profit / (loss) for the period	<u>947</u>	<u>1,412</u>	<u>2,022</u>	<u>3,812</u>
Profit / (loss) after taxation attributable to :				
Owners of the company	946	1,412	2,021	3,812
Non-controlling interests	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>947</u>	<u>1,412</u>	<u>2,022</u>	<u>3,812</u>
Total comprehensive profit / (loss) attributable to :				
Owners of the company	946	1,412	2,021	3,812
Non-controlling interests	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>947</u>	<u>1,412</u>	<u>2,022</u>	<u>3,812</u>
Basic earnings per share (sen)	1.19	1.77	2.54	4.78

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 31 MARCH 2024

	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 2022	45,584	(157)	(15,840)	29,587	-	29,587
Total comprehensive income for the period	-	-	3,812	3,812	-	3,812
Balance as at 31 March 2023	45,584	(157)	(12,028)	33,399	-	33,399
Balance as at 1 July 2023	45,584	(157)	(11,219)	34,208	-	34,208
Investment in subsidiary	-	-	-	-	-	-
Total comprehensive income for the period	-	-	2,021	2,021	1	2,022
Balance as at 31 March 2024	45,584	(157)	(9,198)	36,229	1	36,230

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 31 MARCH 2024

	Financial Period Ended 31.03.2024 Unaudited RM'000	Financial Period Ended 31.03.2023 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	2,022	3,812
As at 31 March 2024		
Adjustments :		
Unrealised loss / (gain) on foreign exchange	148	(119)
Allowance for impairment losses on receivables	-	-
Reversal of impairment losses on receivables	(170)	(230)
Allowance for impairment losses on contract assets	-	-
Inventories written down	75	63
Depreciation on plant, property and equipment	1,332	1,312
Gain on disposal of property, plant and equipment	(9)	(26)
Property, plant and equipment written off	-	8
Interest expense	3,436	1,860
Interest income	(210)	(130)
Operating profit before working capital changes	6,624	6,550
Changes in working capital		
Inventories	252	263
Contract assets	13,648	(25,111)
Contract liabilities	24,090	11,118
Trade and other receivables	(63,952)	12,016
Trade and other payables	23,497	(5,102)
Net cash generated / (used in) from operations	4,159	(266)
Interest paid	(3,436)	(1,860)
Interest received	210	130
Tax refund	36	-
Tax paid	(186)	(15)
Net cash generated / (used in) operating activities	783	(2,011)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	9	26
Purchase of property, plant and equipment	(1,602)	(1,692)
Increase in pledged deposit with licensed bank	(2,946)	(1,922)
Net cash used in investing activities	(4,539)	(3,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from short-term borrowings	118,001	77,652
Repayment of short-term borrowings	(113,430)	(69,604)
Repayment of term loan	(2,227)	(2,166)
Drawdown from hire purchase payables	1,166	379
Repayment of hire purchase payables	(543)	(509)
Net cash generated from financing activities	2,967	5,752
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(789)	153
EFFECT OF EXCHANGE RATE CHANGES	(148)	119
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,974	8,010
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	1,037	8,282
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Short term deposit and security account placed with licensed banks	12,774	9,325
Cash and bank balances	1,037	8,282
	13,811	17,607
Less : Short term deposit and security account pledged with licensed bank	(12,774)	(9,325)
Cash and cash equivalents	1,037	8,282

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 THIRD QUARTER ENDED 31 MARCH 2024

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 2024 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)

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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 2024.

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 2024.

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 2024.

As at 31 March 2024, 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 2024.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024
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 9 months period ended	
	31-03-24 RM'000	31-03-2023 RM'000	31-03-24 RM'000	31-03-23 RM'000
Revenue				
Domestic	70,400	53,509	162,280	177,532
Overseas	8,450	8,094	25,277	16,607
	<u>78,850</u>	<u>61,603</u>	<u>187,557</u>	<u>194,139</u>

A9 Capital Commitment

The commitments for the purchase of property, plant and equipment not provided in the financial statements as at 31 March 2024 were as follows:

Approved and contracted for	The Group <u>RM'000</u> 291
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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 3 months ended		Cumulative Period 9 months ended	
	31-03-2024 RM'000	31-03-2023 RM'000	31-03-2024 RM'000	31-03-2023 RM'000
<u>MIE Industrial Sdn Bhd ("MIE")</u>				
Revenue	62,742	38,658	117,638	67,546
Purchase	-	18,204	35,510	74,439
<u>CTCI Engineering & Construction Sdn Bhd</u>				
Revenue	-	-	-	382



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

PART B: OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS**B1 Review of performance**

The Group recorded revenue of RM 78.85 million and profit after tax of RM 0.95 million for the 3 months period ended 31 March 2024 ("Current Quarter") as compared to the revenue of RM 61.60 million and profit after tax of RM 1.41 million in the preceding year's corresponding quarter ended 31 March 2023. The increase in revenue of RM 17.25 million for the current quarter was mainly due to increase in revenue contribution from projects in electrical & electronics industries.

The Group recorded its revenue and profit after tax of RM 187.56 million and RM 2.02 million respectively for the 9 months period ended 31 March 2024 as compared to the revenue of RM 194.14 million and profit after tax of RM 3.81 million for the corresponding preceding financial period. The decrease in revenue of RM 6.58 million was mainly due to decrease in revenue from projects in food industries while decrease in profit after tax of RM 1.79 million was mainly due to increase of project financing cost.

B2 Comparison with immediate preceding quarter's results

The Group recorded revenue and profit before tax for the Current Quarter of RM 78.85 million and RM 0.95 million respectively as compared to the immediate preceding quarter ended 31 December 2023 revenue and profit before tax of RM 53.09 million and RM 0.41 million respectively. The increase in revenue of RM 25.76 million was mainly due to increase in revenue contribution from projects in electrical & electronics industries.

B3 Prospects

The Group expects the business environment to continue to be challenging amid the slowdown in global economic conditions and uncertain macroeconomic outlook.

The Group will emphasis on strengthening of the project management and execution to ensure on time delivery within budget, without compromising on quality and safety. Nevertheless, the Group will stay focus on its core business in pressure vessel fabrication while leveraging on group synergies with MIE Group to broaden its customers base and products in offering civil construction, structural steel, piping and architectural works for projects and plants expansion.

Barring any unforeseen circumstances, the Group will remain target for positive performance in the remaining quarter 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 31 March 2024.

B5 Taxation

	Individual 3 months ended 31-03-2024 RM'000	Individual 3 months ended 31-03-2023 RM'000	Cumulative 9 months ended 31-03-2024 RM'000	Cumulative 9 months ended 31-03-2023 RM'000
Provision of current year	-	-	-	-
Overprovision of prior year tax	-	-	-	-
Deferred tax assets	-	-	-	-
Taxation	-	-	-	-

There is no provision for taxation due to unutilised losses carried forward.

B6 Notes to the Statements of Comprehensive Income

	Individual Period 31-03-2024 RM'000	Individual Period 31-03-2023 RM'000	Cumulative 9 months ended 31-03-2024 RM'000	Cumulative 9 months ended 31-03-2023 RM'000
Interest income	(83)	(49)	(210)	(130)
Interest expense	1,161	752	3,436	1,860
Depreciation	455	441	1,332	1,312
Gain on foreign exchange	97	21	153	(196)
Gain on disposal of property, plant and equipment	(3)	(26)	(9)	(26)
Other income	-	-	(9)	-



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2024

B7 Group Borrowings

The Group's borrowings as at 31 March 2024 were as follows:-

	Current Secured RM'000	Non-Current Secured RM'000	Total RM'000
Term loan	3,246	688	3,934
Hire Purchase	214	2,708	2,922
Trade bills and other short term borrowings	59,540	-	59,540
Total	63,000	3,396	66,396

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:-

	Individual Period 3 months ended		Cumulative Period 9 months ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Net profit / (loss) attributable to the owners of the Company (RM'000)	947	1,412	2,022	3,812
Weighted average number of ordinary shares in issue ('000)	79,681	79,681	79,681	79,681
Basic earnings per share (Sen)	1.19	1.77	2.54	4.78

This interim financial report is dated 24 May 2024.