



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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

| | As at 30.06.2024 Unaudited RM'000 | As at 30.06.2023 Audited RM'000 |
|--|---|---------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 33,144 | 32,609 |
| Deferred tax asset | 1,278 | 1,580 |
| | 34,422 | 34,189 |
| Current assets | | |
| Inventories | 1,364 | 1,346 |
| Trade and other receivables | 89,780 | 52,821 |
| Contract assets | 61,524 | 73,447 |
| Current tax assets | 409 | 254 |
| Deposit, cash and bank balances | 13,351 | 11,801 |
| | 166,428 | 139,669 |
| TOTAL ASSETS | 200,850 | 173,858 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 45,584 | 45,584 |
| Treasury shares | (157) | (157) |
| Reserves | (8,230) | (11,219) |
| Equity attributable to owners of the parent | 37,197 | 34,208 |
| Non-controlling interest | 2 | - |
| Total equity | 37,199 | 34,208 |
| Non-current liabilities | | |
| Bank borrowings | - | 3,030 |
| Hire purchases payables | 1,920 | 1,653 |
| | 1,920 | 4,683 |
| Current liabilities | | |
| Trade and other payables | 72,498 | 53,569 |
| Contract liabilities | 25,973 | 22,654 |
| Bank borrowings | 62,271 | 58,099 |
| Hire purchases payables | 912 | 645 |
| Provision for Taxation | 77 | - |
| | 161,731 | 134,967 |
| TOTAL LIABILITIES | 163,651 | 139,650 |
| TOTAL EQUITY AND LIABILITIES | 200,850 | 173,858 |
| Net Asset per share attributable to owners of the parent (RM) | 0.47 | 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 30 JUNE 2024

| | Current Quarter Ended 30.06.2024 | Preceding Corresponding Quarter Ended 30.06.2023 | Current Financial Year Ended 30.06.2024 | Preceding Financial Corresponding Year Ended 30.06.2023 |
|--|---|--|--|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 107,420 | 80,685 | 294,976 | 274,824 |
| Operating profit | 2,471 | 1,639 | 7,720 | 7,181 |
| Interest expense | (1,196) | (880) | (4,633) | (2,740) |
| Interest income | 73 | 50 | 283 | 180 |
| Profit before taxation | <u>1,348</u> | <u>809</u> | <u>3,370</u> | <u>4,621</u> |
| Taxation | (379) | - | (379) | - |
| Profit after taxation | <u>969</u> | <u>809</u> | <u>2,991</u> | <u>4,621</u> |
| Total comprehensive profit for the period | <u><u>969</u></u> | <u><u>809</u></u> | <u><u>2,991</u></u> | <u><u>4,621</u></u> |
| Profit after taxation attributable to : | | | | |
| Owners of the company | 967 | 809 | 2,989 | 4,621 |
| Non-controlling interests | 2 | - | 2 | - |
| | <u>969</u> | <u>809</u> | <u>2,991</u> | <u>4,621</u> |
| Total comprehensive profit attributable to : | | | | |
| Owners of the company | 967 | 809 | 2,989 | 4,621 |
| Non-controlling interests | 2 | - | 2 | - |
| | <u>969</u> | <u>809</u> | <u>2,991</u> | <u>4,621</u> |
| Basic earnings per share (sen) | 1.21 | 1.02 | 3.75 | 5.80 |

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 JUNE 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 | - | - | 4,621 | 4,621 | - | 4,621 |
| Balance as at 30 June 2023 | 45,584 | (157) | (11,219) | 34,208 | - | 34,208 |
| Balance as at 1 July 2023 | 45,584 | (157) | (11,219) | 34,208 | - | 34,208 |
| Total comprehensive income for the period | - | - | 2,989 | 2,989 | 2 | 2,991 |
| Balance as at 30 June 2024 | 45,584 | (157) | (8,230) | 37,197 | 2 | 37,199 |

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 JUNE 2024

| | Financial Period Ended 30.06.2024 Unaudited RM'000 | Financial Period Ended 30.06.2023 Audited RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before Tax | 3,370 | 4,621 |
| As at 30 June 2024 | | |
| Adjustments : | | |
| Unrealised loss on foreign exchange | 71 | 80 |
| Allowance for impairment losses on receivables | 318 | - |
| Reversal of impairment losses on receivables | (170) | (1,063) |
| Allowance for impairment losses on contract assets | - | (471) |
| Inventories written down | 80 | (938) |
| Depreciation on plant, property and equipment | 1,796 | 1,762 |
| Gain on disposal of property, plant and equipment | (9) | (26) |
| Property, plant and equipment written off | - | 8 |
| Interest expense | 4,633 | 2,740 |
| Interest income | (283) | (180) |
| Operating profit before working capital changes | <u>9,806</u> | <u>6,533</u> |
| Changes in working capital | | |
| Inventories | (98) | 1,464 |
| Contract assets | 11,924 | (40,630) |
| Contract liabilities | 3,319 | 5,863 |
| Trade and other receivables | (37,107) | (15,969) |
| Trade and other payables | 18,929 | 17,860 |
| Net cash generated / (used in) from operations | <u>6,773</u> | <u>(24,879)</u> |
| Interest paid | (4,633) | (2,334) |
| Interest received | 283 | 180 |
| Tax refund | 36 | - |
| Tax paid | (191) | (21) |
| Net cash generated / (used in) operating activities | <u>2,268</u> | <u>(27,054)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 9 | 26 |
| Purchase of property, plant and equipment | (2,331) | (1,699) |
| Increase in pledged deposit with licensed bank | (3,262) | (2,424) |
| Net cash used in investing activities | <u>(5,584)</u> | <u>(4,097)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown from short-term borrowings | 146,788 | 125,784 |
| Repayment of short-term borrowings | (147,281) | (97,299) |
| Repayment of term loan | (2,986) | (2,897) |
| Drawdown from hire purchase payables | 1,292 | - |
| Repayment of hire purchase payables | (758) | (671) |
| Net cash (used in) / generated from financing activities | <u>(2,945)</u> | <u>24,917</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(6,261)</u> | <u>(6,234)</u> |
| EFFECT OF EXCHANGE RATE CHANGES | (71) | 198 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 1,974 | 8,010 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | <u>(4,358)</u> | <u>1,974</u> |
| CASH AND CASH EQUIVALENTS COMPRISE OF: | | |
| Short term deposit and security account placed with licensed banks | 13,089 | 9,827 |
| Cash and bank balances | 262 | 1,974 |
| | <u>13,351</u> | <u>11,801</u> |
| Less : Short term deposit and security account pledged with licensed bank | (13,089) | (9,827) |
| | <u>262</u> | <u>1,974</u> |
| Bank overdraft | (4,620) | - |
| Cash and cash equivalents | <u>(4,358)</u> | <u>1,974</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 FOURTH QUARTER ENDED 30 JUNE 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 30 June 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 2023:

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 30 June 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 30 June 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 30 June 2024.

As at 30 June 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 30 June 2024.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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 12 months year ended | |
|----------------|--|---------------|---|----------------|
| | 30-06-24 | 30-06-2023 | 30-06-24 | 30-06-23 |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Revenue | | | | |
| Domestic | 103,135 | 76,590 | 265,414 | 254,122 |
| Overseas | 4,285 | 4,095 | 29,562 | 20,702 |
| | <u>107,420</u> | <u>80,685</u> | <u>294,976</u> | <u>274,824</u> |

A9 Capital Commitment

The commitments for the purchase of property, plant and equipment not provided in the financial statements as at 30 June 2024 were as follows:

| | |
|-----------------------------|-----------------------------------|
| Approved and contracted for | The Group <u>RM'000</u> 291 |
|-----------------------------|-----------------------------------|

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 12 months year ended | |
|--|-------------------------------------|---------------|---|---------------|
| | 30-06-2024 | 30-06-2023 | 30-06-2024 | 30-06-2023 |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| <u>MIE Industrial Sdn Bhd ("MIE")</u> | | | | |
| Revenue | 53,413 | 48,128 | 171,051 | 115,674 |
| Purchase | 25,000 | 10,281 | 60,510 | 84,720 |
| <u>CTCI Engineering & Construction Sdn Bhd</u> | | | | |
| Revenue | - | - | - | 382 |



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 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 107.42 million and profit after tax of RM 0.97 million for the 3 months period ended 30 June 2024 ("Current Quarter") as compared to the revenue of RM 80.69 million and profit after tax of RM 0.81 million in the preceding year's corresponding quarter ended 30 June 2023. The increase in revenue of RM 26.73 million for the current quarter and profit after tax of RM 0.16 million was mainly due to increase in revenue contribution from projects in construction industries.

On a year to year basis, the Group recorded its revenue and profit after tax of RM 294.98 million and RM 2.99 million respectively for the financial year ended 30 June 2024 as compared to the revenue of RM 274.82 million and profit after tax of RM 4.62 million for the preceding financial year. The increase in revenue of RM 20.16 million was mainly due to increase in revenue from projects in construction industries while decrease in profit after tax of RM 1.63 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 107.42 million and RM 1.35 million respectively as compared to the immediate preceding quarter ended 31 March 2024 revenue and profit before tax of RM 78.85 million and RM 0.95 million respectively. The increase in revenue of RM 28.57 million and profit before tax of RM 0.4 million was mainly due to increase in revenue contribution from projects in construction industries.

B3 Prospects

With the uncertain global outlook and ongoing geopolitical conflict, the Group expects the economic environment to remain challenging.

The Group will emphasize on leveraging on group synergies to explore and broaden its customers base and products in offering civil construction, structural steel, piping and architectural works for projects and plants expansion with improved project management and execution plan while maintaining its business in pressure vessel fabrication.

Barring any unforeseen circumstances, the Group targets for positive performance in the next 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 June 2024.

B5 Taxation

| | Individual 3 months ended 30-06-2024 RM'000 | Individual 3 months ended 30-06-2023 RM'000 | Cumulative 12 months year ended 30-06-2024 RM'000 | Cumulative 12 months year ended 30-06-2023 RM'000 |
|---------------------------------|--|--|--|--|
| Provision of current year | (77) | - | (77) | - |
| Overprovision of prior year tax | - | - | - | - |
| Deferred tax assets | (302) | - | (302) | - |
| Taxation | <u>(379)</u> | <u>-</u> | <u>(379)</u> | <u>-</u> |

B6 Notes to the Statements of Comprehensive Income

| | Individual Period 30-06-2024 RM'000 | Individual Period 30-06-2023 RM'000 | Cumulative 12 months year ended 30-06-2024 RM'000 | Cumulative 12 months year ended 30-06-2023 RM'000 |
|--|--|--|--|--|
| Interest income | (73) | (50) | (283) | (180) |
| Interest expense | 1,196 | 880 | 4,633 | 2,740 |
| Depreciation | 464 | 450 | 1,796 | 1,762 |
| Gain on foreign exchange | 108 | (181) | 262 | (377) |
| Gain on disposal of property, plant and equipment | - | - | (9) | (26) |
| Other income | (1) | - | (9) | - |



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

B7 Group Borrowings

The Group's borrowings as at 30 June 2024 were as follows:-

| | Current Secured RM'000 | Non-Current Secured RM'000 | Total RM'000 |
|---|------------------------------|----------------------------------|-----------------|
| Term loan | 3,174 | 0 | 3,174 |
| Hire Purchase | 912 | 1,920 | 2,832 |
| Trade bills and other short term borrowings | 59,097 | - | 59,097 |
| Total | 63,183 | 1,920 | 65,103 |

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 12 months year ended | |
|--|-------------------------------------|------------|---|------------|
| | 30-06-2024 | 30-06-2023 | 30-06-2024 | 30-06-2023 |
| Net profit / (loss) attributable to the owners of the Company (RM'000) | 967 | 809 | 2,989 | 4,621 |
| Weighted average number of ordinary shares in issue ('000) | 79,681 | 79,681 | 79,681 | 79,681 |
| Basic earnings per share (Sen) | 1.21 | 1.01 | 3.75 | 5.80 |

This interim financial report is dated 27 August 2024.