



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

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

	As at 30.09.2024 Unaudited RM'000	As at 30.06.2024 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,750	33,144
Deferred tax asset	1,013	1,278
	<u>33,763</u>	<u>34,422</u>
Current assets		
Inventories	1,190	1,364
Trade and other receivables	39,626	90,153
Contract assets	86,244	62,522
Current tax assets	307	409
Deposit, cash and bank balances	14,653	13,351
	<u>142,020</u>	<u>167,799</u>
TOTAL ASSETS	<u><u>175,783</u></u>	<u><u>202,221</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	45,584	45,584
Treasury shares	(157)	(157)
Reserves	(7,897)	(8,149)
Equity attributable to owners of the parent	<u>37,530</u>	<u>37,278</u>
Non-controlling interest	(2)	(2)
Total equity	<u>37,528</u>	<u>37,276</u>
Non-current liabilities		
Hire purchases payables	1,989	1,920
Current liabilities		
Trade and other payables	76,548	72,685
Contract liabilities	19,300	27,157
Bank borrowings	39,266	62,271
Hire purchases payables	1,152	912
	<u>136,266</u>	<u>163,025</u>
TOTAL LIABILITIES	<u>138,255</u>	<u>164,945</u>
TOTAL EQUITY AND LIABILITIES	<u><u>175,783</u></u>	<u><u>202,221</u></u>
Net Asset per share attributable to owners of the parent (RM)	0.47	0.47

The Condensed Interim Financial Statements should be read in conjunction with SEB's audited consolidated financial statements for the financial year ended 30th June 2024 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 2024

	Current Quarter Ended 30.09.2024 RM'000	Preceding Corresponding Quarter Ended 30.09.2023 RM'000	Current Financial Year Ended 30.09.2024 RM'000	Preceding Financial Corresponding Year Ended 30.09.2023 RM'000
Revenue	41,715	55,620	41,715	55,620
Operating profit	1,437	1,726	1,437	1,726
Interest expense	(947)	(1,124)	(947)	(1,124)
Interest income	27	66	27	66
Profit before taxation	<u>517</u>	<u>668</u>	<u>517</u>	<u>668</u>
Taxation	(265)	-	(265)	-
Profit after taxation	<u>252</u>	<u>668</u>	<u>252</u>	<u>668</u>
Total comprehensive profit for the period	<u>252</u>	<u>668</u>	<u>252</u>	<u>668</u>
Profit after taxation attributable to :				
Owners of the company	252	668	252	668
Non-controlling interests	-	-	-	-
	<u>252</u>	<u>668</u>	<u>252</u>	<u>668</u>
Total comprehensive profit attributable to :				
Owners of the company	252	668	252	668
Non-controlling interests	-	-	-	-
	<u>252</u>	<u>668</u>	<u>252</u>	<u>668</u>
Basic earnings per share (sen)	0.32	0.84	0.32	0.84

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 2024 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 30 SEPTEMBER 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 2023	45,584	(157)	(11,219)	34,208	-	34,208
Total comprehensive income for the period	-	-	669	669	(1)	668
Balance as at 30 September 2023	45,584	(157)	(10,550)	34,877	(1)	34,876
Balance as at 1 July 2024	45,584	(157)	(8,149)	37,278	(2)	37,276
Total comprehensive income for the period	-	-	252	252	-	252
Balance as at 30 September 2024	45,584	(157)	(7,897)	37,530	(2)	37,528

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 2024 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 2024

	Financial Period Ended 30.09.2024 Unaudited RM'000	Financial Period Ended 30.09.2023 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	517	668
As at 30 September 2024		
Adjustments :		
Unrealised (gain)/loss on foreign exchange	(115)	65
Allowance for impairment losses on receivables	82	-
Allowance for impairment losses on contract assets	-	-
Inventories written down	93	66
Depreciation on plant, property and equipment	469	439
Gain on disposal of property, plant and equipment	-	(6)
Interest expense	947	1,124
Interest income	(27)	(66)
Operating profit before working capital changes	1,966	2,290
Changes in working capital		
Inventories	81	(86)
Contract assets	(23,722)	4,671
Contract liabilities	(7,857)	(15,318)
Trade and other receivables	50,444	23,777
Trade and other payables	3,864	(1,748)
Net cash generated from operations	24,776	13,586
Interest paid	(947)	(1,124)
Interest received	27	66
Tax refund	131	36
Tax paid	(29)	(5)
Net cash generated operating activities	23,958	12,559
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	6
Purchase of property, plant and equipment	(75)	(330)
Increase in pledged deposit with licensed bank	(516)	(1,058)
Net cash used in investing activities	(591)	(1,382)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from short-term borrowings	22,144	36,859
Repayment of short-term borrowings	(39,762)	(40,080)
Repayment of term loan	(767)	(735)
Drawdown from hire purchase payables	531	317
Repayment of hire purchase payables	(222)	(172)
Net cash used in from financing activities	(18,076)	(3,811)
NET DECREASE IN CASH AND CASH EQUIVALENTS	5,291	7,366
EFFECT OF EXCHANGE RATE CHANGES	115	(65)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(4,358)	1,974
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	1,048	9,275
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Short term deposit and security account placed with licensed banks	13,605	10,885
Cash and bank balances	1,048	9,275
	14,653	20,160
Less : Short term deposit and security account pledged with licensed bank	(13,605)	(10,885)
Cash and cash equivalents	1,048	9,275

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 2024 with the accompanying explanatory notes attached to the financial statements.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 September 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 2024.

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 2024 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 2024 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 2024:

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

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 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 September 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 September 2024.

As at 30 September 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 September 2024.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 3 months period ended	
	30-09-24 RM'000	30-09-2023 RM'000	30-09-24 RM'000	30-09-23 RM'000
Revenue				
Domestic	37,331	49,032	37,331	49,032
Overseas	4,384	6,588	4,384	6,588
	<u>41,715</u>	<u>55,620</u>	<u>41,715</u>	<u>55,620</u>

A9 Capital Commitment

The commitments for the purchase of property, plant and equipment not provided in the financial statements as at 30 September 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 3 months ended	
	30-09-2024 RM'000	30-09-2023 RM'000	30-09-2024 RM'000	30-09-2023 RM'000
<u>MIE Industrial Sdn Bhd ("MIE")</u>				
Revenue	16,569	24,528	16,569	24,528
Purchase	5,933	5,510	5,933	5,510

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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 41.71 million and profit after tax of RM 0.25 million for the 3 months period ended 30 September 2024 ("Current Quarter") as compared to the revenue of RM 55.62 million and profit after tax of RM 0.67 million in the preceding year's corresponding quarter ended 30 September 2023. The decrease in revenue of RM 13.91 million for the current quarter and profit after tax of RM 0.42 million was mainly due to decrease in revenue contribution from project in food industries, increase in other operating expenses and deferred tax expense.

B2 Comparison with immediate preceding quarter's results

The Group recorded revenue and profit before tax for the Current Quarter of RM 41.71 million and RM 0.52 million respectively as compared to the immediate preceding quarter ended 30 June 2024 revenue and profit before tax of RM 107.42 million and RM 1.35 million respectively. The decrease in revenue of RM 65.71 million and profit before tax of RM 0.83 million was mainly due to decrease in revenue contribution from projects in electrical & electronics and construction industries.

B3 Prospects

The Group anticipates the operating environment continues to be challenging in the coming quarters with the persistent external business risk and escalation of geopolitical conflict.

Against this backdrop, the Group will remain focused on exploring and broadening its customers base and products in improving its order books intake in offering civil construction, structural steel, piping and architectural works for projects and pressure vessel fabrication as well as operational and resources streamlining to mitigate any adverse impact.

Barring any unforeseen circumstances, the Group targets for improved 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 June 2024.

B5 Taxation

	Individual 3 months ended 30-09-2024 RM'000	Individual 3 months ended 30-09-2023 RM'000	Cumulative 3 months ended 30-09-2024 RM'000	Cumulative 3 months ended 30-09-2023 RM'000
Provision of current year	-	-	-	-
Overprovision of prior year tax	-	-	-	-
Deferred tax	265	-	265	-
Taxation	<u>265</u>	<u>-</u>	<u>265</u>	<u>-</u>

B6 Notes to the Statements of Comprehensive Income

	Individual Period 30-09-2024 RM'000	Individual Period 30-09-2023 RM'000	Cumulative 3 months ended 30-09-2024 RM'000	Cumulative 3 months ended 30-09-2023 RM'000
Allowance for impairment losses on receivables	82	-	82	-
Depreciation	469	439	469	439
Loss / (Gain) on foreign exchange	167	(28)	167	(28)
Gain on disposal of property, plant and equipment	-	(6)	-	(6)
Other income	(236)	-	(236)	-

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024****B7 Group Borrowings**

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

	Current Secured RM'000	Non-Current Secured RM'000	Total RM'000
Term loan	2,408	-	2,408
Hire Purchase	1,152	1,989	3,141
Trade bills and other short term borrowings	36,858	-	36,858
Total	40,418	1,989	42,407

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 is no pending material litigation involving the Group as at the date of this report, except for the following:-

Counterclaim filed by CN Eleco Engineering Sdn. Bhd. against MIE Industrial Sdn. Bhd. and Seremban Engineering Berhad
Reference is made to the earlier announcements dated 12 November 2024 and 25 November 2024.

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 3 months ended	
	30-09-2024	30-09-2023	30-09-2024	30-09-2023
Net profit / (loss) attributable to the owners of the Company (RM'000)	252	668	252	668
Weighted average number of ordinary shares in issue ('000)	79,681	79,681	79,681	79,681
Basic earnings per share (Sen)	0.32	0.84	0.32	0.84

This interim financial report is dated 29 November 2024.