



SEERS BERHAD

(Company No. 1252690-U)
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
30 JUNE 2018
("HALF YEARLY FINANCIAL STATEMENTS")**

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SEERS BERHAD. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATIONS, AND, IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.



SEERS BERHAD (COMPANY NO. 1252690-U)
(Incorporated in Malaysia)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	3,412	N/A	3,412	N/A
Cost of sales	(1,792)	N/A	(1,792)	N/A
Gross profit	1,620	N/A	1,620	N/A
Other income	44	N/A	44	N/A
Administrative and other operating expenses	(1,535)	N/A	(1,535)	N/A
Profit from operation	129	N/A	129	N/A
Finance costs	(57)	N/A	(57)	N/A
Profit before tax	72	N/A	72	N/A
Income tax expense	(17)	N/A	(17)	N/A
Profit for the financial period	55	N/A	55	N/A
Other comprehensive income	-	N/A	-	N/A
Total comprehensive income for the financial period	55	N/A	55	N/A
Profit for the financial period attributable:				
- Owners of the Company	55	N/A	55	N/A
EARNINGS PER ORDINARY SHARE (SEN)				
- Basic/Diluted*	0.03	N/A	0.03	N/A

* Total number of shares, 193,219,000

The Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.

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SEERS

SEERS BERHAD (COMPANY NO. 1252690-U)
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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Unaudited As at 30.6.2018 RM'000	Audited* As at 31.12.2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	864	566
TOTAL NON-CURRENT ASSETS	864	566
CURRENT ASSETS		
Inventories	945	1,741
Trade receivables	3,300	2,460
Other receivables, deposits and prepayments	520	307
Fixed deposit placed with a licensed bank	377	342
Cash and bank balances	571	1,087
TOTAL CURRENT ASSETS	5,713	5,937
TOTAL ASSETS	6,577	6,503
EQUITY		
Share capital	3,864	450
Retained earnings	3,564	3,509
Merger reserve	(3,414)	-
TOTAL EQUITY	4,014	3,959
NON-CURRENT LIABILITIES		
Bank borrowings	156	211
Finance lease liabilities	512	354
Deferred tax liabilities	2	2
TOTAL NON-CURRENT LIABILITIES	670	567
CURRENT LIABILITIES		
Trade payables	277	415
Other payables	267	346
Amount owing to directors	2	2
Bank borrowings	990	724
Finance lease liabilities	128	122
Current tax liabilities	229	368
TOTAL CURRENT LIABILITIES	1,893	1,977
TOTAL LIABILITIES	2,563	2,544
TOTAL EQUITY AND LIABILITIES	6,577	6,503
NET ASSETS PER ORDINARY SHARE (RM) **	0.02	N/A

* Combined Statement of Financial Position as at 31 December 2017 as disclosed in Information Memorandum – Appendix I.

** Based on 193,219,000 ordinary shares

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.



SEERS BERHAD (COMPANY NO. 1252690-U)
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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEARLY ENDED 30 JUNE 2018**

	<----Non-distributable---->		<i>Distributable</i>	
	Share Capital RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 25 October 2017 (date of incorporation)	*	-	-	*
Acquisition of subsidiary companies	-	-	3,509	3,509
Profit for the financial year	-	-	55	55
Effects arising from merger method of accounting	3,864	(3,414)	-	450
Balance as at 30 June 2018	3,864	(3,414)	3,564	4,014

* Represent RM10.

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.

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SEERS BERHAD (COMPANY NO. 1252690-U)
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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF YEARLY ENDED 30 JUNE 2018**

	Unaudited	Audited
	6 MONTHS ENDED	
	30.6.2018	30.6.2017
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	72	N/A
Adjustment for:		
Depreciation of plant and equipment	79	N/A
Interest expenses	57	N/A
Interest income	(6)	N/A
Loss on disposal of plant and equipment	5	N/A
Operating profit before working capital changes	<u>207</u>	<u>N/A</u>
Changes in working capital: -		
Inventories	796	N/A
Trade receivables	(840)	N/A
Other receivables	(212)	N/A
Trade payables	(138)	N/A
Other payables	(79)	N/A
Cash generated from operations	<u>(266)</u>	<u>N/A</u>
Tax paid	(157)	N/A
Interest received	6	N/A
Interest paid	(57)	N/A
Net cash used in operating activities	<u>(474)</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(531)	N/A
Proceeds from disposal of plant and equipment	<u>150</u>	<u>N/A</u>
Net cash used in investing activities	<u>(381)</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of hire purchase facilities	487	N/A
Increase of fixed deposit pledged	(36)	N/A
Repayment of finance lease liabilities	(323)	N/A
Repayment of bank borrowing	(49)	N/A
Net cash from financing activities	<u>79</u>	<u>N/A</u>



SEERS BERHAD (COMPANY NO. 1252690-U)
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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF YEARLY ENDED 30 JUNE 2018 (CONT'D)**

	Unaudited	Audited
	6 MONTHS ENDED	
	30.6.2018	30.6.2017
	RM'000	RM'000
Net decrease in cash and cash equivalents	(776)	N/A
Cash and cash equivalents at beginning of the financial year	465	N/A
Cash and cash equivalents at end of the financial period	(311)	N/A
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with a licensed bank	377	N/A
- Cash and bank balances	571	N/A
- Bank overdraft	(882)	N/A
	66	N/A
Less: Fixed deposits pledged with a licensed bank	(377)	N/A
	(311)	N/A

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the Half Yearly Financial Statements.

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SEERS BERHAD (COMPANY NO. 1252690-U)
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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018

A1. BASIS OF PREPARATION

Seers Berhad (“Seers” or “the Company”) was incorporated in Malaysia on 25 October 2017 as a private limited company under the Companies Act 2016 with an issued share capital of RM10 comprising five hundred (500) ordinary shares. The Company was later converted into a public limited company on 31 May 2018. The Company’s registered office is located at 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur.

On 26 February 2018, Seers has acquired the entire equity interest in Seers Marketing Sdn Bhd (“SMSB”) and Seers Technology Sdn Bhd (“STSB”) with purchase consideration of RM3,864,360 and RM10 respectively via issuance of 193,218,000 new shares and 500 new shares to the vendors of SMSB and STSB respectively at an issue price of RM0.02 each. Upon completion of the acquisitions, the share capital of Seers is RM3,864,380 comprising 193,219,000 shares.

On 17 July 2018, the Company’s entire enlarged issued share capital of RM9,016,892 comprising of 257,625,400 ordinary shares were listed on the LEAP Market of Bursa Securities.

The interim financial statements of Seers Berhad and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting.

This is the first interim financial report on the consolidated results for the half-year ended 30 June 2018 announced by the Company in compliance with Paragraph 6.12 of the LEAP Market’s Listing Requirements of Bursa Securities.

The unaudited interim financial statements ended 30 June 2018 should be read in conjunction with the audited combined financial statements of the Group for the financial year ended 31 December 2017 as disclosed in the information memorandum dated 6 June 2018 (“IM”) and its accompanying explanatory notes attached to this interim financial report.



SEERS BERHAD (COMPANY NO. 1252690-U)
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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018 (CONT'D)

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited combined financial statements as disclosed in the IM of the Company.

The following are MFRSs, Amendments to MFRSs and IC Interpretations that have been issued by Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group:

MFRSs	Effective Date
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 15 <i>Clarification to MFRS 15</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transaction</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 140 <i>Transfer of Investment Property</i>	1 January 2018
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019



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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018 (CONT'D)

A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

MFRSs	Effective Date
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term interest in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment and Settlement</i>	1 January 2019
Amendments to MFRS 2 <i>Share-based Payment</i>	1 January 2020
Amendments to MFRS 3 <i>Business Combinations</i>	1 January 2020
Amendments to MFRS 6 <i>Exploration for an Evaluation of Mineral Resources</i>	1 January 2020
Amendments to MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2020
Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2020
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
Amendments to MFRS 134 <i>Interim Financial Reporting</i>	1 January 2020
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
Amendments to MFRS 138 <i>Intangible Assets</i>	1 January 2020
Amendments to IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2020
Amendments to IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
Amendments to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
Amendments to IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
Amendments to IC Interpretation 132 <i>Intangible Assets – Web Site Costs</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Directors expect that these standards are either not relevant or do not have material impact on the results and financial position of the Group for the current financial period.

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SEERS BERHAD (COMPANY NO. 1252690-U)
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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018 (CONT'D)

A3. SEASONAL OR CYCLICAL FACTORS

The businesses of the Group were not affected by any seasonal or cyclical factors during the current financial period.

A4. UNUSUAL ITEMS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates in the current financial period.

A6. DEBT AND EQUITY SECURITIES

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period.

A7. SEGMENTAL INFORMATION

The Group's revenue based on its products is presented as follows: -

	Unaudited	
	6 months ended	
	30.6.2018	
	RM'000	%
Storage DC-Heater	2,485	72.8
Hybrid Hot Water System	538	15.8
Instant Water Heater	95	2.8
Others*	294	8.6
	3,412	100.0

* Others include 3-second thermo flask, booster pump, multipoint, outdoor microfiltration membrane, installation, testing and commissioning charges.

The Group's revenue based on geographical location is presented as follows: -

	Unaudited	
	6 months ended	
	30.6.2018	
	RM'000	%
Local	3,173	93.0
Overseas	239	7.0
	3,412	100.0



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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2018 (CONT'D)

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Save as disclosed below, there were no other material events subsequent to the end of the current financial period:

- (i) On 17 July 2018, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital of RM3.86 million comprising 257,625,400 ordinary shares on the LEAP Market of Bursa Securities.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current financial period.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A11. CAPITAL COMMITMENTS

There were no material capital commitments in respect of plant and equipment as at the end of the current financial period.

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SEERS BERHAD (COMPANY NO. 1252690-U)
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PART B - ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

During the six (6) months period under review, our revenue mainly derived from the sale of storage DC-heater amounting to RM2.48 million or 72.8% of total revenue and hybrid hot water system amounting to RM0.54 million or 15.8% of total revenue.

Our water heater and water-related appliances are mainly sold in Malaysia. A small percentage of our revenue, 7% is generated from the export of our products to overseas mainly Philippines, Maldives and Singapore.

Our profit for the current financial period is low mainly due to lower sales generated from contractors/developers and various property owners as a result of soft property market.

B2. PROSPECTS OF THE GROUP

As disclosed in the IM of the Company, the Group remains committed to continuously develop new, innovative products and improve current range of products so as to remain competitive in the market. The Group shall focus on retail expansion and elevate the brand awareness through advertising and actively participate in trade conventions related to the property development/construction or home improvement industry.

Further details of the Group's future plans and prospects of the Group are disclosed in Section 2.15 and 2.16, Part 1 of the IM.

There were no changes in the business direction of the Group which may have an impact on any of the business segments of the Group.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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PART C - OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but pending completion as at the date of this report.

C2. UTILISATION OF PROCEEDS

The status of utilisation of the proceeds, RM5.15 million are as follows: -

Purposes	Proposed Utilisation	Actual Utilisation*	Proceeds Balance	Estimated Timeframe for Utilisation Upon Listing
	RM'000	RM'000	RM'000	
Capital expenditure	1,300	-	1,300	Within 18 months
General working capital	2,952	-	2,952	Within 24 months
Estimated listing expenses	900	-	900	Within 1 month
	5,152	-	5,152	

* Utilisation as at 30 June 2018.

C3. MATERIAL LITIGATION

The Board is not aware of any proceedings/ material litigations pending or threatened against the Group as at the date of this report.

C4. DIVIDENDS

The Board does not recommend any dividend for the current financial period.

C5. EARNINGS/(LOSS) PER SHARE

(i) The basic earnings/(loss) per share for the current financial period and financial year-to-date are computed as follows: -

	6 months ended 30.6.2018
Profit/(loss) attributable to owners of the parent (RM'000)	55
Number of ordinary shares in issue ('000)	193,219
Basic earnings/(loss) per share (sen)	0.03

(ii) Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive instruments.