



**SEERS BERHAD**

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

**FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> HALF YEAR  
ENDED 31 DECEMBER 2018**

**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 2<sup>ND</sup> HALF YEAR ENDED 31 DECEMBER 2018**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	2,212	N/A	3,790	9,309
Cost of sales	(1,281)	N/A	(2,195)	(4,980)
<b>Gross profit</b>	<b>931</b>	N/A	<b>1,595</b>	4,329
Other income	221	N/A	265	225
Administrative and other operating expenses	(3,601)	N/A	(5,136)	(2,785)
<b>(Loss)/Profit from operation</b>	<b>(2,449)</b>	N/A	<b>(3,276)</b>	1,769
Finance costs	(106)	N/A	(163)	(110)
<b>(Loss)/Profit before tax</b>	<b>(2,555)</b>	N/A	<b>(3,439)</b>	1,659
Income tax expense	16	N/A	(1)	(484)
<b>(Loss)/Profit for the financial period</b>	<b>(2,539)</b>	N/A	<b>(3,440)</b>	1,175
Other comprehensive income	-	N/A	-	-
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(2,539)</b>	N/A	<b>(3,440)</b>	1,175
<b>(Loss)/Profit for the financial period attributable:</b>				
- Owners of the Company	<b>(2,539)</b>	N/A	<b>(3,440)</b>	1,175
<b>(LOSS)/EARNINGS PER ORDINARY SHARE (SEN)</b>				
- Basic/Diluted*	(0.99)	N/A	(1.34)	0.46

\* Total number of shares, 257,625,400

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 2<sup>nd</sup> Half Year Financial Statements.

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# SEERS

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

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Unaudited As at 31.12.2018 RM'000	Audited* As at 31.12.2017 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	1,012	566
Development costs	1,385	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,397</b>	<b>566</b>
<b>CURRENT ASSETS</b>		
Inventories	2,783	1,741
Trade receivables	966	2,460
Other receivables, deposits and prepayments	403	307
Fixed deposit placed with a licensed bank	540	342
Cash and bank balances	1,811	1,087
Tax recoverable	100	-
<b>TOTAL CURRENT ASSETS</b>	<b>6,603</b>	<b>5,937</b>
<b>TOTAL ASSETS</b>	<b>9,000</b>	<b>6,503</b>
<b>EQUITY</b>		
Share capital	8,723	450
Retained earnings	69	3,509
Merger reserve	(3,414)	-
<b>TOTAL EQUITY</b>	<b>5,378</b>	<b>3,959</b>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	97	211
Finance lease liabilities	530	354
Deferred tax liabilities	2	2
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>629</b>	<b>567</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,020	415
Other payables	457	346
Amount owing to directors	-	2
Bank borrowings	1,375	724
Finance lease liabilities	141	122
Current tax liabilities	-	368
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,993</b>	<b>1,977</b>
<b>TOTAL LIABILITIES</b>	<b>3,622</b>	<b>2,544</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,000</b>	<b>6,503</b>
<b>NET ASSETS PER ORDINARY SHARE (RM) **</b>	<b>0.03</b>	<b>0.02</b>



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

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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018 (CONT'D)**

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

\*\* Based on 257,625,400 ordinary shares

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the 2<sup>nd</sup> Half Year Financial Statements.



**SEERS BERHAD (COMPANY NO. 1252690-U)**  
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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 2<sup>ND</sup> HALF YEAR ENDED 31 DECEMBER 2018**

	<i>&lt;----Non-distributable----&gt;</i>		<i>Distributable</i>	
	<b>Share Capital RM'000</b>	<b>Merger Reserve RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total Equity RM'000</b>
Balance as at 25 October 2017 (date of incorporation)	*	-	-	*
Acquisition of subsidiary companies	-	-	3,509	3,509
Loss for the financial period	-	-	(3,440)	(3,440)
Effects arising from merger method of accounting	3,864	(3,414)	-	450
Issuance of new ordinary shares	5,152	-	-	5,152
Listing expenses	(293)	-	-	(293)
Balance as at 31 December 2018	<b>8,723</b>	<b>(3,414)</b>	<b>69</b>	<b>5,378</b>

\* Represent RM10.

The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the 2<sup>nd</sup> Half Year Financial Statements.

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**SEERS BERHAD (COMPANY NO. 1252690-U)**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE 2<sup>ND</sup> HALF YEAR ENDED 31 DECEMBER 2018**

	<b>12 MONTHS ENDED</b>	
	<b>Unaudited 31.12.2018 RM'000</b>	<b>Audited 31.12.2017 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(3,439)	1,659
Adjustment for:		
Amortisation of development costs	49	-
Bad debts written off	-	21
Depreciation of plant and equipment	207	218
Impairment on trade receivables	442	37
Impairment on other receivables	-	1
Inventories written off	35	-
Interest expenses	163	110
Interest income	(13)	(10)
Loss/(Gain) on disposal of plant and equipment	5	(5)
Reversal of impairment	(187)	(186)
Unrealised loss on foreign exchange	2	-
Operating (loss)/profit before working capital changes	(2,736)	1,845
<b>Changes in working capital: -</b>		
Inventories	(1,077)	(917)
Trade receivables	1,239	433
Other receivables	(96)	558
Trade payables	605	(421)
Other payables	111	(94)
Amount owing by/to Directors	(2)	249
	780	(192)
Cash (used in)/generated from operations	(1,956)	1,653
Tax paid	(470)	(773)
Interest received	13	-
Interest paid	(163)	(46)
<b>Net cash (used in)/from operating activities</b>	(2,576)	834
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition of development cost	(1,435)	-
Purchase of property, plant and equipment	(197)	(29)
Proceeds from disposal of property, plant and equipment	150	23
<b>Net cash used in investing activities</b>	(1,482)	(6)



**SEERS BERHAD (COMPANY NO. 1252690-U)**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE 2<sup>ND</sup> HALF YEAR ENDED 31 DECEMBER 2018 (CONT'D)**

	<b>12 MONTHS ENDED</b>	
	<b>Unaudited 31.12.2018 RM'000</b>	<b>Audited 31.12.2017 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	235	-
Drawdown of hire purchase facilities	-	290
Increase of fixed deposit pledged	(198)	(65)
Proceed from share capital	4,859	-
Repayment of finance lease liabilities	(416)	(419)
Repayment of bank borrowings	(103)	(92)
<b>Net cash from/(used in) financing activities</b>	<b>4,377</b>	<b>(286)</b>
Net decrease in cash and cash equivalents	319	542
Cash and cash equivalents at beginning of the financial year	465	(77)
Cash and cash equivalents at end of the financial year	<b>784</b>	<b>465</b>
<b>Cash and cash equivalents at end of the financial year comprises:</b>		
- Fixed deposits placed with a licensed bank	540	341
- Cash and bank balances	1,811	1,087
- Bank overdraft	(1,027)	(622)
	1,324	806
Less: Fixed deposits pledged with a licensed bank	(540)	(341)
	<b>784</b>	<b>465</b>

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the 2<sup>nd</sup> Half Year 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 2<sup>ND</sup> HALF-YEAR ENDED 31 DECEMBER 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. 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.

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 interim financial report on the consolidated results for the 2<sup>nd</sup> half-year ended 31 December 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 31 December 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.

**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:

<b>MFRSs</b>	<b>Effective Date</b>
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





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**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
2<sup>ND</sup> HALF-YEAR ENDED 31 DECEMBER 2018 (CONT'D)**

**A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)**

<b>MFRSs</b>	<b>Effective Date</b>
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015-2017 Cycle</i>	1 January 2019
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 Interim Financial Reporting	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

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## PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> HALF-YEAR ENDED 31 DECEMBER 2018 (CONT'D)

### A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

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.

### 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: -

	Cumulative 12 months ended	
	Unaudited	Audited
	31.12.2018	31.12.2017
	RM'000	RM'000
Storage DC-heater	2,196	7,042
Hybrid hot water system	724	1,084
Instant water heater	302	307
Others*	568	876
	<u>3,790</u>	<u>9,309</u>

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



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**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> HALF-YEAR ENDED 31 DECEMBER 2018 (CONT'D)**

**A7. SEGMENTAL INFORMATION (CONT'D)**

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

	<b>Cumulative 12 months ended</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Local	3,494	8,886
Overseas	296	423
	<b>3,790</b>	<b>9,309</b>

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

There were no other material events subsequent to the end of the current financial period.

**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 year.

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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 twelve (12) months period under review, our revenue mainly derived from the sale of storage DC-heater amounting to RM2.20 million or 57.9% of total revenue and hybrid hot water system amounting to RM0.72 million or 19.1% of total revenue.

Our water heater and water-related appliances are mainly sold in Malaysia. A small percentage of our revenue, 7.8% is generated from the export of our products to overseas mainly Philippines, Maldives and Singapore.

The Group recorded a loss of RM3.44 million for the financial year ended 31 December 2018 mainly due to lower sales volume from our Storage DC-heater products as a result of the overall weakening of the construction sector.

Administrative and other operating expenses has also increased in the current financial year as our Group continues to invest heavily on marketing and advertising activities as well as participating in various exhibition to promote our products and brand name to our target customers. There is also one-off listing expenses incurred amounting to RM0.51 million and impairment on trade receivables amounting to RM0.44 million during the financial year.

In addition, travelling expenses has also increased as the management made more frequent trips to China to research and develop a few new products in order to broaden the product range of the Group. The Group has recently launched its new air cooler equipment towards the end of the financial year. Coupled with a few other new products which are currently in development, these new products are expected to contribute positively to the Group's revenue in the next financial year.

### **B2. PROSPECTS OF THE GROUP**

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.

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.



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

**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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# SEERS

SEERS BERHAD (COMPANY NO. 1252690-U)  
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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	71	1,229	Within 18 months
General working capital	2,952	2,952	-	Within 24 months
Estimated listing expenses	900	892	8	Within 1 month
	<b>5,152</b>	<b>3,915</b>	<b>1,237</b>	

\* Utilisation as at 31 December 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. (LOSS)/EARNINGS PER SHARE

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

	Cumulative 12 months ended	
	Unaudited 31.12.2018	Audited 31.12.2017
(Loss)/Profit attributable to owners of the parent (RM'000)	(3,440)	1,175
Number of ordinary shares in issue ('000)	257,625	257,625
Basic (loss)/earnings per share (sen)	(1.34)	0.46



**SEERS BERHAD (COMPANY NO. 1252690-U)**  
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**PART C - OTHER INFORMATION (CONT'D)**

**C5. (LOSS)/EARNINGS PER SHARE (CONT'D)**

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

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