



SEERS BERHAD

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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
30 JUNE 2019
("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 STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	2,433	3,412	2,433	3,412
Cost of sales	(1,471)	(1,792)	(1,471)	(1,792)
Gross profit	962	1,620	962	1,620
Other income	77	44	77	44
Administrative and other operating expenses	(2,017)	(1,535)	(2,017)	(1,535)
(Loss)/Profit from operation	(978)	129	(978)	129
Finance costs	(132)	(57)	(132)	(57)
(Loss)/Profit before tax	(1,110)	72	(1,110)	72
Income tax expense	(11)	(17)	(11)	(17)
(Loss)/Profit for the financial period	(1,121)	55	(1,121)	55
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the financial period	(1,121)	55	(1,121)	55
(Loss)/Profit for the financial period attributable:				
- Owners of the Company	(1,121)	55	(1,121)	55
(LOSS)/EARNINGS PER ORDINARY SHARE (SEN)				
- Basic/Diluted	(0.58)	0.03	(0.58)	0.03

The Unaudited Consolidated Statements 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 BERHAD (COMPANY NO. 1252690-U)
(Incorporated in Malaysia)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Unaudited	Audited
	As at	As at
	30.6.2019	31.12.2018
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	908	1,014
Intangible assets	1,589	1,431
Rights-of-use	508	-
TOTAL NON-CURRENT ASSETS	3,005	2,445
CURRENT ASSETS		
Inventories	2,793	2,781
Trade receivables	1,032	600
Other receivables, deposits and prepayments	171	280
Tax recoverable	107	107
Fixed deposit placed with a licensed bank	720	540
Cash and bank balances	1,554	1,800
TOTAL CURRENT ASSETS	6,377	6,108
TOTAL ASSETS	9,382	8,553
EQUITY		
Share capital	8,759	8,759
Accumulated losses	(1,619)	(498)
Merger reserve	(3,414)	(3,414)
TOTAL EQUITY	3,726	4,847
NON-CURRENT LIABILITIES		
Bank borrowings	34	96
Finance lease liabilities	471	530
Lease liabilities	205	-
Provision for warranty	12	35
TOTAL NON-CURRENT LIABILITIES	722	661



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**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019 (CONT'D)**

	Unaudited As at 30.6.2019 RM'000	Audited As at 31.12.2018 RM'000
CURRENT LIABILITIES		
Trade payables	436	1,013
Other payables	572	488
Amount owing to directors	42	3
Bank borrowings	3,366	1,376
Finance lease liabilities	143	141
Lease liabilities	317	-
Provision for taxation	26	15
Provision for warranty	32	9
TOTAL CURRENT LIABILITIES	4,934	3,045
TOTAL LIABILITIES	5,656	3,706
TOTAL EQUITY AND LIABILITIES	9,382	8,553
NET ASSETS PER SHARE (RM) *	0.02	0.02

* Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period.

The Unaudited Consolidated Statements 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 CHANGES IN EQUITY
FOR THE HALF YEARLY ENDED 30 JUNE 2019**

	<i><----Non-distributable----></i>		<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	-	-	3,373	3,373
Loss for the financial period	-	-	(3,871)	(3,871)
Effects arising from merger method of accounting	3,865	(3,414)	-	451
Issuance of new ordinary shares	5,152	-	-	5,152
Listing expenses	(258)	-	-	(258)
Balance as at 31 December 2018	8,759	(3,414)	(498)	4,847
Balance as at 1 January 2019	8,759	(3,414)	(498)	4,847
Loss for the financial period	-	-	(1,121)	(1,121)
Balance as at 30 June 2019	8,759	(3,414)	(1,619)	3,726

* Represent RM10.

The Unaudited Consolidated Statements of Changes in Equity 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 2019**

	UNAUDITED 6 MONTHS ENDED	
	30.6.2019	30.6.2018
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,110)	72
Adjustment for:		
Amortisation of intangible assets	60	-
Bad debts recovered	(1)	-
Depreciation of plant and equipment	286	79
Interest expenses	132	57
Interest income	-	(6)
Loss on disposal of plant and equipment	-	5
Net impairment gain of financial assets	(75)	-
Operating (loss)/profit before working capital changes	(708)	207
Changes in working capital: -		
Inventories	(12)	796
Trade receivables	(356)	(840)
Other receivables	109	(212)
Trade payables	(577)	(138)
Other payables	84	(79)
Amount owing to directors	39	-
Cash used in operations	(1,421)	(266)
Tax paid	-	(157)
Interest received	-	6
Interest paid	(132)	(57)
Net cash used in operating activities	(1,553)	(474)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition of intangible assets	(218)	-
Purchase of plant and equipment	(32)	(531)
Proceeds from disposal of plant and equipment	-	150
Net cash used in investing activities	(250)	(381)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of finance lease facilities	-	487
Drawdown of bank borrowings	2,011	-
Increase of fixed deposit pledged	(180)	(36)
Repayment of finance lease liabilities	(57)	(323)
Repayment of lease liabilities	(134)	-
Repayment of bank borrowings	(601)	(49)
Net cash from financing activities	1,039	79



SEERS BERHAD (COMPANY NO. 1252690-U)
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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF YEARLY ENDED 30 JUNE 2019 (CONT'D)**

	UNAUDITED 6 MONTHS ENDED	
	30.6.2019	30.6.2018
	RM'000	RM'000
Net decrease in cash and cash equivalents	(764)	(776)
Cash and cash equivalents at beginning of the financial year	773	465
Cash and cash equivalents at end of the financial period	9	(311)
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with a licensed bank	720	377
- Cash and bank balances	1,554	571
- Bank overdraft	(1,545)	(882)
	729	66
Less: Fixed deposits pledged with a licensed bank	(720)	(377)
	9	(311)

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 2019

A1. BASIS OF PREPARATION

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 half-year ended 30 June 2019 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 2019 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018 and the 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 financial statements for the finance year ended 31 December 2018 except for the adoption of standards and amendments to standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendment to MFRS 3	Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)
Amendment to MFRS 11	Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)
Amendment to MFRS 112	Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements 2015-2017 Cycle)
Amendment to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015-2017 Cycle	

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

The adoption of these new MFRS, amendments and IC interpretations did not have any material impact on the interim financial report of the Group except for the following:

MFRS 16 Leases

MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the 'right-of-use' of the underlying asset and the lease liability reflecting future lease payments for most leases. The 'right-to-use' is depreciated in accordance with the principles in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense to be recognised in statements of profit or loss. This effectively means all leases are reflected on the statements of financial position for lessees. For lessors, MFRS 16 retains most of the requirements in MFRS 117 and lessors continue to classify all leases as either operating or finance lease and account for them differently. There are recognition exemptions for short term leases and leases of low-value items.

On the adoption of this standard, the Group has capitalised its rented premises on the statements of financial position by recognising them as 'right-of-use' assets and their corresponding lease liabilities for the present value for future lease payments.

As permitted under the standard, the Group has adopted MFRS 16 retrospective from 1 January 2019 using the simplified transition approach and has not restated comparatives for the 2018 reporting period.

MFRSs, Amendments to MFRSs and Issue Committees ("IC") Interpretation that have been issued but are not yet effective

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:

		Effective for annual periods beginning on or after
Amendments to MFRS 2	Share-based Payment	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

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: (Cont'd)

		Effective for annual periods beginning on or after
Amendments to MFRS 138	Intangible Assets	1 January 2020
Amendments to IC Interpretation 12	Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132	Intangible Assets – Web Site Costs	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contributions 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.

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.



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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

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: -

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	RM'000	RM'000	RM'000	RM'000
Storage DC-Heater	1,476	2,485	1,476	2,485
Hybrid Hot Water System	89	538	89	538
Instant Water Heater	234	95	234	95
Air-cooler	192	-	192	-
Others*	442	294	442	294
	<u>2,433</u>	<u>3,412</u>	<u>2,433</u>	<u>3,412</u>

* Others include hybrid atomic energy generator, 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: -

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
	RM'000	RM'000	RM'000	RM'000
Local	2,301	3,173	2,301	3,173
Overseas	132	239	132	239
	<u>2,433</u>	<u>3,412</u>	<u>2,433</u>	<u>3,412</u>

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

There were no material events subsequent to the date of this interim financial report.

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.



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 2019 (CONT'D)**

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 RM1.48 million or 60.7% of total revenue and instant water heater amounting to RM0.23 million or 9.6% of total revenue.

Our water heater and water-related appliances are mainly sold in Malaysia. A small percentage of our revenue, 5.4% is generated from the export of our products to overseas mainly South Africa and Singapore.

The Group recorded a loss of RM1.11 million for the financial period ended 30 June 2019 mainly due to lower sales volume from our hybrid hot water system as a result of the overall weakening of Malaysia economy and the reduce of spending power of the end users.

Administrative and other operating expenses has also increased in the current financial period as our Group continues to invest heavily on marketing and advertising activities as well as participating in various exhibition to promote our new and existing products and brand name to our target customers.

In addition, the increased in expenses compared to 30 June 2018 mainly arises from the amortisation of intangibles assets, depreciation of plant and equipment and directors remunerations.

B2. PROSPECTS OF THE GROUP

The Board of Directors in the opinion that the business sentiment shall remain soft in both local and oversea markets for the financial year ending 31 December 2019 due to subdued sentiments around the globe. Nonetheless, 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.

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.

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 RM'000	Actual Utilisation* RM'000	Proceeds Balance RM'000	Estimated Timeframe for Utilisation Upon Listing
Capital expenditure	1,300	71	1,229	Within 18 months
General working capital	2,952	2,952	-	Fully utilised
Estimated listing expenses	900	900	-	Fully utilised
	5,152	3,923	1,229	

* Utilisation as at 30 June 2019.

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 period and financial year-to-date are computed as follows: -

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2019	30.6.2018	30.6.2019	30.6.2018
(Loss)/Profit attributable to owners of the parent (RM'000)	(1,121)	55	(1,121)	55
Weighted average number of ordinary shares ('000)	192,513	193,219	192,513	193,219
Basic (loss)/earnings per share (sen)	(0.58)	0.03	(0.58)	0.03

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