



SEERS BERHAD

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

**FINANCIAL STATEMENTS FOR THE 2ND HALF-YEAR
ENDED 31 DECEMBER 2019**

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 2ND HALF YEAR ENDED 31 DECEMBER 2019**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	4,694	2,212	7,127	3,790
Cost of sales	(2,298)	(1,281)	(3,769)	(2,195)
Gross profit	2,396	931	3,358	1,595
Other income	87	221	164	265
Administrative and other operating expenses	(3,913)	(3,601)	(5,930)	(5,136)
Loss from operation	(1,430)	(2,449)	(2,408)	(3,276)
Finance costs	(177)	(106)	(309)	(163)
Loss before tax	(1,607)	(2,555)	(2,717)	(3,439)
Income tax expense	11	16	-	(1)
Loss for the financial period/year	(1,596)	(2,539)	(2,717)	(3,440)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the financial period/year	(1,596)	(2,539)	(2,717)	(3,440)
Loss for the financial period/year attributable:				
- Owners of the Company	(1,596)	(2,539)	(2,717)	(3,440)
LOSS PER ORDINARY SHARE (SEN)				
- Basic/Diluted	(0.83)	(1.32)	(1.41)	(1.79)

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 2nd Half Year Financial Statements.

[The rest of this page has been intentionally left blank]



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

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Unaudited As at 31.12.2019 RM'000	Audited As at 31.12.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	811	1,014
Intangible assets	691	1,431
Rights-of-use	349	-
TOTAL NON-CURRENT ASSETS	1,851	2,445
CURRENT ASSETS		
Inventories	2,540	2,781
Trade receivables	1,465	600
Other receivables, deposits and prepayments	780	280
Tax recoverable	-	107
Fixed deposit placed with a licensed bank	900	540
Cash and bank balances	281	1,800
TOTAL CURRENT ASSETS	5,966	6,108
TOTAL ASSETS	7,817	8,553
EQUITY		
Share capital	8,759	8,759
Accumulated losses	(3,215)	(498)
Merger reserve	(3,414)	(3,414)
TOTAL EQUITY	2,130	4,847
NON-CURRENT LIABILITIES		
Bank borrowings	-	96
Finance lease liabilities	382	530
Lease liabilities	31	-
Provision for warranty	35	35
TOTAL NON-CURRENT LIABILITIES	448	661



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

**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 (CONT'D)**

	Unaudited As at 31.12.2019 RM'000	Audited As at 31.12.2018 RM'000
CURRENT LIABILITIES		
Trade payables	316	1,013
Other payables	1,353	488
Amount owing to directors	2	3
Bank borrowings	3,062	1,376
Finance lease liabilities	148	141
Lease liabilities	338	-
Provision for taxation	11	15
Provision for warranty	9	9
TOTAL CURRENT LIABILITIES	5,239	3,045
TOTAL LIABILITIES	5,687	3,706
TOTAL EQUITY AND LIABILITIES	7,817	8,553
NET ASSETS PER SHARE (RM) *	0.01	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 2nd Half Year Financial Statements.

[The rest of this page has been intentionally left blank]



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

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019**

	<----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	-	-	3,373	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 year	-	-	(2,717)	(2,717)
Balance as at 31 December 2019	8,759	(3,414)	(3,215)	2,130

* Represent RM10.

The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the 2nd Half Year Financial Statements.

[The rest of this page has been intentionally left blank]



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

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019**

	UNAUDITED	
	12 MONTHS ENDED	
	31.12.2019	31.12.2018
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(2,717)	(3,439)
Adjustment for:		
Allowance for slow moving inventories	210	35
Amortisation of intangible assets	156	49
Bad debts recovered	(1)	-
Depreciation of plant and equipment	281	207
Depreciation of rights to use	307	-
Impairment on intangible assets	810	-
Impairment on trade receivables	8	442
Interest expenses	309	163
Interest income	-	(13)
Loss on disposal of plant and equipment	-	5
Reversal of impairment on trade receivables	(162)	(187)
Unrealised loss on foreign exchange	-	2
Operating loss before working capital changes	(799)	(2,736)
Changes in working capital: -		
Inventories	31	(1,077)
Trade receivables	(710)	1,239
Other receivables	(500)	(96)
Trade payables	(697)	605
Other payables	865	111
Amount owing to directors	(1)	(2)
Cash used in operations	(1,811)	(1,956)
Tax refund	107	-
Tax paid	(4)	(470)
Interest received	-	13
Interest paid	(309)	(163)
Net cash used in operating activities	(2,017)	(2,576)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition of intangible assets	(226)	(1,435)
Purchase of plant and equipment	(78)	(197)
Proceeds from disposal of plant and equipment	-	150
Net cash used in investing activities	(304)	(1,482)



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

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019 (CONT'D)**

	UNAUDITED	
	12 MONTHS ENDED	
	31.12.2019	31.12.2018
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	3,677	235
Increase of fixed deposit pledged	(360)	(198)
Proceed from share capital	-	4,859
Repayment of finance lease liabilities	(141)	(416)
Repayment of lease liabilities	(287)	-
Repayment of bank borrowings	(2,972)	(103)
Net cash (used in)/from financing activities	(83)	4,377
Net (increase)/decrease in cash and cash equivalents	(2,404)	319
Cash and cash equivalents at beginning of the financial year	773	465
Cash and cash equivalents at end of the financial year	(1,631)	784
Cash and cash equivalents at end of the financial year comprises:		
- Fixed deposits placed with a licensed bank	900	540
- Cash and bank balances	281	1,811
- Bank overdraft	(1,912)	(1,027)
	(731)	1,324
Less: Fixed deposits pledged with a licensed bank	(900)	(540)
	(1,631)	784

The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the 2nd Half Year Financial Statements.

[The rest of this page has been intentionally left blank]



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

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 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 2nd half-year ended 31 December 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 31 December 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 2019 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 2ND HALF YEAR ENDED 31 DECEMBER 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



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

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 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 for the financial year ended 31 December 2019.

A4. UNUSUAL ITEMS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 31 December 2019.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in accounting estimates for the financial year ended 31 December 2019.

SEERS

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

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019 (CONT'D)

A6. DEBT AND EQUITY SECURITIES

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year ended 31 December 2019.

A7. SEGMENTAL INFORMATION

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Storage DC-Heater	1,724	1,263	3,200	2,196
Hybrid Hot Water System	120	463	209	724
Instant Water Heater	343	177	577	302
Hybrid Atomic Energy Generator	1,993	-	2,048	-
Medical Health Equipment	235	-	235	-
Air-cooler	28	-	220	-
Others*	251	309	638	568
	<u>4,694</u>	<u>2,212</u>	<u>7,127</u>	<u>3,790</u>

* 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: -

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Local	4,536	2,153	6,837	3,494
Overseas	158	59	290	296
	<u>4,694</u>	<u>2,212</u>	<u>7,127</u>	<u>3,790</u>

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

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

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the financial year ended 31 December 2019.



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

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019 (CONT'D)

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.

[The rest of this page has been intentionally left blank]



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

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 hybrid atomic energy generator amounting to RM1.99 million or 42.5% of total revenue and storage DC-heater amounting to RM1.72 million or 36.7% of total revenue. Hybrid atomic energy generator is one of the new products that launched by the Group in June 2019.

Our water heater and water-related appliances are mainly sold in Malaysia. A small percentage of our revenue, 3.4% is generated from the export of our products to overseas mainly Philippines and Cambodia.

The Group recorded a loss of RM1.60 million for the financial period ended 31 December 2019 mainly due to significant increased in the administrative and other operating expenses of the Group.

Administrative and other operating expenses has 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 31 December 2018 mainly arises from the amortisation of intangibles assets, allowance for slow moving inventories, commission, professional fees and impairment on the development costs.

B2. PROSPECTS OF THE GROUP

The Board is of the opinion that the business sentiment shall remain soft in both local and oversea markets for the financial year ending 31 December 2020 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.

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.

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	71	71	-	Fully utilised
General working capital	4,181	4,181	-	Fully utilised
Estimated listing expenses	900	900	-	Fully utilised
	5,152	5,152	-	

Notes:

* Utilisation as at 31 December 2019.

Refer to the company announcement made on 19 and 24 December 2019, the Group has revised the proposed utilisation of proceeds raised from the Proposed Placement. The Group has redeployed the remaining RM1.23 million from capital expenditure to general working capital.

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 year.



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

PART C - OTHER INFORMATION (CONT'D)

C5. LOSS PER SHARE

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

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Loss attributable to owners of the parent (RM'000)	(1,596)	(2,539)	(2,717)	(3,440)
Weighted average number of ordinary shares ('000)	192,513	192,513	192,513	192,513
Basic loss per share (sen)	(0.83)	(1.32)	(1.41)	(1.79)

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