



SEERS BERHAD

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

**FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
30 JUNE 2020
("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 2020**

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	3,511	2,433	3,511	2,433
Cost of sales	(1,347)	(1,471)	(1,347)	(1,471)
Gross profit	2,164	962	2,164	962
Other income	74	77	74	77
Administrative and other operating expenses	(2,198)	(2,017)	(2,198)	(2,017)
Profit/(Loss) from operation	40	(978)	40	(978)
Finance costs	(107)	(132)	(107)	(132)
Loss before tax	(67)	(1,110)	(67)	(1,110)
Income tax expense	-	(11)	-	(11)
Loss for the financial period	(67)	(1,121)	(67)	(1,121)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the financial period	(67)	(1,121)	(67)	(1,121)
Loss for the financial period attributable:				
- Owners of the Company	(67)	(1,121)	(67)	(1,121)
LOSS PER ORDINARY SHARE (SEN)				
- Basic/Diluted	(0.03)	(0.58)	(0.03)	(0.58)

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)
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**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Unaudited As at 30.6.2020 RM'000	Audited As at 31.12.2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	982	1,177
Intangible assets	615	699
TOTAL NON-CURRENT ASSETS	1,597	1,876
CURRENT ASSETS		
Inventories	2,940	2,708
Trade receivables	1,213	1,315
Other receivables, deposits and prepayments	343	778
Fixed deposit placed with a licensed bank	1,097	917
Cash and bank balances	451	279
TOTAL CURRENT ASSETS	6,044	5,997
TOTAL ASSETS	7,641	7,873
EQUITY		
Share capital	8,759	8,759
Accumulated losses	(3,335)	(3,268)
Merger reserve	(3,414)	(3,414)
TOTAL EQUITY	2,010	2,077
NON-CURRENT LIABILITIES		
Lease liabilities	330	405
Provision for warranty	42	42
TOTAL NON-CURRENT LIABILITIES	372	447



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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020 (CONT'D)

	Unaudited As at 30.6.2020 RM'000	Audited As at 31.12.2019 RM'000
CURRENT LIABILITIES		
Trade payables	751	368
Other payables	1,201	1,402
Amount owing to directors	2	2
Bank borrowings	2,911	3,062
Lease liabilities	353	474
Provision for taxation	16	16
Provision for warranty	25	25
TOTAL CURRENT LIABILITIES	5,259	5,349
TOTAL LIABILITIES	5,631	5,796
TOTAL EQUITY AND LIABILITIES	7,641	7,873
NET ASSETS PER SHARE (RM) *	0.01	0.01

* 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 2020**

	<i><----Non-distributable----></i>		<i>Distributable</i>	
	Share Capital RM'000	Merger Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance as at 1 January 2019	8,759	(3,414)	(497)	4,848
Loss for the financial year	-	-	(2,771)	(2,771)
Balance as at 31 December 2019	8,759	(3,414)	(3,268)	2,077
Balance as at 1 January 2020	8,759	(3,414)	(3,268)	2,077
Loss for the financial period	-	-	(67)	(67)
Balance as at 30 June 2020	8,759	(3,414)	(3,335)	2,010

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 2020**

	UNAUDITED 6 MONTHS ENDED	
	30.6.2020	30.6.2019
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(67)	(1,110)
Adjustment for:		
Amortisation of intangible assets	84	60
Bad debts recovered	-	(1)
Depreciation of plant and equipment	295	286
Interest expenses	107	132
Net impairment gain of financial assets	-	(75)
Reversal of impairment on trade receivables	(9)	-
Operating profit/(loss) before working capital changes	410	(708)
Changes in working capital: -		
Inventories	(232)	(12)
Trade receivables	111	(356)
Other receivables	435	109
Trade payables	383	(577)
Other payables	(201)	84
Amount owing to directors	-	39
Cash from/ (used in) operations	906	(1,421)
Interest paid	(107)	(132)
Net cash from/ (used in) operating activities	799	(1,553)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition of intangible assets	-	(218)
Purchase of plant and equipment	(100)	(32)
Net cash used in investing activities	(100)	(250)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	742	2,011
Increase of fixed deposit pledged	(180)	(180)
Repayment of lease liabilities	(196)	(191)
Repayment of bank borrowings	(930)	(601)
Net cash (used in)/ from financing activities	(564)	1,039
Net increase/ (decrease) in cash and cash equivalents	135	(764)
Cash and cash equivalents at beginning of the financial year	(1,633)	773
Cash and cash equivalents at end of the financial period	(1,498)	9



SEERS BERHAD (COMPANY NO. 1252690-U)
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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF YEARLY ENDED 30 JUNE 2020 (CONT'D)**

	UNAUDITED 6 MONTHS ENDED	
	30.6.2020	30.6.2019
	RM'000	RM'000
Cash and cash equivalents at end of the financial period comprises:		
- Fixed deposits placed with a licensed bank	1,097	720
- Cash and bank balances	451	1,554
- Bank overdraft	(1,949)	(1,545)
	(401)	729
Less: Fixed deposits pledged with a licensed bank	(1,097)	(720)
	(1,498)	9

The Unaudited Consolidated Statements 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 2020

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 2020 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 2020 should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019 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 financial 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 2020:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 16	Covid-19 Related Rent Concessions
Leases	

The adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020 (CONT'D)

A2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

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
<u>New MFRSs</u>		
MFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/ Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021 [#]
MFRS 3	Business Combinations	1 January 2021 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2021 [#]
MFRS 9	Financial Instruments	1 January 2021 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2021 [#]
MFRS 101	Presentation of Financial Statements	1 January 2021 [#]
MFRS 107	Statements of Cash Flows	1 January 2021 [#] / 1 January 2022
MFRS 116	Property, Plant and Equipment	1 January 2021 [#]
MFRS 119	Employee Benefits	1 January 2021 [#]
MFRS 128	Investments in Associate and Joint Ventures	Deferred/ 1 January 2021 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2021 [#]
MFRS 136	Impairment of Assets	1 January 2021 [#]
	Provision, Contingent Liabilities and Contingent Assets	1 January 2021 [#]
MFRS 138	Intangible Assets	1 January 2021 [#]
MFRS 140	Investment Property	1 January 2021 [#]

[#] Amendments as to the consequence of the effective MFRS 17 Insurance Contracts

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 2020 (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 was 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	
	30.6.2020 RM'000	30.6.2019 RM'000	30.6.2020 RM'000	30.6.2019 RM'000
Storage DC-Heater	800	1,476	800	1,476
Hybrid Hot Water System	630	89	630	89
Instant Water Heater	300	234	300	234
Hybrid Atomic Energy Generator	797	55	797	55
Medical Health Equipment	800	-	800	-
Air-cooler	5	192	5	192
Others*	179	387	179	387
	<u>3,511</u>	<u>2,433</u>	<u>3,511</u>	<u>2,433</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 HALF-YEAR ENDED 30 JUNE 2020 (CONT'D)

A7. SEGMENTAL INFORMATION (CONT'D)

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

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2020	30.6.2019	30.6.2020	30.6.2019
	RM'000	RM'000	RM'000	RM'000
Local	3,335	2,301	3,335	2,301
Overseas	176	132	176	132
	<u>3,511</u>	<u>2,433</u>	<u>3,511</u>	<u>2,433</u>

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

There were no other 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.

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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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 RM0.80 million or 22.8% of total revenue, medical health equipment amounting to RM0.80 million or 22.8% of total revenue and hybrid atomic energy generator amounting to RM0.79 million or 22.7% of total revenue. Medical health equipment is one of the new products that launched by the Group in October 2019.

Our water heater, water-related appliances and health equipment are mainly sold in Malaysia. A small percentage of our revenue, 5.0% is generated from the export of our products to overseas mainly Maldives and Australia.

The Group recorded a loss of approximately RM67,000 for the financial period ended 30 June 2020 mainly due to increase in the administrative and other operating expenses of the Group.

The increased in expenses compared to 30 June 2019 mainly arises from the amortisation of intangibles assets, commission and staff 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 30 June 2020.

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 period.

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SEERS BERHAD (COMPANY NO. 1252690-U)
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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 6 months ended	
	30.6.2020	30.6.2019	30.6.2020	30.6.2019
Loss attributable to owners of the parent (RM'000)	(67)	(1,121)	(67)	(1,121)
Weighted average number of ordinary shares ('000)	192,513	192,513	(192,513)	192,513
Basic loss per share (sen)	(0.03)	(0.58)	(0.03)	(0.58)

- (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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