

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

	As At End of Current Quarter 30.6.2016	(Audited) As At Preceding Financial Year End 31.12.2015
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	459,504	460,373
Goodwill	2,999	2,999
Deferred tax assets	2,726	1,572
	<u>465,229</u>	<u>464,944</u>
Current Assets		
Property development cost	229	229
Inventories	26,305	20,648
Trade and other receivables	116,689	80,753
Amount due from contract customers	46,499	13,877
Tax Recoverable	-	690
Cash and Cash Equivalents	32,354	29,259
	<u>222,076</u>	<u>145,456</u>
Total Assets	<u>687,305</u>	<u>610,400</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	235,277	189,597
Treasury shares	(179)	(179)
Reserves	327,726	326,104
	<u>562,824</u>	<u>515,522</u>
Non Controlling Interest	2,932	2,932
Total Equity	<u>565,756</u>	<u>518,454</u>
Non-Current Liabilities		
Long Term Borrowing	2,881	2,280
Long Term Provisions	946	906
Total Non-Current Liabilities	<u>3,827</u>	<u>3,186</u>
Current Liabilities		
Trade And Other Payables	63,290	39,587
Amount due to contract customers	-	3,857
Short Term Borrowings	52,927	43,682
Tax payables	1,505	1,634
Total Current Liabilities	<u>117,722</u>	<u>88,760</u>
Total Liabilities	121,549	91,946
Total Equity and Liabilities	<u>687,305</u>	<u>610,400</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>2.39</u>	<u>2.72</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015)

SEACERA GROUP BERHAD (Company No. 163751-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2016

	Current Quarter Ended 30.6.2016 RM'000	Corresponding Quarter Ended 30.6.2015 RM'000	Current Year to Date Ended 30.6.2016 RM'000	Corresponding Year to Date Ended 30.6.2015 RM'000
Revenue	25,075	14,342	51,016	37,384
Operating Expenses	(24,128)	(13,394)	(48,445)	(34,031)
Other Operating Income	845	490	1,362	581
Finance Cost	(1,406)	(848)	(2,279)	(1,999)
Profit Before Taxation	386	590	1,654	1,935
Taxation	271	(546)	(31)	(714)
Net profit for the Period from continuing operation	657	44	1,623	1,221
Revaluation surplus	-	289,135	-	289,135
Total comprehensive income for the year	657	289,179	1,623	290,356
Profit attributable to :				
Equity holders of the parent	657	289,031	1,623	290,208
Non-controlling Interest	-	148	-	148
Total comprehensive income attributable to :				
Equity holders of the parent	657	289,031	1,623	290,208
Non-controlling Interest	-	148	-	148
EPS				
Net profit per share (sen)				
- Basic	0.28	0.02	0.69	0.67
- Diluted	0.28	0.02	0.69	0.67

(The Condensed Consolidated Statements of Profit or Loss and other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015)

SEACERA GROUP BERHAD (Company No. 163751-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES EQUITY
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2016

Attributable to Equity Holders of the Parent

	Share Capital RM'000	Retained Earnings RM'000	Non- Distributable Revaluation Reserve RM'000	Total Reserves RM'000	Non- Distributable Treasury Shares RM'000	Non Controlling interests RM'000	Total Equity RM'000
Balance at 1 January 2015	181,747	20,746	-	20,746	(177)	2,816	205,132
Shares buy back					(1)		(1)
Profit for the year		1,073		1,073		-	1,073
Revaluation surplus			289,135	289,135			289,135
Non-Controlling interest						148	148
Balance at 30 June 2015	<u>181,747</u>	<u>21,819</u>	<u>289,135</u>	<u>310,954</u>	<u>(178)</u>	<u>2,964</u>	<u>495,487</u>
Balance at 1 January 2016	189,597	19,496	306,608	326,104	(179)	2,932	518,454
Issuance of new ordinary shares	45,679						45,679
Profit for the year		1,623		1,623		-	1,623
Balance at 30 June 2016	<u>235,276</u>	<u>21,119</u>	<u>306,608</u>	<u>327,727</u>	<u>(179)</u>	<u>2,932</u>	<u>565,756</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015)

SEACERA GROUP BERHAD (Company No. 163751-H)

Unaudited Condensed Consolidated Cash Flow Statements
For the period ended 30 June 2016

	Current Period Ended 30.6.2016 (RM '000)	Corresponding Period Ended 30.6.2015 (RM '000)
Profit before taxation	1,654	1,339
Adjustment for non-cash flow items	<u>2,401</u>	<u>499</u>
Operating profit before changes in working capital	4,055	1,838
(Increase)/Decrease in inventories	(5,657)	227
(Increase) /Decrease in receivables	(68,558)	(3,929)
(Decrease)/Increase in payables	19,846	3,523
Changes flows (used in)/from operations	(50,314)	1,659
Incomes tax paid/refund	(802)	(352)
Interest paid	(2,279)	(1,153)
Interest received	281	91
Cash flow (used in)/generated from operations	(53,114)	245
Issuance of new ordinary shares	45,679	-
Purchase of property, plant and equipment	-	(420)
Net cash (used in)/ generated from investing activities	45,679	(420)
(Increase)in deposit pledged	189	(89)
Bank borrowing/New Capital	9,846	(2,692)
Net cash from/(used in)Financing Activities	10,035	(2,781)
Net Change in Cash & Cash Equivalentts	<u>2,600</u>	<u>(2,956)</u>
Cash & Cash Equivalentts at beginning of year	(11)	1,832
Cash & Cash Equivalentts at end of period	<u><u>2,589</u></u>	<u><u>(1,124)</u></u>
Cash & Cash Equivalentts	2016 RM'000	2015 RM'000
Cash and bank balances	5,926	1,153
Deposits pledged with licensed bank	26,428	26,514
Cash and bank balances	<u>32,354</u>	<u>27,667</u>
Less:		
Deposits pledged with licensed bank	(26,428)	(26,514)
Bank overdrafts	(3,337)	(2,277)
Cash and cash equivalentts	<u><u>2,589</u></u>	<u><u>(1,124)</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015)

SEACERA GROUP BERHAD (Company No: 163751-H)
INTERIM FINANCIAL REPORTING / STATEMENT FOR
THE SECOND QUARTER ENDED 30 JUNE 2016

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. Notes Required Under FRS 134

A1. Basis of preparation of financial statements

This Interim Financial Statements are unaudited and has been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2015. These explanatory notes accompanied the Interim Financial Statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last financial year ended 31 December 2015.

A2. Significant Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the financial statements for the year ended 31 December 2015.

A3. Qualification in Auditor's Report

There are no qualifications in the Auditors' Report of the audited financial statements for year ended 31 December 2015.

A4. Seasonality or Cyclicity of Operations

The Group's performance is directly related to the level of respective market activity which normally experiences slowdown during festive seasons.

A5. Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, sizes, or incidence that had affected the current quarter ended 30 June 2016 except as disclosed in the interim financial statements.

A6. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter ended 30 June 2016.

A7. Issuance, Cancellation, Repurchases, Resale & Repayments of Debt and Equity Securities

On 30 June 2009, the Company had obtained approval from its shareholders to buy-back its own shares. The latest approval obtained for the renewal of share Buy-back Authority was on 30 June 2016.

On a cumulative basis, as at 30.6.2016, the Company has purchased 305,000 ordinary shares for RM178,990.74, representing in average RM0.59 per share.

None of the treasury shares held were resold or cancelled during the financial quarter.

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A8. Dividend Paid

There was no payment of dividend for the current quarter under review.

A9. Segmental Reporting

Segment information is presented in respect of the Group business segments. The business segment is based on the Group's management and internal report structure. Segment information by geographical segments is not provided as the activities of the Group are located principally in Malaysia. Inter-segment pricing is determined based on negotiated terms.

Segments result, asset and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

Business Segments

The Group is organized into the following business segments:-

- i) Tiles- manufacturing, trading and marketing of all kinds of ceramic and related building material products.
- ii) Property/Construction – property development and construction

The directors are of the opinion that all inter-segment transactions have been entered during the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	Tiles RM'000	Property/ Construction RM'000	Eliminations RM'000	Consolidated RM'000
Revenue-External	17,388	33,628		51,016
Operating profit	851	1,720		2,571
Other operating income	1,219	143		1,362
Interest expenses	(1,290)	(989)		(2,279)
Profit before taxation	780	874		1,654
Tax expenses	(313)	282		(31)
Profit/(loss) for the period	467	1,156		1,623
Total comprehensive income	467	1,156		1,623
Segments assets	371,763	568,346	(255,803)	684,306
Goodwill				2,999
Total assets				687,305
Segments liabilities	82,616	163,034	(124,101)	121,549
Depreciation and amortization	1,315	260		1,575

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Geographical segments

The Group's production facilities are located in Malaysia only.

In determining the geographical segment of the Group, revenue is based on the geographical location of customers.

	Revenue RM'000
Malaysia	45,821
Other countries	5,195
	<hr/>
	51,016

A10. Valuations of Property, Plant & Equipment

The property, plant and equipment have not been revalued since the previous annual audited financial statements.

A11. Material Events Subsequent to End of Interim Period

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements.

A12. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter under review.

A13. Capital Commitments

Except as disclosed in notes B6, there were no other material capital commitments during the current quarter ended 30 June 2016.

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B. Notes Required Under Bursa Malaysia Securities Berhad's Listing Requirements.

B1. Quarter vs Preceding Year Quarter

The Group's revenue for the second quarter ended 30 June 2016 was higher by RM10.73 million or 74% as compared to previous year of the corresponding quarter mainly due to higher revenue contributions from the Construction Division. The Group recorded higher profit after taxation for the second quarter ended 30 June 2016 of RM0.657million compared to RM0.04 million in the previous year corresponding quarter as a results of improved performance by the Construction Division.

B2. Material Changes for the Current and Preceding Quarter.

The Group's revenue for the second quarter ended 30 June 2016 was marginally lower by RM0.866 million (31.3.2016: Revenue of RM 25.94 million) or 3.33% lower compared to the preceding quarter. Consequently, the Group's profit after taxation for the current financial quarter of RM0.66 million (31.3.2016: Profit after tax of RM0.96 million) was also lower by RM0.30 million in comparison with preceding quarter.

B3. Prospects

The Board anticipates that the Year 2016 will be a challenging period for business environment in view of the uncertainty of economy locally and globally, lower commodity prices and weak RM against USD . However, with some positive measures to be undertaken and if materialized, the Board expects that the performance for the current year is to be satisfactory

B4. Provision of Profit Forecast of Profit Guarantee in Public Document

The Group did not announce any profit forecast or profit guarantee in a public document.

B5. Taxation

	2016 Quarter ended 30 June RM '000	2015 Quarter ended 30 June RM '000	2016 Year to Date ended 30 June RM '000	2015 Year to date ended 30 June RM '000
Current year				
- Income tax	329	546	631	163
-Overprovision in prior years	(600)	-	(600)	-
	<u>(271)</u>	<u>546</u>	<u>31</u>	<u>163</u>

The effective tax rate is lower than the statutory tax rate was mainly due to reversal of income tax provision within the Group.

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B6. Status of Corporate Proposals

- a) On 5 April 2005, Seacera Properties Sdn. Bhd. (403089-X) ("SPSB") a wholly owned subsidiary of the company entered into a conditional Joint Venture Development Agreement ("JVDA") with Duta Skyline Sdn. Bhd. ("DSSB") to develop pieces of freehold land owned by DSSB. The JVDA is pending completion and is further extended to 31 December 2016 as certain conditions precedents have yet to be met.
- b) On 24 June 2014, the Company had entered into the Memorandum of Understanding ("MOU") with Intelligent Fence (M) Sdn Bhd. ("IFSB") to record the understanding of Seacera and IFSB to participate in the tender under Public Private Partnership ("PPP") to Malaysia's Ministry of Home Affairs ("MOHA") to build, operate and transfer an electric security fence along the national border of Malaysia and Thailand which is approximately 600 kilometres ("Proposed Project"). There is no major development of the MOU since the last announcement or disclose.
- c) On 12 January 2016, the Company had entered into a Subscription cum Shareholders Agreement ("SSA") with Proligen Sdn Bhd ("Proligen"), Zakaria bin Abdul Rashid ("Zakaria") and Andrew Suriady Sjoekoer ("Andrew") to subscribe for 520,000 ordinary shares of RM1.00 each with the share premium of RM4.70 each in Proligen at a subscription price of RM2,964,000 and upon the terms and conditions as stipulated in the SSA. As at the date of this report, the SSA is pending to have its conditions precedent to be met by respective parties.
- d) On 27 April 2016 Seacera Properties Sdn Bhd ("Seacera Properties" or "Purchaser"), a wholly-owned subsidiary of Seacera had entered into a conditional sale and purchase agreement ("SPA") with Ismail bin Othman ("Ismail") and Zainab binti Mansor ("Zainab") (collectively the "Vendors") for the proposed acquisition of 1,500,000 ordinary shares of RM1.00 each ("Sale Shares") representing the entire equity interest in Duta Nilai Holdings Sdn. Bhd. ("DNHSB") for a total consideration of RM220,000,000.00 ("Purchase Consideration") to be satisfied in cash. This transactions is pending to have its conditions precedent to be met by respective parties.

B7. Group Borrowings

Group borrowings consist of the following:

	As at 30.6.2016 RM'000
Dominated in Ringgit Malaysia	
Secured	
Long term borrowings	2,881
Secured	
Short term borrowings	30,537
Bankers acceptance	12,390
	<u>52,927</u>
Total	55,808

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B8. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report except for the Corporate Guarantee issued by Seacera Group Berhad in favour of the financiers' of the subsidiary companies for their banking facilities amounting to RM51.50million.

B9. Changes in the Material Litigation

There were no other material litigation, claims or arbitration, either as plaintiff or defendant and the Directors have no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceedings which might adversely and materially affect the financial position or business of the Company and/or its subsidiaries.

B10. Dividend

The Board of Directors does not recommend any dividend for the current quarter under review.

B11. Earnings per Ordinary Share (EPS)

The earnings per ordinary share of the Group as at the end of this period are calculated as follows:

	2016 Quarter ended 30 June RM'000	2015 Quarter ended 30 June RM'000	2016 Year to date ended 30 June RM'000	2015 Year to date ended 30 June RM'000
Net profit for the Period/Year (RM'000)	657	44	1,623	1,221
No. of ordinary shares ('000)	235,277	181,747	235,277	181,747
Owner of the parent	657	(104)	1,623	1,073
Non-controlling interest	-	148	-	148
EPS (sen) - Basic	0.28	0.02	0.69	0.67
EPS (sen) - Diluted	0.28	0.02	0.69	0.67

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B12. Disclosure of realised and unrealised profits and losses

Retained earnings	2016 30 June RM'000	2015 30 June RM'000
Total retained earnings of Seacera and its subsidiaries		
- Realised	33,921	34,321
- Unrealised	-	(2,999)
	33,921	31,232
Less : Consolidation adjustments	(12,802)	(9,413)
Total Group retained Earnings as per Consolidated Financial Statements	21,119	21,819

B13. Profit/(loss) for the period/year

	2016 Quarter ended 30 June RM'000	2015 Quarter ended 30 June RM'000	2016 Year to date ended 30 June RM'000	2015 Year to date ended 30 June RM'000
Profit for the period/year after charging/(crediting):				
Interest expense	1,406	848	2,279	1,999
Depreciation	828	676	1,575	1,392
Foreign exchange loss/(gain)	101	(31)	151	(246)
Interest income	(75)	(40)	(281)	(131)

B14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution by the Directors.