

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

|                                                                                    | As At End of<br>Current Quarter<br>30.9.2018 | (Audited)<br>As At Preceding<br>Financial Year End<br>31.12.2017 |
|------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------|
|                                                                                    | RM'000                                       | RM'000                                                           |
| <b>ASSETS</b>                                                                      |                                              |                                                                  |
| <b>Non-Current Assets</b>                                                          |                                              |                                                                  |
| Property, plant and equipment                                                      | 859,068                                      | 848,188                                                          |
| Goodwill                                                                           | 2,999                                        | 2,999                                                            |
|                                                                                    | <u>862,067</u>                               | <u>851,187</u>                                                   |
| <b>Current Assets</b>                                                              |                                              |                                                                  |
| Property development cost                                                          | 229                                          | 229                                                              |
| Inventories                                                                        | 7,653                                        | 22,662                                                           |
| Trade and other receivables                                                        | 106,277                                      | 115,474                                                          |
| Amount due from contract customers                                                 | 41,170                                       | 38,041                                                           |
| Tax recoverable                                                                    | -                                            | 1,351                                                            |
| Cash and Cash Equivalents                                                          | 7,021                                        | 27,971                                                           |
|                                                                                    | <u>162,350</u>                               | <u>205,728</u>                                                   |
| <b>Total Assets</b>                                                                | <u>1,024,417</u>                             | <u>1,056,915</u>                                                 |
| <b>EQUITY AND LIABILITIES</b>                                                      |                                              |                                                                  |
| <b>Capital and Reserves</b>                                                        |                                              |                                                                  |
| Share Capital                                                                      | 376,114                                      | 353,004                                                          |
| Treasury shares                                                                    | (181)                                        | (181)                                                            |
| Reserves                                                                           | 311,080                                      | 334,079                                                          |
|                                                                                    | <u>687,013</u>                               | <u>686,902</u>                                                   |
| Redeemable convertible preference shares                                           | 161,632                                      | 161,632                                                          |
| Non Controlling Interest                                                           | (749)                                        | (1,060)                                                          |
| <b>Total Equity</b>                                                                | <u>847,896</u>                               | <u>847,474</u>                                                   |
| <b>Non-Current Liabilities</b>                                                     |                                              |                                                                  |
| Long Term Borrowing                                                                | 7,627                                        | 6,237                                                            |
| Long Term Provisions                                                               | 1,097                                        | 1,048                                                            |
| Deferred tax liabilities                                                           | 44,678                                       | 46,099                                                           |
|                                                                                    | <u>53,402</u>                                | <u>53,384</u>                                                    |
| <b>Total Non-Current Liabilities</b>                                               | <u>53,402</u>                                | <u>53,384</u>                                                    |
| <b>Current Liabilities</b>                                                         |                                              |                                                                  |
| Trade And Other Payables                                                           | 81,347                                       | 87,486                                                           |
| Short Term Borrowings                                                              | 41,004                                       | 67,874                                                           |
| Deferrred Tax                                                                      | 768                                          | 697                                                              |
|                                                                                    | <u>123,119</u>                               | <u>156,057</u>                                                   |
| <b>Total Current Liabilities</b>                                                   | <u>123,119</u>                               | <u>156,057</u>                                                   |
| <b>Total Liabilities</b>                                                           | 176,521                                      | 209,441                                                          |
| <b>Total Equity and Liabilities</b>                                                | <u>1,024,417</u>                             | <u>1,056,915</u>                                                 |
| Net Assets per share attributable to<br>ordinary equity holders of the parent (RM) | <u>1.83</u>                                  | <u>1.95</u>                                                      |

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st December 2017)

SEACERA GROUP BERHAD ( Company No. 163751-H )

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2018

|                                                                   | Current<br>Quarter<br>Ended<br>30.9.2018<br>RM'000 | Corresponding<br>Quarter<br>Ended<br>30.9.2017<br>RM'000 | Current<br>Year to Date<br>Ended<br>30.9.2018<br>RM'000 | Corresponding<br>Year to Date<br>Ended<br>30.9.2017<br>RM'000 |
|-------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------|
| Revenue                                                           | 3,732                                              | 10,710                                                   | 16,426                                                  | 35,340                                                        |
| Net Operating Expenses                                            | (19,910)                                           | (4,859)                                                  | (37,583)                                                | (25,208)                                                      |
| Finance Cost                                                      | (1,677)                                            | (1,281)                                                  | (3,687)                                                 | (3,845)                                                       |
| (Loss)/Profit Before Taxation                                     | (17,855)                                           | 4,570                                                    | (24,844)                                                | 6,287                                                         |
| Taxation                                                          | 79                                                 | (180)                                                    | (171)                                                   | (439)                                                         |
| <b>Net profit/(loss) for the Period from continuing operation</b> | <b>(17,776)</b>                                    | <b>4,390</b>                                             | <b>(25,015)</b>                                         | <b>5,848</b>                                                  |
| <b>Other comprehensive income</b>                                 |                                                    |                                                          |                                                         |                                                               |
| Surplus on revaluation of property, plant and equipment           | -                                                  | -                                                        | 2,327                                                   | -                                                             |
| <b>Total comprehensive income/(loss) for the year</b>             | <b>(17,776)</b>                                    | <b>4,390</b>                                             | <b>(22,688)</b>                                         | <b>5,848</b>                                                  |
| <b>Profit/(loss) attributable to :</b>                            |                                                    |                                                          |                                                         |                                                               |
| Equity holders of the parent                                      | (18,070)                                           | 6,566                                                    | (25,326)                                                | 8,047                                                         |
| Non-controlling Interest                                          | 294                                                | (2,176)                                                  | 311                                                     | (2,199)                                                       |
| (Loss)/Profit for the year                                        | (17,776)                                           | 4,390                                                    | (25,015)                                                | 5,848                                                         |
| <b>Total comprehensive income attributable to :</b>               |                                                    |                                                          |                                                         |                                                               |
| Equity holders of the parent                                      | (18,070)                                           | 6,566                                                    | (22,999)                                                | 8,047                                                         |
| Non-controlling Interest                                          | 294                                                | (2,176)                                                  | 311                                                     | (2,199)                                                       |
| Total comprehensive income for the year                           | (17,776)                                           | 4,390                                                    | (22,688)                                                | 5,848                                                         |
| <b>EPS</b>                                                        |                                                    |                                                          |                                                         |                                                               |
| Net profit/(loss) per share (sen) - Basic                         | (4.73)                                             | 1.27                                                     | (6.03)                                                  | 1.69                                                          |
| - Diluted                                                         | (4.73)                                             | 1.27                                                     | (6.03)                                                  | 1.69                                                          |

(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 2017)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES EQUITY  
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2018**

**Attributable to Equity Holders of the Parent**

|                                 | Share<br>Capital<br>RM'000 | Retained<br>Earnings<br>RM'000 | Non-<br>Distributable<br>Revaluation<br>Reserve<br>RM'000 | Warrants<br>Reserve<br>RM'000 | Total<br>Reserves<br>RM'000 | Redeemable<br>convertible<br>Preference<br>Shares<br>RM'000 | Non-<br>Distributable<br>Treasury Shares<br>RM'000 | Non<br>Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---------------------------------|----------------------------|--------------------------------|-----------------------------------------------------------|-------------------------------|-----------------------------|-------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|---------------------------|
| Balance at 1 January 2017       | 235,277                    | 18,546                         | 306,608                                                   | -                             | 325,154                     | -                                                           | (181)                                              | 581                                       | 560,831                   |
| Issuance of new ordinary shares | 110,777                    |                                |                                                           |                               |                             |                                                             |                                                    |                                           | 110,777                   |
| Profit for the period           |                            | 8,047                          |                                                           |                               | 8,047                       |                                                             |                                                    | (2,199)                                   | 5,848                     |
| Balance at 30 September 2017    | <u>346,054</u>             | <u>26,593</u>                  | <u>306,608</u>                                            | <u>-</u>                      | <u>333,201</u>              | <u>-</u>                                                    | <u>(181)</u>                                       | <u>(1,618)</u>                            | <u>677,456</u>            |
| Balance at 1 January 2018       | 353,004                    | 26,056                         | 306,608                                                   | 1,415                         | 334,079                     | 161,632                                                     | (181)                                              | (1,060)                                   | 847,474                   |
| Issuance of new ordinary shares | 23,110                     |                                |                                                           |                               |                             |                                                             |                                                    |                                           | 23,110                    |
| Profit/(Loss) for the period    |                            | (25,326)                       |                                                           |                               | (25,326)                    |                                                             |                                                    | 311                                       | (25,015)                  |
| Revaluation reserves            |                            |                                | 2,327                                                     |                               | 2,327                       |                                                             |                                                    |                                           | 2,327                     |
| Balance at 30 September 2018    | <u>376,114</u>             | <u>730</u>                     | <u>308,935</u>                                            | <u>1,415</u>                  | <u>311,080</u>              | <u>161,632</u>                                              | <u>(181)</u>                                       | <u>(749)</u>                              | <u>847,896</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 2017)

**SEACERA GROUP BERHAD ( Company No. 163751-H )**

Unaudited Condensed Consolidated Cash Flow Statements  
For the period ended 30 September 2018

|                                                         | <b>Current<br/>Period<br/>Ended<br/>30.9.2018<br/>(RM '000)</b> | <b>Corresponding<br/>Period<br/>Ended<br/>30.9.2017<br/>(RM '000)</b> |
|---------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------|
| (Loss)/Profit before taxation                           | (24,844)                                                        | 6,287                                                                 |
| Adjustment for non-cash flow items                      | 1,060                                                           | 2,005                                                                 |
| Operating profit before changes in working capital      | (23,784)                                                        | 8,292                                                                 |
| (Increase)/Decrease in inventories                      | 15,009                                                          | 2,191                                                                 |
| (Increase) /Decrease in receivables                     | 6,068                                                           | (18,608)                                                              |
| (Decrease)/Increase in payables                         | (5,825)                                                         | 71,156                                                                |
| Changes flows (used in )/from operations                | (8,532)                                                         | 63,031                                                                |
| Incomes tax paid/refund                                 | (171)                                                           | (439)                                                                 |
| Interest paid                                           | (3,687)                                                         | (3,845)                                                               |
| Interest received                                       | 3,884                                                           | 192                                                                   |
| Cash flow (used in)/generated from operations           | (8,506)                                                         | 58,939                                                                |
| Issuance of new ordinary shares                         | 23,110                                                          | 110,777                                                               |
| Purchase/revaluation of property, plant and equipment   | (8,553)                                                         | (345,216)                                                             |
| Net cash (used in)/ generated from investing activities | 14,557                                                          | (234,439)                                                             |
| Decrease/(Increase)in deposit pledged<br>Bank borrowing | 23,055<br>(25,791)                                              | (449)<br>173,602                                                      |
| Net cash from/(used in)Financing Activities             | (2,736)                                                         | 173,153                                                               |
| <b>Net Change in Cash &amp; Cash Equivalents</b>        | <b>3,315</b>                                                    | <b>(2,347)</b>                                                        |
| Cash & Cash Equivalents at beginning of year            | (13,117)                                                        | (3,011)                                                               |
| <b>Cash &amp; Cash Equivalents at end of period</b>     | <b>(9,802)</b>                                                  | <b>(5,358)</b>                                                        |
| <b>Cash &amp; Cash Equivalents</b>                      | <b>2018<br/>RM'000</b>                                          | <b>2017<br/>RM'000</b>                                                |
| Cash and bank balances                                  | 198                                                             | 5,375                                                                 |
| Deposits pledged with licensed bank                     | 6,823                                                           | 28,948                                                                |
| Cash and bank balances                                  | 7,021                                                           | 34,323                                                                |
| Less:                                                   |                                                                 |                                                                       |
| Deposits pledged with licensed bank                     | (6,823)                                                         | (28,948)                                                              |
| Bank overdrafts                                         | (10,000)                                                        | (10,733)                                                              |
| Cash and cash equivalents                               | (9,802)                                                         | (5,358)                                                               |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)

SEACERA GROUP BERHAD (Company No: 163751-H)  
INTERIM FINANCIAL REPORTING / STATEMENT FOR  
THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A. Notes Required Under MFRS 134**

**A1. Basis of preparation of financial statements**

This Interim Financial Statements are unaudited and has been prepared in accordance with MFRS 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 2017. 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 2017.

**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 2017.

**A3. Qualification in Auditor's Report**

There are no qualifications in the Auditors' Report of the audited financial statements for year ended 31 December 2017.

**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 September 2018 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 September 2018.

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

- a) 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 2017.

On a cumulative basis, as at 30.9.2018, the Company has purchased 308,000 ordinary shares for RM180,830.74, representing in average RM0.59 per share.

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

- b) On 17 October 2017, the Company had made an offer of options to eligible persons to subscribe for new shares in the Company's under the Company's Employees' Share option Scheme. Total number options offered are 7,420,000 at exercise price of RM0.90 with the vesting period until 16 October 2022.

On cumulative basis, as at 30.9.2018, there were 6 number ESOS had been exercise with total number 3,350,000 number of shares and the balance has been cancelled/lapsed.

- c) On 8 October 2018, the Company had made an offer of options to eligible persons to subscribe for new shares in the Company's under the Company's Employees' Share option Scheme. Total number options offered are 23,132,000 at exercise price of RM0.305 with the vesting period until 16 October 2021. As of to date 7,000,000 of the options have been exercised.

**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

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conditions that are not materially different from those obtainable in transactions with unrelated parties.

|                               | Tiles<br>RM'000 | Property/<br>Construction<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------|-----------------|-------------------------------------|------------------------|------------------------|
| Revenue-External              | 12,320          | 4,106                               |                        | 16,426                 |
| Operating profit              | (22,619)        | 1,462                               |                        | (21,157)               |
| Interest expenses             | (2,214)         | (1,473)                             |                        | (3,687)                |
| Profit/(Loss) before taxation | (24,833)        | (11)                                |                        | (24,844)               |
| Tax expenses                  | (128)           | (43)                                |                        | (171)                  |
| Profit/(Loss) for the period  | (24,961)        | (54)                                |                        | (25,015)               |
| Revaluation reserves          | 2,327           | -                                   |                        | 2,327                  |
| Total comprehensive income    | (22,634)        | (54)                                |                        | (22,688)               |
| Segments assets               | 479,134         | 1,019,964                           | (471,682)              | 1,027,416              |
| Goodwill                      |                 |                                     |                        | 2,999                  |
| Total assets                  |                 |                                     |                        | 1,024,417              |
| Segments liabilities          | 76,968          | 621,751                             | (522,198)              | 176,521                |
| Depreciation and amortization | 1,873           | 329                                 |                        | 2,202                  |

*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<br>RM'000 |
|-----------------|-------------------|
| Malaysia        | 14,408            |
| Other countries | 2,018             |
|                 | <hr/>             |
|                 | 16,426            |

**A10. Valuations of Property, Plant & Equipment**

The property, plant and equipment have not been revalued since the previous annual audited financial statements except for valuation of land and property in Subang Jaya.

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**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**

There were no other material capital commitments during the current quarter ended 30 September 2018.

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

**B1. Quarter vs Preceding Year Quarter**

The Group's revenue for the third quarter ended 30 September 2018 was lower by RM19 million or 53% as compared to previous year of the corresponding quarter mainly due to lower demand for tiles products and lower production output as a result of machinery breakdown. In addition, lower revenue recorded by the Construction Division was also a factor as on going project have lower contract value. The Group lower revenue as well higher cost due to the frequent machinery breakdown has resulted to the higher loss before tax for the quarter. In addition, there was impairment of inventories of RM10 million during the current quarter.

**B2. Material Changes for the Current and Preceding Quarter.**

The Group's revenue for the third quarter ended 30 September 2018 was lower by RM3.73 million (30.6.2018: Revenue of RM 12.69 million) or 22% lower compared to the preceding quarter due to weak market demand. The Group recorded loss before taxation for the current financial quarter of RM17.76 million compared to loss before taxation of RM5.14 million of the preceding quarter due to lower revenue and higher manufacturing cost as a result of frequent machinery breakdown. In addition, there was impairment of inventories of RM10 million during the current quarter.

**B3. Prospects**

The Board anticipates that the Year 2018 will be a challenging period for business environment in view of the uncertainty of local and global economy , post-effects of the 14th General Election and weakening market demand locally .

**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.



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**B5. Taxation**

|                               | 2018<br>Quarter<br>ended<br>30 Sept<br>RM '000 | 2017<br>Quarter<br>ended<br>30 Sept<br>RM '000 | 2018<br>Year to Date<br>ended<br>30 Sept<br>RM '000 | 2018<br>Year to date<br>ended<br>30 Sept<br>RM '000 |
|-------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>Current year</b>           |                                                |                                                |                                                     |                                                     |
| Under/overprovision<br>of tax | (79)                                           | 180                                            | 171                                                 | 439                                                 |
|                               | <u>(79)</u>                                    | <u>180</u>                                     | <u>171</u>                                          | <u>439</u>                                          |

The Group's effective tax rate for the year is higher than the statutory tax rate due to certain loss is not allowable under the Income Tax Act.

**B6. Status of Corporate Proposals**

- a. On 18 July 2018 ,Seacera Group Berhad ("SGB") proposed to undertake an issuance of new ordinary shares representing not more than 10% of the issued share capital in SGB. The listing application was submitted on 25 July 2018 and subsequently approved by Bursa on 27 July 2018.This private placement has been fully completed following the listing of and quotation for 37,528,895 Placement Shares on the main market of Bursa Malaysia Securities Bhd on 14 November 2018.

**B7. Group Borrowings**

Group borrowings consist of the following:

|                               | As at<br>30.9.2018<br>RM'000 |
|-------------------------------|------------------------------|
| Dominated in Ringgit Malaysia |                              |
| <b>Secured</b>                |                              |
| Long term borrowings          | <u>7,627</u>                 |
| <b>Secured</b>                |                              |
| Short term borrowings         | 33,903                       |
| Bankers acceptance            | <u>6,736</u>                 |
|                               | <u>41,004</u>                |
| <b>Total</b>                  | <u>48,631</u>                |

**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 in favour of the financiers' of the subsidiary companies for their banking facilities amounting to RM52million.

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**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, saves as disclosed below.

a) Seacera Properties Sdn Bhd ("SPSB"), a wholly-owned subsidiary of Seacera Group Berhad and Duta Skyline Sdn Bhd ("DSSB") (collectively, the "Plaintiffs") had, on 2 November 2011 filed a suit against Mohamad Faisal Bin Abdul Gaffar and Tetuan Faisal Gaffar & Co (collectively, the "Defendants"), claiming for a sum of RM501,500.00 being the stakeholding sum pursuant to the joint venture agreement dated 5 April 2005 entered into between SPSB and DSSB which shall be paid by the Defendants to the Plaintiffs. Judgment was obtained on 16 August 2016 in our favour with cost of RM25,000.00 to be borne by the Defendants. The Defendants filed an appeal in the Court of Appeal on 17 September 2015 but such appeal was dismissed with cost of RM10,000.00 to be borne by the Defendants. The Plaintiffs obtained an absolute order under the garnishee application against Malayan Banking Berhad for the sum of RM615.80 and the Plaintiffs are in the midst of recovering the judgment sum from the Defendants.

b) Seacera Ceramics Sdn Bhd ("SCSB"), a wholly-owned subsidiary of Seacera Group Berhad had on 4 March 2016 initiated an adjudication proceeding against Ahmad Zaki Sdn Bhd ("AZSB") at the Kuala Lumpur Regional Centre for Arbitration, claiming for a sum of RM4,340,434.61, which must be paid by AZSB to SCSB, being the sub-contractor for a project known as "the Proposed Rectification Works Including Waterproofing Treatment to Existing Dataran Putra, Presint 1, Wilayah Persekutuan, Putrajaya" which was awarded by AZSB pursuant to the letter of award dated 7 October 2009. On 10 May 2016, the following adjudication decision was delivered by the adjudicator in favour of SCSB ("Adjudication Decision"):

- (a) AZSB to pay SCSB the sum of RM2,981,758.12;
  - (b) interest at 5% per annum on the sum of RM2,981,758.12 from the Notice of Adjudication dated 13 January 2016 till realization; and
  - (c) cost in the sum of RM60,000.00 and the refund of the payment of RM28,492.42 to SCSB.
- (collectively, referred to as the "Awarded Amount").

AZSB has paid the Awarded Amount to SCSB on 5 September 2016. AZSB had, on 14 June 2016 initiated a legal suit at the Shah Alam High Court ("Court") to claim for inter-alia the following from SCSB:-

- (a) the sum of RM1,306,909.20 or such other sum as the Court may deems fit;
- (b) interest on such sum(s) and at such rate(s) and for such period(s) that the Court deems appropriate; and
- (c) costs.

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SCSB has, vide its Counterclaim dated 20 July 2016, claimed for inter-alia the following from AZSB:-

- (a) RM4,382,903.79 being the outstanding amount due and owing from AZSB to SCSB;
- (b) damages for the breach of the sub-contract by AZSB, additional expenses, prolongation costs and losses suffered and/or incurred by SCSB to be assessed by the Court and to be paid by AZSB to SCSB;
- (c) interests on the sum awarded by the Court at a rate of 5% per annum on the said sum to be calculated from 30 April 2012 until full settlement is paid by AZSB to SCSB; and
- (d) costs to be paid by AZSB to SCSB.

Trial was conducted on 5 Sept 2017 -6 Sept 2017 and 2 Oct 2017. The judge reserved her decision to 22 March 2018. On 22 March 2018, the court has awarded the following:

(a) Main claim(AZSB)

- 1. AZSB's claim for the debit notes for the sum of RM2,430,999.22 is allowed;
- 2. AZSB's claim for cost rectification of RM232,427.67 is allowed; and
- 3. Interest of 5% p/annum from 30/4/2012 until full settlement.

(b) Counterclaim (SCSB)

- 1. SCSB's claim for the outstanding payment of RM4,001,345.06 is allowed with 5% interest p/a.
- 2. SCSB's claim for Chahar Bgh of RM371,196.17 and step and rise of RM96,090.64 is allowed with interest of 5% p/a.

Both AZSB and SCSB filed their appeals against the High Court's decision at the Court of Appeal. The hearing of the appeal will be on 26/2/2019.

- c) Ixora Resources Sdn Bhd ("IRSB") had on 28 April 2016 filed a suit against SPAZ Sdn Bhd ("SPAZ"), a 80%-owned subsidiary of Seacera Group Berhad, claiming a sum of RM3,254,149.26 for breach of an agreement dated 16 June 2010 for the project named as "Proposed Mixed Development of Hotel, Banquet Hall, Service Apartment and Garden Restaurant at Bandar Baru Bangi for Koperasi Permodalan Felda Berhad" located at Bandar Baru Bangi, Selangor Darul Ehsan. On 9 December 2016, the Court had dismissed IRSB's application for summary judgement against SPAZ with cost of RM15,000.00 to be paid by IRSB to SPAZ. Subsequently, on 9 May 2017, the Court allowed SPAZ's application to strike out the IRSB's summons with cost of RM5,000.00 to be paid by IRSB to SPAZ. Hence, IRSB's summons against SPAZ for the claim of RM3,254,149.26 has been struck out. SPAZ filed a counter-claim against IRSB for a sum of RM5,162,280.56 and SPAZ's solicitors are in the midst of preparing a winding-up petition against IRSB.

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**B10. Dividend**

The Board of Directors does not recommend any dividend for the current year 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:

|                                           | <b>2018<br/>Quarter<br/>ended<br/>30 Sept<br/>RM'000</b> | <b>2017<br/>Quarter<br/>ended<br/>30 Sept<br/>RM'000</b> | <b>2018<br/>Year to date<br/>ended<br/>30 Sept<br/>RM'000</b> | <b>2017<br/>Year to date<br/>ended<br/>30 Sept<br/>RM'000</b> |
|-------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| Net profit/(loss) for the Period (RM'000) | (17,776)                                                 | 4,390                                                    | (22,688)                                                      | 5,848                                                         |
| No. of ordinary shares ('000)             | 376,114                                                  | 346,054                                                  | 376,114                                                       | 346,054                                                       |
| Owner of the parent                       | (18,070)                                                 | 6,566                                                    | (22,999)                                                      | 8,047                                                         |
| Non-controlling interest                  | 294                                                      | (2,176)                                                  | 311                                                           | (2,199)                                                       |
| EPS (sen) - Basic                         | (4.73)                                                   | 1.27                                                     | (6.03)                                                        | 1.69                                                          |
| EPS (send) - Diluted                      | (4.73)                                                   | 1.27                                                     | (6.03)                                                        | 1.69                                                          |

**B12. Profit/(loss) for the period/year**

|                                                               | <b>2018<br/>Quarter<br/>ended<br/>30 Sept<br/>RM'000</b> | <b>2017<br/>Quarter<br/>ended<br/>30 Sept<br/>RM'000</b> | <b>2018<br/>Year to<br/>date ended<br/>30 Sept<br/>RM'000</b> | <b>2017<br/>Year to<br/>date ended<br/>30 Sept<br/>RM'000</b> |
|---------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| <b>Profit for the period/year after charging/(crediting):</b> |                                                          |                                                          |                                                               |                                                               |
| Interest expense                                              | 1,677                                                    | 1,281                                                    | 3,687                                                         | 3,845                                                         |
| Depreciation                                                  | 756                                                      | 999                                                      | 2,202                                                         | 1,963                                                         |
| Foreign exchange loss/(gain)                                  | (13)                                                     | (245)                                                    | (19)                                                          | (233)                                                         |
| Interest income                                               | (2,249)                                                  | (206)                                                    | (2,446)                                                       | (598)                                                         |

**B13. Authorisation for issue**

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