

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	As At End of Current Quarter 31.12.2018	(Audited) As At Preceding Financial Year End 31.12.2017
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	873,520	848,188
Goodwill	-	2,999
	<u>873,520</u>	<u>851,187</u>
<b>Current Assets</b>		
Property development cost	229	229
Asset held for sales	4,074	-
Inventories	3,333	22,662
Trade and other receivables	96,315	115,474
Amount due from contract customers	-	38,041
Tax recoverable	-	1,352
Cash and Cash Equivalents	5,467	27,970
	<u>109,418</u>	<u>205,728</u>
<b>Total Assets</b>	<u>982,938</u>	<u>1,056,915</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	385,760	353,004
Treasury shares	(181)	(181)
Reserves	293,276	334,079
	<u>678,855</u>	<u>686,902</u>
Redeemable convertible preference shares	161,632	161,632
Non Controlling Interest	(1,659)	(1,060)
<b>Total Equity</b>	<u>838,828</u>	<u>847,474</u>
<b>Non-Current Liabilities</b>		
Long Term Borrowing	7,504	6,237
Long Term Provisions	1,104	1,048
Deferred tax liabilities	44,678	46,099
	<u>53,286</u>	<u>53,384</u>
<b>Total Non-Current Liabilities</b>	<u>53,286</u>	<u>53,384</u>
<b>Current Liabilities</b>		
Trade And Other Payables	68,037	87,486
Short Term Borrowings	21,802	67,874
Tax Liabilities	985	697
	<u>90,824</u>	<u>156,057</u>
<b>Total Current Liabilities</b>	<u>90,824</u>	<u>156,057</u>
<b>Total Liabilities</b>	<u>144,110</u>	<u>209,441</u>
<b>Total Equity and Liabilities</b>	<u>982,938</u>	<u>1,056,915</u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.76</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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2018

	Current Quarter Ended 31.12.2018 RM'000	Corresponding Quarter Ended 31.12.2017 RM'000	Current Year to Date Ended 31.12.2018 RM'000	Corresponding Year to Date Ended 31.12.2017 RM'000
Revenue	6,885	2,672	23,311	40,472
Net Operating Expenses	(24,163)	(85)	(61,746)	(27,791)
Finance Cost	(1,435)	(1,444)	(5,122)	(5,249)
(Loss)/Profit Before Taxation	(18,713)	1,143	(43,557)	7,432
Taxation	-	290	(171)	(149)
<b>Net profit/(loss) for the Period from continuing operation</b>	<b>(18,713)</b>	<b>1,433</b>	<b>(43,728)</b>	<b>7,283</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>(18,713)</b>	<b>1,433</b>	<b>(41,401)</b>	<b>7,283</b>
<b>Profit/(loss) attributable to :</b>				
Equity holders of the parent	(18,065)	853	(43,129)	8,924
Non-controlling Interest	(648)	580	(599)	(1,641)
(Loss)/Profit for the year	(18,713)	1,433	(43,728)	7,283
<b>Total comprehensive income attributable to :</b>				
Equity holders of the parent	(18,065)	853	(40,802)	8,924
Non-controlling Interest	(648)	580	(599)	(1,641)
Total comprehensive income for the year	(18,713)	1,433	(41,401)	7,283
<b>EPS</b>				
Net profit/(loss) per share (sen) - Basic	(4.68)	0.24	(11.18)	2.53
- Diluted	(4.68)	0.24	(11.18)	2.53

(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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2018

## Attributable to Equity Holders of the Parent

	Share Capital RM'000	Retained Earnings RM'000	Non- Distributable Revaluation Reserve RM'000	Warrants Reserve RM'000	Total Reserves RM'000	Redeemable convertible Preference Shares RM'000	Non- Distributable Treasury Shares RM'000	Non Controlling interests RM'000	Total Equity RM'000
Balance at 1 January 2017	235,277	18,546	306,608	-	325,154	-	(181)	581	560,831
Issuance of new ordinary shares	117,728								117,728
Acquisition through business combination					161,632				161,632
Profit for the period		8,924			8,924			(1,641)	7,283
Balance at 31 December 2017	<u>353,005</u>	<u>27,470</u>	<u>306,608</u>	<u>-</u>	<u>334,078</u>	<u>161,632</u>	<u>(181)</u>	<u>(1,060)</u>	<u>847,474</u>
Balance at 1 January 2018	353,005	27,470	306,608		334,078	161,632	(181)	(1,060)	847,474
Issuance of new ordinary shares	32,755								32,755
Profit/(Loss) for the period		(43,129)			(43,129)			(599)	(43,728)
Revaluation reserves			2,327		2,327				2,327
Balance at 31 December 2018	<u>385,760</u>	<u>(15,659)</u>	<u>308,935</u>		<u>293,276</u>	<u>161,632</u>	<u>(181)</u>	<u>(1,659)</u>	<u>838,828</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 31 December 2018

	<b>Current Period Ended 31.12.2018 (RM '000)</b>	<b>Corresponding Period Ended 31.12.2017 (RM '000)</b>
(Loss)/Profit before taxation	(43,557)	7,432
Adjustment for non-cash flow items	<u>(13,448)</u>	<u>(13,341)</u>
Operating profit before changes in working capital	(57,005)	(5,909)
(Increase)/Decrease in inventories	19,329	1,032
(Increase) /Decrease in receivables	53,126	(6,724)
(Decrease)/Increase in payables	(19,449)	44,354
Changes flows (used in )/from operations	(3,999)	32,753
Incomes tax paid/refund	(171)	(517)
Interest paid	(5,122)	(5,249)
Retirement benefit paid	(22)	(14)
Interest received	2,564	811
Cash flow (used in)/generated from operations	(6,728)	27,784
Issuance of new ordinary shares	32,755	27,727
Acquisition of subsidiary	-	(75,564)
Purchase/revaluation of property, plant and equipment	3,150	(227)
Net cash (used in)/ generated from investing activities	35,905	(48,064)
Decrease/(Increase)in deposit pledged	20,205	(176)
Bank borrowing	(45,435)	10,350
Net cash from/(used in)Financing Activities	(25,230)	10,174
<b>Net Change in Cash &amp; Cash Equivalents</b>	<u>3,947</u>	<u>(10,106)</u>
Cash & Cash Equivalents at beginning of year	(13,117)	(3,011)
<b>Cash &amp; Cash Equivalents at end of period</b>	<u><u>(9,170)</u></u>	<u><u>(13,117)</u></u>
<b>Cash &amp; Cash Equivalents</b>	<b>2018 RM'000</b>	<b>2017 RM'000</b>
Cash and bank balances	806	540
Deposits pledged with licensed bank	4,661	27,430
Cash and bank balances	<u>5,467</u>	<u>27,970</u>
Less:		
Deposits pledged with licensed bank	(4,661)	(27,430)
Bank overdrafts	(9,976)	(13,857)
Cash and cash equivalents	<u><u>(9,170)</u></u>	<u><u>(13,117)</u></u>

(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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 31 December 2018.

SEACERA GROUP BERHAD (Company No: 163751-H)  
 INTERIM FINANCIAL REPORTING / STATEMENT FOR  
 THE FOURTH QUARTER ENDED 31 DECEMBER 2018

**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 28 June 2018.

On a cumulative basis, as at 31.12.2018, 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) 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' Shares Option Scheme. As at 31 December 2018, the offers have been granted, exercised, and cancelled/lapsed as below:

Date of option	Option Price(RM)	No. of Option Granted	Exercised	Cancelled/ Lapsed	Balance
8 October 2018 - 29 June 2021	0.305	23,132,000	8,000,000	1,132,000	14,000,000

**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.

SEACERA GROUP BERHAD (Company No: 163751-H)  
 INTERIM FINANCIAL REPORTING / STATEMENT FOR  
 THE FOURTH QUARTER ENDED 31 DECEMBER 2018

	Tiles RM'000	Property/ Construction RM'000	Eliminations RM'000	Consolidated RM'000
Revenue-External	19,205	4,106		23,311
Operating profit/(loss)	(37,197)	(1,238)		(38,435)
Interest expenses	(2,962)	(2,160)		(5,122)
Profit/(Loss)before taxation	(40,159)	(3,398)		(43,557)
Tax expenses	(128)	(43)		(171)
Profit/(Loss)for the period	(40,287)	(3,441)		(43,728)
Revaluation reserves	2,327	-		2,327
Total comprehensive income	(37,960)	(3,441)		(41,401)
Segments assets	482,768	1,017,520	(517,350)	982,938
Segments liabilities	79,003	620,666	(555,559)	144,110
Depreciation and amortization	2,498	439		2,937

*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	21,293
Other countries	2,018
	<u>23,311</u>

**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.

SEACERA GROUP BERHAD (Company No: 163751-H)  
INTERIM FINANCIAL REPORTING / STATEMENT FOR  
THE FOURTH QUARTER ENDED 31 DECEMBER 2018

**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 except for the reclassification of a subsidiary namely SPAZ Sdn. Bhd. under the category of "Assets Held for Sale" pursuant to the decision of the Board of Director to initiate the sale to any interested parties at the terms and condition to be agreed upon.

**A13. Capital Commitments**

There were no other material capital commitments during the current quarter ended 31 December 2018.

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

**B1. Current Quarter and Preceding Year Quarter**

The Group's revenue for the fourth quarter ended 31 December 2018 was higher by RM4.21 million as compared to previous year of the corresponding quarter. Higher loss before tax in the current quarter of RM18.71 million (2017: Profit of RM1.43million) was mainly due to higher loss recorded by construction division of RM6mil as a result of cost overrun and lesser projects revenue to cover the fixed overhead costs. In addition, there was impairment of inventories and receivables of RM4 million and RM2million respectively during the quarter under review for Tiles Division. The Group also has written off goodwill of RM2.99 million for the current quarter.

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

The Group's revenue for the fourth quarter ended 31 December 2018 was higher by RM3.15 million (30.9.2018: Revenue of RM 3.73 million) compared to the preceding quarter due to higher revenue recorded by Tiles Division for project sales. The Group recorded loss before taxation for the current financial quarter of RM18.71 million compared to loss before taxation of RM17.76 million of the preceding quarter. Current quarter loss was mainly due loss recorded by Construction Division of RM6mil as a result of cost overrun and lesser projects revenue to cover the fixed overhead costs. In addition, there was impairment of inventories and receivables of RM4 million and RM2million respectively during the quarter under review for Tiles Division. The Group also has written off goodwill of RM2.99 million for the current quarter. Loss in the preceding quarter was mainly due to impairment of inventories of RM10 million.

**B3. Prospects**

The Board anticipates that the Year 2019 will remain a challenging period for business of the Group in view of the uncertainty of local and global economies, unless major recovery takes place for property development and construction industries and consumers demand improves positively. Nevertheless, the Board will formulate and develop strategies and if well and timely implemented, the Group is expected to have improved results compared to Year 2018.



SEACERA GROUP BERHAD (Company No: 163751-H)  
 INTERIM FINANCIAL REPORTING / STATEMENT FOR  
 THE FOURTH QUARTER ENDED 31 DECEMBER 2018

**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**

	2018 Quarter ended 31 Dec RM '000	2017 Quarter ended 31 Dec RM '000	2018 Year to Date ended 31 Dec RM '000	2017 Year to date ended 31 Dec RM '000
<b>Current year</b>				
Under/overprovision of tax	-	(290)	171	149
	-	(290)	171	149

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**

On 16 January 2019, Seacera Group Bhd ("SGB") have announced two proposals:

- (i) Proposed settlement of the amount owing by Seacera and two of its subsidiaries, namely Seacera Ceramics Sdn Bhd and Seacera Properties Sdn. Bhd to certain creditors amounting RM31.31 million via issuance of 149,093,576 new ordinary shares in Seacera as consideration at an issue price of RM0.21 per new Seacera Shares.
- (ii) Proposed private placement of up to 126,337,153 new Seacera Shares representing of up to approximately 30% of the existing issued share capital of Seacera to be subscribed by potential investors to be identified later.

These proposals are pending approvals from the relevant authorities and the shareholders at an EGM to be determined later.

**B7. Group Borrowings**

Group borrowings consist of the following:

	As at 31.12.2018 RM'000
Dominated in Ringgit Malaysia	
<b>Secured</b>	
Long term borrowings	7,504
<b>Secured</b>	
Short term borrowings	15,066
Bankers acceptance	6,736
	21,802
<b>Total</b>	29,306

SEACERA GROUP BERHAD (Company No: 163751-H)  
INTERIM FINANCIAL REPORTING / STATEMENT FOR  
THE FOURTH QUARTER ENDED 31 DECEMBER 2018

**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 RM40 million.

**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 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 until 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.

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;

**SEACERA GROUP BERHAD (Company No: 163751-H)  
INTERIM FINANCIAL REPORTING / STATEMENT FOR  
THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

- (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.

- b) Seacera Ceramics Sdn Bhd. ("Defendant") has on 10 December 2018 been served with an Amended Writ of Summon and Amended Statement of Claim dated 3 December 2018 by Mahawira Niaga Sdn Bhd ("Plaintiff") in relation to the dispute over the sub contract work done previously. The Plaintiff has claimed for an amount owing RM2,042,573.78 ("Sum") and the interest at the rate of 3% per annum on part of the sum of RM1,844,808.86 from the date of filing of the amended statement of Claim until the date of judgement and at the interest rate of 5% per annum on the judgement sum from the date of the judgement until realization of full settlement and cost. The date of hearing for Order 14 application is on 21 March 2019.

**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:

SEACERA GROUP BERHAD (Company No: 163751-H)  
 INTERIM FINANCIAL REPORTING / STATEMENT FOR  
 THE FOURTH QUARTER ENDED 31 DECEMBER 2018

	2018 Quarter ended 31 Dec RM'000	2017 Quarter ended 31 Dec RM'000	2018 Year to date ended 31 Dec RM'000	2017 Year to date ended 31 Dec RM'000
Net (loss/profit )for the Period (RM'000)	(18,713)	1,433	(43,728)	7,283
No. of ordinary shares ('000)	385,760	353,004	385,760	353,004
Owner of the parent	(18,065)	853	(43,129)	8,924
Non-controlling interest	(648)	580	(599)	(1,641)
EPS (sen) - Basic	(4.68)	0.24	(11.18)	2.53
EPS (sen) - Diluted	(4.68)	0.24	(11.18)	2.53

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

	2018 Quarter ended 31 Dec RM'000	2017 Quarter ended 31 Dec RM'000	2018 Year to date ended 31 Dec RM'000	2017 Year to date ended 31 Dec RM'000
<b>Profit for the period/year after charging/(crediting):</b>				
Interest expense	1,435	1,444	5,122	5,289
Depreciation	735	639	2,937	2,601
Foreign exchange loss/(gain)	8	7	(11)	(226)
Interest income	(118)	(363)	(2,564)	(961)

**B13. Limited Review of Financial Statements**

The Auditor have performed limited review on this report solely for complying with the disclosure requirement stipulated in the directive of Bursa Malaysia Securities Berhad.

**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.