

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 period ended 30 June 2019. 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 period ended 30 June 2019.

A2. Significant Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the financial statements for the period ended 30 June 2019.

A3. Qualification in Auditor's Report

There are no qualifications in the Auditors' Report of the audited financial statements for period ended 30 June 2019. However, as announced on 8th November 2019, the external auditors have raised going concern issue in their report, for the financial period ended 30.6.2019.

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 2019 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 2019.

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 which was lapsed at the latest Annual General Meeting on 29.11.2019.

On a cumulative basis, as at 30.9.2019, the Company has purchased 306,000 ordinary shares for RM180,830.74, representing in average RM0.59 per share.

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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 30 September 2019, the ESOS offers that have been granted, exercised, and cancelled/lapsed are as below:

Date of option	Option Price(RM)	No. of Option Granted	Exercised	Cancelled/ Lapsed	Balance
17 October 2017-29 June 2021	0.900	7,420,000	3,350,000	4,070,000	-
8 October 2018 - 29 June 2021	0.305	23,132,000	20,000,000	3,132,000	-
29 January 2019-29 June 2021	0.195	49,000,000	41,500,000	7,500,000	-
24 September 2019- 29 June 2021	0.167	6,000,000	6,000,000	-	-
Total		85,552,000	70,850,000	14,702,000	-

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.

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30 Sept 2019

	Tiles RM'000	Property/ Construction RM'000	Eliminations RM'000	Consolidated RM'000
Revenue-External	691	-		691
Operating profit/(loss)	(3,300)	(2,457)		(5,757)
Interest expenses	(239)	-		(239)
Profit/(Loss)before taxation	(3,539)	(2,457)		(5,996)
Tax expenses	(24)	-		(24)
Profit/(Loss)for the period	(3,563)	(2,457)		(6,020)
Total comprehensive income	(3,563)	(2,457)		(6,020)
Segments assets	398,223,	936,875	(445,511)	889,587
Segments liabilities	138,501	546,831	(492,251)	193,081
Depreciation and amortization	155	-		155

Geographical segments

The Group's production facilities are located in Malaysia only. All revenue was derived from local customer.

A10. Valuations of Property, Plant & Equipment

The property, plant and equipment have not been revalued since the previous 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

There were no material capital commitments during the current quarter ended 30 September 2019.

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

B1. Current Quarter and Preceding Year Quarter

The Group's revenue for the first quarter ended 30 June 2019 was RM0.691 million and loss before taxation of RM6.02million.

Due to the change of financial year end from 31 December 2018 to 30 June 2019, the figures for the quarter period ended 30 Sept 2018 are in respect of the first quarter and accordingly, there are no comparative figures for the preceding year corresponding quarter. Loss before taxation of RM6.02million in the current quarter was mainly due to dividend on RCPS of Duta Nilai Holdings Sdn Bhd, factory rental and legal fees.

B2. Material Changes for the Current and Preceding Quarter.

The Group's revenue for the first quarter ended 30 September 2019 was lower by RM0.261 million (30.6.2019: Revenue of RM 0.952 million) compared to the preceding quarter.

The Group recorded loss before taxation for the current financial quarter of RM6.02 million compared to loss before taxation of RM36.87 million of the preceding quarter. Higher loss for the previous quarter was mainly due to written down of inventories and plant and machinery and impairment of assets.

B3. Prospects

The Board anticipates that the Year 2020 will be a challenging period for business of the Group in view of holding company's PN17 status and insufficient cash flow to support the operations and repayment of its banking facilities. In addition, there are uncertainties of local and global economies particularly slowdown in property development and construction industries, lower consumers demand and US-China trade war. Nevertheless, the Board will formulate and develop strategies especially to propose the regularization plan to uplift PN17 status within the 12 months period as required under the listing requirements.

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

	2019 Quarter ended 30 Sept RM '000	Period to Date ended 30 Sept 2019 RM '000
Current year		
Taxation	24	24
	<hr/>	<hr/>
	24	24

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B6. Status of Corporate Proposals

- a) On 10 April 2019, The Board of Directors of Seacera Group Berhad (“SEACERA” or “the Company”) is pleased to announce that the Company has entered into a Memorandum of Understanding (“MOU”) with Sinar Tile Industries Sdn Bhd (“STISB”). On 20th November 2019, The Board of Directors announce that both parties agreed to extend the MOU for another 3 months, effective on 20th November 2019.

B7. Group Borrowings

Group borrowings consist of the following:

	As at 30.9.2019 RM'000
Dominated in Ringgit Malaysia	
Secured	
Long term borrowings	-
Secured	
Short term borrowings	24,707
Total	24,707

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 RM12million.

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.

CASE NO	PLAINTIFF/ PETITIONER	DEFENDANT/ RESPONDENT	AMOUNT CLAIM (RM)	STATUS 1) Announcement dates 2) Latest Status
(WA-22NCC-433-08/2019)	MDI Energy Sdn Bhd	SPSB	6,000,000.00	1) 15.8.19, 19.8.19, 7.10.19 & 18.11.19 2) CM on 5.12.19 3) Trial date on 12.5.2020 until 15.5.2020

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(BA-22NCC-61-05/2019)	SGB	OCR Holding Sdn Bhd & 2 Ors	a) 19,200,000.00 b) 6,722,637.84 (interest)	1) 31.5.19, 3.6.19, 26.6.19, 29.7.19, 11.9.19, 10.10.19, 11.11.19 & 25.11.19 2) CM on 6.1.2020 3) Trial on 20-22.4.2020 (3 days)
(WA-22M-487-07/2019)	Ambank Islamic Berhad	SGB	12,908,777.49	1) 16.7.19, 19.7.19 & 29.7.19, 3.9.19, 17.10.19 & 4.11.19 2) Allowed app with costs RM4,000.00
(WA-22M-496-07/2019)	Ambank Islamic Berhad	SCSB & SGB (Ceramics)	18,306,705.17	1) 18.7.19, 23.7.19 & 1.8.19, 3.9.19, 17.10.19 & 4.11.19 2) Allowed app with costs RM4,000.00
(WA-22M-663-08/2019)	Ambank Islamic Berhad	SGB	1,611,109.35	1) 26.4.19, 1.8.19, 6.8.19, 5.9.19, 17.9.19 & 25.10.19 2) Hearing O.14 on 6.1.2020
(PA-24MFC-236-09/2019)	Ambank Islamic Berhad	SCSB (Ceramics)	18,306,705.17	1) 18.9.19, 11.10.19 & 12.11.19 2) CM date on 11.12.19 & 8.1.2020 3) Hearing on 20.1.2020
(BA-24M-10-10/2019)	Ambank Islamic Berhad	SCSB (Ceramics)	12,908,777.49	1) 1.11.19 & 12.11.19 2) On 12.11.19 – withdrawn by the Plaintiff due to filed under wrong code.
(WA-22NCC-114-03/2019)	Gan Hai Toh	SGB	5,500,000.00	1) 27.3.19, 27.5.19, 30.5.19, 4.6.19, 12.6.19, 9.7.19, 18.7.19, 18.9.19, 7.10.19 & 25.11.19 2) Hearing O.18 and CM (Main suit) on 6.1.2020
(WA-22NCVC-792-11/2018)	Mahawira Niaga Sdn Bhd	SCSB	a) 2,042,573.78 b) 1,844,808.86 (interest)	1) 10.12.18, 13.12.18, 3.5.19, 18.6.19 & 19.8.19 & 25.10.19 2) Decision O.29 on 3.12.19

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(WA-22M-574-08/2019)	SME Bank Berhad	SGB & 2 Ors	36,459,691.73	1) 19.8.19, 21.8.19, 10.9.19 & 10.10.19 2) Hearing O.14 on 10.12.19
(WA-28NCC-800-08/2019)	Zaike Global Resources Sdn Bhd (W/Up Petition)	SPSB (Properties)	6,500,000.00	1) 21.8.19, 26.8.19, 26.9.19, 11.10.19 & 22.11.19 2) CM on 9.1.2020
(WA-28NCC-768-08/2019)	Suong Sdn Bhd (W/Up Petition)	SGB	15,531,105.99	1) 6.8.19, 20.8.19, 20.9.19, 3.10.19, 8.10.19 & 8.11.19 2) Notice Discontinuance filed on 8.11.19.
(WA-28NCC-956-09/2019)	GTS Contractor Sdn Bhd (W/Up Petition)	SPSB (Porcelain)	2,689,425.39	1) 29.7.19, 23.9.19, 1.10.19, 7.11.19 & 27.11.19 2) CM on 6.12.19 3) Hearing on 31.12.19
(BA-24NCC-143-10/2019)	SGB, S Porcelain, S Properties & S Ceramics (RO Application)	-	-	1) 10.10.19 & 4.11.19 2) Further Hearing on 2.12.19 (parties to continue submission)
(BA-24NCC-122-08/2019)	Datuk Ismail Othman	Duta Skyline Sdn Bhd & Amazing Symphony Sdn Bhd	-	1) 6.9.19, 11.9.19, 30.9.19, 15.10.19 & 13.11.19 2) Hearing on 10.1.2020
(WA-24NCC-558-10/2019)	Duta Skyline Sdn Bhd	Siti Haidar & Sha Management	-	1) 24.10.19 2) Hearing OS on 12.12.19
(WA-22NCC-603-10/2019)	Datuk Ismail Othman & 4 Ors	SGB, SPSB, DNHSB & DSSB	-	1) 5.11.19 & 12.11.19 2) CM on 7.1.2020
(WA-24NCC-294-05/2019)	Tan Wei Lian & 6 Ors (Appeal)	Datuk Mansor Masikon & 11 Ors	-	1) 5.11.19 2) received sealed copy on 22.11.19 3) CM on 6.1.2020

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(WA-24NCC-618-11/2019)	SGB	AEV Engineering & Trading Sdn Bhd & Fantastic Fortress Sdn Bhd	-	<ol style="list-style-type: none"> 1) 14.11.19, 18.11.19, 22.11.19 & 28.11.19 2) Application by SGB is allowed with no order as to costs.
S.466 notice	Bukit Buloh Premix Sdn Bhd	SCSB	31,406.81	<ol style="list-style-type: none"> 1) 12.11.19 & 18.11.19 2) Received notice on 11.11.19
(BA-24MFC-818-11/2019)	Ambank Islamic Berhad	SCSB (Ceramics)	12,908,777.49	<ol style="list-style-type: none"> 1) 18.9.19, 1.11.19, 12.11.19 & 14.11.19 2) Mention date on 13.1.2020
(WA-22NCC-645-11/2019)	SGB	JS Portfolio & 5 Ors	-	<ol style="list-style-type: none"> 1) 18.11.19, 25.11.19 & 29.11.19 2) Hearing for Injunction application on 2.12.19 3) CM (Main Suit) on 3.1.2020

- **CM – Case Management**
- **O – Order**
- **OS – Originating Summon**
- **Ors – Others**
- **RO – Restraining Order**
- **W/Up – Winding Up**

B10. Dividend

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

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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:

	Quarter ended 30 Sept 2019 RM'000	Quarter ended 30 Sept 2018 RM'000	Year to date ended 30 Sept 2019 RM'000	Year to date ended 30 Sept 2018 RM'000
Net (loss/profit)for the Period	(6,020)	N/A	(6,020)	N/A
No. of ordinary shares ('000)	474,623	N/A	474,623	N/A
Owner of the parent	(6,020)	N/A	(6,020)	N/A
Non-controlling interest	-	N/A	-	N/A
EPS (sen) - Basic	(1.27)	N/A	(1.27)	N/A
EPS (sen) - Diluted	(1.27)	N/A	(1.27)	N/A

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

	Quarter ended 30 Sept 2019 RM'000	Year to date ended 30 Sept 2019 RM'000
Profit for the period/year after charging/(crediting):		
Interest expense	239	239
Depreciation	155	155

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPT 2019

	Unaudited as at 30.9.2019	(Audited) As At Preceding Financial Year End 30.6.2019
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	849,144	849,300
	<u>849,144</u>	<u>849,300</u>
Current Assets		
Inventories	1,099	1,219
Trade and other receivables	39,145	38,846
Tax recoverable	-	189
Cash and Cash Equivalents	199	204
	<u>40,443</u>	<u>40,458</u>
Total Assets	<u><u>889,587</u></u>	<u><u>889,758</u></u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	397,512	397,512
Treasury shares	(181)	(181)
Reserves	139,203	145,223
	<u>536,534</u>	<u>542,554</u>
Redeemable convertible preference shares	161,632	161,632
Non Controlling Interest	(1,660)	(1,660)
Total Equity	<u>696,506</u>	<u>702,526</u>
Non-Current Liabilities		
Long Term Provisions	1,064	1,064
Deferred tax liabilities	43,907	43,907
Total Non-Current Liabilities	<u>44,971</u>	<u>44,971</u>
Current Liabilities		
Trade And Other Payables	121,474	116,505
Short Term Borrowings	24,707	23,758
Tax Liabilities	1,929	1,998
Total Current Liabilities	<u>148,110</u>	<u>142,261</u>
Total Liabilities	193,081	187,232
Total Equity and Liabilities	<u><u>889,587</u></u>	<u><u>889,758</u></u>
Net Assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.13</u>	<u>1.14</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the period ended 30 June 2019)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019

	Current Quarter Ended 30.9.2019 RM'000	Corresponding Quarter Ended 30.9.2018 RM'000	Year to Date 30.9.2019 RM'000	Year Ended 30.9.2018 RM'000
Revenue	691	N/A	691	N/A
Net Operating Expenses	(6,448)	N/A	(6,448)	N/A
Finance Cost	(239)	N/A	(239)	N/A
Loss Before Taxation	(5,996)	N/A	(5,996)	N/A
Taxation	(24)	N/A	(24)	N/A
Net loss for the Period from continuing operation	(6,020)	N/A	(6,020)	N/A
Total comprehensive loss for the year	(6,020)	N/A	(6,020)	N/A
Loss attributable to :				
Equity holders of the parent	(6,020)	N/A	(6,020)	N/A
Non-controlling Interest	-	N/A	-	N/A
Loss for the year	(6,020)	N/A	(6,020)	N/A
Total comprehensive income attributable to :				
Equity holders of the parent	(6,020)	N/A	(6,020)	N/A
Non-controlling Interest	-	N/A	-	N/A
Total comprehensive income for the year	(6,020)	N/A	(6,020)	N/A
EPS				
Net profit/(loss) per share (sen) - Basic	(1.27)	N/A	(1.27)	N/A
- Diluted	(1.27)	N/A	(1.27)	N/A

Note: Due to change in the Financial year ended from 31 December 2018 to 30 June 2019, the results for the corresponding quarter in the prior year are not presented.

(The Condensed Consolidated Statements of Profit or Loss and other Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 30 June 2019)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2019**
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	Redeemable convertible Preference Shares RM'000	Non- Distributable Treasury Shares RM'000	Attributable to owners of the Company RM'000	Non Controlling interests RM'000	Total Equity RM'000
Balance at 1 January 2018	353,005	27,470	306,608	334,078	161,632	(181)	848,534	(1,060)	847,474
Issuance of new ordinary shares	44,507						44,507		44,507
(Loss) for the period		(191,183)		(191,183)			(191,183)	(600)	(191,783)
Revaluation reserves			2,328	2,328			2,328		2,328
Balance at 30 June 2019	<u>397,512</u>	<u>(163,713)</u>	<u>308,936</u>	<u>145,223</u>	<u>161,632</u>	<u>(181)</u>	<u>704,186</u>	<u>(1,660)</u>	<u>702,526</u>
Balance at 1 July 2019	397,512	(163,713)	308,936	145,223	161,632	(181)	704,186	(1,660)	702,526
(Loss) for the period		(6,020)		(6,020)			(6,020)		(6,020)
Balance at 30 September 2019	<u>397,512</u>	<u>(169,733)</u>	<u>308,936</u>	<u>139,203</u>	<u>161,632</u>	<u>(181)</u>	<u>698,166</u>	<u>(1,660)</u>	<u>696,506</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the period ended 30 June 2019)

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Unaudited Condensed Consolidated Cash Flow Statements
For the period ended 30 SEPT 2019

	Year to Date 30.9.2019 (RM '000)	Corresponding Ended 30.9.2018 (RM '000)
Loss before taxation	(5,996)	N/A
Adjustment for non-cash flow items	<u>514</u>	<u>N/A</u>
Operating profit before changes in working capital	(5,482)	-
(Increase)/Decrease in inventories	120	N/A
(Increase) /Decrease in receivables	(298)	N/A
(Decrease)/Increase in payables	4,969	N/A
Changes flows (used in)/from operations	(691)	N/A
Incomes tax paid/refund	(24)	N/A
Interest paid	(239)	N/A
Retirement benefit paid	-	N/A
Interest received	-	N/A
Cash flow (used in)/generated from operations	(954)	N/A
Issuance of new ordinary shares	-	N/A
Disposal of property,plant and equipment	-	N/A
Purchase/revaluation of property, plant and equipment	-	N/A
Net cash (used in)/ generated from investing activities	-	N/A
Decrease/(Increase)in deposit pledged	-	N/A
Bank borrowing	949	N/A
Net cash from/(used in)Financing Activities	949	N/A
Net Change in Cash & Cash Equivalents	<u>(5)</u>	<u>N/A</u>
Cash & Cash Equivalents at beginning of year	(9,925)	N/A
Cash & Cash Equivalents at end of period	<u>(9,930)</u>	<u>N/A</u>
Cash & Cash Equivalents	2019 RM'000	2018 RM'000
Cash and bank balances	199	N/A
Bank Overdraft	(10,129)	N/A
Cash and bank balances	<u>(9,930)</u>	<u>N/A</u>

Note: Due to change in the Financial year ended from 31 December 2018 to 30 June 2019, the cash flow for the corresponding quarter in the prior year are not presented.

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the period ended 30 June 2019)