

**SYF RESOURCES BERHAD**  
**Co. No. 199501035170 (364372-H)**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 31 January 2021**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>FY 2021</u> Current Quarter Ended 31/01/2021	<u>FY 2020</u> Current Quarter Ended 31/01/2020	<u>FY 2021</u> 6 Months Cumulative To Date	<u>FY 2020</u> 6 Months Cumulative To Date
	RM'000	RM'000	RM'000	RM'000
Revenue	93,046	32,102	175,356	74,389
Operating Expenses	(89,069)	(35,427)	(167,693)	(82,494)
Other Operating Income/(Expenses)	724	509	1,277	2,336
Profit/ (Loss) from Operations	4,701	(2,816)	8,940	(5,769)
Finance Costs	(1,297)	(1,115)	(3,117)	(2,202)
Profit/ (Loss) Before Tax	3,404	(3,931)	5,823	(7,971)
Taxation	(1,132)	-	(1,772)	-
Net Profit/ (Loss) for the Period	2,272	(3,931)	4,051	(7,971)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Profit/ (Loss) for the Period	2,272	(3,931)	4,051	(7,971)
Net Profit/ (Loss) for the Period, Representing Total Comprehensive Income / (Loss) for the Period:				
Owners of the Company	1,097	(3,931)	2,131	(7,971)
Non-controlling interests	1,175	-	1,920	-
	2,272	(3,931)	4,051	(7,971)
Earnings/ (Loss) Per Share Attributable to Equity Holders of the Company (Note 17.10)				
Basic (Sen)	0.19	(0.66)	0.38	(1.34)
Diluted (Sen)	0.19	(0.66)	0.38	(1.34)

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 July 2020)*

**SYF RESOURCES BERHAD**  
**Co. No. 199501035170 (364372-H)**

**Condensed Consolidated Statement of Financial Position**  
**As at 31 January 2021**  
(The figures have not been audited)

	(UNAUDITED) As At 31/01/2021 RM'000	(AUDITED) As At 31/07/2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	64,055	65,639
Investment Property	6,985	6,985
Inventories - Land Held for Property Development	49,028	49,021
Intangible Assets	18,408	18,408
Right-of-use Assets	8,250	8,936
	<u>146,726</u>	<u>148,989</u>
<b>Current Assets</b>		
Inventories	76,663	126,285
Contract Assets	24,615	14,549
Receivables, Deposits and Prepayments	50,607	56,594
Tax Recoverable	1,735	2,271
Cash and Cash Equivalents	35,717	15,286
	<u>189,337</u>	<u>214,985</u>
Non-Current Assets Held for Sale	43,117	42,932
	<u>232,454</u>	<u>257,917</u>
<b>Total Assets</b>	<u><u>379,180</u></u>	<u><u>406,906</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	142,310	142,310
Treasury Shares	(761)	(761)
Reserves	76,081	73,950
<b>Equity Attributable to Equity Holders of the Company</b>	<u>217,630</u>	<u>215,499</u>
Non-Controlling Interests	12,821	10,901
<b>Total Equity</b>	<u>230,451</u>	<u>226,400</u>
<b>Non-Current Liabilities</b>		
Loans and Borrowings	38,417	49,651
Deferred Tax Liabilities	10,118	10,118
Lease Liability	147	789
	<u>48,682</u>	<u>60,558</u>
<b>Current Liabilities</b>		
Payables and Accruals	62,259	64,080
Loans and Borrowings	35,060	54,501
Lease Liability	1,166	1,210
Taxation	1,562	157
	<u>100,047</u>	<u>119,948</u>
<b>Total Liabilities</b>	<u>148,729</u>	<u>180,506</u>
<b>Total Equity and Liabilities</b>	<u><u>379,180</u></u>	<u><u>406,906</u></u>
<b>Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)</b>	<b>0.39</b>	<b>0.38</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2020)*

**SYF RESOURCES BERHAD**  
Co. No. 199501035170 (364372-II)

**Condensed Consolidated Statement of Changes in Equity**  
**For the quarter ended 31 January 2021**

(The figures have not been audited)

	Attributable to Shareholders of the Company			Distributable		Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Assets Revaluation Reserve RM'000	Retained Profits RM'000	Total RM'000	
<b>6 months period ended</b>						
<b>31 January 2021</b>						
Balance at beginning of year 01 August 2020	142,310	(761)	32,066	41,884	215,499	10,901
Total comprehensive income for the period	-	-	-	2,131	2,131	1,920
Balance at end of period 31 January 2021	142,310	(761)	32,066	44,015	217,630	12,821
<b>6 months period ended</b>						
<b>31 January 2020</b>						
Balance at beginning of year 01 August 2019	154,810	(5,670)	38,911	52,685	240,736	-
Effect of adopting MFRS 16 At 1 August 2019, as restated	-	-	-	(36)	(36)	-
Total comprehensive loss for the period	-	-	-	(7,971)	(7,971)	-
Treasury shares acquired	-	(590)	-	-	(590)	-
Balance at end of period 31 January 2020	154,810	(6,260)	38,911	44,678	232,139	-

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2020)

**SYF RESOURCES BERHAD**  
**Co. No. 199501035170 (364372-H)**

**Condensed Consolidated Statement of Cash Flows**  
**For the quarter ended 31 January 2021**  
(The figures have not been audited)

	<u>FY 2021</u> 6 Months Ended 31/01/2021 <u>RM'000</u>	<u>FY 2020</u> 6 Months Ended 31/01/2010 <u>RM'000</u>
Profit/(Loss) before taxation	5,823	(7,971)
Adjustments for :		
Depreciation of property, plant and equipment/ right-of-use assets	2,237	3,132
Interest expense	3,117	2,202
Interest income	(141)	(147)
(Gain)/Loss on disposal of property, plant and equipment	(657)	(1,358)
Operating profit/(loss) before working capital changes	<u>10,379</u>	<u>(4,142)</u>
Changes in working capital :		
Net change in current assets	45,536	18,542
Net change in current liabilities	(1,820)	(51,538)
Cash generated from/(used in) operations	<u>54,095</u>	<u>(37,138)</u>
Interest paid	(3,117)	(2,202)
Income tax paid	(626)	(153)
Income tax refunded	795	3,584
Net cash generated from/(used in) operating activities	<u>51,147</u>	<u>(35,909)</u>
Investing activities :		
Purchase of property, plant and equipment	(206)	(4,139)
Proceeds from disposal of property, plant and equipment	711	20,854
Interest received	141	147
Upliftment/(Placement) of fixed deposits pledged	(112)	(3,179)
Net cash flows from/(used in) investing activities	<u>534</u>	<u>13,683</u>
Financing activities :		
Repayment of bank borrowings/changes in bills payables	(30,675)	(31,420)
Proceeds from bank borrowings	-	39,700
Repayment of lease liability	(687)	(154)
Shares buy-back	-	(590)
Net cash flows from/(used in) financing activities	<u>(31,362)</u>	<u>7,536</u>
Net increase/(decrease) in cash and cash equivalents	20,319	(14,690)
Cash and cash equivalents at beginning of year	7,383	22,513
Cash and cash equivalents at end of period	<u>27,702</u>	<u>7,823</u>
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :		
Cash and bank balances	27,702	9,835
Fixed deposits	8,015	8,707
Cash and cash equivalents	<u>35,717</u>	<u>18,542</u>
Bank overdrafts	-	(2,012)
Less : Fixed deposits pledged	<u>(8,015)</u>	<u>(8,707)</u>
	<u>27,702</u>	<u>7,823</u>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2020)*

**SYF RESOURCES BERHAD**  
**Co. No. 199501035170 (364372-H)**

**Notes To The Interim Financial Report**  
**For the quarter ended 31 January 2021**

**1 Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 July 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 July 2020.

**2 Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 July 2020, except for the adoption of the following new/revised MFRSs, Amendments to MFRS and IC Interpretations which are applicable for the Group's financial period beginning 1 August 2020 :

	<b>Effective dates for financial period beginning or after</b>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3            Definition of a Business	1 January 2020
Amendments to MFRS 9,        Interest Rate Benchmark Reform MFRS 139 and MFRS 7	1 January 2020
Amendments to MFRS 101 and    Definition of Material MFRS 108	1 January 2020
Amendments to MFRS 16        Covid-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 4        Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020

The Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

**3 Preceding Audited Financial Statements**

The audit report of the preceding annual financial statements for the financial year ended 31 July 2020 was not subject to any qualification.

**4 Seasonal or Cyclical Factors**

Traditionally the quarter under review is an off-peak period for the furniture industry due to many festive holidays and lower demand from customers in western countries after Christmas and New Year.

**5 Nature and Amount of Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current quarter and financial year-to-date.

**6 Changes in Estimates**

There were no material changes in the nature and amount of estimates used in the prior interim periods of the current financial year or material changes in nature and amount of estimates used in prior financial years.

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**Co. No. 199501035170 (364372-H)**

**Notes To The Interim Financial Report**  
**For the quarter ended 31 January 2021**

**7 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt securities for the current quarter and financial year-to-date.

a) The outstanding number of options of the Company's Employee's Share Option Scheme was 5,062,000 as at 31 January 2021.

b) The total number of treasury shares held was 5,236,000 ordinary shares as at 31 January 2021.

**8 Dividends Paid**

There were no dividends paid during the current financial period under review.

**9 Segmental Reporting**

Analysis by activities for the financial year-to-date is as follows:

	Rubberwood Furniture RM'000	Property Development and Construction RM'000	Others RM'000	Total Segments RM'000	Elimination RM'000	Consolidation RM'000
6 months period ended 31 January 2021						
<b>Revenue</b>						
External sales	71,059	104,297	-	175,356	-	175,356
Inter-segment sales	-	-	50	50	(50)	-
Total sales	71,059	104,297	50	175,406	(50)	175,356
<b>Results</b>						
Segment results	1,208	7,946	(355)	8,799	-	8,799
Interest income	92	49	-	141	-	141
Finance costs	(505)	(2,612)	-	(3,117)	-	(3,117)
Profit/ (loss) before taxation	795	5,383	(355)	5,823	-	5,823
Taxation	-	(1,772)	-	(1,772)	-	(1,772)
Net profit/ (loss)	795	3,611	(355)	4,051	-	4,051
6 months period ended 31 January 2020						
<b>Revenue</b>						
External sales	67,341	7,048	-	74,389	-	74,389
Inter-segment sales	-	-	50	50	(50)	-
Total sales	67,341	7,048	50	74,439	(50)	74,389
<b>Results</b>						
Segment results	(2,518)	(2,994)	(404)	(5,916)	-	(5,916)
Interest income	147	-	-	147	-	147
Finance costs	(864)	(1,338)	-	(2,202)	-	(2,202)
Profit/ (loss) before taxation	(3,235)	(4,332)	(404)	(7,971)	-	(7,971)
Taxation	-	-	-	-	-	-
Net profit/ (loss)	(3,235)	(4,332)	(404)	(7,971)	-	(7,971)

**SYF RESOURCES BERHAD**  
**Co. No. 199501035170 (364372-H)**

**Notes To The Interim Financial Report**  
**For the quarter ended 31 January 2021**

**10 Valuations of Property, Plant and Equipment**

The Group has adopted the revaluation policy to review the carrying value of its land and buildings every five years. Surplus arising from revaluation are reflected in the revaluation reserve account. The last revaluation was done in financial year 2017.

**11 Material Events Subsequent to the end of the Interim Period**

There were no material events subsequent to the end of the interim period except the disposal of freehold land by its wholly-owned subsidiary, Giat Armada Sdn Bhd has been completed on 16 March 2021.

**12 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial year-to-date.

**13 Significant Events**

There were no significant events for the period under review.

**14 Contingent Liabilities**

a) Group

Contingent liabilities of the Group as at 31 January 2021 in respect of bank guarantees issued in favour of government authorities, utility boards and suppliers totaling RM7.6m.

b) Company

The Company has contingent liabilities in the form of corporate guarantees given to financial institutions and suppliers in respect of credit facilities granted to subsidiaries amounting to RM47.5m as at 31 January 2021.

**15 Capital Commitment**

Capital commitment of the Group as at 31 January 2021 was as follows:

Approved and contracted for:

Purchase of property, plant and equipment

RM'000

810

**16 Significant Related Parties Transactions**

The Group had the following transactions with related parties during the financial period-to-date:

RM'000

Transaction with a director

Rental paid

95

Transaction with companies in which certain directors of the Company are also the director and have substantial financial interest

Sales

6,708

Sales commission

74

Purchases

1,729

Rental paid

228

Project landowner entitlement

12,888

**SYF RESOURCES BERHAD**  
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**Notes To The Interim Financial Report**  
**For the quarter ended 31 January 2021**

**17.1 Review of Performance**

	<u>FY 2021</u> Current Quarter Ended 31/01/2021 <u>RM'000</u>	<u>FY 2020</u> Comparative Quarter Ended 31/01/2020 <u>RM'000</u>	Variance <u>RM'000</u>	Variance %
Revenue	93,046	32,102	60,944	189.8%
Profit / (Loss) before tax	3,404	(3,931)	7,335	186.6%

The Group reported revenue of RM93.05m in current quarter as compared to RM32.10m in the corresponding quarter last year. The significant increase of RM60.94m or 189.8% was mainly due to higher revenue recognised in the property development segment, which was contributed by an on-going project: Alstonia Residence whereas all on-going projects were at final stage in the corresponding quarter. There was no material changes in the sales in the rubberwood furniture segment as compared to the corresponding quarter.

The Group posted profit before tax of RM3.40m for the current quarter as compared to loss before tax of RM3.93m in the same quarter last year. This was mainly contributed by the property development segment. The rubberwood furniture segment showed profit before tax of RM0.18m as compared to loss of RM1.72m in the corresponding quarter due to cost saving after downsizing of downstream division and streamlining of the manufacturing facilities in previous years.

**17.2 Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

	<u>FY 2021</u> Current Quarter Ended 31/01/2021 <u>RM'000</u>	<u>FY 2020</u> Preceding Quarter Ended 31/10/2020 <u>RM'000</u>	Variance <u>RM'000</u>	Variance %
Revenue	93,046	82,311	10,735	13.0%
Profit before tax	3,404	2,419	985	40.7%

The Group recorded higher revenue of RM93.05m in the current quarter as compared to RM82.31m in the preceding quarter. The increase of RM10.74m or 13.2% was mainly contributed by the property development segment, which recorded an improvement of RM18.13 million due to continued progress of the on-going project. The sales in the rubberwood furniture segment decreased by RM7.40 million as this quarter is traditionally an off-peak for the industry.

Profit before tax of RM3.4m was reported for the current quarter, improved by 40.7 % as compared to the profit before tax of RM2.42m in the immediate preceding quarter. The improvement was mainly due to high revenue reported in the property development segment and lower finance costs incurred.



**SYF RESOURCES BERHAD**  
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**Notes To The Interim Financial Report**  
**For the quarter ended 31 January 2021**

**17.3 Prospects for the Current Financial Year**

The business environment remains challenging due to the COVID-19 pandemic, volatility of oil prices and increasing geopolitical tensions. However, the recent launch of COVID-19 vaccine program globally and domestically is a positive sign and are expected to lift business sentiments and lead to gradual economy recovery.

In the property development segment, the Group foresees a gradual recovery as a result of the government's various stimulus packages and policy revisions such as Home Ownership Campaign, overnight policy rate reduction, stamp duty and real property gains tax property exemption. These policies augur well for the sector and stimulate property purchases. Besides that, the MCO lockdown and enforced stay-at-home culture has increased awareness and emphasised the advantages of a comfortable home with sufficient space and amenities. Our on-going project, Alstonia Residence is located at strategic location with good infrastructure networks and amenities plus a very competitive pricing. To garner sales, we will continue to adopt aggressive sales and marketing strategies and intensify the use of digital platform to promote our product and generate qualified sales leads.

As for the rubberwood furniture segment, the Group will continue to streamline the manufacturing facilities to meet the challenges ahead. We will focus more on upstream materials processing activities in which we have established and strong presence.

The Group will persevere in executing and implementing out the strategy formulated to meet the challenging conditions. At the same time, the Group intends to pare down borrowings for interest savings and to build up liquid resources to take advantage of any future opportunities that may arise.

**17.4 Variance of Actual Profit from Profit Forecast or Profit Guarantee**

Not applicable as there was no profit forecast or profit guarantee.

**17.5 Profit/ (Loss) Before Tax**

Profit/ (loss) before tax is derived after charging/ (crediting):

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2020</u>
	Current	Current	6 Months	6 Months
	Quarter Ended	Quarter Ended	Cumulative	Cumulative
	31/01/2021	31/01/2020	To Date	To Date
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(10)	(125)	(141)	(147)
Interest expense	1,297	1,115	3,117	2,202
Depreciation and amortisation	1,105	1,553	2,237	3,132
(Gain)/ loss on disposal of property, plant and equipment	(386)	-	(657)	(1,358)
(Gain)/ loss on foreign exchange	12	25	46	(3)

**17.6 Taxation**

	Current	Financial
	Quarter	Year-to-date
	<u>RM'000</u>	<u>RM'000</u>
Tax expense	1,132	1,772

The Group's effective tax rates for the current quarter and financial year-to-date were higher than the statutory tax rate due to most of the subsidiaries were in loss position.

**SYF RESOURCES BERHAD**  
**Co. No. 199501035170 (364372-H)**

**Notes To The Interim Financial Report**  
**For the quarter ended 31 January 2021**

**17.7 Group Borrowings and Securities**

The Group borrowings as at 31 January 2021 are as follows :

	<u>RM'000</u>
Denominated in Ringgit	
- Secured current borrowings	35,060
- Secured non-current borrowings	38,417
	<u>73,477</u>

**17.8 Material Litigation**

There was no material litigation or pending litigation as at the date of the interim financial statements.

**17.9 Proposed Dividend**

The Board of Directors proposes a single tier interim dividend of 1.25 sen per ordinary share in respect of the financial year ending 31 July 2021. The entitlement and payment dates are fixed on 7 April 2021 and 20 April 2021 respectively.

**17.10 Earnings Per Share Attributable to Equity Holders of the Company**

	<u>FY 2021</u> Current Quarter Ended 31/01/2021 <u>RM'000</u>	<u>FY 2020</u> Comparative Quarter Ended 31/01/2020 <u>RM'000</u>	<u>FY 2021</u> 6 Months Cumulative To Date <u>RM'000</u>	<u>FY 2020</u> 6 Months Cumulative To Date <u>RM'000</u>
Net profit/ (loss) attributable to equity holders of the company	1,097	(3,931)	2,131	(7,971)
<b>a) <u>Basic</u></b>				
Weighted average number of ordinary shares ('000)	564,003	593,891	564,003	593,891
Basic earning/ (loss) per share (sen)	0.19	(0.66)	0.38	(1.34)
<b>b) <u>Diluted</u></b>				
Weighted average number of ordinary shares ('000)	564,003	593,891	564,003	593,891
Effect of dilution - ESOS ('000) *	271	-	271	-
Adjusted weighted average number of ordinary shares ('000)	564,274	593,891	564,274	593,891
Diluted earning/ (loss) per share (sen)	0.19	(0.66)	0.38	(1.34)

\* The effect of potential ordinary shares arising from the exercise of ESOS is anti-dilutive and excluded in the computation of diluted earning per share in the comparative period.