

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

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 31 July 2021**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>FY 2021</u> Current Quarter Ended 31/07/2021	<u>FY 2020</u> Current Quarter Ended 31/07/2020	<u>FY 2021</u> 12 Months Cumulative To Date	<u>FY 2020</u> 12 Months Cumulative To Date
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	27,027	44,513	314,155	132,890
Operating Expenses	(26,711)	(55,510)	(302,436)	(157,071)
Other Operating Income/(Expenses)	1,017	5,355	3,030	8,063
Profit/ (Loss) from Operations	1,333	(5,642)	14,749	(16,118)
Finance Costs	(1,005)	(1,083)	(5,062)	(4,335)
Profit/ (Loss) Before Tax	328	(6,725)	9,687	(20,453)
Taxation	(813)	622	(2,545)	622
Net Profit/ (Loss) for the Period	(485)	(6,103)	7,142	(19,831)
Other Comprehensive Loss for the Period	-	(248)	-	(248)
Total Comprehensive Profit/ (Loss) for the Period	(485)	(6,351)	7,142	(20,079)
Net Profit/ (Loss) for the Period, Representing Total Comprehensive Income / (Loss) for the Period:				
Owners of the Company	(680)	(6,585)	4,229	(20,313)
Non-controlling interests	195	234	2,913	234
	(485)	(6,351)	7,142	(20,079)
Earnings/ (Loss) Per Share Attributable to Equity Holders of the Company (Note 17.10)				
Basic (Sen)	(0.12)	(1.12)	0.75	(3.44)
Diluted (Sen)	(0.12)	(1.12)	0.75	(3.44)

*(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2020 and the accompanying explanatory notes attached to this interim financial report)*

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

**Condensed Consolidated Statement of Financial Position**

**As at 31 July 2021**

(The figures have not been audited)

	(UNAUDITED) As At 31/07/2021 RM'000	(AUDITED) As At 31/07/2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	62,879	65,639
Investment Property	7,045	6,985
Inventories - Land Held for Property Development	49,076	49,021
Intangible Assets	18,408	18,408
Right-of-use Assets	7,717	8,936
	<u>145,125</u>	<u>148,989</u>
<b>Current Assets</b>		
Inventories	54,212	126,285
Contract Assets	37,676	14,549
Receivables, Deposits and Prepayments	24,160	56,594
Tax Recoverable	1,651	2,271
Cash and Cash Equivalents	59,283	15,286
	<u>176,982</u>	<u>214,985</u>
Non-Current Assets Held for Sale	10,956	42,932
	<u>187,938</u>	<u>257,917</u>
<b>Total Assets</b>	<u><b>333,063</b></u>	<u><b>406,906</b></u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	143,527	142,310
Treasury Shares	(761)	(761)
Reserves	71,068	73,950
<b>Equity Attributable to Equity Holders of the Company</b>	<u>213,834</u>	<u>215,499</u>
Non-Controlling Interests	13,814	10,901
<b>Total Equity</b>	<u>227,648</u>	<u>226,400</u>
<b>Non-Current Liabilities</b>		
Loans and Borrowings	30,567	49,651
Lease Liability	413	789
Deferred Tax Liabilities	7,356	10,118
	<u>38,336</u>	<u>60,558</u>
<b>Current Liabilities</b>		
Payables and Accruals	52,040	64,080
Loans and Borrowings	13,034	54,501
Lease Liability	416	1,210
Taxation	1,589	157
	<u>67,079</u>	<u>119,948</u>
<b>Total Liabilities</b>	<u>105,415</u>	<u>180,506</u>
<b>Total Equity and Liabilities</b>	<u><b>333,063</b></u>	<u><b>406,906</b></u>
<b>Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)</b>	<b>0.38</b>	<b>0.38</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the with the audited financial statements for the financial year ended 31 July 2020 and the accompanying explanatory notes attached to this interim financial report)*

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

**Condensed Consolidated Statement of Changes in Equity**  
**For the quarter ended 31 July 2021**  
(The figures have not been audited)

	-----> Attributable to Equity Holders of the Company <----->						Total Equity <u>RM'000</u>
	-----> Non-Distributable <----->			Distributable			
	Share Capital <u>RM'000</u>	Treasury Shares <u>RM'000</u>	Assets Revaluation Reserve <u>RM'000</u>	Retained Earnings <u>RM'000</u>	Total <u>RM'000</u>	Non-Controlling Interests <u>RM'000</u>	
<b>12 months period ended</b>							
<b>31 July 2021</b>							
Balance at beginning of year 01 August 2020	142,310	(761)	32,066	41,884	215,499	10,901	226,400
Exercise of Employees' Share Options	1,217	-	-	-	1,217	-	1,217
Profit for the financial year	-	-	-	4,229	4,229	2,913	7,142
Realisation of assets revaluation reserve	-	-	(370)	370	-	-	-
Dividend to owners of the Company	-	-	-	(7,111)	(7,111)	-	(7,111)
Balance at end of year 31 July 2021	143,527	(761)	31,696	39,372	213,834	13,814	227,648
<b>12 months period ended</b>							
<b>31 July 2020</b>							
Balance at beginning of year 01 August 2019	154,810	(5,670)	38,911	52,685	240,736	-	240,736
Effect of adopting MFRS 16 At 1 August 2019, as restated	-	-	-	(54)	(54)	-	(54)
Loss for the financial year	-	-	-	(20,065)	(20,065)	234	(19,831)
Other comprehensive loss for the financial year	-	-	(248)	-	(248)	-	(248)
Total comprehensive income/ (loss) for the financial year	-	-	(248)	(20,065)	(20,313)	234	(20,079)
Realisation of assets revaluation reserve	-	-	(6,597)	6,597	-	-	-
<b>Transactions with owners:</b>							
Shares repurchased	-	(4,870)	-	-	(4,870)	-	(4,870)
Cancellation of treasury shares	(12,500)	9,779	-	2,721	-	-	-
Acquisition of a subsidiary company	-	-	-	-	-	667	667
Capital contribution by non-controlling interests	-	-	-	-	-	10,000	10,000
	(12,500)	4,909	-	2,721	(4,870)	10,667	5,797
Balance at end of year 31 July 2020	142,310	(761)	32,066	41,884	215,499	10,901	226,400

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the the audited financial statements for the financial year ended 31 July 2020 and the accompanying explanatory notes attached to this interim financial report)*

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

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

	<b>FY 2021</b> 12 Months Ended 31/07/2021 <u>RM'000</u>	<b>FY 2020</b> 12 Months Ended 31/07/2020 <u>RM'000</u>
Profit/(Loss) before tax	9,687	(20,453)
Adjustments for :		
Depreciation of property, plant and equipment/ right-of-use assets	4,154	6,012
Deposit written off	-	607
Finance costs	5,062	4,335
Interest income	(665)	(1,041)
Impairment losses on completed property	-	860
Impairment losses on investment property	-	285
Impairment losses on debtors	4	172
Property, plant and equipment written off	-	1
Over provision for liquidated ascertained damagees	-	(197)
Unrealised loss on foreign exchange	-	72
Bargain purchase gain on acquisition of subsidiary company	-	(500)
Gain on disposal of assets held for sale	-	(1,693)
(Gain)/Loss on disposal of property, plant and equipment	(675)	43
Reversal of impairment loss on investment property	(60)	-
Operating profit/(loss) before working capital changes	<u>17,507</u>	<u>(11,497)</u>
Changes in working capital :		
Net change in current assets	113,621	52,103
Net change in current liabilities	(12,039)	(80,592)
Cash generated from/(used in) operations	<u>119,089</u>	<u>(39,986)</u>
Interest paid	(5,062)	(3,006)
Payment of liquidated ascertained damages	-	(393)
Income tax paid	(4,050)	(963)
Income tax refunded	795	3,837
Net cash generated from/(used in) operating activities	<u>110,772</u>	<u>(40,511)</u>
Investing activities :		
Purchase of property, plant and equipment	(553)	(3,167)
Additions of assets held for sale	-	(1,000)
Net cash inflow from acquisition of a subsidiary company	-	76
Proceeds from disposal of assets held for sale	-	20,800
Proceeds from disposal of property, plant and equipment	728	54
Interest received	665	1,026
Capital contribution by non-controlling interests	-	10,000
Net cash flows from investing activities	<u>840</u>	<u>27,789</u>
Financing activities :		
Repayment of bank borrowings/changes in bills payables	(60,550)	(33,384)
Dividend paid	(7,111)	-
Proceeds from bank borrowings	-	39,700
Repayment of lease liability	(1,171)	(1,462)
Proceeds from exercise of ESOS	1,217	-
Shares buy-back	-	(4,870)
Placement of fixed deposits pledged	(145)	(2,375)
Net cash flows used in financing activities	<u>(67,760)</u>	<u>(2,391)</u>
Net increase/(decrease) in cash and cash equivalents	43,852	(15,113)
Effects of exchange translation difference on cash and cash equivalents	-	(17)
Cash and cash equivalents at beginning of year	7,383	22,513
Cash and cash equivalents at end of year	<u>51,235</u>	<u>7,383</u>
Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts :		
Cash and bank balances	18,978	7,383
Fixed deposits	40,305	7,903
Cash and cash equivalents	<u>59,283</u>	<u>15,286</u>
Less : Fixed deposits pledged	(8,048)	(7,903)
	<u>51,235</u>	<u>7,383</u>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 July 2020 and the accompanying explanatory notes attached to*

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**Notes To The Interim Financial Report**  
**For the quarter ended 31 July 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 adoption of the following new/revised MFRSs, Amendments to MFRS and IC Interpretations which are applicable to 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, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 16 Covid-19 - Related Rent Concessions	1 June 2020

The financial statements of 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.

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**Notes To The Interim Financial Report**  
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**5 Nature and Amount of Unusual Items**

During the quarter under review, the Malaysian Government had imposed Full Movement Control Order ("FMCO") beginning from 1 June 2021 as a preventive measure to curb the rapid resurgence of Covid-19 cases.

These restrictions have adversely impacted the Group in terms of business operations, earnings and cash flows because the FMCO requires temporary closure of businesses.

**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.

**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 except the following:

a) The status of the Company's Employee's Share Option Scheme ("ESOS") is as follows:-

	No. of Option '000
As at 1 August 2020	5,062
Forfeited	(192)
Exercised	(4,870)
As at 31 July 2021	<u><u>-</u></u>

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

**8 Dividends Paid**

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

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**Notes To The Interim Financial Report**  
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**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
12 months period ended 31 July 2021						
<b>Revenue</b>						
External sales	122,792	191,363	-	314,155	-	314,155
Inter-segment sales	-	-	150	150	(150)	-
Total sales	122,792	191,363	150	314,305	(150)	314,155
<b>Results</b>						
Segment results	1,182	13,469	18,763	33,414	(19,330)	14,084
Interest income	404	393	2,184	2,981	(2,316)	665
Finance costs	(1,221)	(5,611)	(546)	(7,378)	2,316	(5,062)
Profit/ (loss) before taxation	365	8,251	20,401	29,017	(19,330)	9,687
Taxation	(145)	(2,037)	(363)	(2,545)	-	(2,545)
Net profit/ (loss)	220	6,214	20,038	26,472	(19,330)	7,142
12 months period ended 31 July 2020						
<b>Revenue</b>						
External sales	116,923	15,967	-	132,890	-	132,890
Inter-segment sales	-	-	100	100	(100)	-
Total sales	116,923	15,967	100	132,990	(100)	132,890
<b>Results</b>						
Segment results	(6,370)	(9,668)	(26,601)	(42,639)	25,480	(17,159)
Interest income	302	739	-	1,041	-	1,041
Finance costs	(1,438)	(2,397)	(500)	(4,335)	-	(4,335)
Profit/ (loss) before taxation	(7,506)	(11,326)	(27,101)	(45,933)	25,480	(20,453)
Taxation	1,074	(449)	-	625	(3)	622
Net profit/ (loss)	(6,432)	(11,775)	(27,101)	(45,308)	25,477	(19,831)

**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 together with a single storey detached factory erected thereon by its wholly-owned subsidiary, Seng Yip Furniture Sdn Bhd which has been completed on 30 August 2021.

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

Except the event as mentioned in note 5, there was no material significant events during the period under review.

**14 Contingent Liabilities**

a) Group

Contingent liabilities of the Group as at 31 July 2021 in respect of bank guarantees issued in favour of government authorities, utility boards and suppliers totaling RM7.3m.

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 RM51.1m as at 31 July 2021.

**15 Capital Commitment**

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

RM'000

Approved and contracted for:

Purchase of property, plant and equipment

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

190

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

Sales

12,523

Sales commission

76

Purchases

4,449

Rental paid

456

Project landowner entitlement

19,119



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

**17.1 Review of Performance**

	<u>FY 2021</u>	<u>FY 2020</u>		
	Current	Comparative		
	Quarter Ended	Quarter Ended		
	31/07/2021	31/07/2020	Variance	Variance
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	27,027	44,513	(17,486)	-39.3%
Profit / (Loss) before tax	328	(6,725)	7,053	104.9%

The Group reported revenue of RM27.03m in current quarter as compared to RM44.51m in the corresponding quarter last year. The decrease of RM17.49m was mainly due to full business stoppage as a result of the imposition of the nationwide Full Movement Control Order (FMCO) began from 1 June 2021.

However, the Group posted profit before tax of RM0.33m for the current quarter as compared to loss before tax of RM6.73m in the same quarter last year. This was mainly due to some non-recurring losses in the comparative quarter, such as impairment losses on completed properties and investment property, professional fees incurred on a corporate exercise and cancellation of some sales transactions.

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

	<u>FY 2021</u>	<u>FY 2020</u>		
	Current	Preceding		
	Quarter Ended	Quarter Ended		
	31/07/2021	30/04/2021	Variance	Variance
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	27,027	111,772	(84,745)	-75.8%
Profit before tax	328	3,536	(3,208)	-90.7%

The Group recorded lower revenue of RM27.03m in the current quarter as compared to RM111.78m in the preceding quarter. The substantial decrease was mainly due to full business stoppage as a result of the imposition of the nationwide FMCO began from 1 June 2021.

Consequently, the Group posted a lower profit before tax of RM0.38m as compared to RM3.54m in the preceding quarter. The lower profit in the current quarter due primarily to the lower revenue and loss in fixed costs caused by the operation stoppage under the FMCO lockdown.

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**Notes To The Interim Financial Report**  
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**17.3 Prospects for the Next Financial Year**

The business environment remains challenging due to the COVID-19 pandemic and increasing geopolitical tensions. However, the accelerated rollout of the National COVID-19 Immunisation Programme and the launch of the National Recovery Plan is a positive sign to achieve herd immunity and facilitate business recovery in a more sustainable manner.

The property development segment has shown 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> Current Quarter Ended 31/07/2021 RM'000	<u>FY 2020</u> Current Quarter Ended 31/07/2020 RM'000	<u>FY 2021</u> 12 Months Cumulative To Date RM'000	<u>FY 2020</u> 12 Months Cumulative To Date RM'000
Interest income	(450)	(862)	(665)	(1,041)
Interest expense	1,005	1,083	5,062	4,335
Depreciation and amortisation	863	1,351	4,154	6,012
(Gain)/ loss on disposal of property, plant and equipment	-	(292)	(675)	(1,650)
(Gain)/ loss on foreign exchange	(49)	(21)	(38)	(24)
Impairment loss on debtors	151	-	4	172
(Reversal of)/ impairment loss on investment property	(60)	285	(60)	285

**17.6 Taxation**

	Current Quarter RM'000	Financial Year-to-date RM'000
Tax expense	835	2,567
Current deferred tax	(22)	(22)
	<u>813</u>	<u>2,545</u>

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.

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**17.7 Group Borrowings and Securities**

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

	<u>RM'000</u>
Denominated in Ringgit Malaysia	
- Secured current borrowings	13,034
- Secured non-current borrowings	30,567
	<u>43,601</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 does not propose any dividend for the quarter under review.

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

	<u>FY 2021</u> Current Quarter Ended 31/07/2021 RM'000	<u>FY 2020</u> Comparative Quarter Ended 31/07/2020 RM'000	<u>FY 2021</u> 12 Months Cumulative To Date RM'000	<u>FY 2020</u> 12 Months Cumulative To Date RM'000
Net profit/ (loss) attributable to equity holders of the company	(680)	(6,337)	4,229	(20,065)
a) <u>Basic</u>				
Weighted average number of ordinary shares ('000)	568,873	566,412	565,633	582,639
Basic earning/ (loss) per share (sen)	(0.12)	(1.12)	0.75	(3.44)
b) <u>Diluted</u>				
Weighted average number of ordinary shares ('000)	568,873	566,412	565,633	582,639
Effect of dilution - ESOS ('000) *	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	568,873	566,412	565,633	582,639
Diluted earning/ (loss) per share (sen)	(0.12)	(1.12)	0.75	(3.44)

\* The effect of potential ordinary shares arising from the exercise of ESOS was anti-dilutive in the comparative periods while the ESOS has been fully exercised as at the date of the interim financial statements and thus excluded in the computation of diluted earning per share.