

S & F CAPITAL BERHAD
(Formerly known as Leweko Resources Berhad)
Company No. 200201000757 (568420-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	As At 30.09.2021 RM'000 (Unaudited)	As At 30.06.2021 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	243	257
Inventories	23,917	23,917
Goodwill	1,816	1,816
Rights-of-use assets	119	146
Total non-current assets	26,095	26,136
Current Assets		
Prepayments	15	26
Inventories	13,985	13,985
Trade and other receivables	7,616	7,775
Contract assets	176	357
Current tax assets	47	30
Fixed deposits, cash and bank balances	7,128	7,543
Total current assets	28,967	29,716
Total assets	55,062	55,852
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	76,311	76,310
Warrants		
Retained (losses)/profit	(17,458)	(17,164)
Equity attributable to owners of the Company	58,853	59,146
Non-controlling interests	(13,502)	(13,499)
Total equity	45,351	45,647
Non-Current Liabilities		
Lease liabilities	39	61
Deferred tax liabilities	1,805	1,805
Total non-current liabilities	1,844	1,866

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Financial Position

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021
[CONTINUED]

	As At 30.09.2021 RM'000 (Unaudited)	As At 30.06.2021 RM'000 (Audited)
Current Liabilities		
Trade and other payables	7,748	8,113
Contract liabilities	-	99
Lease liabilities	116	124
Tax liabilities	3	3
Total current liabilities	7,867	8,339
Total liabilities	9,711	10,205
Total equity and liabilities	55,062	55,852
 Net Assets per Share (RM)	 0.08	 0.08

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021
(UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year To Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Revenue	4,792	8,739	4,792	8,739
Cost of sales	(4,603)	(8,042)	(4,603)	(8,042)
Gross profit	189	697	189	697
Other income	29	24	29	24
Administrative expenses	(355)	(209)	(355)	(209)
Other operating expenses	(154)	(543)	(154)	(543)
Finance costs	(2)	(8)	(2)	(8)
Profit/(Loss) before tax	(293)	(39)	(293)	(39)
Tax income/(expense)	(3)	-	(3)	-
Profit/(Loss) and total comprehensive income/ (loss) for the year from continuing operations	(296)	(39)	(296)	(39)
Loss and total comprehensive loss for the year from discontinued operations	-	(353)	-	(353)
Net Profit/(loss) and total comprehensive income/(loss) for the year	(296)	(392)	(296)	(392)
Owners of the Company				
- From continuing operations	(294)	(34)	(294)	(34)
- From discontinued		(180)		(180)
Non-controlling interest	(2)	(178)	(2)	(178)
	(296)	(392)	(296)	(392)
Basic/diluted Profit/(Loss)/profit per share attributable to owners of the Company (sen)				
Continuing operations	(0.05)	(0.01)	(0.05)	(0.01)
Discontinued operations		(0.05)		(0.05)

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Comprehensive Income

S & F CAPITAL BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021
(UNAUDITED)

	Attributable to owners of the Company			Non-	Total
	Share Capital RM'000	Warrants Reserve RM'000	Retained Earnings RM'000	Controlling Interest RM'000	
2022					
Balance as of 1 July 2021	76,310	15,447	(32,611)	(13,500)	45,646
(Loss)/Profit and total comprehensive (loss)/income for the year	-	-	(294)	(2)	(296)
Balance as of 30 June 2022	<u>76,310</u>	<u>15,447</u>	<u>(32,905)</u>	<u>(13,502)</u>	<u>45,350</u>
2021					
Balance as of 1 July 2020	75,242	2,900	(26,369)	(9,456)	42,318
(Loss)/Profit and total comprehensive (loss)/income for the year	-	-	(9,142)	(217)	(9,359)
Warrants exercised	4	-	-	-	4
Transfer of unexercised warrants reserve	-	(2,900)	2,900	-	-
Non-controlling interests arising from disposal of subsidiaries	-	-	-	(3,827)	(3,827)
Issuance of rights issue	1,064	15,447	-	-	16,511
Balance as of 30 June 2021	<u>76,310</u>	<u>15,447</u>	<u>(32,611)</u>	<u>(13,500)</u>	<u>45,646</u>

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Changes in Equity

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021
(UNAUDITED)

	Current Year To Date 30.09.2021 RM'000	Financial Year Ended 30.06.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial period		
- Continuing operations	(293)	(9,021)
- Discontinued operation	-	(335)
Adjustments for:		
Amortisation of intangible assets	-	36
Depreciation of:		
- Property, plant and equipment	14	265
- Right-of-use assets	27	110
Gain on disposal of assets	-	(1,677)
Impairment loss on receivables	-	8,022
Interest expenses	2	39
Interest income	(19)	(56)
Operating profit/ (loss) before changes in working capital	(269)	(2,617)
Changes in working capital:		
(Increase)/ Decrease in:		
Inventories	-	(122)
Trade and other receivables	158	(2,046)
Contract assets	83	6,322
Prepayment	11	3
Property development projects	-	(400)
(Decrease)/ Increase in:		
Trade and other payables	(365)	(10,869)
Contract liabilities	-	(1,610)
Net cash generated from operations	(382)	(11,298)
Income tax paid	(19)	(112)
Interest received	-	7
Interest paid	-	(10)
Net cash used in operating activities	(401)	(11,412)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

(UNAUDITED)
[CONTINUED]

	Current Year To Date 30.09.2021 RM'000	Financial Year Ended 30.06.2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and right-of-use assets	-	(120)
Disposal of subsidiaries	-	1,290
Interest on fixed deposits received	-	28
Interest on short-term deposits received	19	21
Changes in pledged deposits	-	414
	19	1,632
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of right issue	-	16,511
Proceeds from expiry of warrants	-	3
Net repayment of lease liabilities	(30)	(131)
Net repayment of bankers' acceptances and trust receipts	-	(1,209)
Net repayment to directors	-	(615)
Advances from holding company	-	365
Interest paid	(3)	(29)
	(33)	14,895
NET INCREASE IN CASH AND CASH EQUIVALENTS	(415)	5,115
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,543	2,428
CASH AND CASH EQUIVALENTS AT END OF YEAR	7,128	7,543
Cash and cash equivalents comprise:		
Bank and cash balances	591	1,026
Short term deposits	6,537	6,517
	7,128	7,543

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Cash Flows

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The preparation of an interim financial report in conformity with FRS 134: Interim Financial Reporting, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021. It contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with MFRSs.

A2 Changes in Accounting Policies

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

MFRSs and/ or IC Interpretations (Including the Consequential Amendments)	Effective for financial periods beginning on or after
Amendments to MFRS 3 Business Combinations	1 January 2023
Amendments to MFRS 9 Financial Instruments: Recognition and Measurement	1 January 2023
Amendments to MFRS 7 Financial Instruments: Disclosures	1 January 2023
Amendments to MFRS 4 Insurance Contract	1 January 2023
Amendments to MFRS 16 Leases	1 January 2022
Amendments to MFS 101 Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112 Income Taxes	1 January 2023
Amendments to MFRS 116 Property, Plant and Equipment	1 January 2023
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023

The adoption of the above accounting standards and/ or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (CONT'D)

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 30 June 2021 was not qualified.

A4 Seasonality or Cyclical Factors

The Group's performance is affected by the movement control orders due to the outbreak of Covid-19 pandemic.

A5 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

A6 Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial quarter or prior financial years that have had a material effect in the current financial quarter.

A7 Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale or repayments of debt and equity securities during the current financial quarter.

A8 Dividends Paid

No dividends have been paid during the current financial year to date.

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (CONT'D)

A9 Segmental Information

The Group is organised into the following operating divisions:

Property and construction: Property development, construction of commercial, residential, mixed development, building infrastructure and other related contract works; and

Others: investment holding and provision of management and corporate services.

(a) Segment Revenue

	Current Financial Quarter			Current Financial Year To Date		
	External RM'000	Intersegment RM'000	Total RM'000	External RM'000	Intersegment RM'000	Total RM'000
Properties and construction	4,792	-	4,792	4,792		4,792
Others		150	150		150	150
	<u>4,792</u>	<u>150</u>	<u>4,942</u>	<u>4,822</u>	<u>164</u>	<u>4,942</u>
Intersegment elimination			<u>(150)</u>			<u>(150)</u>
			<u><u>4,792</u></u>			<u><u>4,792</u></u>

(b) Segment Results

Properties and construction		38	38
Others		(330)	(330)
		<u>(292)</u>	<u>(292)</u>

A10 Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the current financial quarter which has not been reflected in the interim financial report.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current period.

A12 Fair Value of Financial Instruments

There was no gain or losses arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

A13 Capital Commitments

As at the date of this report, the Group has no material capital commitments.

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021 (CONT'D)

A14 Changes in Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the end of the last financial period.

A15 Related Party Transactions

	Current Financial Quarter RM'000	Current Financial Year To Date RM'000
Contract awarded by S & F Construction, a company in which certain directors of the Company have interests.	4,792	4,792
Contract cost payable to S & F Construction, a company in which certain directors of the Company have interests.	(1,655)	(1,655)

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B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Performance Review

	3 Months Individual Period			3 Months Cumulative Period		
	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,792	8,739	(3,947)	4,792	8,739	(3,947)
Profit/ (Loss) Before Tax	(292)	(39)	(253)	(292)	(39)	(253)

The Group's continuing operation registered a total revenue of RM4.79 million in this quarter compared to RM8.73 million revenue in last year corresponding quarter. The loss before tax has increased from RM0.03 million to RM0.29 million compared to last year corresponding quarter representing an increase of RM0.25 million. The lower in revenue was due to the near completion of our construction projects in Selangor and the increase in Covid-19 standard operating procedures compliance cost. In addition, the enforcement of the third Movement Control Order has interrupted our work progress as we were not able to carry out the projects at full capacity.

B2 Comparison with Immediate Preceding Financial Quarter

	3 Months Individual Period		
	30.09.2021	30.06.2021	Changes
	RM'000	RM'000	RM'000
Revenue	4,791	4,014	777
Profit/ (Loss) Before Tax	(292)	(8,982)	8,690

The Group registered a revenue of RM4.79 million in this quarter compared to a revenue of RM4.01 million in the preceding quarter in the segment of property and constructions mainly contributed from the increase of work progress of our Penang project. The loss before tax of RM8.98 million in the preceding quarter was mainly due to the impairment of a receivable owing by Kampung Kenayat.

B3 Commentary on Prospects

The property market in Malaysia remains challenging. However, the re-opening of the economy with higher global growth and sustained policy support is expected to provide a further lift to economic growth. To remain competitive, our Group has aligned our new property projects in Ipoh to affordable homes where demand is still strong. We are currently pending a development order approval from authority to commence a development project of residential homes in Ipoh.

The Group also intend to identify and acquire suitable land bank or development rights for our property development activities in Selangor and Wilayah Persekutuan. In fact, we are currently at the final discussion stage to enter into a strategic partnership with suitable partner to acquire and jointly develop suitable lands at Selangor and Wilayah Persekutuan. The acquisition can be part finance from the proceeds of our Rights Issue and we shall make necessary public announcement at the appropriate juncture.

Our Group will continue to actively participate in tenders for both public and private projects to replenish our order book supported by our track record, experience and competitiveness in the construction sector. We believe that our Group will emerge stronger from the crisis while at the same time taking the necessary steps to proactively pursue disciplined cost optimisation and active capital management to strengthen our financial position.

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B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B4 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

B5 Tax Expense

	Current Financial Quarter RM'000	Current Financial Year To Date RM'000
Income tax		
Current financial period	(3)	(3)
	<u>(3)</u>	<u>(3)</u>

B6 Status of Corporate Proposals

There were no corporate proposals announced.

B7 Borrowings and Debt Securities

There are no borrowings and debt securities by the Group for the current financial quarter under review.

B8 Changes in Material Litigations

The Group has no material litigations as at 29 November 2021.

B9 Earnings Per Share

	Current Financial Quarter RM'000	Current Financial Year To Date RM'000
Net profit attributable to owners of the Company	(2,96)	(2,96)
Weighted average number of ordinary shares in issue ('000)	550,366	550,366
Basic/diluted loss per share (sen)	(0.05)	(0.05)

B10 Dividends Payable

No interim dividend has been declared or recommended for the current financial quarter.

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B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11 Utilisation of Proceeds Raised from Rights Issue

The gross proceeds raised on 29 December 2021 from the Rights Issue amounting to RM16.51 million is intended to be utilised in the following manner:

Details of utilisation		Proposed utilisation	Actual utilisation	Timeframe for utilisation
		RM'000	RM'000	
(i)	Funding for existing and/ or future construction projects	7,000	7,000	Within 12 months
(ii)	Acquisition of new land bank for property development	6,000	-	Within 24 months
(iii)	Working capital	2,733	2,733	Within 12 months
(iv)	Estimated expenses for the Rights Issue	778	738	Within 1 month
		16,511	10,471	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Abridged Prospectus of the Company dated 2 December 2020.

By order of the Board,
 Chong Lay Kim
 Yeng Shi Mei

Company Secretaries
 29 November 2021