

# **SYNERGY HOUSE BERHAD**

(Registration No: 202101025778 (1426078 - V))

## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	3-Month Ended		6-Month Ended	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To-Date	Corresponding Period
	30.06.2023	30.06.2022 <sup>(2)</sup>	30.06.2023	30.06.2022 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	58,570	N/A	110,152	N/A
Operating expenses <sup>(4)</sup>	(49,765)	N/A	(97,671)	N/A
Other income	715	N/A	1,664	N/A
Finance costs	(1,005)	N/A	(2,079)	N/A
<b>Profit before tax</b>	<b>8,515</b>	<b>N/A</b>	<b>12,066</b>	<b>N/A</b>
Income tax expense	(2,322)	N/A	(3,254)	N/A
<b>Profit after tax and total comprehensive income for the financial period</b>	<b>6,193</b>	<b>N/A</b>	<b>8,812</b>	<b>N/A</b>
<b>Earnings per share <sup>(3)</sup></b>				
- Basic/Diluted earnings per share (sen)	1.24	N/A	1.76	N/A

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding quarter and preceding year's corresponding period available as this is the second interim financial report for the financial period ended 30 June 2023 announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").
- (3) Basic/Diluted earnings per share ("EPS") is calculated based on the Company's total number of 500,000,000 ordinary shares as at 30 June 2023. Basic EPS and diluted EPS are the same as the Company does not have any outstanding convertible securities as at the end of the current quarter and financial period under review.
- (4) Included under the operating expenses were one-off listing related expenses which amounted to RM0.82 million for the current quarter ended 30 June 2023 and the cumulative quarter ended 30 June 2023.

N/A Not applicable

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	Unaudited as at 30.06.2023 RM'000	Audited as at 31.12.2022 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,918	32,271
Right-of-use assets	22,433	22,462
<b>Total non-current assets</b>	<u>55,351</u>	<u>54,733</u>
<b>Current assets</b>		
Inventories	39,549	26,889
Trade receivables	25,017	15,404
Other receivables, deposits and prepayments	4,487	5,908
Current tax assets	2,623	584
Deposits with licensed banks	24,421	12,704
Cash and bank balances	29,579	14,723
<b>Total current assets</b>	<u>125,676</u>	<u>76,212</u>
<b>Total assets</b>	<u>181,027</u>	<u>130,945</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	35,631	2,610
Reserves	51,852	43,740
<b>Total equity</b>	<u>87,483</u>	<u>46,350</u>
<b>Non-current liabilities</b>		
Bank borrowings	28,370	37,749
Lease liabilities	437	561
Deferred tax liabilities	2,688	2,688
<b>Total non-current liabilities</b>	<u>31,495</u>	<u>40,998</u>
<b>Current liabilities</b>		
Trade payables	16,476	9,772
Other payables and accruals	7,276	6,616
Bank borrowings	32,960	25,241
Lease liabilities	516	401
Current tax liabilities	4,821	1,567
<b>Total current liabilities</b>	<u>62,049</u>	<u>43,597</u>
<b>Total liabilities</b>	<u>93,544</u>	<u>84,595</u>
<b>Total equity and liabilities</b>	<u>181,027</u>	<u>130,945</u>
Net assets per share (RM)	0.17 <sup>(2)</sup>	17.76 <sup>(2)</sup>

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's number of ordinary shares as at the end of the reporting period/year (As at 30.06.2023: 500,000,000 shares; As at 31.12.2022: 2,610,000 shares).

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)(2)</sup>**

	Share capital RM'000	Invested capital RM'000	<i>Non-distributable</i> Reorganisation reserve RM'000	Revaluation reserve RM'000	<i>Distributable</i> Retained profits RM'000	Total equity RM'000
<b>Unaudited</b>						
<b>At 1 January 2023</b>	*	2,610	-	7,655	36,085	46,350
Profit after tax for the financial period	-	-	-	-	8,812	8,812
Total comprehensive income for the financial period	-	-	-	-	8,812	8,812
Contributions by and distributions to owners of the Company:						
- Acquisition of subsidiaries	-	(2,610)	(31,788)	-	-	(34,398)
- Issuance of ordinary shares pursuant to acquisition of subsidiaries	34,398	-	-	-	-	34,398
- Proceeds from issuance of new shares <sup>(3)</sup>	34,400	-	-	-	-	34,400
- Share issuance expenses <sup>(4)</sup>	(1,379)	-	-	-	-	(1,379)
- Dividends	-	-	-	-	(700)	(700)
<b>At 30 June 2023</b>	<b>67,419</b>	<b>-</b>	<b>(31,788)</b>	<b>7,655</b>	<b>44,197</b>	<b>87,483</b>

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding year's corresponding period available as this is the second interim financial report for the financial period ended 30 June 2023 announced by the Company in compliance with the Listing Requirements.
- (3) Issuance of new shares pursuant to the Company's initial public offering ("IPO").
- (4) Listing expenses directly attributable to the issuance of new shares and therefore set-off against the share capital.

\* Represents RM2

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

	Current Year To- Date 30.06.2023 RM'000	Preceding Year Corresponding Period 30.06.2022 <sup>(2)</sup> RM'000
<b>Cash flows for operating activities</b>		
Profit before tax	12,066	N/A
Adjustments for:		
Depreciation of property, plant and equipment	614	N/A
Depreciation of right-of-use assets	338	N/A
Gain on disposal of property, plant and equipment	(9)	N/A
Gain on reassessment and modification of leases	(2)	N/A
Unrealised gain on foreign exchange	(66)	N/A
Interest expenses	1,957	N/A
Interest income	(49)	N/A
<b>Operating profit before working capital changes</b>	<u>14,849</u>	N/A
Changes in working capital:		
Inventories	(12,660)	N/A
Trade and other receivables	(7,612)	N/A
Trade and other payables	7,254	N/A
<b>Cash generated from operations</b>	<u>1,831</u>	N/A
Interest received	49	N/A
Tax paid	(2,132)	N/A
Tax refunded	93	N/A
<b>Net cash used in operating activities</b>	<u>(159)</u>	N/A
<b>Cash flows for investing activities</b>		
Addition to right-of use assets	(32)	N/A
Net increase in fixed deposit pledged	(3,341)	N/A
Purchase of property, plant and equipment	(1,290)	N/A
Proceeds from disposal of property, plant and equipment	38	N/A
<b>Net cash used in investing activities</b>	<u>(4,625)</u>	N/A
<b>Cash flows from financing activities</b>		
Dividends paid	(700)	N/A
Repayment of borrowings (net)	(1,985)	N/A
Interest paid	(1,957)	N/A
Payment of share issue expenses	(1,379)	N/A
Proceeds from issuance of ordinary shares	34,400	N/A
Repayment of lease liabilities	(284)	N/A
<b>Net cash from financing activities</b>	<u>28,095</u>	N/A
<b>Net increase in cash and cash equivalents</b>	23,311	N/A
Effects of foreign exchange translation	(79)	N/A
<b>Cash and cash equivalents at beginning of period</b>	<u>16,800</u>	N/A
<b>Cash and cash equivalents at end of period</b>	<u>40,032</u>	N/A

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

(1)

	<b>Current Year To- Date 30.06.2023 RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2022<sup>(2)</sup> RM'000</b>
<b>Cash and cash equivalents comprise the following:</b>		
Deposits with licensed banks	24,421	N/A
Cash and bank balances	29,579	N/A
	<hr/> 54,000	<hr/> N/A
Less:		
Deposits pledged to licensed banks	(13,968)	N/A
	<hr/> 40,032	<hr/> N/A

**Notes:**

- (1) The basis of preparation of the Unaudited Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding year's corresponding period available as this is the second interim financial report for the financial period ended 30 June 2023 announced by the Company in compliance with the Listing Requirements.

N/A Not applicable

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A1 Basis of Preparation**

The interim financial statements of Synergy House Berhad (“Synergy” or the “Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the second interim financial report on the Group’s results for the second quarter ended 30 June 2023 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial reports should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 12 May 2023 and the accompanying explanatory notes attached to this interim financial report.

**A2 Significant Accounting Policies**

The accounting policies and presentations adopted by the Group in this interim financial statement are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2022 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 12 May 2023.

The Group has not applied in advance the following accounting standards and/or interpretation (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the financial year ended 31 December 2022:

**MFRSs and/or Interpretations Committee (“IC”) Interpretations  
(Including the Consequential Amendments)**

**Effective Date**

MFRS 17	: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16	: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17	: Insurance Contracts	1 January 2023
Amendment to MFRS 17	: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	: Classification of Liabilities as Current or Noncurrent	1 January 2024
Amendments to MFRS 101	: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108	: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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.

**A3 Auditors’ Report**

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

**A4 Seasonal and Cyclical Factors**

The business operations of the Company are not materially affected by any seasonal or cyclical factors during the current financial quarter and current financial year-to-date.

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## A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

## A6 Material Changes in Estimates

There were no material changes in estimates that have a material effect on the current financial quarter and current financial year-to-date.

## A7 Debt and Equity Securities

In conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company had issued 80,000,000 new ordinary shares at an IPO price of RM0.43 per ordinary share in the Company. The listing and quotation for the Company's entire enlarged issued and paid-up share capital of approximately RM67,419,002 comprising 500,000,000 ordinary shares in the Company on the ACE Market of Bursa Malaysia Securities Berhad was completed on 1 June 2023.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

## A8 Dividends Paid

On 16 January 2023, the Group paid an interim dividend amounting to RM0.70 million for the financial year ended 31 December 2022.

Save as disclosed above, there were no other dividends paid during the current quarter and financial period under review.

## A9 Segmental Reporting

The Group is principally engaged in the design, development and sale of ready-to-assemble ("RTA") home furniture. RTA home furniture is a form of furniture where furniture parts are in flat-packed form for ease of storage and transportation. RTA home furniture requires customers to assemble themselves upon purchase.

Segmental assets is not presented, as all non-current assets are located in Malaysia. Segmental revenue is presented based on geographical location of the customers.

	Individual Quarter 3-Month Ended		Cumulative Quarter 6-Month Ended	
	Current Year Quarter 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 RM'000 <sup>(1)</sup>	Current Year To-Date 30.06.2023 RM'000	Preceding Year Corresponding Period 30.06.2022 RM'000 <sup>(1)</sup>
Asia (excluding Malaysia)	753	N/A	1,224	N/A
United Arab Emirates	8,936	N/A	14,442	N/A
United Kingdom	19,293	N/A	36,709	N/A
United States of America	27,413	N/A	52,931	N/A
Malaysia	2,014	N/A	4,685	N/A
Others	161	N/A	161	N/A
<b>Total</b>	<b>58,570</b>	<b>N/A</b>	<b>110,152</b>	<b>N/A</b>

### Notes:

(1) There are no comparative figures for the preceding quarter available as this is the second interim financial report for the second quarter ended 30 June 2023 announced in compliance with Listing Requirements.

N/A Not applicable



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## A10 Capital Commitments

There were no material capital commitments in respect of property, plant and equipment as at 30 June 2023.

## A11 Material Events after the End of the Reporting Period

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report as at the date of this report.

## A12 Changes in the Composition of the Group

On 20 June 2023, Synergy House Furniture Sdn. Bhd. ("SHF"), a wholly-owned subsidiary of the Company, subscribed for 1,000 ordinary shares of USD1.00 each representing 100% of the paid-up share capital in Synergy House Furniture Inc ("Synergy US") for a total cash consideration of USD1,000.00 ("Subscription of Shares"). With the Subscription of Shares, Synergy US has become a wholly-owned subsidiary of SHF and an indirect subsidiary of the Company.

Other than the above, there were no other material changes in the composition of the Group for the current financial quarter and the financial year-to-date.

## A13 Contingent Liabilities and Contingent Assets

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

## A14 Significant Related Party Transactions

	Individual Quarter 3-Month Ended		Cumulative Quarter 6-Month Ended	
	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2022 RM'000
<b>Holding company</b>				
Dividend paid	-	N/A	700	N/A
<b>Companies in which certain directors have substantial financial interest</b>				
Rental expenses	26	N/A	52	N/A

### Note:

N/A Not applicable

**PART B - ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1 Review of Group's Performance**

**(a) Results for current quarter**

The Group recorded revenue of RM58.6 million and profit before tax ("PBT") of RM8.5 million for the current financial quarter. The Group's revenue is derived from the business-to-business ("B2B") and the business-to-consumer ("B2C") market segment. The B2B segment recorded a revenue of RM32.1 million or approximately 54.78% of the Group's total revenue while the B2C segment recorded a revenue of RM26.5 million or approximately 45.22% of the Group's total revenue.

United States of America ("USA") was the Group's largest market, contributing to approximately 46.80% of the Group's revenue in the current financial quarter. Revenue from the USA market was mainly derived from B2C sales during the current financial quarter.

The Group incurred one-off listing expenses of RM0.82 million which were charged out to the profit or loss during the current financial quarter.

No comparative figures for the preceding year's corresponding quarter are available as this is the second interim financial report for the second quarter ended 30 June 2023 announced in compliance with the Listing Requirements.

**(b) Results for financial year-to-date**

The Group recorded revenue of RM110.2 million and PBT of RM12.1 million for the 6-month ended 30 June 2023. The B2B segment accounted for 53.99% of the Group's total revenue, or RM59.5 million, while the B2C segment accounted for 46.01%, or RM50.7 million. In-line with the Group's expansion in the B2C segment, the Group's revenue generated from the B2C segment for the 6 months of FY2023 has exceeded the total B2C sales generated during the previous 12 months financial year ended 31 December 2022.

For the 6-month ended 30 June 2023, the USA market was the Group's largest market, contributing to approximately 48.05% of the Group's total revenue. Revenue from the USA market was mainly derived from B2C sales during the 6-month ended 30 June 2023.

No comparative figures for the preceding year's corresponding period are available as this is the second interim financial report for the second quarter ended 30 June 2023 announced in compliance with the Listing Requirements.

**B2 Comparison with Immediate Preceding Quarter**

	Individual Quarter 3-Month Ended		Variance	
	30.06.2023 RM'000	31.03.2023 RM'000	RM'000	%
Revenue	58,570	51,582	6,988	13.55%
PBT	8,515	3,551	4,964	139.79%

The Group's revenue for the current financial quarter ended 30 June 2023 increased by approximately RM7.0 million or 13.55% to approximately RM58.6 million compared to RM51.6 million in the preceding financial quarter ended 31 March 2023. The revenue growth was mainly due to higher revenue contribution from United Arab Emirates, Asia (excluding Malaysia) and the B2C segment in USA.

The Group's PBT for the current financial quarter ended 30 June 2023 increased by approximately RM4.9 million or 139.79% from RM3.6 million in the preceding financial quarter ended 31 March 2023 to RM8.5 million. The increase in PBT in the current financial quarter as compared to the preceding financial quarter was mainly due to the following:

- (i) increase in sales from both the B2B and B2C segments in the current financial quarter as compared to the preceding financial quarter; and
- (ii) strengthening of USD against MYR where the Group recorded net gains on foreign exchange of approximately RM1.4 million as compared to a net loss on foreign exchange of approximately RM0.2 million in the preceding financial quarter.

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## B3 Prospects

As disclosed in the Prospectus of the Company dated 12 May 2023, the Group intends to focus on the following future plans and business strategies for the future growth and expansion of its business:

- (i) to continue growing the Group's B2C sales segment with the following strategies:
  - (a) expansion of customer reach through listing and selling products on more third party e-commerce platforms with new market focus;
  - (b) enhancement of revenue through advertisement and promotions;
  - (c) establishment of new warehouses in Muar, Johor in 2023 and Port Klang, Selangor in 2027 respectively as e-commerce fulfilment centres; and
  - (d) purchase of inventories for third party e-commerce fulfilment centres in overseas countries and proposed new warehouse in Muar, Johor in anticipation of increasing B2C sales.
- (ii) to continue to expand the Group's range of home furniture through continuous design and development efforts.

The Group is cautiously optimistic on the potential of the global furniture e-commerce market and believes that with its strategies, the Group will be able to capitalize on such potential and increase its market share. The Group also views that the current strategies undertaken currently will be positively supporting the growth and expansion of its B2C segment in the long term.

While the present global economic outlook remains challenging, the Group expects this to have lesser impact on the Group's business as its home furniture products are in the affordable price range. Besides that, the Group is well positioned in the B2C sales segment having established its presence in the third party e-commerce platforms in the United States of America, United Kingdom and Canada.

## B4 Profit Forecast

The Group did not issue any profit forecast or guarantee during the current financial quarter under review and the financial year to-date.

## B5 Taxation

	Individual Quarter 3-Month Ended		Cumulative Quarter 6-Month Ended	
	Current Year Quarter 30.06.2023 RM'000	Preceding Year Corresponding Quarter 30.06.2022 <sup>(1)</sup> RM'000	Current Year To- Date 30.06.2023 RM'000	Preceding Year Corresponding Period 30.06.2022 <sup>(1)</sup> RM'000
Current tax expense	2,322	N/A	3,254	N/A
Deferred tax expense	-	N/A	-	N/A
	<u>2,322</u>	<u>N/A</u>	<u>3,254</u>	<u>N/A</u>
Effective tax rate	27% <sup>(2)</sup>	N/A	27% <sup>(2)</sup>	N/A

### Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the second interim financial report for the second quarter ended 30 June 2023 announced in compliance with the Listing Requirements.
- (2) The Group's effective tax rate was higher than the statutory tax rate of 24% mainly due to the expenses incurred for the Listing and interest expenses for certain term loans which are not tax-deductible during the financial quarter under review and financial year to-date.

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## B6 Status of Corporate Proposals

There were no corporate proposals announced by the Company but not completed as at the date of this report.

## B7 Utilisation of Proceeds

The gross proceeds from the Company's IPO amounting to RM34.40 million is intended to be utilised in the following manner:

Details of Utilisation of Proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for Utilisation upon Listing <sup>(2)</sup>
E-commerce fulfilment centres in Muar, Johor and overseas countries				
- Purchase of inventories	10,000	(479)	9,521	Within 18 months
E-commerce fulfilment centre in Muar, Johor				
- Purchase of racking system and forklifts	1,500	-	1,500	Within 18 months
E-commerce advertising and promotions	1,000	-	1,000	Within 18 months
Repayment of borrowings	10,000	(9,537)	463	Within 6 months
Working capital	7,700	(3,241)	4,459	Within 12 months
Estimated listing expenses	4,200	(4,079)	<sup>(1)</sup> 121	Within 1 month
<b>Total</b>	<b>34,400</b>	<b>(17,336)</b>	<b>17,064</b>	

### Notes:

- (1) The unutilised balance of RM0.12 million allocated for estimated listing expenses will be reallocated to working capital.
- (2) From the date of listing of the Company on the ACE Market of Bursa Securities. The use of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 12 May 2023.

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## B8 Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2023 are as follows:

	<b>Unaudited as at 30.06.2023 RM'000</b>	<b>Audited as at 31.12.2022 RM'000</b>
<b>Non-current</b>		
<u>Secured</u>		
Bank borrowings	28,370	37,749
Lease liabilities	135	122
	<u>28,505</u>	<u>37,871</u>
<u>Unsecured</u>		
Lease liabilities	<u>302</u>	<u>439</u>
	<b><u>28,807</u></b>	<b><u>38,310</u></b>
<b>Current</b>		
<u>Secured</u>		
Bank borrowings	32,960	25,241
Lease liabilities	211	81
	<u>33,171</u>	<u>25,322</u>
<u>Unsecured</u>		
Lease liabilities	<u>305</u>	<u>320</u>
	<b><u>33,476</u></b>	<b><u>25,642</u></b>
<b>Total borrowings</b>	<b><u>62,283</u></b>	<b><u>63,952</u></b>

Included in the Group's borrowings are foreign currency denominated borrowings as follows:

	<b>Amount denominated in foreign currency As at 30.06.2023 '000</b>	<b>As at 30.06.2023 RM'000</b>	<b>Amount denominated in foreign currency As at 31.12.2022 '000</b>	<b>As at 31.12.2022 RM'000</b>
USD	380	1,759	1,102	4,981
MYR	-	60,524	-	58,971
Total	<u>380</u>	<u>62,283</u>	<u>1,102</u>	<u>63,952</u>

## B9 Derivatives

The Group has no outstanding derivatives as at 30 June 2023.

## B10 Material Litigation

There were no material litigations pending as at the date of this interim financial report.

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## B11 Earnings Per Share

The basic and diluted earnings per share for the current and cumulative quarter is computed as follows:

		Individual Quarter 3-Month Ended		Cumulative Quarter 6-Month Ended	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Period
		30.06.2023	30.06.2022 <sup>(2)</sup>	30.06.2023	30.06.2022 <sup>(2)</sup>
Profit after tax	(RM'000)	6,193	N/A	8,812	N/A
Number of ordinary shares	('000)	500,000	N/A	500,000	N/A
Basic/Diluted earnings per share <sup>(1)</sup>	(sen)	1.24	N/A	1.76	N/A

### Notes:

(1) Basic/Diluted earnings per share is calculated based on the Company's total number of 500,000,000 ordinary shares as at 30 June 2023. Basic EPS and diluted EPS are the same as the Company does not have any outstanding convertible securities as at the end of the current quarter and financial period under review.

(2) There are no comparative figures for the preceding quarter available as this is the second interim financial report for the second quarter ended 30 June 2023 announced in compliance with the Listing Requirements.

N/A Not applicable

## B12 Notes to the Statement of Profit and Loss and Other Comprehensive Income

Profit before tax has been arrived at after (crediting) / charging:

	Individual Quarter 3-Month Ended		Cumulative Quarter 6-Month Ended	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Period
	30.06.2023 RM'000	30.06.2022 <sup>(1)</sup> RM'000	30.06.2023 RM'000	30.06.2022 <sup>(1)</sup> RM'000
Depreciation of property, plant and equipment	314	N/A	614	N/A
Depreciation of right-of-use assets	159	N/A	338	N/A
Unrealised gain on foreign exchange	(659)	N/A	(66)	N/A
Realised gain on foreign exchange	(734)	N/A	(1,162)	N/A
Interest expenses	899	N/A	1,957	N/A
Gain on reassessment and modification of leases	-	N/A	(2)	N/A
Interest income	(18)	N/A	(49)	N/A

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

### Notes:

(1) There are no comparative figures for the preceding quarter available as this is the second interim financial report for the second quarter ended 30 June 2023 announced in compliance with the Listing Requirements.

N/A Not applicable

**B13 Dividends**

The Board of Directors of the Company did not declare or recommend any dividend during the current financial quarter.

**BY ORDER OF THE BOARD**

**SYNERGY HOUSE BERHAD**

**24<sup>th</sup> August 2023**