

SYNERGY HOUSE BERHAD

(Registration No: 202101025778 (1426078 - V))

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	Individual Quarter 3-Month Ended		Cumulative Quarter 9-Month Ended	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To-Date	Corresponding
	30.09.2023	Quarter	30.09.2023	Period
	RM'000	30.09.2022 ⁽²⁾	RM'000	30.09.2022 ⁽²⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	69,249	N/A	179,401	N/A
Operating expenses ⁽⁴⁾	(57,846)	N/A	(155,518)	N/A
Other income	878	N/A	2,543	N/A
Finance costs	(900)	N/A	(2,979)	N/A
Profit before tax	11,381	N/A	23,447	N/A
Income tax expense	(3,315)	N/A	(6,569)	N/A
Profit after tax and total comprehensive income for the financial period	8,066	N/A	16,878	N/A
Earnings per share ⁽³⁾				
- Basic/Diluted earnings per share (sen)	1.61	N/A	3.38	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 third interim financial report for the financial period ended 30 September 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 September 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 cumulative quarter ended 30 September 2023.

N/A Not applicable

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited as at 30.09.2023 RM'000	Audited as at 31.12.2022 RM'000
Assets		
Non-current assets		
Property, plant and equipment	33,096	32,271
Right-of-use assets	22,253	22,462
Total non-current assets	<u>55,349</u>	<u>54,733</u>
Current assets		
Inventories	57,456	26,889
Trade receivables	36,080	15,404
Other receivables, deposits and prepayments	5,163	5,908
Current tax assets	4,231	584
Deposits with licensed banks	35,388	12,704
Cash and bank balances	13,890	14,723
Total current assets	<u>152,208</u>	<u>76,212</u>
Total assets	<u>207,557</u>	<u>130,945</u>
Equity and liabilities		
Equity		
Share capital	35,631	2,610
Reserves	59,918	43,740
Total equity	<u>95,549</u>	<u>46,350</u>
Non-current liabilities		
Bank borrowings	27,698	37,749
Lease liabilities	290	561
Deferred tax liabilities	2,688	2,688
Total non-current liabilities	<u>30,676</u>	<u>40,998</u>
Current liabilities		
Trade payables	29,750	9,772
Other payables and accruals	9,850	6,616
Bank borrowings	34,915	25,241
Lease liabilities	516	401
Current tax liabilities	6,301	1,567
Total current liabilities	<u>81,332</u>	<u>43,597</u>
Total liabilities	<u>112,008</u>	<u>84,595</u>
Total equity and liabilities	<u>207,557</u>	<u>130,945</u>
Net assets per share (RM)	0.19 ⁽²⁾	17.76 ⁽²⁾

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 30.09.2023: 500,000,000 shares; As at 31.12.2022: 2,610,000 shares).

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾⁽²⁾

	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
Unaudited						
At 1 January 2023	*	2,610	-	7,655	36,085	46,350
Profit after tax for the financial period	-	-	-	-	16,878	16,878
Total comprehensive income for the financial period	-	-	-	-	16,878	16,878
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 ⁽³⁾	34,400	-	-	-	-	34,400
- Share issuance expenses ⁽⁴⁾	(1,379)	-	-	-	-	(1,379)
- Dividends	-	-	-	-	(700)	(700)
At 30 September 2023	67,419	-	(31,788)	7,655	52,263	95,549

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 third interim financial report for the financial period ended 30 September 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 ⁽¹⁾

	Current Year To- Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 ⁽²⁾ RM'000
Cash flows for operating activities		
Profit before tax	23,447	N/A
Adjustments for:		
Depreciation of property, plant and equipment	938	N/A
Depreciation of right-of-use assets	495	N/A
Gain on disposal of property, plant and equipment	(9)	N/A
Gain on reassessment and modification of leases	(2)	N/A
Unrealised loss on foreign exchange	186	N/A
Interest expenses	2,743	N/A
Interest income	(142)	N/A
Operating profit before working capital changes	<u>27,656</u>	N/A
Changes in working capital:		
Inventories	(30,568)	N/A
Trade and other receivables	(19,148)	N/A
Trade and other payables	23,139	N/A
Cash generated from operations	<u>1,079</u>	N/A
Interest received	142	N/A
Tax paid	(5,575)	N/A
Tax refunded	93	N/A
Net cash used in operating activities	<u>(4,261)</u>	N/A
Cash flows for investing activities		
Addition to right-of use assets	(32)	N/A
Net increase in fixed deposit pledged	(3,874)	N/A
Purchase of property, plant and equipment	(1,792)	N/A
Proceeds from disposal of property, plant and equipment	38	N/A
Net cash used in investing activities	<u>(5,660)</u>	N/A
Cash flows from financing activities		
Dividends paid	(700)	N/A
Repayment of borrowings (net)	(677)	N/A
Interest paid	(2,742)	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	(409)	N/A
Net cash from financing activities	<u>28,493</u>	N/A
Net increase in cash and cash equivalents	18,572	N/A
Effects of foreign exchange translation	(595)	N/A
Cash and cash equivalents at beginning of period	<u>16,800</u>	N/A
Cash and cash equivalents at end of period	<u>34,777</u>	N/A

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(1)

	Current Year To- Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 ⁽²⁾ RM'000
Cash and cash equivalents comprise the following:		
Deposits with licensed banks	35,388	N/A
Cash and bank balances	13,890	N/A
	<u>49,278</u>	<u>N/A</u>
Less:		
Deposits pledged to licensed banks	(14,501)	N/A
	<u>34,777</u>	<u>N/A</u>

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 third interim financial report for the financial period ended 30 September 2023 announced by the Company in compliance with the Listing Requirements.
- N/A Not applicable

SYNERGY HOUSE BERHAD (Registration No: 202101025778 (1426078 - V))

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 third interim financial report on the Group’s results for the third quarter ended 30 September 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.

SYNERGY HOUSE BERHAD (Registration No: 202101025778 (1426078 - V))

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

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 RM0.7 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 9-Month Ended	
	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000 ⁽¹⁾	Current Year To-Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000 ⁽¹⁾
Asia (excluding Malaysia)	119	N/A	1,343	N/A
United Arab Emirates	8,643	N/A	23,085	N/A
United Kingdom	27,631	N/A	64,340	N/A
United States of America	30,877	N/A	83,808	N/A
Malaysia	1,826	N/A	6,511	N/A
Others	153	N/A	314	N/A
Total	69,249	N/A	179,401	N/A

Notes:

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

N/A Not applicable

.

A10 Capital Commitments

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

SYNERGY HOUSE BERHAD (Registration No: 202101025778 (1426078 - V))

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 9-Month Ended	
	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000
Holding company				
Dividend paid	-	N/A	700	N/A
Companies in which certain directors have substantial financial interest				
Rental expenses	26	N/A	78	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 RM69.2 million and profit before tax ("PBT") of RM11.4 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 RM42.7 million or approximately 61.71% of the Group's total revenue while the B2C segment recorded a revenue of RM26.5 million or approximately 38.29% of the Group's total revenue.

United States of America ("USA") was the Group's largest market, contributing to approximately 44.59% 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.

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

(b) Results for financial year-to-date

The Group recorded revenue of RM179.4 million and PBT of RM23.4 million for the 9-month ended 30 September 2023. The B2B segment accounted for 57.02% of the Group's total revenue, or RM102.3 million, while the B2C segment accounted for 42.98%, or RM77.1 million. In-line with the Group's expansion in the B2C segment, the Group's revenue generated from the B2C segment for the 9-month ended 30 September 2023 of RM77.1 million is 55.64% more than the total B2C sales generated during the previous 12 months financial year ended 31 December 2022 of RM49.6 million. Correspondingly, the Group has also generated a profit after tax of RM16.9 million for the 9-month ended 30 September 2023 which is 1.81% more than the 12-month profit after tax in FY2022 of RM16.6 million.

For the 9-month ended 30 September 2023, the USA market was the Group's largest market, contributing to approximately 46.72% of the Group's total revenue. Revenue from the USA market was mainly derived from B2C sales during the 9-month ended 30 September 2023.

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

B2 Comparison with Immediate Preceding Quarter

	Individual Quarter		Variance	
	3-Month Ended		RM'000	%
	30.09.2023	30.06.2023		
	RM'000	RM'000		
Revenue	69,249	58,570	10,679	18.23%
PBT	11,381	8,515	2,866	33.66%

The Group's revenue for the current financial quarter ended 30 September 2023 increased by approximately RM10.7 million or 18.23% to approximately RM69.2 million compared to RM58.6 million in the preceding financial quarter ended 30 June 2023. The revenue growth was mainly due to higher revenue contribution from the B2B segment in USA and United Kingdom ("UK") and B2C segment in UK.

The Group's PBT for the current financial quarter ended 30 September 2023 increased by approximately RM2.9 million or 33.66% from RM8.5 million in the preceding financial quarter ended 30 June 2023 to RM11.4 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 the B2B segment by 33% mainly in USA and UK for the current financial quarter (RM42.8 million) as compared to the preceding financial quarter (RM32.1 million); and
- (ii) increase in sales from B2C segments in UK by 95% for the current financial quarter (RM2.1 million) as compared to the preceding financial quarter (RM1.1 million).

SYNERGY HOUSE BERHAD (Registration No: 202101025778 (1426078 - V))

The above increase in respective revenue segments were partially offset by lower revenue from the US B2C segment by 4% from RM23.4 million in the preceding financial quarter ended 30 June 2023 to RM22.5 million in the current financial quarter due to lower demand during the summer holiday season in US.

B3 Prospects

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 e-commerce fulfilment centre locally to cater for overseas B2C sales; 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 9-Month Ended	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To- Date	Preceding Year Corresponding Period
	30.09.2023 RM'000	30.09.2022 ⁽¹⁾ RM'000	30.09.2023 RM'000	30.09.2022 ⁽¹⁾ RM'000
Current tax expense	3,315	N/A	6,569	N/A
Deferred tax expense	-	N/A	-	N/A
	<u>3,315</u>	<u>N/A</u>	<u>6,569</u>	<u>N/A</u>
Effective tax rate	29% ⁽²⁾	N/A	28% ⁽²⁾	N/A

Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the third interim financial report for the third quarter ended 30 September 2023 announced in compliance with the Listing Requirements.
- (2) The Group's effective tax rate was higher than the statutory tax rate of 24% in the current quarter under review mainly due to under provision of income tax for the year of assessment 2022 and interest expenses for certain term loans which are not tax-deductible. The effective tax rate for the current financial year-to-date was also higher due to the aforementioned reasons, and it was further impacted by expenses incurred for the Listing which were recorded in the second quarter ended 30 June 2023.

SYNERGY HOUSE BERHAD (Registration No: 202101025778 (1426078 - V))

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 ⁽²⁾
E-commerce fulfilment centres in Muar, Johor and overseas countries				
- Purchase of inventories	10,000	(4,061)	5,939	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	(893)	107	Within 18 months
Repayment of borrowings	10,000	(10,000)	-	Within 6 months
Working capital	7,700	(7,700)	-	Within 12 months
Estimated listing expenses	4,200	(4,079)	⁽¹⁾ 121	Within 1 month
Total	34,400	(26,733)	7,667	

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.

SYNERGY HOUSE BERHAD (Registration No: 202101025778 (1426078 - V))

B8 Group Borrowings and Debt Securities

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

	Unaudited as at 30.09.2023 RM'000	Audited as at 31.12.2022 RM'000
Non-current		
<u>Secured</u>		
Bank borrowings	27,698	37,749
Lease liabilities	80	122
	27,778	37,871
<u>Unsecured</u>		
Lease liabilities	210	439
	27,988	38,310
Current		
<u>Secured</u>		
Bank borrowings	34,915	25,241
Lease liabilities	215	81
	35,130	25,322
<u>Unsecured</u>		
Lease liabilities	301	320
	35,431	25,642
Total borrowings	63,419	63,952

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

	Amount denominated in foreign currency As at 30.09.2023 '000	As at 30.09.2023 RM'000	Amount denominated in foreign currency As at 31.12.2022 '000	As at 31.12.2022 RM'000
USD	179	804	1,102	4,981
MYR	-	62,615	-	58,971
Total	179	63,419	1,102	63,952

B9 Derivatives

The Group's outstanding derivatives as at 30 September 2023 are as follows:

	Contract or notional amount RM'000	Fair value RM'000	Fair value change amount RM'000
Forward foreign exchange contracts			
- Less than 1 year	16,589	16,617	(28)
	16,589	16,617	(28)

The Group uses forward foreign exchange contracts to manage some of its transaction exposure associated with foreign currency fluctuations.

SYNERGY HOUSE BERHAD (Registration No: 202101025778 (1426078 - V))

B10 Material Litigation

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

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 9-Month Ended	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Period
		30.09.2023	30.09.2022 ⁽²⁾	30.09.2023	30.09.2022 ⁽²⁾
Profit after tax	(RM'000)	8,066	N/A	16,878	N/A
Number of ordinary shares	('000)	500,000	N/A	500,000	N/A
Basic/Diluted earnings per share ⁽¹⁾	(sen)	1.61	N/A	3.38	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 September 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 third interim financial report for the third quarter ended 30 September 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 9-Month Ended	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Period
	30.09.2023 RM'000	30.09.2022 ⁽¹⁾ RM'000	30.09.2023 RM'000	30.09.2022 ⁽¹⁾ RM'000
Depreciation of property, plant and equipment	324	N/A	938	N/A
Depreciation of right-of-use assets	157	N/A	495	N/A
Unrealised loss on foreign exchange	252	N/A	186	N/A
Realised gain on foreign exchange	(467)	N/A	(1,629)	N/A
Interest expenses	786	N/A	2,743	N/A
Gain on reassessment and modification of leases	-	N/A	(2)	N/A
Interest income	(93)	N/A	(142)	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 third interim financial report for the third quarter ended 30 September 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

23rd November 2023