

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Quarter Ended 31 January 2022

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>FY 2022</u> Current Quarter Ended 31/01/2022	(Restated) <u>FY 2021</u> Current Quarter Ended 31/01/2021	<u>FY 2022</u> 6 Months Cumulative To Date	(Restated) <u>FY 2021</u> 6 Months Cumulative To Date
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Revenue	19,010	61,212	38,909	106,513
Operating Expenses	(19,126)	(57,166)	(37,801)	(99,174)
Other Operating Income	430	191	1,162	261
Profit from Operations	314	4,237	2,270	7,600
Finance Costs	(382)	(1,090)	(779)	(2,612)
Profit/ (Loss) Before Tax	(68)	3,147	1,491	4,988
Taxation	(416)	(1,132)	(1,002)	(1,772)
Profit/ (Loss) from Continuing Operations	(484)	2,015	489	3,216
Profit/ (Loss) from Discontinued Operation, net of tax	-	257	(24,311)	835
Net Profit/ (Loss) for the Period	(484)	2,272	(23,822)	4,051
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/ (Loss) for the Period	(484)	2,272	(23,822)	4,051
Net Profit/ (Loss) for the Period, Representing Total Comprehensive Income for the Period:				
Owners of the Company	(797)	1,097	(24,635)	2,131
Non-controlling Interests	313	1,175	813	1,920
	(484)	2,272	(23,822)	4,051
Earnings/ (Loss) Per Share Attributable to Equity Holders of the Company (Note 17.11)				
Basic (Sen)				
- from continuing operations	(0.14)	0.15	(0.06)	0.23
- from discontinued operation	-	0.05	(4.27)	0.15
	(0.14)	0.19	(4.33)	0.38
Diluted (Sen)				
- from continuing operations	(0.14)	0.15	(0.06)	0.23
- from discontinued operation	-	0.05	(4.27)	0.15
	(0.14)	0.19	(4.33)	0.38

(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 2021 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 January 2022

(The figures have not been audited)

	(UNAUDITED) As At 31/01/2022 RM'000	(AUDITED) As At 31/07/2021 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	18	63,321
Investment Property	-	7,045
Inventories - Land Held for Property Development	31,112	49,077
Intangible Assets	18,408	18,408
Right-of-use Assets	22	7,233
	<u>49,560</u>	<u>145,084</u>
Current Assets		
Inventories	17,322	53,995
Contract Assets	47,159	37,676
Receivables, Deposits and Prepayments	12,456	28,201
Tax Recoverable	29	1,545
Cash and Cash Equivalents	46,792	59,500
	<u>123,758</u>	<u>180,917</u>
Non-Current Assets Held for Sale	20,865	10,956
Assets Included in Disposal Group Classified as Held for Sale	87,533	-
	<u>232,156</u>	<u>191,873</u>
Total Assets	<u>281,716</u>	<u>336,957</u>
EQUITY AND LIABILITIES		
Share Capital	143,527	143,527
Treasury Shares	(761)	(761)
Reserves	17,873	70,774
Reserves Included in Disposal Group Classified as Held for Sale	28,266	-
Equity Attributable to Equity Holders of the Company	<u>188,905</u>	<u>213,540</u>
Non-Controlling Interests	14,627	13,814
Total Equity	<u>203,532</u>	<u>227,354</u>
Non-Current Liabilities		
Loans and Borrowings	23,905	28,551
Deferred Tax Liabilities	4,418	7,356
Lease Liabilities	-	195
	<u>28,323</u>	<u>36,102</u>
Current Liabilities		
Payables and Accruals	7,329	56,534
Loans and Borrowings	4,382	14,890
Lease Liabilities	22	594
Taxation	595	1,483
	<u>12,328</u>	<u>73,501</u>
Liabilities Included in Disposal Group Classified as Held for Sale	37,533	-
Total Liabilities	<u>78,184</u>	<u>109,603</u>
Total Equity and Liabilities	<u>281,716</u>	<u>336,957</u>
Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)	0.33	0.38

(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 2021 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 January 2022

(The figures have not been audited)

	<----- Attributable to Shareholders of the Company ----->				<----- Distributable ----->			
	Share Capital RM'000	Treasury Shares RM'000	Assets Revaluation Reserve RM'000	Reserve Included in Disposal Group Classified as Held for Sale RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
6 months period ended								
<u>31 January 2022</u>								
Balance at beginning of year 01 August 2021	143,527	(761)	31,696	-	39,078	213,540	13,814	227,354
Transfer to disposal group classified as held for sale	-	-	(31,696)	31,696	-	-	-	-
Total comprehensive income/ (loss) for the period	-	-	-	-	(24,635)	(24,635)	813	(23,822)
Realisation of assets revaluation reserve	-	-	-	(3,430)	3,430	-	-	-
Balance at end of period 31 January 2022	<u>143,527</u>	<u>(761)</u>	<u>-</u>	<u>28,266</u>	<u>17,873</u>	<u>188,905</u>	<u>14,627</u>	<u>203,532</u>
6 months period ended								
<u>31 January 2021</u>								
Balance at beginning of year 01 August 2020	142,310	(761)	32,066	-	41,884	215,499	10,901	226,400
Total comprehensive income for the period	-	-	-	-	1,034	1,034	745	1,779
Balance at end of period 31 January 2021	<u>142,310</u>	<u>(761)</u>	<u>32,066</u>	<u>-</u>	<u>42,918</u>	<u>216,533</u>	<u>11,646</u>	<u>228,179</u>

(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 2021 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 January 2022

(The figures have not been audited)

	<u>FY 2022</u> 6 Months Ended 31/01/2022 RM'000	<u>FY 2021</u> 6 Months Ended 31/01/2021 RM'000
Profit/ (loss) before taxation		
Continuing operations	1,491	4,988
Discontinued operation	(24,278)	835
	<u>(22,787)</u>	<u>5,823</u>
Adjustments for :		
Depreciation of property, plant and equipment/ right-of-use assets	1,444	2,237
Interest expense	1,296	3,117
Interest income	(466)	(141)
(Gain)/Loss on unrealised foreign exchange	21	(657)
(Gain)/Loss on disposal of property, plant and equipment	(796)	46
Impairment loss on assets included in disposal group classified as held for sale	24,393	-
	<u>3,105</u>	<u>10,425</u>
Operating profit/(loss) before working capital changes		
Changes in working capital :		
Net change in current assets	10,112	45,490
Net change in current liabilities	(31,411)	(1,820)
	<u>(18,194)</u>	<u>54,095</u>
Cash generated from/(used in) operations		
Interest paid	(1,296)	(3,117)
Income tax paid	(1,919)	(626)
Income tax refunded	1,498	795
	<u>(19,911)</u>	<u>51,147</u>
Net cash generated from/(used in) operating activities		
Investing activities :		
Purchase of property, plant and equipment	(907)	(206)
Proceeds from disposal of property, plant and equipment	12,120	711
Interest received	466	141
	<u>11,679</u>	<u>646</u>
Net cash flows from/(used in) investing activities		
Financing activities :		
Repayment of bank borrowings/changes in bills payables	423	(30,675)
Increase/ (Payment) of lease liabilities	266	(687)
Decrease/ (Increase) in fixed deposits pledged with licensed banks	1,775	(112)
	<u>2,464</u>	<u>(31,474)</u>
Net cash flows from/(used in) financing activities		
Net increase/(decrease) in cash and cash equivalents	(5,768)	20,319
Cash and cash equivalents at beginning of year	51,389	7,383
	<u>45,621</u>	<u>27,702</u>
Cash and cash equivalents at end of period		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts :		
Cash and bank balances	9,556	27,702
Fixed deposits	42,594	8,015
	<u>52,150</u>	<u>35,717</u>
Cash and cash equivalents		
Bank overdrafts	(192)	-
Less : Fixed deposits pledged	(6,337)	(8,015)
	<u>45,621</u>	<u>27,702</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 2021 and the accompanying explanatory notes attached to this interim financial report)

**Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022**

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 2021. 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 2021.

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 2021, except for adoption of the following new/revised MFRSs and Amendments to MFRSs which are applicable to the Group's financial period beginning 1 August 2021:

	Effective dates for financial period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2 1 January 2021
Amendments to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021 1 April 2021

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

3 Preceding Audited Financial Statements

The audit report of the preceding annual financial statements for the financial year ended 31 July 2021 was not subject to any qualification.

4 Seasonal or Cyclical Factors

Demand in the property development market, the Group's continuing operations product, is generally affected by national as well as global economic conditions.

5 Nature and Amount of Unusual Items

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

6 Changes in Estimates

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

7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year-to-date. Total number of treasury shares held was 5,236,000 ordinary shares as at 31 January 2022.

Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022

8 Dividends Paid

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

9 Segmental Reporting

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

	Continuing Operations			Discontinued	Total	Adjustment and	Consolidation
	Rubberwood Furniture RM'000	Property Development and Construction RM'000	Others RM'000	Operation Rubberwood Furniture RM'000			
6 months period ended 31 January 2022							
Revenue						(#)	
External sales	-	38,930	(21)	54,576	93,485	(54,576)	38,909
Inter-segment sales	-	-	-	-	-	-	-
Total sales	-	38,930	(21)	54,576	93,485	(54,576)	38,909
Results							
Segment results	-	2,748	(943)	631	2,436	(631)	1,805
Impairment loss on assets included in disposal group classified as held for sale	-	-	-	(24,393)	(24,393)	24,393	-
Interest income	-	266	199	1	466	(1)	465
Finance costs	-	(779)	-	(517)	(1,296)	517	(779)
Profit/ (loss) before taxation	-	2,235	(744)	(24,278)	(22,787)	24,278	1,491
Taxation	-	(836)	(166)	(33)	(1,035)	33	(1,002)
Net profit/ (loss)	-	1,399	(910)	(24,311)	(23,822)	24,311	489
6 months period ended 31 January 2021							
Revenue						(#)	
External sales	2,216	104,297	-	68,843	175,356	(68,843)	106,513
Inter-segment sales	-	-	50	-	50	(50)	-
Total sales	2,216	104,297	50	68,843	175,406	(68,893)	106,513
Results							
Segment results	8	7,946	(355)	1,200	8,799	(1,250)	7,549
Interest income	2	49	-	90	141	(90)	51
Finance costs	-	(2,612)	-	(505)	(3,117)	505	(2,612)
Profit/ (loss) before taxation	10	5,383	(355)	785	5,823	(835)	4,988
Taxation	-	(1,772)	-	-	(1,772)	-	(1,772)
Net profit/ (loss)	10	3,611	(355)	785	4,051	(835)	3,216

(#) The amounts relating to the Rubberwood Furniture segment have been excluded from the revenue and are presented separately in the statement of profit or loss and other comprehensive income within one line item as "profit/loss from discontinued operation, net of tax".

Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022

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.

12 Changes in the Composition of the Group

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

13 Significant Events

There were no significant events for the period under review.

14 Contingent Liabilities

a) Group

Contingent liabilities of the Group as at 31 January 2022 in respect of bank guarantees issued in favour of government authorities, utility boards and suppliers are as follow:-

	<u>RM'000</u>
Continuing operations	3,000
Discontinued operation	1,158
	<u><u>4,158</u></u>

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 RM48.1m as at 31 January 2022.

15 Capital Commitment

There were no material capital commitments of the Group as at 31 January 2022.

**Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022**

16 Significant Related Parties Transactions

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

	<u>RM'000</u>
<u>Transaction with a director</u>	
Rental paid	95
<u>Transaction with companies in which certain directors of the Company are also the director and have substantial financial interest</u>	
Sales	5,765
Purchases	624
Rental paid	228
Project landowner entitlement	4,567

17.1 Review of Performance

	<u>FY 2022</u> Current Quarter Ended 31/01/2022 <u>RM'000</u>	(Restated) <u>FY 2021</u> Comparative Quarter Ended 31/01/2021 <u>RM'000</u>	Variance <u>RM'000</u>	Variance %
Continuing Operations				
Revenue	19,010	61,212	(42,202)	-68.9%
(Loss)/ Profit before tax	(68)	3,147	(3,215)	-102.2%

The Group reported a decline in the revenue from continuing operations of RM19.01m in current quarter as compared to RM61.21m in the corresponding quarter last year. The significant decrease of RM42.2m or 68.9% was mainly due to the on-going project was at final stage and the construction progress was affected by supply chain disruption and workers shortage.

The Group posted loss before tax from the continuing operations of RM0.07m for the current quarter as compared to profit before tax of RM3.15m in the same quarter last year. The decrease of 102.2% was higher as compared to the variance in the revenue of 68.9% mainly due to professional fees incurred for the on-going corporate exercise amounting to RM0.48 million and additional sales and marketing expenses of RM0.49 million in the property development segment.

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

	<u>FY 2022</u> Current Quarter Ended 31/01/2022 <u>RM'000</u>	(Restated) <u>FY 2021</u> Preceding Quarter Ended 31/10/2021 <u>RM'000</u>	Variance <u>RM'000</u>	Variance %
Continuing Operations				
Revenue	19,010	19,899	(889)	-4.5%
(Loss)/ Profit before tax	(68)	1,559	(1,627)	-104.4%

The Group recorded revenue from the continuing operations of RM19.01m in the current quarter, reduced 4.5% against RM19.89m in the preceding quarter. The minor negative variance was mainly due to slow down in the construction progress as mentioned in note 17.1.

The Group recorded a drop of 104.4% in profit before tax from the continuing operations, from RM1.56m in the preceding quarter to loss before tax of RM0.07m in the current quarter. The reasons for the negative variance of RM1.62m are mentioned in note 17.1.

Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022

17.3 Prospects for the Current Financial Year

The outbreak of the Ukraine/Russia war in late February has brought further uncertainty and disorder to the global economy, immediately driving up the price of oil and other commodities. Just as the Covid-19 situation was finally improving with many countries transitioning from a pandemic to an endemic stage, the economic and financial effects of the war would cause further disruptions to global trade, supply disruptions and shortages, leading to accelerated inflation and untold damage to the world economy.

Locally, the government has fixed 1 April 2022 for the country to reopen its borders and remove most of the Covid restrictions. While this positive move would increase economic activity, operating conditions for 2022 would remain challenging as many sectors of the economy are struggling to stay afloat and having to cope with inflated costs. Though the property development sector is no exception, there is no immediate impact on the Group, as its only existing project is already 96% sold as at 31 January 2022 and almost completed.

As mentioned in note 17.10, SYF intends to exit its rubberwood furniture business and enter into financial services business. The Proposed Acquisition is expected to enhance shareholders' value taking into consideration the track records of M & A Securities Sdn Bhd as evident by its strong business growth and historical profitability. Coupled with the positive outlook of the capital market underpinned by the initiatives as set out in the Capital Market Plan 3, the Board is positive about the prospects and growth path of the enlarged SYF Group after the Proposals.

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 Before Tax

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

	<u>FY 2022</u>	(Restated) <u>FY 2021</u>	<u>FY 2022</u>	(Restated) <u>FY 2021</u>
	Current	Current	6 Months	6 Months
	Quarter Ended	Quarter Ended	Cumulative	Cumulative
	31/01/2022	31/01/2021	To Date	To Date
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>Continuing Operations</u>				
Interest income	(148)	(9)	(465)	(51)
Interest expense	382	1,090	779	2,612
Depreciation and amortisation	7	324	14	652
(Gain)/ loss on disposal of property, plant and equipment	-	-	(52)	-
(Gain)/ loss on foreign exchange	(4)	3	(4)	20
<u>Discontinued Operation</u>				
Interest income	-	(1)	(1)	(90)
Interest expense	272	207	517	505
Depreciation and amortisation	717	781	1,430	1,585
(Gain)/ loss on disposal of property, plant and equipment	-	(386)	(744)	(657)
(Gain)/ loss on foreign exchange	11	9	25	26
Impairment loss on assets included in disposal group classified as held for sale	25	-	24,393	-

Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022

17.6 Taxation

	Current Quarter <u>RM'000</u>	Financial Year-to-date <u>RM'000</u>
Tax expense - Continuing Operations	416	1,002
Tax expense - Discontinued Operation	25	33
	<u>441</u>	<u>1,035</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.

17.7 Group Borrowings and Securities

The Group borrowings as at 31 January 2022 are as follows :

	<u>RM'000</u>
Denominated in Ringgit	
- Secured current borrowings	4,382
- Secured non-current borrowings	23,905
	<u>28,287</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 The Status of Corporate Exercise Announced but Not Completed as at the Date of This Report

On 6 October 2021, the Company announced the following proposals:

- a) the Company had entered into a share sale agreement ("SSA") with Mieco Chipboard Berhad, to dispose of the entire 20,000,000 ordinary shares, representing 100% equity interest in Seng Yip Furniture Sdn Bhd, a wholly-owned subsidiary company, for a total disposal consideration of RM50.00 million ("Proposed Disposal of Furniture Business");
- b) the following subsidiary companies had entered into sale and purchase agreement with Juta Development Sdn Bhd for the disposal of the following:
 - (i) Disposal by Nikmat Sekitar Sdn Bhd, an indirect wholly-owned subsidiary company of a parcel of freehold land held under GM 403, Lot 1461, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor for a cash disposal consideration of RM10.60 million; and
 - (ii) Disposal by Nuri Meriah Sdn Bhd, an indirect wholly-owned subsidiary company of a parcel of freehold land held under GM 1128, Lot 1464, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor for a cash disposal consideration of RM10.60 million; ("Proposed Disposal of Freehold Land")
- c) proposed special dividend of RM0.07 per SYF Share and a proposed capital repayment of RM0.11 per SYF Share on an entitlement date to be determined and announced at a later date;

Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022

- d) the Company had entered into a share sale and purchase agreement ("SSPA") with Insas Berhad ("Insas") for the acquisition of the 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares ("RCPS") in M & A Securities Sdn Bhd ("M & A Securities"), representing 100% equity interest and 100% of the RCPS in M & A Securities from Insas for a total purchase consideration of RM222.00 million, which will be fully satisfied through the issuance of 1,585,714,286 new SYF Shares ("Consideration Share(s)") at an issue price of RM0.14 per Consideration Share ("Proposed Acquisition");
- e) proposed renounceable rights issue of 284,436,506 new SYF Shares ("Rights Shares") to SYF shareholders on the basis of one (1) Rights Share at an issue price of RM0.14 each for every two (2) existing SYF Shares held on the Entitlement Date ("Proposed Rights Issue");
- f) proposed restricted issue of 215,458,730 new SYF Shares at an issue price of RM0.14 each, representing 10% of the enlarged share capital of SYF after the Proposed Acquisition to eligible directors and employees of the enlarged SYF group including M & A Securities and its subsidiary companies ("M & A Group") and persons who have contributed to the business of M & A Group ("Proposed Restricted Issue");
- g) proposed exemption under Paragraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions for Insas and its persons acting in concert from the obligation to undertake a mandatory take-over offer to acquire the remaining SYF Shares not already owned by them upon completion of the Proposed Acquisition ("Proposed Exemption"); and
- h) proposed change of name of "SYF Resources Berhad" to "M & A Capital Berhad" ("Proposed Change of Name").

On 2 December 2021, the Company announced that the Company had on 2 December 2021 entered into a Supplemental SSPA with Insas to vary certain terms of the SSPA.

In conjunction with the amendments/variations to the SSPA, the Board had on 2 December 2021 also announced that the Company proposes to distribute: -

- a) RM0.07 per SYF Share on an entitlement date to be determined and announced at a later date immediately after the completion of the Proposed Disposal of Furniture Business.

The said distribution of RM0.07 per SYF Share or RM39,821,111 in total (calculated based on 568,873,012 existing SYF Shares (excluding treasury shares)) will be undertaken by way of a special dividend or capital repayment or a combination of both and funded from the proceeds of the Proposed Disposal of Furniture Business; and

- b) The remaining RM0.11 per SYF Share on an entitlement date to be determined and announced at a later date after the completion of the Proposed Disposal of Freehold Land.

The said distribution of RM0.11 per SYF Share or RM62,576,031 in total (calculated based on 568,873,012 existing SYF Shares (excluding treasury shares)) will be undertaken by way of a special dividend or capital repayment or a combination of both and funded from the proceeds of the Proposed Disposal of Freehold Land and internal generated funds of SYF ("Proposed Special Dividend and/or Capital Repayment 2").

The Proposed Acquisition, Proposed Rights Issue, Proposed Restricted Issue, Proposed Exemption and Proposed Change of Name are conditional upon the completion of the Proposed Disposals. The Proposed Special Dividend and/or Capital Repayment including the Proposed Special Dividend and/or Capital Repayment 2 is conditional upon the completion of the Proposed Disposal of Furniture Business, and again, upon the completion of Proposed Disposal of Freehold Land, but it is not conditional upon the Proposed Acquisition, Proposed Rights Issue, Proposed Restricted Issue, Proposed Exemption and Proposed Change of Name.

On 28 January 2022, the Company announced that the Company and Mico had on 28 January 2022 mutually agreed via an extension letter dated 28 January 2022 to extend the conditional period to a period not later than 5 May 2022 to fulfill the conditions precedent pursuant to the SSA.

All the above proposals have yet to be completed and are subject to approvals of the shareholders at an Extraordinary General Meeting to be convened and any other relevant authorities, if required.

Notes To The Interim Financial Report
For the Quarter Ended 31 January 2022

17.11 Earnings Per Share Attributable to Equity Holders of the Company

	<u>FY 2022</u> Current Quarter Ended 31/01/2022 RM'000	<u>FY 2021</u> Comparative Quarter Ended 31/01/2021 RM'000	<u>FY 2022</u> 6 Months To Date RM'000	<u>FY 2021</u> 6 Months Cumulative To Date RM'000
Net profit/ (loss) attributable to equity holders of the Company				
- from continuing operations	(797)	840	(324)	1,296
- from discontinued operation	-	257	(24,311)	835
	<u>(797)</u>	<u>1,097</u>	<u>(24,635)</u>	<u>2,131</u>
a) <u>Basic</u>				
Weighted average number of ordinary shares ('000)	568,873	564,003	568,873	564,003
Basic earning/ (loss) per share (sen)				
- from continuing operations	(0.14)	0.15	(0.06)	0.23
- from discontinued operation	-	0.05	(4.27)	0.15
	<u>(0.14)</u>	<u>0.19</u>	<u>(4.33)</u>	<u>0.38</u>

b) Diluted

There is no dilution effect to the earnings per share for the current financial period while the effect of potential ordinary shares arising from the exercise of ESOS was anti-dilutive in the comparative period.

17.12 Disposal Group Classified as Held for Sale and Discontinued Operation

During the financial period, the management committed to a plan to dispose a wholly-owned subsidiary company, Seng Yip Furniture Sdn Bhd under the rubberwood furniture segment. Accordingly, the assets and liabilities of Seng Yip Furniture Sdn Bhd are classified as disposal group classified as held for sale and the financial results of Seng Yip Furniture Sdn Bhd for current period and previous financial year are classified as discontinued operation.

17.13 Comparative Figures

Certain comparative figures were restated to conform with current financial year's presentation.