

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Quarter Ended 30 April 2022

(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---|--|---|---|
| | <u>FY 2022</u> Current Quarter Ended 30/4/2022 | (Restated) <u>FY 2021</u> Current Quarter Ended 30/04/2021 | <u>FY 2022</u> 9 Months Cumulative To Date | (Restated) <u>FY 2021</u> 9 Months Cumulative To Date |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Continuing Operations</u> | | | | |
| Revenue | 12,892 | 71,873 | 51,801 | 178,386 |
| Operating Expenses | (13,133) | (68,380) | (50,934) | (167,555) |
| Other Operating Income | 4 | 486 | 1,166 | 748 |
| Profit from Operations | (237) | 3,979 | 2,033 | 11,579 |
| Finance Costs | (353) | (718) | (1,132) | (3,330) |
| Profit/ (Loss) Before Tax | (590) | 3,261 | 901 | 8,249 |
| Taxation | (862) | 40 | (1,864) | (1,732) |
| Profit/ (Loss) from Continuing Operations | (1,452) | 3,301 | (963) | 6,517 |
| Profit/ (Loss) from Discontinued Operation, net of tax | - | 275 | (24,311) | 1,110 |
| Net Profit/ (Loss) for the Period | (1,452) | 3,576 | (25,274) | 7,627 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income/ (Loss) for the Period | (1,452) | 3,576 | (25,274) | 7,627 |
| Net Profit/ (Loss) for the Period, Representing Total Comprehensive Income for the Period: | | | | |
| Owners of the Company | (1,654) | 2,778 | (26,289) | 4,909 |
| Non-controlling Interests | 202 | 798 | 1,015 | 2,718 |
| | (1,452) | 3,576 | (25,274) | 7,627 |
| Earnings/ (Loss) Per Share Attributable to Equity Holders of the Company (Note 17.11) | | | | |
| Basic (Sen) | | | | |
| - from continuing operations | (0.29) | 0.44 | (0.35) | 0.67 |
| - from discontinued operation | - | 0.05 | (4.27) | 0.20 |
| | (0.29) | 0.49 | (4.62) | 0.87 |

(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 30 April 2022

(The figures have not been audited)

| | (UNAUDITED) As At 30/04/2022 RM'000 | (AUDITED) As At 31/07/2021 RM'000 |
|---|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant and Equipment | 17 | 63,321 |
| Investment Property | - | 7,045 |
| Inventories - Land Held for Property Development | 31,163 | 49,077 |
| Intangible Assets | 18,408 | 18,408 |
| Right-of-use Assets | 16 | 7,233 |
| | <u>49,604</u> | <u>145,084</u> |
| Current Assets | | |
| Inventories | 17,113 | 53,995 |
| Contract Assets | 47,540 | 37,676 |
| Receivables, Deposits and Prepayments | 31,067 | 28,201 |
| Tax Recoverable | 301 | 1,545 |
| Cash and Cash Equivalents | 27,745 | 59,500 |
| | <u>123,766</u> | <u>180,917</u> |
| Non-Current Assets Held for Sale | 20,879 | 10,956 |
| Assets Included in Disposal Group Classified as Held for Sale | 100,037 | - |
| | <u>244,682</u> | <u>191,873</u> |
| Total Assets | <u>294,286</u> | <u>336,957</u> |
| EQUITY AND LIABILITIES | | |
| Share Capital | 143,527 | 143,527 |
| Treasury Shares | (761) | (761) |
| Reserves | 16,219 | 70,774 |
| Reserves Included in Disposal Group Classified as Held for Sale | 28,266 | - |
| Equity Attributable to Equity Holders of the Company | <u>187,251</u> | <u>213,540</u> |
| Non-Controlling Interests | 14,829 | 13,814 |
| Total Equity | <u>202,080</u> | <u>227,354</u> |
| Non-Current Liabilities | | |
| Loans and Borrowings | 22,765 | 28,551 |
| Deferred Tax Liabilities | 4,418 | 7,356 |
| Lease Liabilities | - | 195 |
| | <u>27,183</u> | <u>36,102</u> |
| Current Liabilities | | |
| Payables and Accruals | 9,516 | 56,534 |
| Loans and Borrowings | 4,413 | 14,890 |
| Lease Liabilities | 16 | 594 |
| Taxation | 1,041 | 1,483 |
| | <u>14,986</u> | <u>73,501</u> |
| Liabilities Included in Disposal Group Classified as Held for Sale | 50,037 | - |
| Total Liabilities | <u>92,206</u> | <u>109,603</u> |
| Total Equity and Liabilities | <u>294,286</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 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 30 April 2022**

(The figures have not been audited)

| | <----- Attributable to Shareholders of the Company -----> | | | | | | | |
|---|---|------------------------------|--|---|-------------------------------|-----------------|---|---------------------------|
| | <----- Non-Distributable -----> | | | | 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 |
| 9 months period ended 30 April 2022 | | | | | | | | |
| 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 | - | - | - | - | (26,289) | (26,289) | 1,015 | (25,274) |
| Realisation of assets revaluation reserve | - | - | - | (3,430) | 3,430 | - | - | - |
| Balance at end of period 30 April 2022 | <u>143,527</u> | <u>(761)</u> | <u>-</u> | <u>28,266</u> | <u>16,219</u> | <u>187,251</u> | <u>14,829</u> | <u>202,080</u> |
| 9 months period ended 30 April 2021 | | | | | | | | |
| Balance at beginning of year 01 August 2020 | 142,310 | (761) | 32,066 | - | 41,884 | 215,499 | 10,901 | 226,400 |
| Transfer to disposal group classified as held for sale | - | - | (32,066) | 32,066 | - | - | - | - |
| Exercise of Employees' Share Options | 1,217 | - | - | - | - | 1,217 | - | 1,217 |
| Total comprehensive income for the period | - | - | - | - | 4,909 | 4,909 | 2,718 | 7,627 |
| Dividend to owners of the Company | - | - | - | - | (7,111) | (7,111) | - | (7,111) |
| Balance at end of period 30 April 2021 (as restated) | <u>143,527</u> | <u>(761)</u> | <u>-</u> | <u>32,066</u> | <u>39,682</u> | <u>214,514</u> | <u>13,619</u> | <u>228,133</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 30 April 2022
(The figures have not been audited)

| | <u>FY 2022</u> 9 Months Ended 30/04/2022 RM'000 | <u>FY 2021</u> 9 Months Ended 30/04/2021 RM'000 |
|--|--|--|
| Profit/ (loss) before taxation | | |
| Continuing operations | 901 | 8,249 |
| Discontinued operation | (24,187) | 1,110 |
| | <u>(23,286)</u> | <u>9,359</u> |
| Adjustments for : | | |
| Depreciation of property, plant and equipment/ right-of-use assets | 2,170 | 3,291 |
| Interest expense | 1,796 | 4,057 |
| Interest income | (693) | (215) |
| (Gain)/Loss on unrealised foreign exchange | 4 | (674) |
| (Gain)/Loss on disposal of property, plant and equipment | (796) | - |
| Impairment loss on assets included in disposal group classified as held for sale | 24,393 | - |
| | <u>3,588</u> | <u>15,818</u> |
| Operating profit/(loss) before working capital changes | | |
| Changes in working capital : | | |
| Net change in current assets | (20,115) | 106,367 |
| Net change in current liabilities | (12,984) | (18,495) |
| | <u>(29,511)</u> | <u>103,690</u> |
| Cash generated from/(used in) operations | | |
| Interest paid | (1,796) | (4,057) |
| Income tax paid | (3,074) | (1,788) |
| Income tax refund | 1,498 | 795 |
| | <u>(32,883)</u> | <u>98,640</u> |
| Net cash generated from/(used in) operating activities | | |
| Investing activities : | | |
| Purchase of property, plant and equipment | (1,550) | (410) |
| Proceeds from disposal of property, plant and equipment | 12,120 | 728 |
| Interest received | 693 | 215 |
| | <u>11,263</u> | <u>533</u> |
| Net cash flows from/(used in) investing activities | | |
| Financing activities : | | |
| Repayment of bank borrowings/changes in bills payables | (3,755) | (52,649) |
| Dividend paid | - | (7,111) |
| Increase/ (Payment) of lease liabilities | 101 | (957) |
| Proceeds from exercise of ESOS | - | 1,217 |
| Decrease/ (Increase) in fixed deposits pledged with licensed banks | 1,763 | (133) |
| | <u>(1,891)</u> | <u>(59,633)</u> |
| Net cash flows from/(used in) financing activities | | |
| Net increase/(decrease) in cash and cash equivalents | (23,511) | 39,540 |
| Cash and cash equivalents at beginning of year | 51,389 | 7,383 |
| | <u>27,878</u> | <u>46,923</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 | 12,255 | 9,975 |
| Fixed deposits | 21,972 | 45,035 |
| Cash and cash equivalents | 34,227 | 55,010 |
| Bank overdrafts | - | (52) |
| Less : Fixed deposits pledged | (6,349) | (8,035) |
| | <u>27,878</u> | <u>46,923</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 30 April 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 Interest Rate Benchmark Reform - Phase 2 and MFRS 16 | 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 30 April 2022.

Notes To The Interim Financial Report
For the Quarter Ended 30 April 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 Operation | | Adjustment and Elimination RM'000 | Consolidation RM'000 |
|--|--------------------------------|---|------------------|--------------------------------|--------------------------|--------------------------------------|-------------------------|
| | Rubberwood Furniture RM'000 | Property Development and Construction RM'000 | Others RM'000 | Rubberwood Furniture RM'000 | Total Segments RM'000 | | |
| 9 months period ended 30 April 2022 | | | | | | | |
| Revenue | | | | | | (#) | |
| External sales | - | 51,772 | 29 | 84,010 | 135,811 | (84,010) | 51,801 |
| Inter-segment sales | - | - | 50 | - | 50 | (50) | - |
| Total sales | - | 51,772 | 79 | 84,010 | 135,861 | (84,060) | 51,801 |
| Results | | | | | | | |
| Segment results | - | 3,365 | (2,023) | 869 | 2,211 | (869) | 1,342 |
| Impairment loss on assets included in disposal group classified as held for sale | - | - | - | (24,393) | (24,393) | 24,393 | - |
| Interest income | - | 280 | 411 | 1 | 692 | (1) | 691 |
| Finance costs | - | (1,132) | - | (664) | (1,796) | 664 | (1,132) |
| Profit/ (loss) before taxation | - | 2,513 | (1,612) | (24,187) | (23,286) | 24,187 | 901 |
| Taxation | - | (915) | (949) | (124) | (1,988) | 124 | (1,864) |
| Net profit/ (loss) | - | 1,598 | (2,561) | (24,311) | (25,274) | 24,311 | (963) |
| 9 months period ended 30 April 2021 | | | | | | | |
| Revenue | | | | | | (#) | |
| External sales | 3,303 | 175,083 | - | 108,742 | 287,128 | (108,742) | 178,386 |
| Inter-segment sales | - | - | 50 | - | 50 | (50) | - |
| Total sales | 3,303 | 175,083 | 50 | 108,742 | 287,178 | (108,792) | 178,386 |
| Results | | | | | | | |
| Segment results | 16 | 12,116 | (678) | 1,746 | 13,200 | (1,746) | 11,454 |
| Interest income | 2 | 123 | - | 90 | 215 | (90) | 125 |
| Finance costs | - | (3,330) | - | (726) | (4,056) | 726 | (3,330) |
| Profit/ (loss) before taxation | 18 | 8,909 | (678) | 1,110 | 9,359 | (1,110) | 8,249 |
| Taxation | (62) | (1,380) | (290) | - | (1,732) | - | (1,732) |
| Net profit/ (loss) | (44) | 7,529 | (968) | 1,110 | 7,627 | (1,110) | 6,517 |

(#) 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 30 April 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 30 April 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 | <u>3,000</u> |
| Discontinued operation | <u>1,158</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 RM43.8m as at 30 April 2022.

15 Capital Commitment

There were no material capital commitments of the Group as at 30 April 2022.

**Notes To The Interim Financial Report
For the Quarter Ended 30 April 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 | 142 |
| <u>Transaction with companies in which certain directors of the Company are also the director and have substantial financial interest</u> | |
| Sales | 8,406 |
| Purchases | 2,132 |
| Rental paid | 342 |
| Project landowner entitlement | 6,099 |

17.1 Review of Performance

| | (Restated) | | Variance <u>RM'000</u> | Variance <u>%</u> |
|---------------------------|---|---|---------------------------|----------------------|
| | <u>FY 2022</u> Current Quarter Ended 30/04/2022 <u>RM'000</u> | <u>FY 2021</u> Comparative Quarter Ended 30/04/2021 <u>RM'000</u> | | |
| Continuing Operations | | | | |
| Revenue | 12,892 | 71,873 | (58,981) | -82.1% |
| (Loss)/ Profit before tax | (590) | 3,261 | (3,851) | -118.1% |

The Group reported a sharp decline in the revenue from continuing operations of 82.1% or RM59.03m to RM12.89m from RM71.87m recorded in the corresponding quarter last year. The decrease 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. Included in the comparative quarter was sales consideration of RM33.65m from disposal of a vacant land.

The Group posted loss before tax from continuing operations of RM0.59m for the current quarter as compared to profit before tax of RM3.26m in the same quarter last year. The decrease of 118.1% was due to drop in the revenue and the variance was higher as compared to the variance in the revenue of 82.1% mainly due to some professional fees incurred for the on-going corporate exercise amounting to RM0.71m.

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

| | (Restated) | | Variance <u>RM'000</u> | Variance <u>%</u> |
|-----------------------|---|---|---------------------------|----------------------|
| | <u>FY 2022</u> Current Quarter Ended 30/04/2022 <u>RM'000</u> | <u>FY 2021</u> Preceding Quarter Ended 31/01/2022 <u>RM'000</u> | | |
| Continuing Operations | | | | |
| Revenue | 12,892 | 19,010 | (6,118) | -32.2% |
| Loss before tax | (590) | (68) | (522) | -767.6% |

The Group recorded revenue from continuing operations of RM12.89m in the current quarter, reduced 32.2% against RM19.01m in the preceding quarter. The negative variance was mainly due to slow down in the construction progress and lower sales as the project was at final stage as mentioned in the note 17.1.

The Group reported higher loss before tax from continuing operations, increased from RM0.07m in the preceding quarter to RM0.59m in the current quarter. The variance was mainly due to drop in the revenue and additional professional fees incurred for the on-going corporate exercise during the quarter.

**Notes To The Interim Financial Report
For the Quarter Ended 30 April 2022**

17.3 Prospects for the Current Financial Year

The outbreak of the Ukraine/Russia war in late February has brought 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, on 1 April 2022, the country reopened its borders and removed most of the Covid restrictions. While this positive move would increase economic activity, operating conditions for year 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 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 Masterplan 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 | 9 Months | 9 Months |
| | Quarter Ended | Quarter Ended | Cumulative | Cumulative |
| | 30/04/2022 | 30/04/2021 | 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 | (227) | (74) | (692) | (125) |
| Interest expense | 353 | 718 | 1,132 | 3,330 |
| Depreciation and amortisation | 6 | 303 | 20 | 955 |
| (Gain)/ loss on disposal of property, plant and equipment | - | - | (52) | - |
| (Gain)/ loss on foreign exchange | - | (10) | (4) | 10 |
| <u>Discontinued Operation</u> | | | | |
| Interest income | - | - | (1) | (90) |
| Interest expense | 147 | 222 | 664 | 727 |
| Depreciation and amortisation | 720 | 751 | 2,150 | 2,336 |
| (Gain)/ loss on disposal of property, plant and equipment | - | (18) | (744) | (675) |
| (Gain)/ loss on foreign exchange | (17) | (25) | 8 | 1 |
| Impairment loss on assets included in disposal group classified as held for sale | - | - | 24,393 | - |

Notes To The Interim Financial Report
For the Quarter Ended 30 April 2022

17.6 Taxation

| | Current Quarter <u>RM'000</u> | Financial Year-to-date <u>RM'000</u> |
|--------------------------------------|-------------------------------------|--|
| Tax expense - Continuing Operations | 862 | 1,864 |
| Tax expense - Discontinued Operation | 91 | 124 |

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 and provision of tax understated in prior years of assessment.

17.7 Group Borrowings and Securities

The Group borrowings as at 30 April 2022 are as follows :

| | <u>RM'000</u> |
|----------------------------------|---------------|
| Denominated in Ringgit | |
| - Secured current borrowings | 4,413 |
| - Secured non-current borrowings | 22,765 |
| | <u>27,178</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 ("Mieco"), to dispose of the entire 20,000,000 ordinary shares, representing 100% equity interest in Seng Yip Furniture Sdn Bhd ("Seng Yip"), 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 ("SPAs") with Juta Development Sdn Bhd ("Juta") for the disposal of the following:
 - (i) disposal by Nikmat Sekitar Sdn Bhd ("Nikmat Sekitar"), 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 ("Nuri Meriah"), 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 30 April 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 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 ("1st Extended Conditional Period") pursuant to the SSA.

On 5 April 2022, the Company announced that Jata, Nikmat Sekitar and Nuri Meriah had on 5 April 2022 mutually agreed via an extension letter dated 5 April 2022 to extend the conditional period to a period not later than 6 October 2022 to fulfill the conditions precedent pursuant to the SPAs

On 20 April 2022, the Company announced that the Company and Mico had mutually agreed via an extension letter dated 20 April 2022 to further extend the 1st Extended Conditional Period for an additional six (6) months from 5 May 2022 until 5 November 2022 to fulfill the Conditions Precedent ("2nd Extended Conditional Period") pursuant to the SSA.

**Notes To The Interim Financial Report
For the Quarter Ended 30 April 2022**

On 20 April 2022, the Company announced that Ministry of International Trade and Industry had, vide its letter dated 20 April 2022, approved the application for the transfer of shares in Seng Yip to Mico in relation to the Proposed Disposal of Furniture Business.

On 1 June 2022, the Company announced that the name “M&A Capital Berhad” was not approved by Companies Commission of Malaysia (“CCM”). However, the CCM had subsequently approved the new proposed name of “M & A Equity Holdings Berhad”. Pursuant to the foregoing, the parties have vide a letter dated 1 June 2022, mutually agreed to adopt a new name of “M & A Equity Holdings Berhad” and clause 1.1 of the SSPA be varied accordingly.

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.

17.11 Earnings Per Share Attributable to Equity Holders of the Company

| | <u>FY 2022</u> Current Quarter Ended 30/04/2022 RM'000 | <u>FY 2021</u> Comparative Quarter Ended 30/04/2021 RM'000 | <u>FY 2022</u> 9 Months Cumulative To Date RM'000 | <u>FY 2021</u> 9 Months Cumulative To Date RM'000 |
|--|--|--|---|---|
| Net profit/ (loss) attributable to equity holders of the Company | | | | |
| - from continuing operations | (1,654) | 2,503 | (1,978) | 3,799 |
| - from discontinued operation | - | 275 | (24,311) | 1,110 |
| | <u>(1,654)</u> | <u>2,778</u> | <u>(26,289)</u> | <u>4,909</u> |
| Weighted average number of ordinary shares ('000) | 568,873 | 565,653 | 568,873 | 564,541 |
| Basic earning/ (loss) per share (sen) | | | | |
| - from continuing operations | (0.29) | 0.44 | (0.35) | 0.67 |
| - from discontinued operation | - | 0.05 | (4.27) | 0.20 |
| | <u>(0.29)</u> | <u>0.49</u> | <u>(4.62)</u> | <u>0.87</u> |

17.12 Disposal Group Classified as Held for Sale and Discontinued Operation

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