

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

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

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	FY 2022 Current Quarter Ended 31/7/2022	(Restated) FY 2021 Current Quarter Ended 31/07/2021	FY 2022 12 Months Cumulative To Date	(Restated) FY 2021 12 Months Cumulative To Date
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Revenue	24,692	16,265	76,494	194,651
Operating Expenses	(27,452)	(18,554)	(78,386)	(186,109)
Other Operating Income	121	4,024	1,287	4,772
Profit/ (Loss) from Operations	(2,639)	1,735	(605)	13,314
Finance Costs	(356)	(851)	(1,488)	(4,181)
Profit/ (Loss) Before Tax	(2,995)	884	(2,093)	9,133
Taxation	601	(730)	(1,263)	(2,462)
Profit/ (Loss) from Continuing Operations	(2,394)	154	(3,356)	6,671
Profit/ (Loss) from Discontinued Operation, net of tax	-	(933)	(24,046)	177
Net Profit/ (Loss) for the Period	(2,394)	(779)	(27,402)	6,848
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/ (Loss) for the Period	(2,394)	(779)	(27,402)	6,848
Net Profit/ (Loss) for the Period, Representing Total Comprehensive Income/ (Loss) for the Period:				
Owners of the Company	(2,094)	(974)	(28,116)	3,935
Non-controlling Interests	(300)	195	714	2,913
	(2,394)	(779)	(27,402)	6,848
Earnings/ (Loss) Per Share Attributable to Equity Holders of the Company (Note 17.11)				
Basic (Sen)				
- from continuing operations	(0.37)	(0.01)	(0.72)	0.66
- from discontinued operation	-	(0.16)	(4.23)	0.03
	(0.37)	(0.17)	(4.94)	0.70

(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 July 2022

(The figures have not been audited)

	(UNAUDITED) As At 31/07/2022 <u>RM'000</u>	(AUDITED) As At 31/07/2021 <u>RM'000</u>
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	15	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	11	7,233
	<u>49,597</u>	<u>145,084</u>
Current Assets		
Inventories	12,770	53,995
Contract Assets	64,607	37,676
Receivables, Deposits and Prepayments	8,716	28,201
Tax Recoverable	847	1,545
Cash and Cash Equivalents	16,910	59,500
	<u>103,850</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	104,591	-
	<u>229,320</u>	<u>191,873</u>
Total Assets	<u>278,917</u>	<u>336,957</u>
EQUITY AND LIABILITIES		
Share Capital	143,527	143,527
Treasury Shares	(761)	(761)
Reserves	13,972	70,774
Reserves Included in Disposal Group Classified as Held for Sale	28,686	-
Equity Attributable to Equity Holders of the Company	<u>185,424</u>	<u>213,540</u>
Non-Controlling Interests	14,528	13,814
Total Equity	<u>199,952</u>	<u>227,354</u>
Non-Current Liabilities		
Loans and Borrowings	21,931	28,551
Deferred Tax Liabilities	4,418	7,356
Lease Liabilities	-	195
	<u>26,349</u>	<u>36,102</u>
Current Liabilities		
Payables and Accruals	18,146	56,534
Loans and Borrowings	4,022	14,890
Lease Liabilities	12	594
Taxation	583	1,483
	<u>22,763</u>	<u>73,501</u>
Liabilities Included in Disposal Group Classified as Held for Sale	29,853	-
Total Liabilities	<u>78,965</u>	<u>109,603</u>
Total Equity and Liabilities	<u>278,917</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 31 July 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 Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
12 months period ended								
<u>31 July 2022</u>								
Balance at beginning of year 01 August 2021	143,527	(761)	31,696	-	39,078	213,540	13,814	227,354
Total comprehensive income/ (loss) for the period	-	-	-	-	(28,116)	(28,116)	714	(27,402)
Transfer to disposal group classified as held for sale	-	-	(31,696)	31,696	-	-	-	-
Realisation of assets revaluation reserve	-	-	-	(3,010)	3,010	-	-	-
Balance at end of period 31 July 2022	<u>143,527</u>	<u>(761)</u>	<u>-</u>	<u>28,686</u>	<u>13,972</u>	<u>185,424</u>	<u>14,528</u>	<u>199,952</u>
12 months period ended								
<u>31 July 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	-	-	-	-	3,935	3,935	2,913	6,848
Realisation of assets revaluation reserve	-	-	(370)	-	370	-	-	-
Transactions with owners:								
Exercise of Employees' Share Options	1,217	-	-	-	-	1,217	-	1,217
Dividend to owners of the Company	-	-	-	-	(7,111)	(7,111)	-	(7,111)
	1,217	-	-	-	(7,111)	(5,894)	-	(5,894)
Balance at end of period 31 July 2021	<u>143,527</u>	<u>(761)</u>	<u>31,696</u>	<u>-</u>	<u>39,078</u>	<u>213,540</u>	<u># 13,814</u>	<u>227,354</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 July 2022**

(The figures have not been audited)

	FY 2022 12 Months Ended 31/07/2022 <u>RM'000</u>	FY 2021 12 Months Ended 31/07/2021 <u>RM'000</u>
Operating activities :		
Profit/ (Loss) before tax		
Continuing operations	(2,093)	9,133
Discontinued operation	(23,667)	261
	<u>(25,760)</u>	<u>9,394</u>
Adjustments for :		
Depreciation of property, plant and equipment/ right-of-use assets	507	4,137
Fair value adjustment on investment property	(280)	(60)
Interest expense	2,214	5,062
Interest income	(821)	(665)
(Gain)/Loss on unrealised foreign exchange	17	10
(Gain)/Loss on disposal of property, plant and equipment	(796)	(675)
Impairment loss on assets included in disposal group classified as held for sale	27,107	-
Property, plant and equipment written off	3	-
Deposits written off	-	15
Impairment losses on completed property	-	604
Impairment losses on receivables	-	170
Reversal of impairment losses on receivables	(26)	(150)
Intangible assets classified as assets held for sale written off	-	11,418
Operating profit/(loss) before working capital changes	<u>2,165</u>	<u>29,260</u>
Changes in working capital :		
Net change in current assets	(15,160)	97,856
Net change in current liabilities	(24,777)	(7,610)
Cash generated from/(used in) operations	<u>(37,772)</u>	<u>119,506</u>
Interest paid	(2,214)	(4,328)
Income tax paid	(3,898)	(4,053)
Income tax refund	1,498	797
Net cash generated from/(used in) operating activities	<u>(42,386)</u>	<u>111,922</u>
Investing activities :		
Purchase of property, plant and equipment	(2,514)	(170)
Additions of assets held for sale	-	(382)
Proceeds from disposal of property, plant and equipment	12,120	729
Interest received	821	665
Net cash flows from/(used in) investing activities	<u>10,427</u>	<u>842</u>
Financing activities :		
Repayment of bank borrowings/changes in bills payables	(5,133)	(92,040)
Drawdown of bank borrowings	-	30,979
Dividend paid	-	(7,111)
Increase/ (Payment) of lease liabilities	597	(1,210)
Proceeds from exercise of ESOS	-	1,217
Decrease/ (Increase) in fixed deposits pledged with licensed banks	1,699	(208)
Net movement of amount due to other payable	-	(384)
Net cash flows from/(used in) financing activities	<u>(2,837)</u>	<u>(68,757)</u>
Net increase/(decrease) in cash and cash equivalents	(34,796)	44,007
Cash and cash equivalents at beginning of year	51,389	7,383
Effects of exchange translation differences on cash and cash equivalents	-	(1)
Cash and cash equivalents at end of year	<u>16,593</u>	<u>51,389</u>
Cash and cash equivalents included in the statement of cash flow:		
Cash and bank balances	6,451	19,196
Fixed deposits	16,555	40,304
Cash and cash equivalents	23,006	59,500
Less : Fixed deposits pledged	(6,412)	(8,111)
	<u>16,594</u>	<u>51,389</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 July 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
Amendment 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 July 2022.

Notes To The Interim Financial Report
For the Quarter Ended 31 July 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		
12 months period ended 31 July 2022							
Revenue						(#)	
External sales	-	76,494	-	109,372	185,866	(109,372)	76,494
Inter-segment sales	-	-	150	-	150	(150)	-
Total sales	-	76,494	150	109,372	186,016	(109,522)	76,494
Results							
Segment results	-	1,120	(2,394)	1,674	400	(1,774)	(1,374)
Adjustment of depreciation in accordance to MFRS 5	-	-	-	2,440	2,440	(2,440)	-
Impairment loss on assets included in disposal group classified as held for sale	-	-	-	(27,107)	(27,107)	27,107	-
Interest income	-	293	2,009	52	2,354	(1,585)	769
Finance costs	-	(2,552)	(255)	(726)	(3,533)	2,045	(1,488)
Profit/ (Loss) before tax	-	(1,139)	(640)	(23,667)	(25,446)	23,353	(2,093)
Taxation	-	(369)	(894)	(379)	(1,642)	379	(1,263)
Net profit/ (loss)	-	(1,508)	(1,534)	(24,046)	(27,088)	23,732	(3,356)
12 months period ended 31 July 2021							
Revenue						(#)	
External sales	3,303	191,348	-	119,489	314,140	(119,489)	194,651
Inter-segment sales	-	15	150	-	165	(165)	-
Total sales	3,303	191,363	150	119,489	314,305	(119,654)	194,651
Results							
Segment results	284	13,389	(884)	1,002	13,791	(1,002)	12,789
Interest income	2	313	210	140	665	(140)	525
Finance costs	-	(3,795)	(386)	(881)	(5,062)	881	(4,181)
Profit/ (Loss) before tax	286	9,907	(1,060)	261	9,394	(261)	9,133
Taxation	(62)	(2,036)	(364)	(84)	(2,546)	84	(2,462)
Net profit/ (loss)	224	7,871	(1,424)	177	6,848	(177)	6,671

(#) The amounts relating to the Rubberwood Furniture segment have been excluded from the revenue and are presented separately in the condensed consolidated 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 July 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. There is no revaluation exercise in this financial year as there is no property in the accounts.

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 except a wholly-owned subsidiary, SYF Plantation Sdn Bhd has been struck off in the Gazette on 11 July 2022.

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 July 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 RM42.6m as at 31 July 2022.

15 Capital Commitment

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

**Notes To The Interim Financial Report
For the Quarter Ended 31 July 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	190
<u>Transaction with companies in which certain directors of the Company are also the director and have substantial financial interest</u>	
Sales	11,065
Purchases	2,743
Rental paid	456
Project landowner entitlement	8,910

17.1 Review of Performance

	<u>FY 2022</u>	(Restated) <u>FY 2021</u>		
	Current	Comparative		
	Quarter Ended	Quarter Ended		
	31/07/2022	31/07/2021	Variance	Variance
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Continuing Operations				
Revenue	24,692	16,265	8,427	51.8%
(Loss)/ Profit before tax	(2,995)	884	(3,879)	-438.8%

The Group reported revenue from continuing operations of RM24.69m in the current quarter as compared to RM16.27m in the corresponding quarter last year. The increase of RM8.43m was mainly due to 2-month full business stoppage in the corresponding quarter as a result of the imposition of nationwide Full Movement Control Order. The only on-going project, Alstonia Residence was at final stage.

Despite the higher revenue, the Group posted loss before tax from continuing operations of RM2.99m for the current quarter as compared to profit before tax of RM0.88m in the same quarter last year. The negative variance of RM3.88m was due to additional development costs incurred and provision on the on-going project. The loss also contributed by 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

	<u>FY 2022</u>	<u>FY 2022</u>		
	Current	Preceding		
	Quarter Ended	Quarter Ended		
	31/07/2022	30/04/2022	Variance	Variance
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Continuing Operations				
Revenue	24,692	12,892	11,800	91.5%
Loss before tax	(2,995)	(590)	(2,405)	-407.6%

The Group recorded revenue from continuing operations of RM24.69m in the current quarter, improved by RM11.80m from the preceding quarter. The positive variance of 91.5% was mainly due to improved sales and construction progress of the on-going project.

The Group reported higher loss before tax from continuing operations, increased from RM0.59m in the preceding quarter to RM3.00m in the current quarter. The variance was mainly due to additional development costs incurred and provision on the on-going project.

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

17.3 Prospects for the Next Financial Year

The operating conditions for next financial year 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/ (Loss) Before Tax

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

	<u>FY 2022</u> Current Quarter Ended 31/07/2022 <u>RM'000</u>	(Restated) <u>FY 2021</u> Current Quarter Ended 31/07/2021 <u>RM'000</u>	<u>FY 2022</u> 12 Months Cumulative To Date <u>RM'000</u>	(Restated) <u>FY 2021</u> 12 Months Cumulative To Date <u>RM'000</u>
<u>Continuing Operations</u>				
Interest income	(78)	(400)	(769)	(525)
Interest expense	356	851	1,488	4,181
Depreciation and amortisation	7	103	27	1,058
(Gain)/ Loss on disposal of property, plant and equipment	-	-	(52)	-
(Gain)/ Loss on unrealised foreign exchange	-	3	(4)	4
<u>Discontinued Operation</u>				
Interest income	(51)	(50)	(52)	(140)
Interest expense	62	154	726	881
Depreciation and amortisation	(1,670)	743	480	3,079
(Gain)/ Loss on disposal of property, plant and equipment	-	-	(744)	(675)
(Gain)/ Loss on unrealised foreign exchange	13	10	21	6
Impairment loss on assets included in disposal group classified as held for sale	-	-	27,107	-
	2,714	-	27,107	-

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

17.6 Taxation

	Current Quarter <u>RM'000</u>	Financial Year-to-date <u>RM'000</u>
<u>Continuing Operations</u>		
Tax expense		
- Current	(1,179)	772
- (Over) / Under provision in prior year	578	491
	<u>(601)</u>	<u>1,263</u>
<u>Discontinued Operation</u>		
Tax expense		
- Current	18	95
- (Over) / Under provision in prior year	10	57
Real property gain tax	652	652
Deferred tax	(425)	(425)
	<u>255</u>	<u>379</u>

The Group's effective tax rate of the continuing operations for the financial year-to-date was higher than the statutory tax rate due to most of the subsidiary companies were in loss position and under provision of tax in prior year of assessment.

17.7 Group Borrowings and Securities

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

	<u>RM'000</u>
Denominated in Ringgit Malaysia	
- Secured current borrowings	4,022
- Secured non-current borrowings	21,931
	<u>25,953</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, for a total disposal consideration of RM50.00 million ("Proposed Disposal of Furniture Business");
- b) the following subsidiaries 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 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 of a parcel of freehold land held under

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

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

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;
- 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: -

- i) 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

- ii) 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 Mieco 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 Juta, 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

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

On 20 April 2022, the Company announced that the Company and Miecoco 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.

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 Miecoco 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.

On 1 July 2022, the Company announced that the Company and Insas had mutually agreed via an extension letter dated 1 July 2022 to further extend the conditional period for an additional six (6) months from 5 July 2022 until 4 January 2023 to fulfill the conditions precedent to the SSPA.

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 31/07/2022 <u>RM'000</u>	<u>FY 2021</u> Comparative Quarter Ended 31/07/2021 <u>RM'000</u>	<u>FY 2022</u> 12 Months Cumulative To Date <u>RM'000</u>	<u>FY 2021</u> 12 Months Cumulative To Date <u>RM'000</u>
Net profit/ (loss) attributable to equity holders of the Company				
- from continuing operations	(2,094)	(41)	(4,070)	3,758
- from discontinued operation	-	(933)	(24,046)	177
	<u>(2,094)</u>	<u>(974)</u>	<u>(28,116)</u>	<u>3,935</u>
Weighted average number of ordinary shares ('000)	568,873	568,873	568,873	565,579
Basic earnings/ (loss) per share (sen)				
- from continuing operations	(0.37)	(0.01)	(0.72)	0.66
- from discontinued operation	-	(0.16)	(4.23)	0.03
	<u>(0.37)</u>	<u>(0.17)</u>	<u>(4.94)</u>	<u>0.70</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, 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 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.