

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

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

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>FY 2023</u> Current Quarter Ended 31/10/2022	<u>FY 2022</u> Current Quarter Ended 31/10/2021	<u>FY 2023</u> 3 Months Cumulative To Date	<u>FY 2022</u> 3 Months Cumulative To Date
	RM'000	RM'000	RM'000	RM'000
<b><u>Continuing Operations</u></b>				
Revenue	6,159	19,899	6,159	19,899
Operating Expenses	(6,926)	(18,675)	(6,926)	(18,675)
Other Operating Income	154	732	154	732
Profit/ (Loss) from Operations	(613)	1,956	(613)	1,956
Finance Costs	(362)	(397)	(362)	(397)
Profit/ (Loss) Before Tax	(975)	1,559	(975)	1,559
Taxation	(164)	(586)	(164)	(586)
Profit/ (Loss) from Continuing Operations	(1,139)	973	(1,139)	973
Profit/ (Loss) from Discontinued Operation, net of tax	-	(24,311)	-	(24,311)
Net Profit/ (Loss) for the Period	(1,139)	(23,338)	(1,139)	(23,338)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/ (Loss) for the Period	(1,139)	(23,338)	(1,139)	(23,338)
Net Profit/ (Loss) for the Period, Representing Total Comprehensive Income/ (Loss) for the Period:				
Owners of the Company	(1,207)	(23,837)	(1,207)	(23,837)
Non-controlling Interests	68	499	68	499
	(1,139)	(23,338)	(1,139)	(23,338)
Earnings/ (Loss) Per Share Attributable to Equity Holders of the Company (Note 17.11)				
Basic (Sen)				
- from continuing operations	(0.21)	0.08	(0.21)	0.08
- from discontinued operation	-	(4.27)	-	(4.27)
	(0.21)	(4.19)	(0.21)	(4.19)

*(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 2022 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 October 2022**

(The figures have not been audited)

	(UNAUDITED) As At 31/10/2022 RM'000	(AUDITED) As At 31/07/2022 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	14	16
Inventories - Land Held for Property Development	31,170	31,163
Intangible Assets	18,408	18,408
Right-of-use Assets	6	11
	49,598	49,598
<b>Current Assets</b>		
Inventories	15,329	12,771
Contract Assets	67,322	64,600
Receivables, Deposits and Prepayments	4,320	8,810
Tax Recoverable	978	846
Cash and Cash Equivalents	5,428	16,910
	93,377	103,937
Non-Current Assets Held for Sale	20,879	20,879
Assets Included in Disposal Group Classified as Held for Sale	104,946	104,591
	219,202	229,407
<b>Total Assets</b>	<b>268,800</b>	<b>279,005</b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	143,527	143,527
Treasury Shares	(761)	(761)
Reserves	13,089	14,296
Reserves Included in Disposal Group Classified as Held for Sale	28,361	28,361
<b>Equity Attributable to Equity Holders of the Company</b>	184,216	185,423
Non-Controlling Interests	14,597	14,529
<b>Total Equity</b>	198,813	199,952
<b>Non-Current Liabilities</b>		
Loans and Borrowings	21,370	21,931
Deferred Tax Liabilities	4,418	4,418
	25,788	26,349
<b>Current Liabilities</b>		
Payables and Accruals	14,397	18,235
Loans and Borrowings	3,597	4,021
Lease Liabilities	4	12
Taxation	277	583
	18,275	22,851
Liabilities Included in Disposal Group Classified as Held for Sale	25,924	29,853
<b>Total Liabilities</b>	69,987	79,053
<b>Total Equity and Liabilities</b>	<b>268,800</b>	<b>279,005</b>
<b>Net Assets Per Share Attributable to Ordinary Equity Holders of the Company (RM)</b>	<b>0.32</b>	<b>0.33</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2022 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 October 2022**

(The figures have not been audited)

	Attributable to Shareholders of the Company						Non-Controlling Interests	Total Equity
	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	RM'000	RM'000
<b>3 months period ended</b>								
<b><u>31 October 2022</u></b>								
Balance at beginning of year 01 August 2022	143,527	(761)	-	28,361	14,296	185,423	14,529	199,952
Total comprehensive income/ (loss) for the period	-	-	-	-	(1,207)	(1,207)	68	(1,139)
Balance at end of period 31 October 2022	<u>143,527</u>	<u>(761)</u>	<u>-</u>	<u>28,361</u>	<u>13,089</u>	<u>184,216</u>	<u>14,597</u>	<u>198,813</u>
<b>3 months period ended</b>								
<b><u>31 October 2021</u></b>								
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 for the period	-	-	-	-	(23,837)	(23,837)	499	(23,338)
Realisation of assets revaluation reserve	-	-	-	(3,430)	3,430	-	-	-
Balance at end of period 31 October 2021	<u>143,527</u>	<u>(761)</u>	<u>-</u>	<u>28,266</u>	<u>18,671</u>	<u>189,703</u>	<u>14,313</u>	<u>204,016</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 2022 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 October 2022**

(The figures have not been audited)

	<b>FY 2023</b> 3 Months Ended 31/10/2022 RM'000	<b>FY 2022</b> 3 Months Ended 31/10/2021 RM'000
Operating activities :		
Profit/ (Loss) before tax		
Continuing operations	(975)	1,559
Discontinued operation	18	(24,303)
	<u>(957)</u>	<u>(22,744)</u>
Adjustments for :		
Depreciation of property, plant and equipment/ right-of-use assets	7	720
Interest expense	517	642
Interest income	(23)	(317)
(Gain)/Loss on unrealised foreign exchange	-	14
(Gain)/Loss on disposal of property, plant and equipment	-	(796)
Impairment loss on assets included in disposal group classified as held for sale	339	24,368
Operating profit/(loss) before working capital changes	<u>(117)</u>	<u>1,887</u>
Changes in working capital :		
Net change in current assets	(2,899)	4,500
Net change in current liabilities	(7,712)	(20,538)
Cash generated from/(used in) operations	<u>(10,728)</u>	<u>(14,151)</u>
Interest paid	(517)	(642)
Income tax paid	(625)	(1,233)
Income tax refund	-	1,498
Net cash generated from/(used in) operating activities	<u>(11,870)</u>	<u>(14,528)</u>
Investing activities :		
Purchase of property, plant and equipment	(226)	(458)
Proceeds from disposal of property, plant and equipment	-	12,120
Interest received	23	317
Net cash flows from/(used in) investing activities	<u>(203)</u>	<u>11,979</u>
Financing activities :		
Repayment of bank borrowings/changes in bills payables	(1,386)	2,032
Increase/ (Payment) of lease liabilities	(182)	(307)
Decrease/ (Increase) in fixed deposits pledged with licensed banks	(15)	(13)
Net cash flows from/(used in) financing activities	<u>(1,583)</u>	<u>1,712</u>
Net increase/(decrease) in cash and cash equivalents	(13,656)	(837)
Cash and cash equivalents at beginning of year	16,594	51,389
Cash and cash equivalents at end of year	<u>2,938</u>	<u>50,552</u>
Cash and cash equivalents included in the statement of cash flow:		
Cash and bank balances	3,458	12,107
Fixed deposits	6,427	47,020
Cash and cash equivalents	9,885	59,127
Bank overdrafts	(520)	(450)
Less : Fixed deposits pledged with licensed banks	(6,427)	(8,125)
	<u>2,938</u>	<u>50,552</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 2022 and the accompanying explanatory notes attached to this interim financial report)*

# SYF RESOURCES BERHAD

Co. No. 199501035170 (364372-H)

## Notes To The Interim Financial Report For the Quarter Ended 31 October 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 2022. 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 2022.

### 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 2022, 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 2022:

		<b>Effective dates for financial period beginning on or after</b>
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020:		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		

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 2022 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 October 2022.

**Notes To The Interim Financial Report**  
**For the Quarter Ended 31 October 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
	Property Development and Construction RM'000	Others RM'000	Rubberwood Furniture RM'000	Total Segments RM'000		
3 months period ended 31 October 2022						
<b>Revenue</b>					(#)	
External sales	6,159	-	23,821	29,980	(23,821)	6,159
Inter-segment sales	-	-	-	-	-	-
Total sales	6,159	-	23,821	29,980	(23,821)	6,159
<b>Results</b>						
Segment results	(251)	(385)	(247)	(883)	247	(636)
Adjustment of depreciation and amortisation in accordance to MFRS 5	-	-	759	759	(759)	-
Impairment loss on assets included in disposal group classified as held for sale	-	-	(339)	(339)	339	-
Interest income	18	5	-	23	-	23
Finance costs	(362)	-	(155)	(517)	155	(362)
Profit/ (Loss) before tax	(595)	(380)	18	(957)	(18)	(975)
Taxation	(57)	(107)	(18)	(182)	18	(164)
Net profit/ (loss)	(652)	(487)	-	(1,139)	-	(1,139)
3 months period ended 31 October 2021						
<b>Revenue</b>					(#)	
External sales	19,920	(21)	23,000	42,899	(23,000)	19,899
Inter-segment sales	-	-	-	-	-	-
Total sales	19,920	(21)	23,000	42,899	(23,000)	19,899
<b>Results</b>						
Segment results	2,005	(365)	309	1,949	(309)	1,640
Impairment loss on assets included in disposal group classified as held for sale	-	-	(24,368)	(24,368)	24,368	-
Interest income	186	130	1	317	(1)	316
Finance costs	(397)	-	(245)	(642)	245	(397)
Profit/ (Loss) before tax	1,794	(235)	(24,303)	(22,744)	24,303	1,559
Taxation	(548)	(38)	(8)	(594)	8	(586)
Net profit/ (loss)	1,246	(273)	(24,311)	(23,338)	24,311	973

(#) 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".

# SYF RESOURCES BERHAD

Co. No. 199501035170 (364372-H)

## Notes To The Interim Financial Report For the Quarter Ended 31 October 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.

### 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 period-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 October 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>3,500</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 RM41.08 million as at 31 October 2022.

### 15 Capital Commitment

There were no material capital commitments of the Group as at 31 October 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	<u>47</u>
<u>Transaction with companies in which certain directors of the Company are also the director and have substantial financial interest</u>	
Sales	2,032
Purchases	664
Rental paid	114
Project landowner entitlement	<u>349</u>

**SYF RESOURCES BERHAD**

Co. No. 199501035170 (364372-H)

**Notes To The Interim Financial Report  
For the Quarter Ended 31 October 2022****17.1 Review of Performance**

	<u>FY 2023</u> Current Quarter Ended 31/10/2022 RM'000	<u>FY 2022</u> Comparative Quarter Ended 31/10/2021 RM'000	Variance RM'000	Variance %
Continuing Operations				
Revenue	6,159	19,899	(13,740)	-69.0%
(Loss)/ Profit before tax	(975)	1,559	(2,534)	-162.5%

The Group reported revenue from continuing operations of RM6.16 million in the current quarter as compared to RM19.90 million in the corresponding quarter last year. The decrease of RM13.74 million was mainly due to the only on-going project, Alstonia Residence is at final stage.

The Group posted loss before tax from continuing operations of RM0.98 million for the current quarter as compared to profit before tax of RM1.56 million in the same quarter last year. The variance was due to lower revenue reported whereas certain costs and overheads such as payroll and finance costs were fixed.

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

	<u>FY 2023</u> Current Quarter Ended 31/10/2022 RM'000	<u>FY2022</u> Preceding Quarter Ended 31/07/2022 RM'000	Variance RM'000	Variance %
Continuing Operations				
Revenue	6,159	24,692	(18,533)	-75.1%
Loss before tax	(975)	(3,055)	2,080	68.1%

The Group recorded revenue from continuing operations of RM6.16 million in the current quarter, decreased by RM18.53 million from the preceding quarter. The negative variance of 75.1% was mainly due to the on-going project is at final stage, as explained in note 17.1.

Loss before tax of RM0.98 million was reported for the current quarter, improved by RM2.08 million as compared to loss before tax from the preceding quarter. There was an additional development cost incurred in the preceding quarter that resulted in loss before tax of RM3.06 million.

**17.3 Prospects for the Current Financial Year**

The operating conditions for current 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.



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

**17.5 Profit/ (Loss) Before Tax**

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

	<u>FY 2023</u> Current Quarter Ended 31/10/2022 RM'000	<u>FY 2022</u> Current Quarter Ended 31/10/2021 RM'000	<u>FY 2023</u> 3 Months Cumulative To Date RM'000	<u>FY 2022</u> 3 Months Cumulative To Date RM'000
<u>Continuing Operations</u>				
Interest income	(23)	(316)	(23)	(316)
Interest expense	362	397	362	397
Depreciation and amortisation	7	7	7	7
(Gain)/ Loss on disposal of property, plant and equipment	-	(52)	-	(52)
<u>Discontinued Operation</u>				
Interest income	-	(1)	-	(1)
Interest expense	155	245	155	245
Depreciation and amortisation	759	713	759	713
(Gain)/ Loss on disposal of property, plant and equipment	-	(744)	-	(744)
(Gain)/ Loss on unrealised foreign exchange	(65)	14	(65)	14
Impairment loss on assets included in disposal group classified as held for sale	339	24,368	339	24,368

**17.6 Taxation**

	<u>Current Quarter RM'000</u>	<u>Financial Year-to-date RM'000</u>
Tax expense - Continuing Operations	164	164
Tax expense - Discontinued Operation	18	18

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 subsidiaries were in loss position.

**17.7 Group Borrowings and Securities**

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

	<u>RM'000</u>
Denominated in Ringgit Malaysia	
- Secured current borrowings	3,597
- Secured non-current borrowings	21,370
	<u>24,967</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.

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

**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 Mico Chipboard Berhad ("Mico"), 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 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

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

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

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

On 29 September 2022, the Company announced that Nikmat Sekitar, Nuri Meriah and Juta had mutually agreed via letters dated 29 September 2022 to further extend for an additional six (6) months from 6 October 2022 until 6 April 2023 to fulfill the Conditions Precedent pursuant to the SPAs.

On 13 October 2022, the Company announced that the Company had vide its letters dated 12 and 13 October 2022 respectively, written to Mieco and Insas in relation to the inter-conditionality of the Proposals as follows:

"The Proposed Disposal of Furniture Business, Proposed Disposal of Freehold Land, Proposed Special Dividend and/or Capital Repayment, Proposed Acquisition, Proposed Rights Issue, Proposed Restricted Issue, Proposed Exemption and Proposed Change of Name are inter-conditional upon one another."

For the avoidance of doubt, the Proposed Special Dividend and/or Capital Repayment, Proposed Acquisition, Proposed Rights Issue, Proposed Restricted Issue, Proposed Exemption and Proposed Change of Name shall be implemented upon the completion of the Proposed Disposal of Furniture Business and Proposed Disposal of Freehold Land.

The above variation has been agreed by both Mieco and Insas.

Further to the above, Malacca Securities Sdn Bhd, the principal adviser of the Proposals, had on even date submitted an application for an extension of time for an additional period of two (2) months from 15 October 2022 to 15 December 2022 to comply with Paragraph 9.17A of the Equity Guidelines.

On 1 November 2022, the Company announced that the Company and Mieco had vide letters dated 1 November 2022 mutually agreed to further extend the 2nd Extended Conditional Period of SSA for an additional three (3) months from 5 November 2022 until 5 February 2023 to fulfil the Conditions Precedent pursuant to the SSA ("3rd Extended Conditional Period of SSA").

Save for the above, all other terms and conditions of the SSA and the Addendum and all other instruments and agreements executed, delivered or entered into thereunder or pursuant thereto remain unchanged.

Further to the above, the Company has appointed Asia Equity Research Sdn Bhd as the new Independent Business Valuer in respect of the Proposed Acquisition in place of MainStreet Advisers Sdn Bhd.

In addition, the Company announced that the Securities Commission Malaysia had, vide its letter dated 1 November 2022, approved the application for an extension of time for an additional period of two (2) months from 15 October 2022 to 15 December 2022 to comply with Paragraph 9.17A of the Equity Guidelines.

On 14 November 2022, the Company announced that the Company and Insas had on 14 November 2022 entered into a supplemental SSPA to vary certain terms of the SSPA to reflect the following changes:

- a) That the issue price of the Consideration Shares, Rights Shares and Restricted Issue Shares shall be revised from RM0.14 to RM0.22 per share; and

**SYF RESOURCES BERHAD**

Co. No. 199501035170 (364372-H)

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- b) That arising from the revised issue price of the Consideration Shares, the number of SYF Shares to be issued for the Proposed Acquisition and Proposed Restricted Issue has been revised to 1,009,090,909 Consideration Shares and up to 157,796,392 Restricted Issue Shares respectively.

In addition, on behalf of the Board, Malacca Securities wishes to announce that the Proposed Acquisition is deemed as a related party transaction in accordance with paragraph 10.08 of the Listing Requirements.

On 14 November 2022, Dato' Sri Ng Ah Chai has given an irrevocable undertaking to SYF that he shall: - (a) remit an amount of RM6.0 million to SYF in the event he disposes of all or any part of his SYF Shares prior to the Entitlement Date for the Proposed Special Dividend and/or Capital Repayment, out of the proceeds from such disposal; OR (b) forgo his entitlement to the Proposed Special Dividend and/or Capital Repayment amounting to RM6.0 million which shall be retained by SYF ("Remittance").

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 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>
	Current	Comparative	12 Months	12 Months
	Quarter Ended	Quarter Ended	Cumulative	Cumulative
	31/10/2022	31/10/2021	To Date	To Date
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net profit/ (loss) attributable to equity holders of the Company				
- from continuing operations	(1,207)	474	(1,207)	474
- from discontinued operation	-	(24,311)	-	(24,311)
	<u>(1,207)</u>	<u>(23,837)</u>	<u>(1,207)</u>	<u>(23,837)</u>
Weighted average number of ordinary shares ('000)	568,873	568,873	568,873	568,873
Basic earnings/ (loss) per share (sen)				
- from continuing operations	(0.21)	0.08	(0.21)	0.08
- from discontinued operation	-	(4.27)	-	(4.27)
	<u>(0.21)</u>	<u>(4.19)</u>	<u>(0.21)</u>	<u>(4.19)</u>

**17.12 Disposal Group Classified as Held for Sale and Discontinued Operation**

On 6 October 2021, the Company has entered into a share sale agreement with Mieco for the disposal of its entire equity interest in Seng Yip, comprising its entire rubberwood furniture segment for a total disposal consideration of RM50.00 million. The disposal of Seng Yip is pending completion as at 31 October 2022, and thus the assets and liabilities of Seng Yip under rubberwood furniture segment have been presented separately in the statements of financial position as a disposal group classified as held for sale and the financial results of Seng Yip for current and previous financial period is presented separately in the statements of profit or loss and other