

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2022**

	As At 31.12.2022	As At 30.06.2022
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	150	178
Inventories	24,106	23,927
Goodwill	1,816	1,816
Rights-of-use assets	-	37
	26,072	25,958
Current Assets		
Prepayments	891	256
Inventories	20,296	12,895
Trade and other receivables	8,487	6,471
Contract assets	5	2,083
Current tax assets	-	5
Fixed deposits, cash and bank balances	10,563	7,151
	40,242	28,861
TOTAL ASSETS	66,314	54,819
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	76,310	76,310
Other reserves	(18,614)	(19,531)
	57,696	56,779
Non-Controlling Interests	(12,695)	(13,164)
TOTAL EQUITY	45,001	43,615
Non-Current Liabilities		
Lease liabilities	-	12
Deferred tax liabilities	1,805	1,805
	1,805	1,817

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Financial Position

S & F CAPITAL BERHAD
 Company No. 200201000757 (568420-K)
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
[CONTINUED]

	As At 31.12.2022 RM'000 (Unaudited)	As At 30.06.2022 RM'000 (Audited)
Current Liabilities		
Trade and other payables	13,791	9,122
Contract liabilities	5,678	177
Lease liabilities	-	50
Tax liabilities	39	38
	19,508	9,387
TOTAL LIABILITIES	21,313	11,204
TOTAL EQUITY AND LIABILITIES	66,314	54,819
 Net assets per share attributable to owners of the Company (RM)	 0.10	 0.10

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S & F CAPITAL BERHAD
Company No. 200201000757 (568420-K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**
FINANCIAL QUARTER ENDED 31 DECEMBER 2022
(UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Period To Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Revenue	19,786	5,918	40,076	10,710
Cost of sales	(18,805)	(5,842)	(38,095)	(10,445)
Gross profit/ (loss)	981	76	1,981	265
Other income	206	82	394	113
Administrative expenses	(470)	(348)	(923)	(705)
Other operating expenses	(431)	(230)	(599)	(384)
Finance income/ (costs)	46	(2)	83	(4)
Net impairment losses on financial instruments	-	-	-	-
Profit/(loss) before tax	332	(422)	936	(715)
Tax income/(expense)	-	3	-	
Profit/(Loss) and total comprehensive income/ (loss) for the year from continuing operations	332	(419)	936	(715)
Loss and total comprehensive loss for the year from discontinued operations	-	-	-	-
Net Profit/(loss) and total comprehensive income/(loss) for the year	332	(419)	936	(715)
Owners of the Company				
- From continuing operations	330	(415)	917	(709)
- From discontinued operations	-	-	-	-
Non-controlling interest	2	(4)	19	(6)
	332	(419)	936	(715)
Profit/ (Loss) per share attributable to owners of the Company (sen)				
- Basic				
Continuing operations	0.06	(0.08)	0.17	(0.13)
Discontinued operations	-	-	-	-

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Comprehensive Income

S & F CAPITAL BERHAD
Company No. 200201000757 (568420-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FINANCIAL PERIOD ENDED 31 DECEMBER 2022
(UNAUDITED)

	Attributable to owners of the Company			Non-	Total
	Share Capital RM'000	Warrants Reserve RM'000	Retained Earnings RM'000	Controlling Interest RM'000	
2023					
Balance as of 1 July 2022	76,310	15,447	(34,978)	(13,164)	43,615
Profit and total comprehensive (loss)/income for the period	-	-	918	19	937
NCI arising from acquisition of subsidiary				450	450
Balance as of 31 December 2022	<u>76,310</u>	<u>15,447</u>	<u>(34,060)</u>	<u>(12,695)</u>	<u>45,002</u>
2022					
Balance as of 1 July 2021	7,6310	15,447	(32,611)	(13,499)	45,646
Loss and total comprehensive income for the year	-	-	(2,367)	335	(2,031)
Balance as of 30 June 2022	<u>76,310</u>	<u>15,447</u>	<u>(34,978)</u>	<u>(13,164)</u>	<u>43,615</u>

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Changes in Equity

S & F CAPITAL BERHAD
Company No. 200201000757 (568420-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FINANCIAL PERIOD ENDED 31 DECEMBER 2022
(UNAUDITED)

	For the 6 months ended 31.12.2022 RM'000	For the 6 months ended 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) for the financial period		
- Continuing operations	937	(715)
Adjustments for depreciation of:		
- Property, plant and equipment	28	28
- Right-of-use assets	36	55
Interest expenses	1	-
Interest income	(83)	3
Property, plant and equipment written off	-	(19)
Operating profit/ (loss) before changes in working capital	919	(648)
Changes in working capital:		
(Increase)/ Decrease in:		
Trade and other receivables	(2,015)	(1,391)
Contract assets	2,078	(23)
Prepayment	(634)	23
Inventories	(7,580)	-
(Decrease)/ Increase in:		
Trade and other payables	4,689	1,114
Contract liabilities	5,501	
Net cash (used in)/ generated for operations	2,958	(925)
Income tax paid	5	(1)
Interest paid	(1)	
Net cash generated from/ (used in) operating activities	2,962	(926)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FINANCIAL PERIOD ENDED 31 DECEMBER 2022
 (UNAUDITED)
 [CONTINUED]

	For the 6 months ended 31.12.2022 RM'000	For the 6 months ended 31.12.2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in subsidiaries	450	-
Interest on fixed deposits received	84	19
Net cash generated from investing Activities	534	19
CASH FLOW FOR FINANCING ACTIVITIES		
Net repayment of lease liabilities	(63)	(90)
Repayment to ultimate holding company	(20)	-
Interest paid	-	(3)
Net cash (used in)/ generated from financing activities	(83)	(93)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	3,413	(1,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,150	7,543
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10,563	6,543
Cash and cash equivalents comprise:		
Bank and cash balances	3,938	487
Fixed deposits with licensed banks	6,625	6,056
	10,563	6,543

The accompanying Notes to Interim Financial Report form an integral part of the Condensed Consolidated Statement of Cash Flows

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The preparation of an interim financial report in conformity with FRS 134: Interim Financial Reporting, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022. It contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with MFRSs.

A2 Changes in Accounting Policies

The Group and the Company have not adopted the following new MFRS and amendments/ improvements to MFRSs that have been issued, but yet to be effective:

MFRSs and/ or IC Interpretations (Including the Consequential Amendments)	Effective financial beginning after	for periods on or or
Amendments to MFRS 3 Business Combinations	1 January 2023	
Amendments to MFRS 9 Financial Instruments: Recognition and Measurement	1 January 2023	
Amendments to MFRS 7 Financial Instruments: Disclosures	1 January 2023	
Amendments to MFRS 4 Insurance Contract	1 January 2023	
Amendments to MFRS 16 Leases	1 January 2022	
Amendments to MFS 101 Presentation of Financial Statements	1 January 2023	
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023	
Amendments to MFRS 112 Income Taxes	1 January 2023	
Amendments to MFRS 116 Property, Plant and Equipment	1 January 2023	
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2023	

The adoption of the above accounting standards and/ or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022 (CONT'D)

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2022 was not qualified.

A4 Seasonality or Cyclical Factors

The Group's performance is not affected by any seasonal or cyclical factors.

A5 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

A6 Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial quarter or prior financial years that have had a material effect in the current financial quarter.

A7 Debt and Equity Securities

There was no issuance, cancellations, repurchases, resale or repayments of debt and equity securities during the current financial quarter.

A8 Dividends Paid

No dividends have been paid during the current financial period to date.

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022 (CONT'D)

A9 Segmental Information

The Group is organised into the following operating divisions:

Property and construction: Property development, construction of commercial, residential, mixed development, building infrastructure and other related contract works; and

Others: investment holding and provision of management and corporate services.

	Current Financial Quarter			Current Financial Period To Date		
	External RM'000	Intersegment RM'000	Total RM'000	External RM'000	Intersegment RM'000	Total RM'000
(a) Segment Revenue						
Properties and construction	19,786	-	19,786	40,076	-	40,076
Others	-	150	150	-	300	300
	<u>19,786</u>	<u>150</u>	<u>19,936</u>	<u>40,076</u>	<u>300</u>	<u>40,376</u>
Intersegment elimination			<u>(150)</u>			<u>(300)</u>
			<u>19,786</u>			<u>40,076</u>
(b) Segment Results						
Properties and construction			714			1,684
Others			<u>(382)</u>			<u>(747)</u>
			<u>332</u>			<u>937</u>

A10 Material Events Subsequent to the End of the Current Financial Quarter

Save as those disclosed in Note A13 "Capital Commitments", there were no other material event subsequent to the end of the current financial quarter which has not been reflected in the interim financial report.

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022 (CONT'D)

A11 Changes in the Composition of the Group

On 2 November 2022, Pluto Sdn Bhd (“PSB”) emerged as a subsidiary of the Company. The Company subscribed for 55% equity interest in the share capital of PSB with the other 45% equity interest of PSB in the hands of other investors.

A12 Fair Value of Financial Instruments

There was no gain or losses arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

A13 Capital Commitments

As at the date of this report, the Group has a capital commitment of RM6,660,816.83 in respect of the land acquisition by one of the subsidiaries.

A14 Changes in Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the end of the last financial period.

A15 Related Party Transactions

	Current Financial Quarter RM'000	Current Financial Year To Date RM'000
Contract awarded by S & F Construction Sdn Bhd, a company in which certain directors of the Company have interests.	579	1,572
Contract cost payable to S & F Construction Sdn Bhd, a company in which certain directors of the Company have interests.	(895)	(1,118)

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B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Performance Review

	3 Months Individual Period			6 Months Cumulative Period		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	19,786	5,918	13,868	40,076	10,710	29,366
Profit/ (Loss) Before Tax	332	(422)	754	936	(715)	1,651

The Group's continuing operations registered a total revenue of RM19.78 million in this quarter compared to RM5.91 million revenue in last year corresponding quarter. The higher revenue was contributed by the two (2) projects of construction and completion of light rail transit (LRT) line. The profit before tax is RM0.33 million this quarter compared to loss of RM0.42 million in last year corresponding quarter.

B2 Comparison with Immediate Preceding Financial Quarter

	3 Months Individual Period		
	31.12.2022	30.09.2022	Changes
	RM'000	RM'000	RM'000
Revenue	19,786	20,452	(666)
Profit/ (Loss) Before Tax	332	605	(273)

The Group registered a revenue of RM19.78 million in this quarter compared to a revenue of RM20.45 million in the preceding quarter. The lower profit before tax was due to higher operational cost incurred in this quarter.

B3 Commentary on Prospects

The Group has entered into a proposed land acquisition in Daerah Kulim, Kedah for the development of investment buildings in addition to launching a small-scale housing project in Ipoh. (Refer to A10 for further details of the land). As at 31 December 2022, the Group's construction order book stood at approximately RM92 million.

The Group's projects are on schedule and expected to meet contracted project timelines. Our Group is optimistic that our experiences will strengthen our market positioning and provide us a wider range of work opportunities. In addition, our Group takes a proactive approach to integrate environment, social and governance risk and strategies when implementing projects and at the same time taking the necessary steps to proactively pursue disciplined cost optimisation and active capital management to strengthen our financial position.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B4 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

B5 Tax Expense

	Current Financial Quarter RM'000	Current Financial Period To Date RM'000
Income tax		
Current financial period	-	-
	-	-

B6 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 24 February 2023.

B7 Borrowings and Debt Securities

There are no borrowings and debt securities by the Group for the current financial quarter under review.

B8 Changes in Material Litigations

The Group has no material litigations as at 24 February 2023.

B9 Earnings Per Share

	Current Financial Year To Date	Preceding Corresponding Financial Year To Date
Net profit/ (loss) attributable to owners of the Company RM'000	918	(415)
Weighted average number of ordinary shares for basic profit/ (loss) per share	550,366,576	550,366,576
Basic profit/ (loss) per share (sen)	0.17	(0.08)

B10 Dividends Payable

No interim dividend has been declared or recommended for the current financial quarter.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11 Utilisation of Proceeds Raised from Rights Issue

The gross proceeds raised on 29 December 2020 from the Rights Issue amounting to RM16.51 million is intended to be utilised in the following manner:

Details of utilisation		Proposed utilisation	Actual utilisation	Unutilised proceeds	Timeframe for utilisation (from rights issue listing date)
		RM'000	RM'000	RM'000	
(i)	Funding for existing and/ or future construction projects	7,000	7,000	-	Within 12 months
(ii)	Acquisition of new land bank for property development	6,000	407	5,593	Within 24 months
(iii)	Working capital	2,733	2,733	-	Within 12 months
(iv)	Estimated expense for the Rights Issue	778	778	-	Within 1 months
		16,511	10,918	5,593	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Abridged Prospectus of the Company dated 2 December 2020.

B12 Profit/ (Loss) Before Taxation

Profit before tax is arrived at after charging/ (crediting):

	Current Financial Quarter	Unaudited Current Financial Period To Date
	RM'000	RM'000
Interest income	(48)	(84)
Employee benefits expenses	470	922
Depreciation and amortization	23	64
Interest expense	2	1

By order of the Board,
 24 February 2023