



**SYF RESOURCES BERHAD**  
**(Company No.: 364372-H)**  
**(Incorporated in Malaysia)**

**FINANCIAL STATEMENTS**

**31 JULY 2011**

**Registered office:**  
**Level 18, The Gardens North Tower**  
**Mid Valley City**  
**Lingkaran Syed Putra**  
**59200 Kuala Lumpur**

**Principal place of business:**  
**Kawasan Perindustrian Sungai Lalang**  
**Lot 971, Jalan Vill**  
**Mukim Semenyih**  
**Jalan Sungai Lalang**  
**43500 Semenyih**  
**Selangor Darul Ehsan**

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS**

**31 JULY 2011**

**INDEX**  
\*\*\*\*\*

	<b>Page No.</b>
DIRECTORS' REPORT	1 - 7
STATEMENT BY DIRECTORS	8
STATUTORY DECLARATION	9
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	10 - 12
STATEMENTS OF FINANCIAL POSITION	13 - 14
STATEMENTS OF COMPREHENSIVE INCOME	15
STATEMENTS OF CHANGES IN EQUITY	16 - 18
STATEMENTS OF CASH FLOWS	19 - 22
NOTES TO THE FINANCIAL STATEMENTS	23 - 92

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2011.

**Principal Activities**

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

On 27 May 2010, the Company announced that it had become an affected listed issuer pursuant to Practice Note 1/2001 (PN 1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") upon the Company's default on its repayment of loan interest to certain financiers.

As disclosed in Note 33(a) to the financial statements, on 17 December 2010, the Company made an announcement that under the mediation of the Corporate Debt Restructuring Committee ("CDRC"), a debt restructuring agreement ("DRA") had been executed with its subsidiary companies, namely Seng Yip Furniture Sdn. Bhd., Tomisho Sdn. Bhd., SYF Trading Sdn. Bhd., SYF Development Sdn. Bhd. (formerly known as Twenty-One SJ Sdn. Bhd.) and the unsecured financial lenders to implement a proposed restructuring scheme involving the following:

- (1) proposed capital reduction of its issued and paid-up share capital involving the cancellation of RM0.75 of the par value of each existing ordinary share of RM1.00 each;
- (2) proposed amendment to Memorandum of Association;
- (3) proposed settlement of debt owing, by way of part cash payment and the issuance of 102,717,300 redeemable convertible secured loan stocks of RM0.25 each ("RCSLS") to unsecured financial institution creditors; and
- (4) proposed renounceable rights issue of up to 121,640,303 new ordinary shares of RM0.25 each at an issue price of RM0.25 per Rights Share on the basis of one Rights Share for every one ordinary share of RM0.25 each.

The above proposals were completed as follows:

- (1) the share capital reduction was effected on 27 July 2011;
- (2) the amendment to Memorandum of Association was completed on 27 July 2011 to facilitate the change in the par value of the ordinary shares from RM1.00 each to RM0.25 each and the number of ordinary shares in the authorised share capital as a result of the change on the par value pursuant to the capital reduction;
- (3) the settlement of debt was completed on 25 October 2011 upon the listing of the RCSLS and the cash payment to the unsecured financial lenders; and
- (4) the rights issue was completed with the listing of the 84,069,603 Rights Shares on 25 October 2011.

With the completion of the above proposed restructuring scheme, the Company was uplifted from PN 1 status effective 25 October 2011.

### Financial Results

	Group RM'000	Company RM'000
Loss before taxation	(2,951)	(3,211)
Taxation	721	-
Net loss for the financial year, representing total comprehensive income for the financial year	<u>(2,230)</u>	<u>(3,211)</u>
Attributable to:		
Equity holders of the parent	<u>(2,230)</u>	<u>(3,211)</u>

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year.

### Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the financial year under review.

### **Reserves and Provisions**

There were no material transfers to or from reserves or provisions during the financial year under review other than those disclosed in the financial statements.

### **Issue of Shares and Debentures**

There were no issues of shares or debentures during the financial year under review.

During the financial year, the Company had undertaken the following:

- (a) Reduced its authorised share capital from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 800,000,000 ordinary shares of RM0.25 each.
- (b) Reduced its issued and fully paid-up share capital by cancellation of RM0.75 of the par value of each existing ordinary shares of RM1.00 each (“capital reduction”) in the Company thereby reducing the issued and paid up share capital of the Company by RM63,052,202. The resulting capital reduction had enabled the Company to eliminate RM63,052,202 of its accumulated losses.

### **Options Granted Over Unissued Shares**

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

### **Employees’ Share Option Scheme**

The Company’s Employees’ Share Option Scheme (“ESOS”) was approved by the shareholders at the Extraordinary General Meeting held on 23 May 2003. At all times, the ESOS shall not exceed 10% of the issued share capital and shall be granted to eligible Directors and employees of the Group. The ESOS shall be in force for a period of five (5) years until 31 July 2008.

On 21 July 2008, pursuant to the existing by-laws governing the ESOS, the Company extended the expiry date of the existing ESOS, which expired on 31 July 2008, for a further period of five (5) years until 31 July 2013.

The salient features and other terms of the ESOS are disclosed in Note 28 to the financial statements.

Details of the options granted to Directors are disclosed in the section on Directors’ Interests in this report.

## Warrant

The warrants 2003/2013 were constituted under the Deed Poll dated 1 August 2003.

As at 31 July 2011, the total numbers of warrants that remain unexercised are 34,484,300 (2010: 34,484,300).

## Directors

The Directors who served since the date of the last report are as follows:

Ng Ah Chai  
Datuk Chee Hong Leong  
Dr. Roslan Bin A. Ghaffar  
Cheong Yee Kiong  
Foo Lee Khean  
Datuk Mohamed Arsad Bin Sehan (appointed on 19.10.2011)

## Directors' Interests

Details of holdings and deemed interests in the share capital, warrants and options of the Company or its related corporations by the Directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:

	No. of ordinary shares of RM0.25 each			
	At 1.8.2010	Acquired	Disposed	At 31.7.2011
<b>SYF Resources Berhad</b>				
Direct interest				
Ng Ah Chai	25,711,600	-	-	25,711,600
No. of Warrants				
	At 1.8.2010	Acquired	Disposed	At 31.7.2011
<b>SYF Resources Berhad</b>				
Direct interest				
Ng Ah Chai	13,658,100	-	-	13,658,100

**No. of options over ordinary shares of RM1.00 each  
(ESOS)**

	At 1.8.2010	Granted	Exercised	At 31.7.2011
<b>SYF Resources Berhad</b>				
Direct interest				
Ng Ah Chai	780,000	-	-	780,000
Cheong Yee Kiong	320,000	-	-	320,000

By virtue of his interest in the shares of the Company, Ng Ah Chai is also deemed to have interests in the shares of all the subsidiary companies to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company and of its related corporations during the financial year under review.

#### **Directors' Benefits**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments and rental received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company or its subsidiary companies a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share option granted under the Company's ESOS.

#### **Other Statutory Information**

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written-off for bad debts or the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
  - (iii) any amount stated in the financial statements of the Group and of the Company misleading; and
  - (iv) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) No contingent or other liabilities have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due; and
- (d) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company or its subsidiary companies which have arisen since the end of the financial year to secure the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Company or its subsidiary companies which have arisen since the end of the financial year.

### **Significant Events**

The significant events are disclosed in Note 33 to the financial statements.

### **Subsequent Events**

The subsequent events are disclosed in Note 34 to the financial statements.



Company No. 

364372	H
--------	---

- 7 -

**Auditors**

The auditors, UHY, have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.



---

NG AH CHAI



---

CHEONG YEE KIONG

KUALA LUMPUR

11 NOV 2011

**SYF RESOURCES BERHAD**

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

**Pursuant to Section 169(15) of the Companies Act, 1965**

We, NG AH CHAI and CHEONG YEE KIONG, being two of the Directors of SYF RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements of the Group and of the Company set out on pages 13 to 92 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2011 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 15 to the financial statements have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors.



---

NG AH CHAI



---

CHEONG YEE KIONG

KUALA LUMPUR

11 NOV 2011

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATUTORY DECLARATION**  
**Pursuant to Section 169(16) of the Companies Act, 1965**

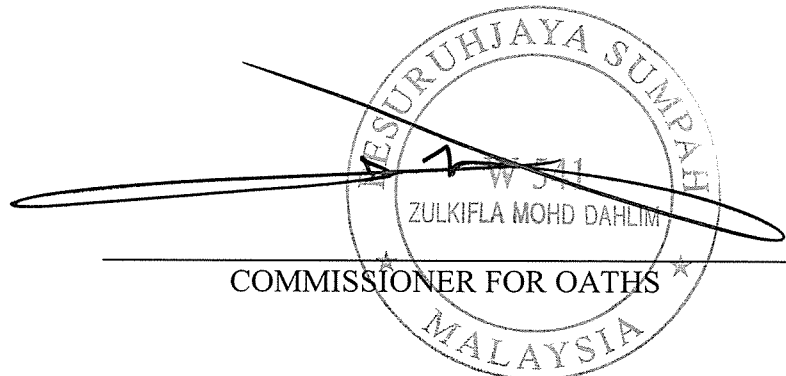
I, LEE OON KAR, being the officer primarily responsible for the financial management of SYF RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 13 to 92 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the )  
abovenamed LEE OON KAR at )  
KUALA LUMPUR in the Federal )  
Territory this 11 NOV 2011 )



\_\_\_\_\_  
LEE OON KAR

Before me,



\_\_\_\_\_  
COMMISSIONER FOR OATHS

NO. 17, JALAN PETALING  
50000 KUALA LUMPUR

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SYF RESOURCES BERHAD**

(Company No.: 364372-H)  
(Incorporated in Malaysia)

**Report on the Financial Statements**

We have audited the financial statements of SYF Resources Berhad, which comprise the statements of financial position as at 31 July 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 13 to 92.

*Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SYF RESOURCES BERHAD (CONT'D)**

(Company No.: 364372-H)

(Incorporated in Malaysia)

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2011 and of their financial performance and cash flows for the financial year then ended.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have act as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

**Other Reporting Responsibilities**

The supplementary information set out in Note 15 to the financial statements is solely disclosed to meet the requirement of Bursa Securities. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysia Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Securities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SYF RESOURCES BERHAD (CONT'D)**

(Company No.: 364372-H)

(Incorporated in Malaysia)

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY

Firm Number: AF 1411

Chartered Accountants



TEE GUAN PIAN

Approved Number: 1886/05/12 (J/PH)

Chartered Accountant

KUALA LUMPUR

11 NOV 2011

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 JULY 2011**

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Non-Current Assets</b>					
Property, plant and equipment	3	100,758	104,459	-	-
Investments in subsidiary companies	4	-	-	31,849	31,872
		<u>100,758</u>	<u>104,459</u>	<u>31,849</u>	<u>31,872</u>
<b>Current Assets</b>					
Inventories	6	39,272	34,803	-	-
Trade receivables	7	7,668	7,909	-	-
Other receivables	8	5,440	4,199	1	-
Derivative financial assets	9	411	-	-	-
Amount owing by subsidiary companies	10	-	-	66,741	63,836
Tax recoverable		31	826	-	528
Fixed deposits with licensed banks	11	50	270	-	-
Cash and bank balances	12	3,593	1,859	257	257
		<u>56,465</u>	<u>49,866</u>	<u>66,999</u>	<u>64,621</u>
Non-current assets held for sale	13	-	9,252	-	-
		<u>56,465</u>	<u>59,118</u>	<u>66,999</u>	<u>64,621</u>
<b>Total Assets</b>		<u>157,223</u>	<u>163,577</u>	<u>98,848</u>	<u>96,493</u>

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 JULY 2011 (CONT'D)**

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Equity</b>					
Share capital	14	21,017	84,070	21,017	84,070
Reserves	15	4,002	(56,860)	12,829	(47,052)
<b>Total Equity</b>		<u>25,019</u>	<u>27,210</u>	<u>33,846</u>	<u>37,018</u>
<b>Non-Current Liabilities</b>					
Hire purchase payables	17	466	112	-	-
Bank borrowings	18	-	34,096	-	20,000
Deferred tax liabilities	19	3,906	4,720	-	-
		<u>4,372</u>	<u>38,928</u>	<u>-</u>	<u>20,000</u>
<b>Current Liabilities</b>					
Trade payables	20	11,788	11,945	-	-
Other payables	21	14,547	15,514	5,041	4,451
Amount owing to subsidiary companies	10	-	-	-	24
Hire purchase payables	17	127	88	-	-
Bank borrowings	18	101,370	69,876	59,961	35,000
Tax payable		-	16	-	-
		<u>127,832</u>	<u>97,439</u>	<u>65,002</u>	<u>39,475</u>
<b>Total Liabilities</b>		<u>132,204</u>	<u>136,367</u>	<u>65,002</u>	<u>59,475</u>
<b>Total Equity and Liabilities</b>		<u>157,223</u>	<u>163,577</u>	<u>98,848</u>	<u>96,493</u>

The accompanying notes form an integral part of the financial statements.



**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2011**

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	22	156,128	172,421	4,833	4,833
Cost of sales		<u>(145,790)</u>	<u>(165,457)</u>	<u>-</u>	<u>-</u>
Gross profit		10,338	6,964	4,833	4,833
Other operating income		11,232	2,272	8,848	80
Distribution expenses		(2,315)	(2,653)	-	-
Administrative expenses		(12,616)	(6,263)	(10,892)	(21,517)
Other operating expenses		(23)	(1,032)	-	-
Finance costs	23	<u>(9,567)</u>	<u>(7,476)</u>	<u>(6,000)</u>	<u>(4,443)</u>
Loss before taxation	24	(2,951)	(8,188)	(3,211)	(21,047)
Taxation	25	<u>721</u>	<u>294</u>	<u>-</u>	<u>-</u>
Net loss for the financial year, representing total comprehensive income for the financial year		<u>(2,230)</u>	<u>(7,894)</u>	<u>(3,211)</u>	<u>(21,047)</u>
Net loss for the financial year, representing total comprehensive income attributable to:					
Equity holders of the parent		(2,230)	(7,836)	(3,211)	(21,047)
Non-controlling interests		<u>-</u>	<u>(58)</u>	<u>-</u>	<u>-</u>
		<u>(2,230)</u>	<u>(7,894)</u>	<u>(3,211)</u>	<u>(21,047)</u>
Loss per share attributable to equity holders of the parent (sen)	26				
Basic		<u>(2.6)</u>	<u>(9.3)</u>		
Fully diluted		<u>(2.6)</u>	<u>(9.3)</u>		

The accompanying notes form an integral part of the financial statements.

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2011**

	Attributable to Equity Holders of the Parent							Total Equity RM'000
	Non-Distributable			Accumulated Losses RM'000	Revaluation Reserve RM'000	Total RM'000	Non-Controlling Interests RM'000	
Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Share Capital RM'000					Total RM'000
At 1 August 2009	84,070	(39)	15,374	11,571	(75,930)	35,046	2,180	37,226
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(7,836)	(7,836)	(58)	(7,894)
Disposal of subsidiary companies	-	-	-	-	-	-	(2,122)	(2,122)
Realisation of revaluation reserve	-	-	-	(68)	68	-	-	-
At 31 July 2010	84,070	(39)	15,374	11,503	(83,698)	27,210	-	27,210

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2011 (CONT'D)**

	Attributable to Equity Holders of the Parent					
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable			Accumulated Losses RM'000
Share Premium RM'000			Revaluation Reserve RM'000			
<b>Group</b>						
At 1 August 2010	84,070	(39)	15,374	11,503	(83,698)	27,210
Disposal of treasury shares during the financial year	-	39	-	-	-	39
Capital reduction	(63,053)	-	-	-	63,053	-
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(2,230)	(2,230)
Realisation of revaluation reserve	-	-	-	(68)	68	-
At 31 July 2011	<u>21,017</u>	<u>-</u>	<u>15,374</u>	<u>11,435</u>	<u>(22,807)</u>	<u>25,019</u>

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2011 (CONT'D)**

Company	Share Capital RM'000	Non-Distributable		Accumulated Losses RM'000	Total RM'000
		Treasury Shares RM'000	Share Premium RM'000		
At 1 August 2009	84,070	(39)	15,374	(41,340)	58,065
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(21,047)	(21,047)
At 31 July 2010	84,070	(39)	15,374	(62,387)	37,018
At 1 August 2010	84,070	(39)	15,374	(62,387)	37,018
Disposal of treasury shares during the financial year	-	39	-	-	39
Capital reduction	14 (63,053)	-	-	63,053	-
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(3,211)	(3,211)
At 31 July 2011	21,017	-	15,374	(2,545)	33,846

The accompanying notes form an integral part of the financial statements.

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 JULY 2011**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Cash Flows From Operating Activities</b>				
Loss before taxation	(2,951)	(8,188)	(3,211)	(21,047)
Adjustments for:				
Bad debts written off	1,156	2,147	786	-
Deposits written off	37	-	-	-
Depreciation of property, plant and equipment	5,506	6,016	-	-
Impairment on goodwill	-	22	-	-
Impairment loss on non-current assets held for sale	-	26	-	-
Impairment on investment in subsidiary companies	-	-	23	19,686
Impairment on trade receivables	158	-	-	-
Impairment on other receivables	-	4	-	-
Inventories written off	-	24	-	-
Investment in subsidiary companies written off	-	-	2,045	-
Interest expense	9,567	7,476	6,000	4,443
Loss on assignment of debt	-	63	-	-
Loss on disposal of treasury shares	29	-	29	-
Other investments written off	5,500	-	5,500	-
Loss/(Gain) on disposal of property, plant and equipment	519	(31)	-	-
Loss on disposal of investment in subsidiary companies	-	1,032	-	-
Prepayment written off	1,175	-	-	-

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 JULY 2011 (CONT'D)**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest income	(15)	(2)	-	-
Gain on disposal of non-current assets held for sale	(774)	-	-	-
Gain on foreign exchange - unrealised	(151)	-	-	-
Gain on derivative financial assets	(411)	-	-	-
Reversal of impairment on investment in subsidiary companies	-	-	(2,045)	-
Reversal of impairment on other investments	(5,500)	-	(5,500)	-
Reversal of impairment on trade receivables	(17)	(2,147)	-	-
Reversal of impairment on other receivables	(1,156)	-	(786)	-
Operating profit before working capital changes	12,672	6,442	2,841	3,082
(Increase)/Decrease in working capital				
Inventories	(4,469)	(5,969)	-	-
Trade receivables	92	8,191	-	-
Other receivables	(2,289)	(623)	(1)	-
Trade payables	(157)	(8,375)	-	-
Other payables	(1,949)	1,400	(392)	1,750
Amount owing by/(to) subsidiary companies	-	-	(2,929)	(225)
Amount owing to Directors	-	78	-	-
	(8,772)	(5,298)	(3,322)	1,525
Cash generated from/(used in) operations	3,900	1,144	(481)	4,607
Tax paid	(140)	(141)	-	-
Tax refund	828	-	528	-
	688	(141)	528	-
Net cash from operating activities	4,588	1,003	47	4,607

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 JULY 2011 (CONT'D)**

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Cash Flows From Investing Activities</b>					
Interest income		15	2	-	-
Net cash inflow from disposal of investment in subsidiary companies	4(c)	-	1,522	-	-
Proceeds from disposal of property, plant and equipment		1,052	136	-	-
Proceeds from disposal of non-current assets held for sale		10,106	-	-	-
Purchase of property, plant and equipment	3(f)	(2,896)	(1,945)	-	-
Addition of non-current assets held for sale	13	(80)	-	-	-
Net cash from/(used in) investing activities		<u>8,197</u>	<u>(285)</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Financing Activities</b>					
Dividend paid to non-controlling interests		-	(197)	-	-
Drawdown of bank borrowings		-	4,417	-	-
Interest paid		(3,624)	(7,476)	(57)	(4,443)
Proceeds from disposal of treasury shares		10	-	10	-
Repayment of bank borrowings		(3,844)	(12,013)	-	-
Repayment of hire purchase payables		(88)	(233)	-	-
(Decrease)/Increase in bills payables and revolving credit		(3,206)	9,636	-	-
Decrease in fixed deposits pledged with licensed banks		220	4	-	-
Net cash used in financing activities		<u>(10,532)</u>	<u>(5,862)</u>	<u>(47)</u>	<u>(4,443)</u>

**SYF RESOURCES BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 JULY 2011 (CONT'D)**

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,253	(5,144)	-	164
<b>Currency translation difference</b>	(7)	-	-	-
<b>Cash and cash equivalents at beginning of the financial year</b>	<u>(4,492)</u>	<u>652</u>	<u>257</u>	<u>93</u>
<b>Cash and cash equivalents at end of the financial year</b>	<u>(2,246)</u>	<u>(4,492)</u>	<u>257</u>	<u>257</u>
<b>Cash and cash equivalents at end of the financial year comprise:</b>				
Fixed deposits with licensed banks	50	270	-	-
Cash and bank balances	3,593	1,859	257	257
Bank overdrafts	<u>(5,839)</u>	<u>(6,351)</u>	<u>-</u>	<u>-</u>
	(2,196)	(4,222)	257	257
Less: Fixed deposits pledged with licensed banks	<u>(50)</u>	<u>(270)</u>	<u>-</u>	<u>-</u>
	<u>(2,246)</u>	<u>(4,492)</u>	<u>257</u>	<u>257</u>

The accompanying notes form an integral part of the financial statements.