ANNUAL REPORT

2012

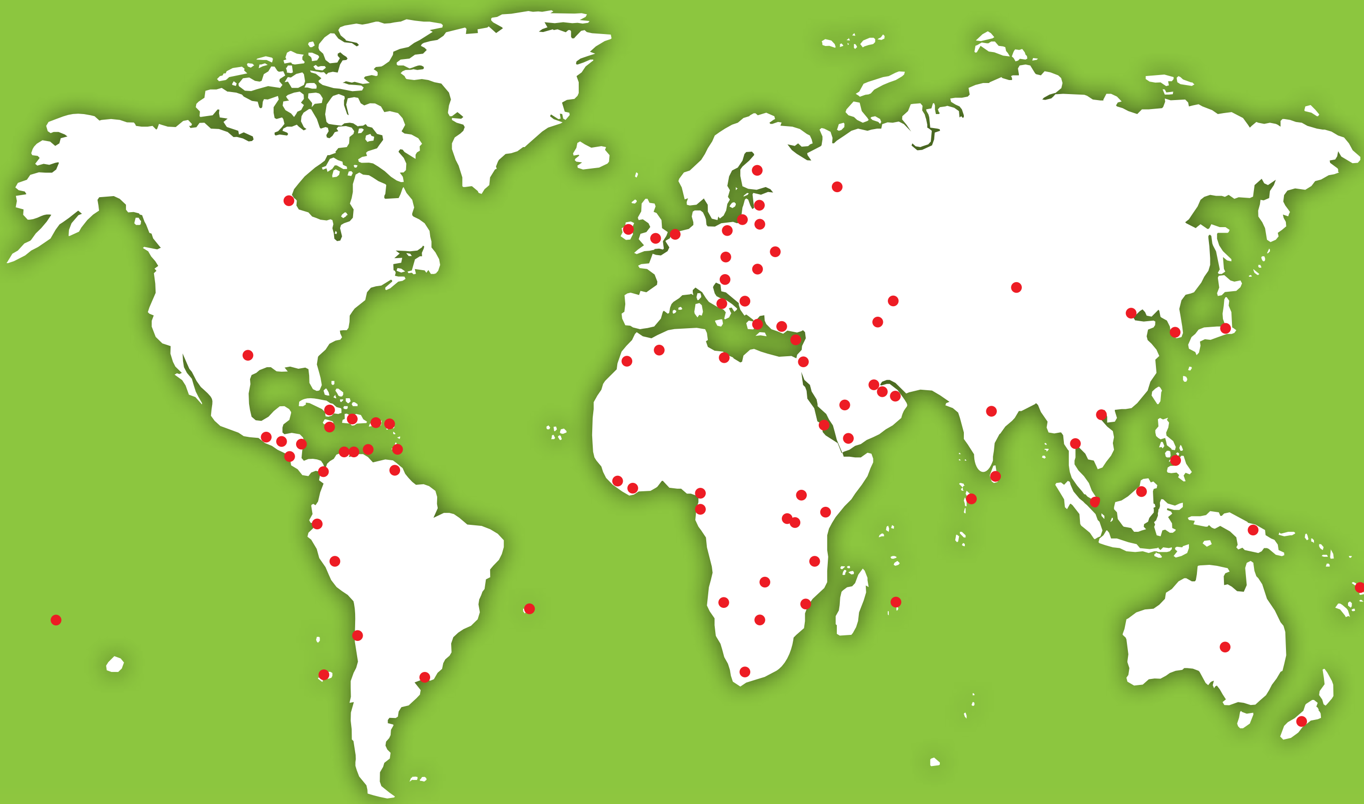
Local Resources, Global Presence

成業資源有限公司

SYF RESOURCES BERHAD

(364372-H)

Local Resources



Global Presence

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Notice Of The Seventeenth ("17th") Annual General Meeting

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of the Company will be held at the Ballroom, Prescott Metro Inn, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Wednesday, 23 January 2013 at 10.00 a.m. for the following purposes:-

A ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2012 together with the Reports of the Directors and Auditors thereon. *(See Note 2)*

2. To approve the payment of Directors' fees for the financial year ended 31 July 2012. *(Ordinary Resolution 1)*

3. To re-elect the following Directors who are retiring in accordance with Article 106 of the Company's Articles of Association:-

   (i) Dato' Sri Chee Hong Leong, JP *(Ordinary Resolution 2)*

   (ii) Dr. Roslan Bin A Ghaffar *(Ordinary Resolution 3)*

4. To elect Dato' Sri Hii Chii Kok @ Hii Chee Kok who is retiring in accordance with Article 93 of the Company's Articles of Association. *(Ordinary Resolution 4)*

5. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 5)*

B SPECIAL BUSINESS

To consider and if thought fit, to pass , with or without modifications, the following resolutions:

6. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** *(Ordinary Resolution 6)*

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate nominal value of shares to be issued during the preceding 12 months does not exceed 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. **PROPOSED AUTHORITY TO PURCHASE BY SYF RESOURCES BERHAD OF UP TO TEN PERCENT (10%) OF ITS OWN ISSUED AND PAID-UP SHARE CAPITAL ("PROPOSED SHARE BUY-BACK")** *(Ordinary Resolution 7)*

   "THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.25 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

(a) the aggregate number of shares purchased does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the purchase(s); and

(c) the Directors of the Company may decide to:-

i. retain the shares purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; and/or

ii. cancel the shares so purchased; and/or

iii. retain part of the shares so purchased as treasury shares and cancel the remainder.

AND THAT such authority shall commence upon passing of this resolution and shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting at which such resolution was passed at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next Annual General Meeting after the date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."

8. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY** *(Special Resolution)*

"THAT the amendments to the Articles of Association of the Company as contained in Appendix I be hereby approved.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the amendments to the Articles of Association of the Company with full powers to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities."

C OTHER BUSINESS

9. To transact any other business of which due notice shall have been given in accordance with the Company’s Articles of Association and the Companies Act, 1965.

By Order of the Board

LIM POH YEN (MAICSA 7009745)
NG YEN HOONG (LS 008016)
Company Secretaries

Kuala Lumpur
31 December 2012

NOTES:-

1. APPOINTMENT OF PROXY

(i) A member entitled to attend and vote at this meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorized representative) to attend and vote in his/her stead. A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1) (a) and (b) of the Companies Act, 1965 shall not apply to the Company.

A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.

(ii) A member may appoint a maximum of two (2) proxies to attend and vote at the same meeting. Such appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.

(iii) Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“Central Depositories Act”), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(iv) Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

An Exempt Anuthorised Nominee refers to an Authorised Nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.

(v) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation/company, either under its common seal or under the hand of officer or attorney duly authorised.

(vi) The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.

(vii) Only members whose names appear in the Record of Depositors as at 17 January 2013 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2012

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this Agenda is not put forward for voting by shareholders of the Company.

Notice Of The Seventeenth ("17th") Annual General Meeting (Cont'd)

3. EXPLANATORY NOTES ON SPECIAL BUSINESS

(i) Ordinary Resolution 6 – Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

The Proposed Ordinary Resolution 6 is a renewal of the general mandate pursuant to Section 132D of the Companies Act, 1965 ("General Mandate") obtained from the shareholders of the Company at the previous Annual General Meeting and, if passed, will empower the Directors of the Company to issue new shares in the Company from time to time provided that the aggregate nominal value of shares to be issued during the preceding 12 months does not exceed 10% of the issued share capital of the Company for the time being.

The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Sixteenth (16th) Annual General Meeting held on 20 January 2012 and which will lapse at the conclusion of the 17th Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding current and/or future project(s), working capital, acquisition and/or for issuance of shares as settlement of purchase consideration.

(ii) Ordinary Resolution 7 – Proposed Authority to Purchase by SYF Resources Berhad of up to Ten Percent (10%) of its own issued and paid-up share capital

The proposed Ordinary Resolution 7, if passed, will provide a mandate for the Company to purchase its own shares up to 10% of the total issued and paid-up share capital of the Company and shall lapse at the conclusion of the next Annual General Meeting unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

(iii) Special Resolution – Proposed Amendments to the Articles Of Association Of The Company

The Special Resolution, if passed, will render the Articles of Association of the Company to be updated in accordance with the recent enhancements issued by Bursa Malaysia Securities Berhad amending certain provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to issue shares pursuant to a Dividend Reinvestment Scheme.

Statement Accompanying Notice Of The 17th Annual General Meeting

Details of the Director who is standing for election in Agenda 4 of the Notice of the 17th Annual General Meeting are set out in the Director's Profile appearing on pages 9 to 12 of this Annual Report.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Article No.	New/ Existing Articles	New/ Amended Articles
2	New Definition	**"Exempt Authorised Nominee"** **An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.**
2	New Definition	**Dividend Reinvestment Scheme means a scheme which enables members to reinvest cash dividend into new shares.**
84	A proxy shall be entitled to vote both on a show of hands and on a poll on any question at any General Meeting. A Proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Sections 149(1)(a) and (b) of the Act shall not apply to the Company.	**A proxy shall be entitled to vote both on a show of hands and on a poll on any question at any General Meeting. A Proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Sections 149(1)(a) and (b) of the Act shall not apply to the Company.** **A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the Member to speak at the meeting.**
77	Where a Member of the company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.	**Where a Member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.** **Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.**
131A	**Dividend Reinvestment Scheme**	**Subject to the approval being obtained from the members of the Company and the Listing Requirements, the Company may issue shares pursuant to a Dividend Reinvestment Scheme to all its members who are entitled to dividend in accordance with the provisions of the Act and any rules, regulations and guidelines there under or issued by the Exchange and any other relevant authorities in respect thereof.**

Corporate Information

BOARD OF DIRECTORS

NG AH CHAI
Executive Chairman & Chief Executive Officer

DATO' SRI CLEMENT HII CHII KOK
Non-Independent Non-Executive Director

DATO' SRI CHEE HONG LEONG, JP
Executive Director

DR. ROSLAN BIN A. GHAFFAR
Independent Non-Executive Director

FOO LEE KHEAN
Independent Non-Executive Director

DATUK MOHAMED ARSAD BIN SEHAN
Independent Non-Executive Director

CHEONG YEE KIONG
Executive Director

SECRETARIES

LIM POH YEN
(MAICSA 7009745)

NG YEN HOONG
(LS 008016)

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 8888
Fax : 03-2264 8997/8
Email : info@my.tricorglobal.com

PRINCIPAL PLACE OF BUSINESS

Kawasan Perindustrian Sungai Lalang
Lot 971, Jalan Vill, Mukim Semenyih
43500 Semenyih
Selangor Darul Ehsan
Tel : 03-8723 4535
Fax : 03-8723 3500

AUDITORS

UHY (AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2279 3088
Fax : 03-2279 3099

REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886
Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : SYF
Stock Code : 7082

PRINCIPAL BANKERS

Public Bank Berhad
Bank Kerjasama Rakyat Malaysia Berhad

Corporate Structure
As At 15 December 2012

成 業 資 源 有 限 公 司
SYF RESOURCES BERHAD
(364372-H)

MANUFACTURING

- 100% SENG YIP FURNITURE SDN BHD
- 100% TOMISHO SDN BHD
- 100% GREAT PLATFORM SDN BHD

PROPERTY DEVELOPMENT

- 100% SYF DEVELOPMENT SDN BHD

INVESTMENT HOLDING/ DORMANT

- 100% SYF VENTURE SDN BHD
- 100% SYF PLANTATION SDN BHD
- 100% SENG YIP TIMBER SDN BHD

Profile Of Directors

NG AH CHAI

Executive Chairman & Chief Executive Officer
Non-Independent/Executive
Malaysian

Mr. Ng Ah Chai, aged 50, was appointed to the Board on 1 February 2001 and assumed the post of Group Managing Director of the Company on 4 August 2003. On 28 September 2005, he was re-designated as Executive Chairman and Chief Executive Officer.

His involvement in the timber trade began in 1985 when he started a saw milling business on a partnership basis. In 1991, he expanded his business into manufacturing tropical wood furniture for the local market. Ceasing the saw milling business in 1993, he co-founded Seng Yip Furniture Sdn Bhd ("Seng Yip") which started as a kiln drying and timber processing business. With his vast experience and leadership skill, Seng Yip expanded into manufacturing furniture components and semi-finished parts in 1995. Subsequently in 1998, he ventured into finished rubber wood furniture.

He is the Chairman of the ESOS Committee and Risk Management Committee of the Company.

He is a substantial shareholder of the Company with a direct shareholding of 63,208,400 ordinary shares of RM0.25 each in the Company as at 18 December 2012 besides his entitlement under the ESOS. He has no interest in the shares of the subsidiaries of the Company.

He has no family relationship with any other director and/or substantial shareholder of the Company or any convictions for any offences within the past ten years. He is a major shareholder of Kiara Susila Sdn Bhd, which is jointly developing two property development projects with SYF Development Sdn Bhd, a wholly-owned sub-subsidiary of the Company. As such, he is a related party interested in the said transaction.

Apart from the said joint-venture, he has not entered into any other transaction which has a conflict of interest with the Company.

DATO' SRI CLEMENT HII CHII KOK

Director
Non-Independent/Non-Executive
Malaysian

Dato' Sri Clement Hii Chii Kok, aged 54, was appointed to the Board on 5 June 2012. He graduated with a Bachelor of Laws (Hons) degree from the United Kingdom. He was conferred the Honorary Doctorate of Business Administration by the University of Sunderland, United Kingdom, in early 2006. In 2007, he was conferred an Honorary Doctorate of Laws by his alma mater, the University of Wolverhampton, United Kingdom. In April 2012, the University of Southern Queensland conferred the Honorary Doctorate of Business on him.

He is a former senior journalist holding positions in several newspapers, including Chief Editor of Borneo's leading English daily, "The Borneo Post". He also served in senior positions with management firms. He was the Executive Deputy Chairman of Star Publications (M) Berhad for two years, until December 2010.

Currently, he is the Group Managing Director and major shareholder of SEG International Bhd. Dato' Sri Clement Hii also holds positions in numerous private limited companies and charitable foundations.

He is a substantial shareholder of the Company with an indirect shareholding of 51,132,800 ordinary shares of RM0.25 each as at 18 December 2012. He has no interest in the shares of the subsidiaries of the Company.

He has no family relationship with any other director and/or major shareholder of the Company, neither has he entered into any transaction which has a conflict of interest with the Company nor any convictions for any offences within the past ten years.

DATO' SRI CHEE HONG LEONG, JP

Executive Director
Non-Independent/Executive
Malaysian

Dato' Sri Chee Hong Leong, JP, aged 48, was appointed to the Board on 13 March 2003. He ceased to be a member of Audit Committee on 19 October 2011 and was re-designated as Executive Director on 2 December 2011. He graduated with a Bachelor of Engineering (Computer) in 1987 and a Master of Business Administration in 1989 both from McMaster University, Hamilton, Ontario, Canada. He began his career in 1990 coordinating the development in corporate and annual strategic plans for Leisure Holidays Group of Companies. In 1992, he ventured into various businesses which involved designing and building individual bungalows for landowners of various housing projects in the Klang Valley as well as building and operating a 100,000 sq. ft. Information Technology Incubation Centre in University Putra Malaysia. Subsequently, he joined Tanco Resort Berhad from 1998-2002 where he held various positions from General Manager to Executive Director/ Chief Operating Officer. Currently, he is the chairman of Kiara Susila Sdn Bhd, a property development company.

Presently, he is Chairman of the Remuneration Committee and a member of the ESOS Committee of the Company.

He is a substantial shareholder of the Company with a direct shareholding of 33,578,300 ordinary shares of RM0.25 each as at 18 December 2012. He has no interest in the shares of the subsidiaries of the Company.

He has no family relationship with any other director and/or substantial shareholder of the Company or any convictions for any offences within the past ten years. He is a director and major shareholder of Kiara Susila Sdn Bhd, which is jointly developing two property development projects with SYF Development Sdn Bhd, a wholly-owned sub-subsidiary of the Company. As such, he is a related party interested in the said transaction. Apart from the said joint-venture, he has not entered into any other transaction which has a conflict of interest with the Company.

Apart from the Company, he is the independent non-executive chairman of Priceworth International Berhad and independent non-executive director of SEG International Berhad.

DR. ROSLAN BIN A. GHAFFAR

Director
Independent/Non-Executive
Malaysian

Dr. Roslan Bin A. Ghaffar, aged 60, was appointed to the Board on 5 September 2008. He holds a Bachelor of Science degree from the Louisiana State University, Baton Rouge, USA and obtained his Ph.D. from University of Kentucky, Lexington, USA. He was attached to University Putra Malaysia as a Lecturer in 1984 and Associate Professor in 1991. In 1992-1993, he was with the University of Kentucky, Lexington as Visiting Professor. On various occasions while at the University Putra Malaysia, he had served as consultant to various international and national organizations which included the World Bank, Asian Development Bank, Winrock International and the Economic Planning Unit of the Prime Minister's Department. On 1 August 1994, Dr. Roslan was appointed as Director, Investment and Economic Research Department, Employees' Provident Fund ("EPF"). He was promoted to the position of Senior Director in 1996 and was Deputy Chief Executive Officer of the EPF from July 2002 until his retirement on 1 September 2007.

He is Chairman of the Audit Committee and Nominating Committee and a member of the Remuneration Committee of the Company.

Apart from the Company, Dr. Roslan is also a Director of ING Funds Berhad, Cagamas Berhad and the chairman of KL Sentral Sdn Bhd, a subsidiary of Malaysian Resources Corporation Berhad.

He does not have any interest in the shares of the Company and its subsidiaries.

He has no family relationship with any other director and/or substantial shareholder of the Company, neither has he entered into any transaction which has a conflict of interest with the Company nor any convictions for any offences within the past ten years.

FOO LEE KHEAN

Director
Independent/Non-Executive
Malaysian

Mr. Foo Lee Khean, aged 49, joined the Board on 15 October 2009. He is a Fellow of the Chartered Institute of Management Accountants and a member of the Malaysian Institute of Accountants. His professional career path has seen him gaining invaluable experience working with Coopers and Lybrand, Price Waterhouse, Arthur Andersen and Ernst & Young while specializing in corporate recovery, advisory and restructuring. In 2005, he left Ernst & Young as the director of corporate finance to join Strategic Capital Advisory Sdn Bhd where he is currently a director.

He is a member of the Audit Committee, Nominating Committee, Remuneration Committee and ESOS Committee of the Company.

Apart from the Company, Mr. Foo is an independent non-executive director of SMIS Corporation Berhad and Kumpulan Jetson Berhad. He is also a non-independent non-executive chairman of Systech Berhad.

He does not have any interest in the shares of the Company and its subsidiaries.

He has no family relationship with any other director and/or substantial shareholder of the Company, neither has he entered into any transaction which has a conflict of interest with the Company nor any convictions for any offences within the past ten years.

DATUK MOHAMED ARSAD BIN SEHAN

Director
Independent/Non-Executive
Malaysian

Datuk Mohamed Arsad bin Sehan, aged 59, was appointed to the Board on 19 October 2011. He holds a Bachelor of Economics (Statistics) degree from University of Malaya. He had a long career of 31 years, from 1978 to 2009, in banking industry with Bank Bumiputra Malaysia Berhad and Bank Kerjasama Rakyat Malaysia Berhad. At Bank Kerjasama Rakyat Malaysia Berhad, he held various senior management positions including General Manager of Commercial Banking, Assistant General Manager of Banking Operations, Sector Head of Financing and Division Head of Planning and Development and Corporate Services. He spent 7 years as Managing Director and Chief Executive Officer of a private company dealing in the manufacturing and supplying of standby power on secondment from Bank Kerjasama Rakyat Berhad. Currently, he is the Managing Director of PureCircle Sdn Bhd, a Malaysian entity in the PureCircle Group, the world's leading producer and supplier of high-purity, high-intensity natural sweeteners and flavours made from stevia plant

He is a member of the Audit Committee and Nominating Committee.

Apart from the company, he is also the chairman for both Koperasi Kakitangan Bank Kerjasama Rakyat Berhad and Koperasi Kumpulan Professional Kuala Lumpur Berhad.

He does not have any interest in the shares of the Company and its subsidiaries.

He has no family relationship with any other director and/or substantial shareholder of the Company. Neither has he entered into any transaction which has a conflict of interest with the Company nor has he been convicted of any offence within the past ten years.

CHEONG YEE KIONG

Executive Director
Non-Independent/Executive
*Malaysia*n

Mr. Cheong Yee Kiong, aged 51, is a professionally qualified accountant and a member of the Malaysian Institute of Accountants. He completed his professional studies at the Tunku Abdul Rahman College, graduating with a Diploma in Commerce (management accounting) in 1984 and completing the examinations of the Chartered Institute of Management Accountants.

He joined SYF in early 2003 as Financial Controller and eventually assumed the positions of Director of Finance and Company Secretary before joining the board of directors on 18 November 2008. During his career, he had gained experience in corporate and financial matters as financial controller with two other locally listed companies involved in construction and property development. Apart from that, he had also been a dealer's representative in the stockbroking industry.

He is a member of the Risk Management Committee of the Company.

He is a shareholder of the Company with a direct shareholding of 3,340,000 ordinary shares of RM0.25 each in the Company besides his entitlement under the ESOS. He has no interest in the shares of the subsidiaries of the Company.

He has no family relationship with any other director and/or major shareholder of the Company, neither has he entered into any transaction which has a conflict of interest with the Company nor any convictions for any offences within the past ten years.

Mr. Cheong is also an independent non-executive director of Digistar Corporation Berhad.

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure and privilege to present the Annual Report and Financial Statements of the Group and Company for the year ended 31 July 2012.

As in previous years, the financial and economic malaise afflicting the Western economies continued into the year 2012 leaving governments grappling with recessions, rising unemployment, increasing national debt, fiscal cliffs and the like. In the absence of any positive signs, the possibility of any meaningful recovery in the near future is remote.

Against this backdrop, demand for furniture inevitably remained weak and continued to affect the local furniture manufacturing industry. In addition, the industry struggled to cope with rising cost of materials especially in the supply of rubber wood timber and increasing labour related cost.

The completion of the Group's debt restructuring during the year opened up opportunities to implement business plans for future growth. In our core business, the upstream segment is being expanded with a new plant to produce particleboard which is widely used in the furniture and related industries. Apart from this, the Group diversified into property development with the launch of its maiden project during the year.

Financially, 2012 marked a significant milestone with the Group finally returning to profitability with profit before tax of RM50.7 million after five years of consecutive losses.

FINANCIAL RESULTS

Group turnover was recorded at RM198.6 million, an increase of 27% over the previous year's figure of RM156.1 million. Turnover increased in both the upstream materials supply segment and the downstream export furniture business while property development contributed 9% to Group turnover.

Net profit before tax amounted to RM50.7 million which included RM37.8 million arising from debt waiver and interest write-back upon completion of the restructuring scheme. Profit was contributed by both upstream and downstream segments as well as the newly started property development division. In addition, the restructuring resulted in lower financing cost which further enhanced the results.

Pursuant to the existing policy of a five-year cycle, a valuation of the Group's properties was carried out resulting in a net revaluation surplus of RM26.9 million and bringing total comprehensive income for the year to RM77.6 million.

REVIEW OF OPERATIONS

With global conditions affecting demand for export furniture, the Group remained focused on further strengthening the upstream segment with improvements in the sawmilling and kiln drying facilities. Concurrently, in order to secure the supply of rubber wood, resources were also channeled to the procurement of log extraction rights. These efforts in upstream activities will contribute to lower costs of production for the Group's furniture and component products in order to remain competitive.

As part of the strategy to achieve growth by venturing into related products, the Group undertook the setting up of a new plant to produce particleboard which has a good demand in the local market. This will complement the existing product base and provide an additional income stream upon commencement of commercial operations in early 2013. A substantial part of the raw material requirement of the new plant will be sourced using by-products of the Group's existing sawmilling and processing operations.

In the downstream segment, marketing efforts concentrated on building up the mixed container program which yields a higher margin to offset rising cost of production. Cost reduction measures were actively pursued in substitution of cheaper materials and higher production efficiency.

Subsequent to the restructuring, the Group commenced its property development activities with the launch of the industrial project known as Semenyih Hi-Tech 5 on a joint venture basis. Todate, all 48 units of semi-detached factories launched have been sold with a gross development value of RM84.3million. Construction is in active progress with overall completion of 40% as at current date.

PROSPECTS AND FUTURE OUTLOOK

Over the past few years, the Group had been steadily growing the upstream segment and is now one of the leading suppliers of materials to the local furniture industry. The continued focus on improving upstream capabilities will lead to progressively higher efficiency and cost savings as this segment continues to grow. With the particleboard plant coming on stream in 2013, there will be expected contribution to the Group's future earnings.

On a negative note, the minimum wage policy to be implemented in 2013 will result in substantial cost increase as the Group employs more than 1,500 workers, the majority of whom are foreign nationals earning significantly below the proposed minimum wage. The implementation of this policy will have a direct material impact on the Group's profitability.

In property development, Semenyih Hi-Tech 5 will contribute a full year period of earnings for the financial year ending 31 July 2013 while the Kiara Plaza commercial project is expected to be ready for launch in the final quarter of the said period.

With the restructuring now behind us, the Group has put in place its strategy to progress and grow into the future. Apart from the actions taken thus far, future growth plans will focus on businesses that have synergy with the Group's existing core activities such as the renovation and fit-out sector. With the high level of activity in the local construction and property development industries, the Group will seek opportunities to venture into this sector.

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BOARD CHANGES

Our latest Board member and substantial shareholder, Dato' Sri Clement Hii, joined the Board on 5 June 2012. A warm welcome is extended to him and we look forward to his valued contribution and support in our future endeavours.

DIVIDEND

No dividend has been proposed during the year.

CONCLUSION

In today's fast-paced and constantly changing environment, no company will be able to grow without the expertise and support of advisers, consultants, financiers, customers, business associates and government agencies.

On behalf of the Board, I would like to express my appreciation and gratitude to all such parties as well as our shareholders for their continued and unwavering support.

I would also like to thank Board members for their invaluable guidance and the staff for their loyalty, dedication and commitment.

Thank you.

For and On Behalf of the Board

NG AH CHAI
Executive Chairman & Chief Executive Officer

Corporate Governance Statement

INTRODUCTION

The Board of Directors of SYF Resources Berhad ("the Board") acknowledges that good corporate governance is vital to uphold business integrity and to sustain the performance and profitability of the Group's business operations. In this context, the Board strives to ensure that the Company adheres and complies with the principles and best practices of the Malaysian Code of Corporate Governance ("the Code").

Set out below is a statement on how the Group has applied the principles and the extent of its compliance with the best practices.

A. THE BOARD OF DIRECTORS

1. Composition of the Board

Consisting of seven (7) members, the Board comprises an Executive Chairman & Chief Executive Officer, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. This composition reflects a balance of executive directors and non-executive directors which is appropriate and effective for the control of the Group's business. No individual or a group of individuals dominates the Board's decision making and therefore, the Board is able to effectively discharge its responsibilities as set out in the Code. A brief description of the background of each Director is presented on pages 9 to 12 of this Annual Report.

The Board, with their different background and specialization in various professional fields, collectively bring with them a broad range of experience, leadership and expertise to meet the ever increasing challenges in the business and operating environment.

The executive directors are responsible for the implementation of the Board's policies and decisions, monitoring the operations, managing the development and implementation of business and corporate strategies, as well as the running of the daily businesses. The independent non-executive directors are independent of management and free from any business relationship, which could materially interfere with their independent judgment. Their role is to provide independent view, advice and judgment to ensure a balanced and an unbiased decision making process as well as to safeguard the interest of public shareholders. As and when a potential conflict of interest arises, it is mandatory for the Directors concerned to declare their interests and abstain from the decision-making process.

2. Board Responsibilities

The Board has the overall responsibility for leading and controlling the Group, focusing mainly on the Group's strategic business plans, financial performance, critical business issues, risk management, systems of internal control and overseeing the investments and operations of the Group. Generally, the Board must ensure that the Company is being managed and its business conducted in accordance with the appropriate standards of accountability and transparency. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to drive the Group in its activities.

The Board is primarily responsible for:-

a. Reviewing, adopting and monitoring the progress of the Company's strategies, plans and policies.
b. Overseeing the conduct of the company's business to evaluate whether the business is being properly managed.
c. Considering management's recommendations on key issues including acquisitions and divestment, restructuring, funding and significant capital expenditure.

d. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
e. Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has delegated certain authorities and responsibilities to several Board committees, i.e. the Audit Committee, Nominating Committee, Remuneration Committee, Employees' Share Option Scheme ("ESOS") Committee and Risk Management Committee to support and assist in discharging its fiduciary duties and responsibilities. The Board Committees will deliberate in greater detail and examine the issues within their respective terms of reference as set out by the Board and make the necessary recommendations to the Board which retains full responsibility. At the operating level, the Occupational Safety and Health Committee actively conducts activities in the interest of its workers and the environment.

3. Board Meetings

The Board meets at least once every quarter and on other occasions, as and when necessary, to inter-alia approve quarterly financial results, statutory financial statements, the annual report, business plans and to review the performance of the Company and its operating subsidiaries, governance matters and other business development activities.

Senior management and advisers may be invited to attend Board meetings, where necessary, to provide additional information and insights on the relevant agenda items to enable the Board and its committees to arrive at a considered decision.

The Board met seven (7) times during the financial year ended 31 July 2012. Details of each director's attendance for the financial year are as follows:

Name of Directors	Attendance
Ng Ah Chai	6/7
Dato' Sri Hii Chii Kok @ Hii Chee Kok *(appointed on 05/06/12)*	1/1
Dato' Sri Chee Hong Leong, JP	7/7
Dr. Roslan Bin A. Ghaffar	7/7
Foo Lee Khean	7/7
Datuk Mohamed Arsad Bin Sehan *(appointed on 19/10/2011)*	5/5
Cheong Yee Kiong	7/7

4. Supply of Information

The Board has full and unrestricted access to all information pertaining to the business and affairs of the Group to enable them to discharge their duties effectively.

Prior to the Board or Committees meetings, each Board member is provided with an agenda together with the full set of written reports and supporting information, including operating results, review and analysis, board paper in relation to corporate proposals (if any), one week ahead of each Board meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. In furtherance of their duties, the Directors also have direct access to the advice and services of the Company Secretary and may seek professional independent advice if deemed reasonable and necessary, at the expense of the Company.

The Directors are notified of any corporate announcements released to Bursa Malaysia Securities Berhad ("Bursa"). They are also notified of the impending restriction in dealing with the securities of the Company at least one month prior to the release of the quarterly financial results announcement.

The proceedings and resolutions reached at each Board meeting are recorded in the Minutes Book kept at the registered office. Besides Board meetings, the Board also exercises control on matters that requires its approval through the circulation of Directors' resolutions.

5. Directors' Training

The Board fully supports the need for its members to continuously enhance their skills and knowledge to keep abreast of the developments in the economy, industry and technology, to effectively carry out their duties and responsibilities as directors in compliance with the Listing Requirements of Bursa ("LR"). The Board is regularly updated on new statutory and regulatory requirements relating to their duties and responsibilities as Directors.

All Directors have attended the Mandatory Accreditation Program ("MAP") prescribed by Bursa. The Board will continue to evaluate and determine the training needs of its Directors on an on-going basis. During the financial year under review, the Directors have attended various seminars and briefings covering areas which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

Among the seminars and courses attended by one or more Directors during the year are:-

- Management and Administration of Cooperatives
- Black Swan – Transformation of Risk
- Seventeenth (17th) Corporate Economic Briefing
- Enhancing Standards of Disclosure – Bursa' Expectation and Common Pitfalls
- 2012 Budget Proposals – Tax Changes and its impact on Businesses

6. Appointments to the Board

The Nominating Committee is responsible for recommending the right candidates with the necessary mix of skill, experience and competency to be appointed to the Board and Board Committees through a formal and transparent selection process. Upon appointment, new Directors are advised of their legal and statutory responsibilities. All Directors are also being regularly updated on new requirements affecting their responsibility and are constantly being reminded of their obligations.

The Company Secretary will ensure that all appointments are properly made and that legal and statutory obligations are met.

7. Re-election/Election

In accordance with the Company's Articles of Association, at the First Annual General Meeting ("AGM"), all Directors shall retire from office. At subsequent AGMs, all Directors shall retire from office at least once in every three (3) years by rotation and shall be eligible for re-election. The Director who is appointed to fill a casual vacancy or as an addition to the Board, the Director so appointed shall hold office until the next AGM and shall then be eligible for election. Pursuant to the LR, each member of the Board holds not more than ten directorships in public listed companies and no more than fifteen directorships in non-public listed companies.

8. Board Committees

The Board, in discharging its fiduciary duty, has delegated specific responsibilities to five (5) committees namely, Audit Committee, Nominating Committee, Remuneration Committee, ESOS Committee and Risk Management Committee. These Committees have the authority to examine particular issues and will report to the Board with their recommendations. The Board, however, makes the final decision on all matters in the best interest of the Company.

(i) Audit Committee ("AC")

Composition of the AC, its terms of reference and a summary of its activities are set out on pages 27 to 29 of this Annual Report.

(ii) Nominating Committee ("NC")

The NC comprises three (3) members as follows:-

1. Dr. Roslan Bin A. Ghaffar - Chairman, Independent/Non-Executive Director
2. Datuk Mohamed Arsad Bin Sehan - Member, Independent/Non-Executive Director
3. Foo Lee Khean - Member, Independent/Non-Executive Director

The NC shall comprise exclusively non-executive directors with a majority of independent directors. At a meeting of the NC, the quorum shall be two non-executive directors or the majority of members present must be independent non-executive directors.

The responsibilities of the NC are to identify skill and expertise that are relevant to the effective functioning of the Board, to review the Board structure and composition, and to select and propose suitable candidates for appointment to the Board. The NC also assesses the contribution and performance of each director and recommends to the Board to fill the seat in the respective committees. Besides, the NC also annually review its required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board.

(iii) Remuneration Committee ("RC")

The RC consists of three (3) members as follows:-

1. Dato' Sri Chee Hong Leong, JP - Chairman, Executive Director
2. Dr. Roslan Bin A. Ghaffar - Member, Independent/Non-Executive Director
3. Foo Lee Khean - Member, Independent/Non-Executive Director

The RC is authorized to review, assess and recommend to the Board the remuneration of the executive and non-executive directors in all forms, using other independent professional advice as necessary.

(iv) ESOS Committee

The ESOS Committee is primarily responsible for administering the Company's ESOS in accordance with the approved ESOS Bye-Laws and regulations.

There are three (3) members as follows:-

1. Ng Ah Chai - Chairman, Executive Chairman & Chief Executive Officer
2. Dato' Sri Chee Hong Leong, JP - Member, Executive Director
3. Foo Lee Khean - Member, Independent/Non-Executive Director

(v) Risk Management Committee ("RMC")

The RMC was set up to ensure that a risk management structure is embedded throughout the Group and risk management policies consistently adopted. The RMC reports to the AC and comprises the following members:-

1. Ng Ah Chai - Chairman, Executive Chairman & Chief Executive Officer
2. Cheong Yee Kiong - Member, Executive Director
3. Tseu Chin Foo - Member, Head of Production, Timber Processing
4. Lim Kok Seong - Member, Head of Production, Bedroom Division
5. Chee Ah Kuan - Member, Head of Credit Control
6. Lee Oon Kar - Member, Senior Finance Manager
7. Lim Siew Mei - Member, Senior Manager, Human Resources
8. Boon Kee Suan - Member, Safety & Health Compliance Manager

The primary task of the RMC is to identify and assess the various risks inherent in its operating environment and review the adequacy of controls implemented to mitigate such risks.

B. DIRECTORS' REMUNERATION

The Board believes that remuneration should be sufficient to attract, retain and motivate Directors of the necessary calibre, expertise and experience to lead the Group.

The details of the remuneration of the directors of the Company for the financial year under review are as follows:-

Aggregate remuneration of the Directors categorized into appropriate components:

	Fees (RM)	Salaries and Other Emoluments (RM)	Benefit-in-Kind (RM)	Total (RM)
Executive Directors	10,082	1,504,709	41,971	1,556,762
Non-Executive Directors	94,197	-	-	94,197

The number of directors whose total remuneration fall within the following bands:

Range of Remuneration	Number of Directors Executive	Number of Directors Non-Executive
Below RM50,000	-	4
RM200,001 to RM250,000	1	-
RM450,001 to RM500,000	1	-
RM850,001 to RM900,000	1	-

C. SHAREHOLDERS

1. Relationship with Shareholders and Investors

The Company recognizes the importance of transparency and accountability in disclosure of the Group's business activities to its shareholders. The Board has maintained an effective communication policy that enables the Board to convey information with regard to the group's performance, corporate strategy and other matters that affect shareholders' interests.

This is achieved through timely announcements and disclosures made to Bursa during the financial year under review, including the release of financial results on a quarterly basis. In addition to various announcements made during the financial year, the Company's website, www.syf.com.my, allows shareholders and the public access to corporate information, financial statements, news and events relating to the Group.

2. Annual General Meeting (AGM)

The AGM represents the principal forum for dialogue with shareholders. Besides the usual agenda for the AGM, the Board encourages shareholders to participate through questions on the business activities of the Group. The Directors and external auditors are available to respond to questions from the shareholders during the meeting.

A full explanatory statement of the effects of the proposed resolutions will accompany each item of special business as mentioned in the notice of meeting.

D. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Directors take responsibilities to present a balanced and meaningful assessment of the Group's position and prospect and to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards in Malaysia. The AC assists the Board in scrutinizing information disclosed to ensure accuracy and completeness. The statement of directors' responsibilities in respect of the audited financial statements pursuant to the LR of Bursa is set out in the ensuing pages of this Annual Report.

2. Internal Control

The Company has a sound internal control system in place to achieve its objectives within an acceptable risk profile as well as to safeguard shareholders' investment and the Group's assets. An overview of the state of internal control within the Group is set out in the Statement on Internal Control on pages 25 to 26 of this Annual Report.

3. Relationship with Auditors

The Board through the AC has established a formal and transparent relationship with the external and internal auditors.

The role of the AC in relation to the external and internal auditors is explained in the AC Report as set out in this annual report.

E. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements of the Group are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia.

In preparing the financial statements, the Company has adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates to give a true and fair assessment of the Company's position and prospects.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

F. DEVIATION FROM BEST PRACTICES

The Executive Chairman, Ng Ah Chai, has also assumed the role of Chief Executive Officer. The dual role is counterbalanced by the strong independent element on the Board to ensure a balance of power and authority.

Additional Compliance Information

1. Share Buy-Back

The scheme has lapsed as approval of the shareholders for the renewal of Share Buy-Back authority was not sought at the Thirteenth AGM held on 15 January 2009.

2. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised in respect of the financial year under review except the issuance of 102,717,300 units of 5 years 3.5% Redeemable Convertible Secured Loan Stocks ("RCSLS") of RM0.25 each on 20 October 2011 pursuant to the Debt Restructuring Scheme. The said RCSLS was admitted to the official list of Bursa Malaysia Securities Berhad on 25 October 2011.

On 5 December 2011, the Company made an announcement to Bursa Malaysia Securities Berhad that all the 102,717,300 RCSLS had been fully converted into 102,717,300 new ordinary shares of RM0.25 each. Consequently, the RCSLS had been removed from the official list of Bursa Malaysia Securities Berhad on 5 December 2011.

3. Depository Receipt Programme

The Company did not sponsor any Depository Receipt Programme for the financial year ended 31 July 2012.

4. Sanctions and/or penalties

No sanctions and/or penalties were imposed on the Group, Directors or the Management by the relevant authorities during the financial year.

5. Variation of Results

There was no material variance between the audited results for the financial year ended 31 July 2012 and the unaudited results previously announced. The Company did not release any profit estimate, forecast or projection for the financial year.

6. Profit Guarantee

There was no profit guarantee given by the Group.

7. Non-Audit Fees

There were no non-audit fees paid to the Company's external auditors during the financial year under review other than fee of RM6,000/- paid for professional services as reporting accountants in connection with preparation of proforma consolidated statements and review of internal control statement.

8. Material Contracts

There were no material contracts entered into by the Company and its subsidiary companies involving directors' and major shareholders' interests still subsisting at the end of the financial year or entered into since the end of the previous financial year except for:-

(a) two tenancy agreements with the Executive Chairman & Chief Executive Officer:-

1. rental of factory land known as Lot 1226, Mukim Semenyih, with a land area of 1.2899 hectares at a monthly rental of RM13,800/-. This tenancy is for a three year period up to 31 March 2011 which has been extended for another three years expiring on 31 March 2014. and

2. rental of factory land and building known as Lot 1085, Mukim Semenyih, with a land area of 2.1195 hectares and built-up area of 62,400 sf. The monthly rental is RM30,000/- for a period of three years up to 30 June 2010 which has been extended for another three years expiring on 30 June 2013.

and

(b) two joint venture agreements dated 15 November 2011 with a group of companies in which the Executive Chairman & Chief Executive Officer and an Executive Director are substantial shareholder and director:-

1. to jointly develop a piece of land into an industrial area consisting of industrial lots which tentatively shall be named as "Semenyih Hi Tech 5" with a approximate development profit of RM13.9 million.

2. to jointly develop a piece of land into commercial center comprising amongst others, shophouses and services apartments which tentatively shall be named as "Kiara Plaza" with a approximate development profit of RM25.0 million.

9. Utilisation of Proceeds from Rights Issue

The proceeds from the Rights Issue weree fully utilised as follows:

	RM'000
Settlement of debts	11,404
Working capital	8,414
Restructuring expenses	1,200

10. Recurrent Related Party Transactions

The Company had obtained shareholders' mandate in Sixteenth (16th) Annual General Meeting on 20 January 2012 for the recurrent related party transactions ("RRPT").

The details are as follows:

Related Parties	Relationship	Nature of RRPT	Value * (RM'000)
1) GBT Industries Sdn Bhd 2) Huat Hing Rubberwood Sdn Bhd 3) Huat Hing Corporation Sdn Bhd	Mr. Gan Boon Tian, a former major shareholder of the Company, is also a director and major shareholder of the related parties	Purchase of rubberwood	6,378

* actual value from 20 October 2011 to 13 May 2012

Statement On Internal Control

In compliance with Bursa Malaysia Securities Berhad Listing Requirements, paragraph 15.26(b) and the Practice Note no. 9 and as guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies, the Board is pleased to set out the following statement for the financial year ended 31 July 2012.

BOARD RESPONSIBILITY

The Directors are responsible for the Group's system of internal control that covers all aspects of its business. While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system cannot totally eliminate risks and therefore cannot provide absolute assurance against the Group failing to achieve its objectives or making material losses. The system can however provide reasonable assurance against material misstatement or loss.

INTERNAL CONTROL PROCESSES AND RISK MANAGEMENT FRAMEWORK

The key processes that the Directors have established in reviewing the adequacy and integrity of the system of internal control are as follows:

(a) The Group's internal audit function reports to the Audit Committee. The Audit Committee, on behalf of the Board, reviews and holds discussions with management on the action taken on internal control issues identified in reports prepared by the internal auditors, the external auditors and the management.

(b) An accounting system which ensures that all financial transactions are correctly recorded, collated and consolidated into the monthly and quarterly management financial statements, allowing management to focus on areas of material change. A data backup system is in place to ensure recovery of information in the event of untoward incidents.

(c) Investment decisions are documented and approved by the Board for the acquisition or disposal of business operations, acceptance of projects, application of capital expenditure and approval on borrowings.

(d) Staff recruitment goes through a process and there is a performance appraisal system as well as training and development programs in place to achieve the objective of ensuring staff are competent to carry out their duties and responsibilities.

(e) The Audit Committee and the Board monitor and review the Group performance and financial results at their quarterly meetings; and

(f) Authority limits are defined for board members and senior management within an appropriate organization structure.

The above processes serve to ensure that there is a platform for the timely identification, evaluation and management of significant risks affecting the business.

The Board recognizes the importance of risk management, as such the control processes are reviewed by the Board on an ongoing basis for identification and mitigation of the major risks within the Group. Besides this, the participation of the executive directors in the daily activities has also reduced the business and operational risks of the Group. The executive directors and senior management regularly organized informal meetings for purpose of identifying and managing the business risk of the Group.

Fire protection systems at all facilities undergo routine inspection and maintenance under the oversight of the occupational safety and health committee. These include periodic training of the firefighting squad and security team as well as emergency response procedures.

Apart from fire protection measures, the Board also ensures that adequate insurance cover is procured to safeguard assets.

INTERNAL AUDIT FUNCTION

The internal audit function, which is outsourced to Raja Salleh, Lim & Co, assists the Board in the review and evaluation of the adequacy and integrity of the system of internal control. Review of the Group's internal control system is carried out on a systematic and cyclic basis and is reported to the Audit Committee on a regular basis.

During the year, the internal auditors reviewed the inventory control of a subsidiary, Seng Yip Furniture Sdn Bhd. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls.

WEAKNESSES IN INTERNAL CONTROL THAT RESULT IN MATERIAL LOSSES

There were no material losses incurred during the financial year under review as a result of weaknesses in internal control. The Board and management will continue its efforts to strengthen and enhance the control environment.

Audit Committee Report

The objective of the Audit Committee ("AC") is to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Group.

MEMBERS

The AC consists of the following members whose attendance record at the seven (7) AC meetings held during the financial year under review is as follows:-

	Number of meetings attended
Chairman	
Dr. Roslan Bin A. Ghaffar *(Independent Non-Executive Director)*	7/7
Members	
Dato' Sri Chee Hong Leong, JP *(resigned from the committee on 19/10/11)* *(Executive Director)**	2/2
Datuk Mohamed Arsad Bin Sehan *(appointed on 19/10/11)* *(Independent Non-Executive Director)*	5/5
Foo Lee Khean *(Independent Non-Executive Director)*	7/7

Remark: * Dato' Sri Chee Hong Leong, JP was redesignated as Executive Director with effect from 2 December 2011.

SUMMARY OF ACTIVITIES OF THE AC

During the financial year under review, the AC undertook the following activities:

1. Review of the unaudited quarterly reports on the consolidated results of the Group prior to submission to the Board for its approval before the quarterly announcements to Bursa Malaysia Securities Berhad ("Bursa") were made.
2. Review of the audit plan as proposed by the external auditors, in terms of the nature and extent of the audit procedures, significant accounting and audit issues, impact of new or proposed changes in the accounting standards and any other regulatory requirements.
3. Review of the audit plans of the internal auditor for the financial year under review.
4. Review of the year-end financial statements together with external auditors' report in relation to their audit findings and the accounting issues arising from the audit of the Company's and of the Group's annual financial results before submitting its recommendation to the Board for approval.
5. Review of pertinent issues raised by the internal auditor.
6. Review of the terms of related party transactions and recurrent related party transactions, if any, entered into by the Group.
7. Review of the Group's corporate exercises including the restructuring scheme.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The internal audit function is outsourced and independent of the operations of the Group. It provides reasonable assurance that the Group's system of internal control is satisfactory and operating efficiently. The internal auditor adopts a risk-based approach towards the planning and conduct of audits that are consistent with the Group's framework in designing, implementing and monitoring of its internal control system.

Upon completion of the audits, the internal auditor is to closely monitor the implementation progress of the recommendations made in order to assure that Management has duly addressed all major risks and control issues. All audit reports on the results of work undertaken together with the recommended action plans and the implementation status were presented to the Management and the Committee. A number of internal control weaknesses were identified during the financial year, all of which have been appropriately addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The internal audit function is currently outsourced to the firm of Raja Salleh, Lim & Co.

REVIEW OF SHARE OPTION SCHEME

The existing Employees' Share Option Scheme ("Existing ESOS") had been terminated with the approval obtained from the Company's shareholders at the Extraordinary General Meeting held on 1 March 2012 as it was no longer attractive, in term of the exercise price. Subsequent to the said termination, a new Employees' Share Option Scheme ("New ESOS") was approved by the Company's shareholders at the said Extraordinary General Meeting.

The Company had on 11 May 2012 offered the options under the New ESOS to the Directors and employees of the Company and its subsidiaries in accordance with the provisions of the Bylaws of the New ESOS.

The AC was satisfied that the allocation of share options pursuant to the New ESOS was in compliance with the criteria set out in the ESOS Bylaws and approved by the ESOS Committee. The details of the Existing and New ESOS are disclosed in the director's interest in the Directors' Report and note 30 to the Financial Statements.

TERMS OF REFERENCE OF THE AC

Composition of Members

The Board shall elect the AC members from amongst themselves, comprising no fewer than three (3) directors all of whom shall be non-executive. In addition, the majority of the AC members shall be independent directors as defined under Bursa's Listing Requirements. Each member of the AC shall serve for a term of two (2) years and may be re-nominated and re-appointed by the Board. An alternate director shall not be appointed as a member of the AC.

At least one (1) member of the AC must be:-

a. A member of the Malaysia Institute of Accountants (MIA);
b. If he is not a member of MIA, he must have at least three (3) years of working experience and:-
   i. He must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
   ii. He must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accounts Act 1967; or
c. Fulfill such other requirements as prescribed by Bursa.

If a member of the AC resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

The Chairman of the AC, elected from amongst the AC members, shall be an independent director. The Board of Directors shall approve the appointment of Chairman of the AC.

The secretary of the AC shall be the Company Secretary.

Meetings

The AC normally meets four (4) times annually on a quarterly basis although additional meetings may be called at any time whenever necessary. Representatives from the internal auditors and external auditors will attend the meetings, if required. Other Board members may attend the meeting upon invitation of the AC.

Each AC member receives written reports and supporting information, including operating results, comprehensive review and analysis, at least one week ahead of the AC meeting. Prior to each meeting, the members are provided with an agenda and a full set of AC papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the members to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

The quorum shall consist of a majority of members present being independent non-executive directors.

Rights and Authority

The AC shall:-

1. have the authority to investigate any matter within its terms of reference;
2. have and be able to mobilize the required resources to perform its duties;
3. have full & unrestricted access to any information, records and documents within the Group;
4. have direct communication channels with the external auditors and internal auditors;
5. be able to obtain independent professional or other advice; and
6. be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of executive members of the Board and employees of the Group, whenever deemed necessary.

Functions and Duties

The functions and duties of the AC are:-

1. To do the following in relation to the external audit function:-
   i. Consider the appointment of external auditors, the audit fee and any questions of resignation or dismissal;
   ii. Discuss with external auditors before the audit commences, the nature and scope of audit, and ensure coordination where more than one (1) audit firm is involved;
   iii. Discuss issues, problems and reservations arising from the interim and final audit, and any matter the auditors may wish to discuss (in the absence of the management, where necessary) and;
   iv. Review external auditors' management letters and management's response.

2. To do the following in respect of the internal audit function:-
   i. Review the adequacy of the scope, functions and resources of the internal auditors, and that it has necessary authority to carry out its work; and
   ii. Review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal auditors.

3. To review the quarterly and year end financial statements of the Group and the Company, focusing particularly on any changes in or implementation of major accounting policies and practices, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other legal requirements.

4. To consider any related party transactions and conflict of interest situation that may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

5. To review the ESOS allocation to ensure that it is in compliance with the criteria as approved by the ESOS Committee and the Bye-Laws.

6. To consider the major findings of internal investigation and the management's responses.

7. To report to Bursa Malaysia Securities Berhad any breach of the Listing Requirements which has not been satisfactorily resolved.

Corporate Social Responsibility

In the process of pursuing business goals, the Group embraces Corporate Social Responsibility as an integral part of our operations and activities. In our interaction with business associates, stakeholders and society at large, we are mindful of our role as a responsible corporate citizen.

ENVIRONMENT

The Group is accountable for the impact of its business operations on the environment. We constantly review and monitor our operations to make positive contribution to the environment, economic and social wellbeing of our stakeholders, employees and the broader community.

At all our manufacturing and operating facilities, machinery and equipment are maintained in good working order to ensure minimal emission and environmental impact and wastes are disposed of in a proper and compliant manner.

In our efforts to conserve water at our main manufacturing facility, we use water pumped from the nearby river for cleaning and utility purposes at our factories.

In the office, staff are encouraged to recycle used papers for internal office use, set power save mode for desktops and notebooks, switch off air-conditioning and lights during lunch time and after office hours.

OCCUPATIONAL SAFETY AND HEALTH

The Group considers health and safety management to be equally as important as other management functions. It is the management's responsibility to provide the framework to promote, stimulate and encourage the highest standard of safety and health at work. All employees, visitors including sub-contractors and workers must ensure that the Group's safety and health regulations are complied with and work towards achieving a healthy and safe working environment.

Towards this, the occupational safety and health committee carries out various activities throughout the year including fired rills, maintenance of firefighting equipment and electrical installations, regular training of the in-house firefighting squad and security team, organizing activities and training of workers in areas such as first aid, safety training on handling of machinery and forklift.

In the event of any untoward incidents, the emergency response team and standard emergency procedures are in place to manage the situation.

SOCIETY

As part of our belief in a caring society, periodic visits to retirement homes, orphanages and welfare homes are organized from amongst volunteer staff during which food items and donations are contributed.

On a regular basis, the Group accommodates study tours and field trips organized by various institutions to its production facilities.

Analysis Of Shareholdings And Warrantholdings

ANALYSIS OF SHAREHOLDINGS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 NOVEMBER 2012

SHAREHOLDINGS STATISTICS

Authorised Share Capital	:	RM200,000,000.00 divided into 800,000,000 Ordinary Shares of RM0.25 each
Issued and Fully Paid-Up Share Capital	:	RM68,105,776.50 divided into 272,423,106
	:	Ordinary Shares of RM0.25 each
Class of Shares	:	Ordinary Shares of RM0.25 each
Total No. of Shareholders	:	2,751
Voting Rights		
- On Show of Hand	:	One vote
- On a Poll	:	One vote for each share held

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	% of Shares
Less than 100	6	236	0.00
100 to 1,000	957	898,310	0.33
1,001 to 10,000	1,116	5,611,400	2.06
10,001 to 100,000	518	17,880,860	6.56
100,001 to less than 5% of issued shares	150	163,799,500	60.13
5% and above of issued shares	4	84,232,800	30.92
Total	**2,751**	**272,423,106**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 NOVEMBER 2012

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders (excluding bare trustees) of the Company:-

		Direct Shareholdings		Indirect Shareholdings	
	Name	No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Ng Ah Chai	63,208,400	23.20	-	-
2.	HCK Equities Sdn. Bhd.	51,132,800	18.77	-	-
3.	Dato' Sri Chee Hong Leong, JP	33,578,300	12.33	-	-

Analysis Of Shareholdings And Warrantholdings (Cont'd)

STATEMENT ON DIRECTORS' INTERESTS IN THE SECURITIES OF THE COMPANY AS PER REGISTER OF DIRECTORS AS AT 30 NOVEMBER 2012

DIRECTORS' SHAREHOLDINGS

	Name	Direct Shareholdings No. of Shares	Direct Shareholdings % of Shares	Indirect Shareholdings No. of Shares	Indirect Shareholdings % of Shares
1.	Ng Ah Chai	63,208,400	23.20	-	-
2.	Dato' Sri Chee Hong Leong, JP	33,578,300	12.33	-	-
3.	Cheong Yee Kiong	3,340,000	0.12	-	-
4.	Dato' Sri Hii Chii Kok @ Hii Chee Kok	-	-	51,132,800*	18.77*
5.	Dr. Roslan bin A. Ghaffar	-	-	-	-
6.	Datuk Mohamed Arsad bin Sehan	-	-	-	-
7.	Foo Lee Khean	-	-	-	-

Note: *Deemed interest through HCK Equities Sdn. Bhd.

THIRTY LARGEST SHAREHOLDERS ACCORDING TO RECORD OF DEPOSITORS AS AT 30 NOVEMBER 2012

	Name	No. of Shares	% of Shares
1	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Ah Chai (BSY)*	25,000,000	9.18
2.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For HCK Equities Sdn. Bhd.*	24,032,800	8.82
3.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For HCK Equities Sdn. Bhd.*	19,200,000	7.05
4.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Dato' Sri Chee Hong Leong, JP (CEB)*	16,000,000	5.87
5.	Bank Kerjasama Rakyat Malaysia Berhad *Pledged Securities Account For Dato' Sri Chee Hong Leong, JP*	13,578,300	4.98
6.	Bank Kerjasama Rakyat Malaysia Berhad *Pledged Securities Account For Ng Ah Chai*	12,500,000	4.59
7.	M & A Nominee (Tempatan) Sdn Bhd *Pledged Securities Account For Ong Kook Liong (M&A)*	8,613,500	3.16
8.	AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account-Ambank (M) Berhad For HCK Equities Sdn. Bhd. (Smart)*	7,900,000	2.90
9.	Kumpulan Wang Simpanan Guru-Guru	7,000,000	2.57
10.	EB Nominees (Tempatan) Sendirian Berhad *Pledged Securities Account For Ng Ah Chai (SFC)*	6,944,300	2.55
11.	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account For Chee Chik Keng*	6,590,600	2.42
12.	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account For Lim Hock Ho*	5,804,000	2.13

Analysis Of Shareholdings And Warrantholdings (Cont'd)

THIRTY LARGEST SHAREHOLDERS ACCORDING TO RECORD OF DEPOSITORS AS AT 30 NOVEMBER 2012 (CONT'D)

	Name	No. of Shares	% of Shares
13.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tee Tiam Hock*	4,100,000	1.51
14.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Ah Chai*	4,000,000	1.47
15.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Dato' Sri Chee Hong Leong, JP*	4,000,000	1.47
16.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Ah Chai (100426)*	3,923,800	1.44
17.	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account For Kuan Kian Seng*	3,362,800	1.23
18.	Cheong Yee Kiong	3,340,000	1.23
19.	ECML Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Ah Chai (001)*	3,000,000	1.10
20.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Ah Chai*	3,000,000	1.10
21.	OSK Nominees (Tempatan) Sdn Berhad *Pledged Securities Account For Ng Ah Chai*	2,684,600	0.99
22.	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Ah Chai (Margin)*	2,155,700	0.79
23.	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lim Hock Ho*	2,004,900	0.74
24.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chee Chik Eng*	1,956,600	0.72
25.	EB Nominees (Tempatan) Sendirian Berhad *Pledged Securities Account For Chee Chik Keng (SFC)*	1,946,100	0.71
26.	A.A. Anthony Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Cheam Tow Yong*	1,800,000	0.66
27.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Hii Siew Hee*	1,717,500	0.63
28.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Generasi Panduan Sdn Bhd*	1,658,100	0.61
29.	Citigroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Cheam Tow Yong (473744)*	1,600,000	0.59
30.	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Aik Hooi*	1,555,400	0.57

Analysis Of Shareholdings And Warrantholdings (Cont'd)

ANALYSIS OF 2003/2013 WARRANTHOLDINGS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 NOVEMBER 2012

WARRANTHOLDINGS STATISTICS

No. of Warrants Issued	: 36,290,700
No. of Additional Warrants issued due to the Rights Issue	: 873,871
No. of Warrants Converted Into Ordinary Shares	: 1,806,400
No. of Warrants Outstanding	: 35,358,171
Total No. of Warrantholders	: 891
Voting Rights	
- On Show of Hand	: One vote
- On a Poll	: One vote for each warrant held

DISTRIBUTION SCHEDULE OF WARRANTHOLDINGS

Size of Holdings	No. of Holders	No. of Warrants	% of Warrants
Less than 100	185	6,879	0.02
100 to 1,000	59	19,923	0.06
1,001 to 10,000	294	1,540,193	4.36
10,001 to 100,000	294	10,475,492	29.63
100,001 to less than 5% of issued warrants	56	15,159,984	42.87
5% and above of issued warrants	3	8,155,700	23.06
Total	**891**	**35,358,171**	**100.00**

DIRECTORS' WARRANTHOLDINGS AS AT 30 NOVEMBER 2012

	Name	Direct Warrantholdings		Indirect Warrantholdings	
		No. of Warrants	% of Warrants	No. of Warrants	% of Warrants
1.	Ng Ah Chai	-	-	-	-
2.	Dato' Sri Hii Chii Kok @ Hii Chee Kok	-	-	-	-
3.	Dato' Sri Chee Hong Leong, JP	-	-	-	-
4.	Cheong Yee Kiong	-	-	-	-
5.	Dr. Roslan bin A. Ghaffar	-	-	-	-
6.	Foo Lee Khean	-	-	-	-
7.	Datuk Mohamed Arsad bin Sehan	-	-	-	-

Analysis Of Shareholdings And Warrantholdings (Cont'd)

THIRTY LARGEST WARRANTHOLDERS ACCORDING TO RECORD OF DEPOSITORS AS AT 30 NOVEMBER 2012

	Name	No. of Warrants	% of Warrants
1	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For SMB Resources Sdn Bhd*	3,000,000	8.48
2.	Maybank Securities Nominees (Asing) Sdn Bhd *Pledged Securities Account For Seyed Abu Tahir Bin Buhary (Margin)*	2,625,300	7.42
3.	Mohamed Rafiq Bin Mohamed Ibrahim	2,530,400	7.16
4.	HSBC Nominees (Asing) Sdn Bhd *Exempt An For BSI SA (BSI BK SG-NR)*	1,000,000	2.83
5.	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd For AAB Capital Pte Ltd*	1,000,000	2.83
6.	Syed Mohamed Buhari Mohamed Ansari	700,000	1.98
7.	Goh Ten Fook	680,000	1.92
8.	Ong Chin Yew	600,000	1.70
9.	Tailami A/P Palaniandy	600,000	1.70
10.	Koh Peng Cheong	446,834	1.26
11.	Roslan Bin Zainal	410,000	1.16
12.	Goh Lee Yen	400,000	1.13
13.	SMB Resources Sdn Bhd	395,800	1.12
14.	Phang Yew Ming	395,000	1.12
15.	RHB Capital Nominees (Tempatan) Sdn Bhd *Oon Poh Choo*	373,500	1.06
16.	Chin Bak Kim @ Ch'ng Bak Kim	360,000	1.02
17.	Sentral Bina Jaya Sdn. Bhd.	350,000	0.99
18.	Tommy Lee Chee Yeow	320,700	0.91
19.	Kong Lieng Tee	310,000	0.88
20.	Choong Thiam Fatt	300,000	0.85
21.	Loh Yoon Meng @ Loh Yoon Min	280,300	0.79
22.	Thong Chee Thim	270,000	0.76
23.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tan Boon Pock (TAN6190M)*	250,000	0.71
24.	Md. Radzi Bin Md Lazim	250,000	0.71
25.	Koh Weng Foo	240,000	0.68
26.	Maybank Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Naemah Ariza Binti Abdul Aziz@ Mohd*	226,300	0.64
27.	Thong Ah Foong	213,000	0.60
28.	HLB Nominees (Tempatan) Sdn Bhd *Hong Leong Bank Berhad*	211,600	0.60
29.	Goh Thiam Seng	210,000	0.59
30.	ECML Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Wui Heong (MG0000140)*	201,509	0.57

List Of Properties
As At 31 July 2012

Owner, Title/Location	Tenure	Approx. Age (Years)	Description/ Existing Use	Size (Sq ft.)	NBV @ 31.07.12 RM'000	Year of Revaluation/ Acquisition
Seng Yip Furniture Sdn Bhd Lot 971, Mukim Semenyih Jalan Sungai Lalang 43500 Semenyih Selangor	Freehold	16	Land, office, factory and warehouse	413,820	25,012	2012
Seng Yip Furniture Sdn Bhd Lot 1224, Mukim Semenyih Jalan Sungai Lalang 43500 Semenyih Selangor	Freehold	16	Land, factory and warehouse	120,473	7,581	2012
Seng Yip Furniture Sdn Bhd Lot 1225, Mukim Semenyih Jalan Sungai Lalang 43500 Semenyih Selangor	Freehold	12	Land, factory and warehouse	120,516	8,182	2012
Seng Yip Furniture Sdn Bhd Lot 1338, Mukim Semenyih Jalan Sungai Lalang 43500 Semenyih Selangor	Freehold	19	Land, factory and warehouse	123,929	5,687	2012
Seng Yip Furniture Sdn Bhd Lot 974, Mukim Semenyih Jalan Sungai Lalang 43500 Semenyih Selangor	Freehold	7	Land, factory and warehouse	853,956	42,762	2012
Seng Yip Furniture Sdn Bhd Lot 739, Pekan Nilai Jalan Zamrud Nilai Industrial Park II 71800 Nilai Negeri Sembilan	Leasehold	5	Land, factory and warehouse	191,976	5,519	2012
Tomisho Sdn Bhd Lot 44711, Mukim Kapar Jalan Kapar, 42200 Klang Selangor	Freehold	8	Land, office, factory and warehouse	98,131	9,525	2012
SYF Plantation Sdn Bhd Lot 376, Phase 1 Lestari Perdana 43300 Seri Kembangan Selangor	Leasehold	4	Vacant land	8,008	257	2009

Financial Statements

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 2012.

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.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before taxation	50,644	21,329
Taxation	74	(30)
Net profit for the financial year, representing total comprehensive income for the financial year	50,718	21,299
Attributable to:		
Owners of the parent	50,718	21,299

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

During the financial year, the Company increased its issued and paid-up share capital from RM21,017,000 to RM67,714,000 by the issuance of the following ordinary shares of RM0.25 each:

(a) Rights issue of 84,069,603 ordinary shares of RM0.25 each; and

ISSUE OF SHARES AND DEBENTURES (CONT'D)

(b) 102,717,300 shares at an issue price of RM0.25 each pursuant to conversion of 102,717,300 redeemable convertible secured loan stocks ("RCSLS") of RM0.25 each.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from issue of RCSLS and Employees' Share Option Scheme ("ESOS").

REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS

At an extraordinary general meeting held on 24 June 2011, the Company's shareholders had approved the issuance of 102,717,300 units of 5 years 3.5% per annum RCSLS of RM25,679,325 nominal value of RCSLS at 100% of the nominal value of RM0.25 each.

On 5 December 2011, the Company made announcement to Bursa Malaysia Securities Berhad that 102,717,300 RCSLS had been fully converted into 102,717,300 new ordinary shares of RM0.25 each. The RCSLS had been removed from the official list of Bursa Malaysia Securities Berhad on 5 December 2011.

WARRANTS

The warrants 2003/2013 were constituted under the Deed Poll dated 1 August 2003. On 25 October 2011, an additional of 873,871 warrants were issued and allotted to the holders of the existing warrants which are not exercised prior to 26 September 2011 and the exercise price of the existing warrants 2003/2013 was revised downwards from RM1.00 to RM0.98. The additional warrants were listed and quoted simultaneously with the Rights Shares on 25 October 2011.

As at 31 July 2012, the total numbers of warrants that remain unexercised are 35,358,171 (2011: 34,484,300).

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("existing ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 23 May 2003. At all times, the existing ESOS shall not exceed 10% of the issued share capital and shall be granted to eligible Directors and employees of the Group. The existing 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 existing 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.

In view that the existing ESOS is no longer attractive, the Company's shareholders approved the termination of the existing ESOS at an extraordinary general meeting held on 1 March 2012.

EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

At an extraordinary general meeting held on 1 March 2012, the Company's shareholders approved the establishment of a new Employees' Share Option Scheme ("new ESOS") of not more than 15% of the issued share capital of the Company to eligible Directors and employees of the Group following the termination of the existing ESOS.

The Company's new ESOS was approved by the shareholders at the Extraordinary General Meeting held on 1 March 2012. At all times, the new ESOS shall not exceed 15% of the issued share capital and shall be granted to eligible Directors and employees of the Group. The new ESOS shall be in force for a period of five (5) years from the effective date of implementation or until 8 May 2017.

The salient features and other terms of the ESOS are disclosed in Note 30 to the financial statements.

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

DIRECTORS

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

Ng Ah Chai
Dato' Sri Chee Hong Leong, JP
Dr. Roslan Bin A. Ghaffar
Cheong Yee Kiong
Foo Lee Khean
Datuk Mohamed Arsad Bin Sehan
Dato' Sri Hii Chii Kok @ Hii Chee Kok *(appointed on 05.06.2012)*

DIRECTORS' INTERESTS

Details of holdings and deemed interests in the share capital, warrants and options over shares and RCSLS 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:

	Number of ordinary shares of RM0.25 each			
	At 01.08.2011	**Acquired**	**Disposed**	**At 31.07.2012**
SYF Resources Berhad				
Direct interest				
Ng Ah Chai	25,711,600	35,496,800	-	61,208,400
Dato' Sri Chee Hong Leong, JP	-	33,578,300	-	33,578,300
Cheong Yee Kiong	-	3,340,000	-	3,340,000
Indirect interest				
Dato' Sri Hii Chii Kok @ Hii Chee Kok [1]	-	27,100,000	-	27,100,000

DIRECTORS' INTERESTS (CONT'D)

	Number of Warrants			
	At 01.08.2011	Acquired	*Transferred	At 31.07.2012
SYF Resources Berhad				
Direct interest				
Ng Ah Chai	13,658,100	-	13,658,100	-

* transferred to scheme financiers

	Number of options over ordinary shares of RM1.00 each (existing ESOS)			
	At 01.08.2011	Granted	Terminated	At 31.07.2012
SYF Resources Berhad				
Direct interest				
Ng Ah Chai	780,000	-	780,000	-
Cheong Yee Kiong	320,000	-	320,000	-

	Number of options over ordinary shares of RM0.25 each (new ESOS)			
	At 01.08.2011	Granted	Exercised	At 31.07.2012
SYF Resources Berhad				
Direct interest				
Ng Ah Chai	-	1,500,000	-	1,500,000
Cheong Yee Kiong	-	1,440,000	-	1,440,000

	Number of redeemable convertible secured loan stocks (RCSLS)			
	At 01.08.2011	Acquired [2]	Conversion	At 31.07.2012
SYF Resources Berhad				
Direct interest				
Dato' Sri Chee Hong Leong, JP	-	19,613,500	19,613,500	-

[1] Deemed interest pursuant to Section 6A of the Companies Act, 1965 via HCK Equities Sdn. Bhd.

[2] Pursuant to the Put and Call Option Agreement

By virtue of their interest in the shares of the Company, Ng Ah Chai, Dato' Sri Chee Hong Leong, Cheong Yee Kiong and Dato' Sri Hii Chii Kok @ Hii Chee Kok are 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 and issue of RCSLS.

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 values 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 Group or of the Company 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 Group or of the Company which have arisen since the end of the financial year to secure the liabilities of any other person; and

  (ii) any contingent liability in respect of the Group or of the Company which have arisen since the end of the financial year.

SIGNIFICANT EVENTS

The significant events are disclosed in Note 35 to the financial statements.

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
16 NOVEMBER 2012

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 47 to 111 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 2012 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 112 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
16 NOVEMBER 2012

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 47 to 111 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 16 NOVEMBER 2012

LEE OON KAR

Before me,

ARSHAD ABDULLAH (W550)
COMMISSIONER FOR OATHS

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 2012 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 47 to 111 .

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 estimates 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.

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 2012 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 acted 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONT'D)

(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 on page 112 is solely disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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 Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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: 1886/05/14 (J/PH)
Chartered Accountant

KUALA LUMPUR
16 NOVEMBER 2012

Statements Of Financial Position
As At 31 July 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Non-Current Assets					
Property, plant and equipment	3	128,703	100,758	-	-
Investments in subsidiary companies	4	-	-	33,849	31,849
Other investments	5	-	-	-	-
		128,703	100,758	33,849	31,849
Current Assets					
Land and property development costs	6	7,944	-	-	-
Inventories	7	48,165	39,272	-	-
Trade receivables	8	19,993	7,668	-	-
Other receivables	9	26,255	5,440	-	1
Derivative financial assets	10	136	411	-	-
Amount owing by subsidiary companies	11	-	-	68,061	66,741
Tax recoverable		31	31	-	-
Fixed deposits with licensed banks	12	240	50	-	-
Cash and bank balances	13	3,057	3,593	327	257
		105,821	56,465	68,388	66,999
Non-current assets held for sale	14	-	-	-	-
		105,821	56,465	68,388	66,999
Total Assets		234,524	157,223	102,237	98,848
Equity					
Share capital	15	67,714	21,017	67,714	21,017
Reserves	16	81,573	4,002	34,128	12,829
Total Equity		149,287	25,019	101,842	33,846
Non-Current Liabilities					
Hire purchase payables	18	656	466	-	-
Bank borrowings	19	7,079	-	-	-
Deferred tax liabilities	20	8,736	3,906	-	-
		16,471	4,372	-	-
Current Liabilities					
Trade payables	21	28,262	11,788	-	-
Other payables	22	11,061	14,547	365	5,041
Amount owing to a Director	23	2,400	-	-	-
Hire purchase payables	18	231	127	-	-
Bank borrowings	19	26,781	101,370	-	59,961
Tax payable		31	-	30	-
		68,766	127,832	395	65,002
Total Liabilities		85,237	132,204	395	65,002
Total Equity and Liabilities		234,524	157,223	102,237	98,848

Statements Of Comprehensive Income
For The Financial Year Ended 31 July 2012

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	24	198,570	156,128	-	4,833
Cost of sales		(174,400)	(145,790)	-	-
Gross profit		24,170	10,338	-	4,833
Other operating income		42,241	11,232	34,673	8,848
Distribution expenses		(3,088)	(2,315)	-	-
Administrative expenses		(9,630)	(12,616)	(13,344)	(10,892)
Other operating expenses		(715)	(23)	-	-
Finance costs	25	(2,334)	(9,567)	-	(6,000)
Profit/(Loss) before taxation	26	50,644	(2,951)	21,329	(3,211)
Taxation	27	74	721	(30)	-
Net profit/(loss) for the financial year		50,718	(2,230)	21,299	(3,211)
Other comprehensive income for the financial year, net of tax					
- Revaluation of freehold land and buildings and leasehold land		31,752	-	-	-
- Deferred tax liabilities relating to components of other comprehensive income		(4,899)	-	-	-
		26,853	-	-	-
Total comprehensive income for the financial year		77,571	(2,230)	21,299	(3,211)
Net profit/(loss) for the financial year attributable to:					
Owners of the parent		50,718	(2,230)		
Total comprehensive income for the financial year attributable to:					
Owners of the parent		77,571	(2,230)		
Earnings/(Loss) per share attributable to owners of the parent (sen)	28				
Basic		23.0	(2.6)		
Fully diluted		23.0	(2.6)		

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

Statements Of Changes In Equity
For The Financial Year Ended 31 July 2012

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

		Attributable to Owners of the Parent					
		Non-Distributable				Distributable	
	Note	Share Capital RM'000	Redeemable Convertible Secured Loan Stocks ("RCSLS") RM'000	Share Premium RM'000	Assets Revaluation Reserve RM'000	Retained Profit/ (Accumulated Losses) RM'000	Total Equity RM'000
Group							
At 1 August 2011		21,017	-	15,374	11,435	(22,807)	25,019
Issuance of RCSLS	15	-	25,680	-	-	-	25,680
Rights Issue	15	21,017	-	-	-	-	21,017
Conversion of RCSLS to ordinary shares	15	25,680	(25,680)	-	-	-	-
Realisation of assets revaluation reserve		-	-	-	(119)	119	-
Total comprehensive income for the financial year		-	-	-	26,853	50,718	77,571
At 31 July 2012		67,714	-	15,374	38,169	28,030	149,287

Statements Of Changes In Equity
For The Financial Year Ended 31 July 2012 (Cont'd)

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

	Note	Non-Distributable Share Capital RM'000	Non-Distributable Redeemable Convertible Secured Loan Stocks ("RCSLS") RM'000	Non-Distributable Share Premium RM'000	Distributable Retained Profit/ (Accumulated Losses) RM'000	Total RM'000
Company						
At 1 August 2011		21,017	-	15,374	(2,545)	33,846
Issued of RCSLS	15	-	25,680	-	-	25,680
Rights Issue	15	21,017	-	-	-	21,017
Conversion of RCSLS to ordinary shares		25,680	(25,680)	-	-	-
Total comprehensive income for the financial year		-	-	-	21,299	21,299
At 31 July 2012		67,714	-	15,374	18,754	101,842

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

Statements Of Cash Flows
For The Financial Year Ended 31 July 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Cash Flows From Operating Activities					
Profit/(Loss) before taxation		50,644	(2,951)	21,329	(3,211)
Adjustments for:					
Bad debts written off		1,377	1,156	-	786
Deposits written off		2	37	-	-
Depreciation of property, plant and equipment		5,494	5,506	-	-
Impairment on investment in subsidiary companies		-	-	-	23
Impairment on trade receivables		461	158	-	-
Impairment on amount owing by a subsidiary company		-	-	7,000	-
Impairment on property, plant and equipment		715	-	-	-
Investment in subsidiary companies written off		-	-	-	2,045
Property, plant and equipment written off		1,504	-	-	-
Interest expense		2,334	9,567	-	6,000
Loss on disposal of treasury shares		-	29	-	29
Other investments written off		-	5,500	-	5,500
(Gain)/Loss on disposal of property, plant and equipment		(177)	519	-	-
Prepayment written off		-	1,175	-	-
Waiver of debts owing by a subsidiary company		-	-	3,624	-
Interest income		(56)	(15)	(43)	-
Gain on disposal of non-current assets held for sale		-	(774)	-	-
Loss/(Gain) on foreign exchange - unrealised		168	(151)	-	-
Loss/(Gain) on derivative financial assets		275	(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		(1,249)	(17)	-	-
Reversal of impairment on other receivables		(166)	(1,156)	-	(786)
Reversal of impairment on property, plant and equipment		(1,651)	-	-	-
Waiver of debts by financial institutions (net of bank overdraft)		(30,968)	-	(29,981)	-
Over provision of interest on borrowings (net of bank overdraft)		(5,021)	-	(4,569)	-
Operating profit/(loss) before working capital changes		23,686	12,672	(2,640)	2,841

Statements Of Cash Flows
For The Financial Year Ended 31 July 2012 (Cont'd)

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
(Increase)/Decrease in working capital					
Land and property development costs		(7,944)	-	-	-
Inventories		(8,893)	(4,469)	-	-
Trade receivables		(12,765)	92	-	-
Other receivables		(20,766)	(2,289)	1	(1)
Trade payables		16,475	(157)	-	-
Other payables		932	(1,949)	(106)	(392)
Amount owing by subsidiary companies		-	-	(7,025)	(2,929)
Amount owing to a Director		2,400	-	-	-
		(30,561)	(8,772)	(7,130)	(3,322)
Cash (used in)/generated from operations		(6,875)	3,900	(9,770)	(481)
Interest paid		(2,334)	(3,624)	-	(57)
Tax paid		(17)	(140)	-	-
Tax refund		2	828	-	528
		(2,349)	(2,936)	-	471
Net cash (used in)/from operating activities		(9,224)	964	(9,770)	(10)
Cash Flows From Investing Activities					
Interest income		56	15	43	-
Investment in a subsidiary company		-	-	(2,000)	-
Proceeds from disposal of property, plant and equipment		372	1,052	-	-
Proceeds from disposal of non-current assets held for sale		-	10,106	-	-
Purchase of property, plant and equipment	3(f)	(1,986)	(2,896)	-	-
Addition of non-current assets held for sale	14	-	(80)	-	-
Net cash (used in)/from investing activities		(1,558)	8,197	(1,957)	-
Cash Flows From Financing Activities					
Drawdown of bank borrowings		4,000	-	-	-
Proceeds from issuance of rights shares		21,017	-	21,017	-
Proceeds from disposal of treasury shares		-	10	-	10
Repayment of bank borrowings		(11,889)	(7,050)	(9,220)	-
Repayment of hire purchase payables		(170)	(88)	-	-
(Placement)/Upliftment of fixed deposits pledged with licensed banks		(190)	220	-	-
Net cash from/(used in) financing activities		12,768	(6,908)	11,797	10

Statements Of Cash Flows
For The Financial Year Ended 31 July 2012 (Cont'd)

		Group		Company	
		2012	2011	2012	2011
	Note	RM'000	RM'000	RM'000	RM'000
Net increase in cash and cash equivalents		1,986	2,253	70	-
Currency translation difference		-	(7)	-	-
Cash and cash equivalents at beginning of the financial year		(2,246)	(4,492)	257	257
Cash and cash equivalents at end of the financial year		(260)	(2,246)	327	257
Cash and cash equivalents at end of the financial year comprise:					
Fixed deposits with licensed banks		240	50	-	-
Cash and bank balances		3,057	3,593	327	257
Bank overdrafts		(3,317)	(5,839)	-	-
		(20)	(2,196)	327	257
Less: Fixed deposits pledged with licensed banks		(240)	(50)	-	-
		(260)	(2,246)	327	257

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

Notes To The Financial Statements

1. CORPORATE INFORMATION

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

The Company is a public limited liability company, incorporated in Malaysia under the Companies Act, 1965 and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Kawasan Perindustrian Sungai Lalang, Lot 971, Jalan Vill, Mukim Semenyih, Jalan Sungai Lalang, 43500 Semenyih, Selangor Darul Ehsan.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and are rounded to the nearest thousand except otherwise stated.

(b) Significant accounting policies

During the financial year, the Group and the Company have adopted the following new Issues Committee ("IC") Interpretations, amendments to FRSs and Technical Release ("TR"), issued by the Malaysian Accounting Standards Board that are mandatory for current financial period:

IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to FRS 1	Limited exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	
TR i-4	Shariah Compliant Sale Contracts

The adoption of the above FRSs, IC Interpretations, Amendments to FRSs and TR did not have any effect on the financial statements of the Group and of the Company, other than for the following:

(i) Amendments to FRS 7 Improving Disclosures about Financial Instruments

Amendments to FRS 7 require enhanced disclosures about fair value measurements in which a three-level fair value hierarchy was introduced. Each class of financial instrument is to be classified in accordance to this hierarchy which reflects the inputs used in making the fair value measurement. It also reinforces the existing principles for disclosures on liquidity and credit risks. The adoption of this amendment resulted in additional disclosures in the financial statements but did not have any financial impact on the Group and on the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting policies (Cont'd)

(ii) Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"

The amendments mainly provide guidance, clarify wordings and remove inconsistencies in existing FRSs. These amendments have extended some of the disclosure requirements under FRS 7, such as the quantification of the extent to which collateral and other credit enhancements mitigate credit risk; and remove certain disclosure requirements such as the carrying amount of renegotiated assets. These changes are only presentational in nature and did not have any financial impact on the Group and on the Company.

The Group and the Company have not early adopted the following FRSs, IC Interpretations and amendments to FRSs, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

		Effective date for financial periods beginning on or after
FRS 124	Related Party Disclosures (revised)	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS 9 (IFRS 9 as issued by IASB in November 2009), FRS 9 (IFRS 9 as issued by IASB in October 2010) and FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures	1 March 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 3 Business Combination (IFRS 3 issued by International Accounting Standards Board ("IASB") in March 2004)^	Business Combination	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
Amendments to FRS 127	Separate Financial Statements	1 January 2013
FRS 127 (IAS 27 revised by IASB in December 2003)^	Consolidated and Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2012)"		1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting policies (Cont'd)

		Effective date for financial periods beginning on or after
FRS 9 (IFRS 9 as issued by IASB in November 2009)	Financial Instruments	1 January 2015*
FRS 9 (IFRS 9 as issued by IASB in October 2010)	Financial Instruments	1 January 2015*

* Original effective date of 1 January 2013 deferred to 1 January 2015 via amendments issued by MASB on 1 March 2012.

^ These standards are applicable if the entity elected to apply the transition guidance as allowed in FRS 10 Consolidated Financial Statements paragraphs C4B and C4C respectively.

The above new FRSs, revised FRSs, IC Interpretations and amendments to FRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the initial applications will have no significant impact on the financial statements of the Group and of the Company, except as discussed below:

(i) FRS 124 Related Party Disclosures

The revised FRS 124 simplify the definition of a related party, clarifies its intended meaning and eliminates inconsistencies from the definition and gives partial exemption from disclosure for government-related entities. These changes affect disclosures in the financial statements and will not have any impact on the financial results of the Group and of the Company.

(ii) Amendments to FRS 112 Deferred Tax: Recovery of Underlying Assets

This amendment supersedes and introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. FRS 112 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in FRS 140 Investment Property. As a result of the amendments, IC Interpretation 121 Income Taxes - Recovery of Revalued Non-Depreciable Assets will be superseded and its guidance will be incorporated into FRS 112.

(iii) Amendments to FRS 7 Disclosures - Transfers of Financial Assets

The amendment enhances the transparency in the reporting of transfer transactions and improves users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting policies (Cont'd)

(iv) Amendments to FRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities and Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

The amendment requires financial assets and financial liabilities to be offset and present the net amount in the statement of financial position, only if the entity has an unconditional and legally enforceable right to set off the financial asset and financial liability, and it intends either to settle the financial asset and financial liability net or to realise the financial asset and settle the financial liability simultaneously.

(v) FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009) and FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

FRS 9 (IFRS 9 issued by IASB in November 2009) specifies how an entity should classify and measure financial assets. This standard replaces the multiple classification and measurement models in FRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

FRS 9 (IFRS 9 issued by IASB in October 2010) specifies the requirements for the classification and measurement of financial liabilities, which are generally similar to the requirements of the existing FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in Other Comprehensive Income ("OCI"). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The guidance in FRS 139 on impairment of financial assets and hedge accounting continues to apply.

(vi) FRS 10 Consolidated Financial Statements

FRS 10 will replace all the guidance on control and consolidation in FRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation - Special Purpose Entities.

FRS 10 changes the definition of control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. It establishes control as the basis for determining which entities are consolidated in the consolidated financial statements and sets out the accounting requirements for the preparation of consolidated financial statements.

(vii) FRS 11 Joint Arrangements

FRS 11 will supersede the existing FRS 131 Interests in Joint Ventures when effective. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement.

(viii) FRS 12 Disclosure of Interests in Other Entities

This is a combined disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting policies (Cont'd)

(ix) FRS 13 Fair Value Measurement

This standard defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. The definition of fair value under this standard emphasises the principle that fair value is a market-based measurement, not an entity specific measurement.

(x) FRS 119 Employee Benefits (as amended in November 2011)

This revised FRS 119 will supersede the existing FRS 119 when effective. This new standard makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. Actuarial gains and losses will no longer be deferred using the corridor approach. Past service costs, whether unvested or already vested, are recognised immediately in the profit or loss as incurred and the annual defined benefit costs in the profit or loss will include net interest expense/income on the defined benefit asset/liability.

(xi) FRS 127 Separate Financial Statements (as amended in November 2011)

Upon the adoption of FRS 10, the accounting requirements relating to the preparation of consolidated financial statements are no longer covered under FRS 127. This revised FRS 127 only cover the requirements relating to the accounting for investments in subsidiary companies, associated companies and joint ventures in the separate financial statements of the entity. In such cases, the entity should account for such investments either at cost, or in accordance with FRS 9.

(xii) FRS 128 Investments in Associates and Joint Ventures (as amended in November 2011)

This revised FRS 128 incorporates the requirements for accounting for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11. However, the revised FRS 128 exempts the investor from applying equity accounting in certain circumstances, ie. where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 9.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. However, on 30 June 2012, MASB further extended the transitional period for another year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

Financial statements that are drawn up in accordance with the new MFRS framework will be equivalent to financial statements prepared by other jurisdictions which adopt IFRSs ("International Financial Reporting Standards").

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting policies (Cont'd)

The Group and the Company are subject to the application of *IC Interpretation 15*, therefore falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 July 2015. In presenting the Group and the Company's first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company are currently assessing the implications and financial impact of transition to the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in this financial statements for the financial year ended 31 July 2012 could be different if prepared under the MFRS Framework.

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years as stated in Note 2(e)(iii). These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could have impact on the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at 31 July 2012 is disclosed in Note 3.

(ii) Impairment of financial assets

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and of the Company's loans and receivables as at 31 July 2012 is disclosed in Notes 8 and 9.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Significant accounting estimates and judgements (Cont'd)

(iii) Property development costs

The Group recognises property development revenue and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amount of the Group's property development cost as at 31 July 2012 are disclosed in Note 6.

(iv) Income taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide provision for income taxes. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will have impact on the income tax and deferred tax provisions in the period in which such determination is made.

(v) Employees' Share Option Scheme

The fair value of share options granted during the financial year was estimated by the management using the Black-Scholes-Merton model, taking into accounts the terms and conditions upon which the options were granted. The fair value of share options was measured at Grant Date. The principal assumption used in the fair value estimation is disclosed in Note 30.

(vi) Impairment of investment in subsidiary companies

The carrying values of investment in subsidiary companies are reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies based on the acquisition method, which are made up to the end of the financial year.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses in accordance with Note 2(g). On disposal of these investments, the difference between the net disposal proceeds and the carrying amount is recognised in the statements of comprehensive income.

Subsidiary companies are those companies in which the Group has long term equity interest and has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding of more than one half of the voting rights.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (Cont'd)

The acquisition method of accounting is used to account for the purchase of subsidiary companies. The consideration transferred for acquisition of a subsidiary is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

In a business combination achieved in stages, the previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in the consolidated statements of comprehensive income.

Non-controlling interest is the equity in a subsidiary company not attributable, directly or indirectly, to the Group. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

Changes in the Company owners' ownership in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

All earnings and losses of the subsidiary company are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(g).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statements of comprehensive income as incurred.

(iii) Depreciation

Depreciation of property, plant and equipment is recognised in the statements of comprehensive income on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated. Building in progress is not depreciated until the asset is ready for its intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings and building improvements	50 years
Office equipment, furniture and fittings	5 to 20 years
Renovation and electrical upgrade	5 to 50 years
Tools and machinery	10 to 12.5 years
Motor vehicles	5 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each financial year end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the statements of comprehensive income. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Land and property development costs

(i) Land held for property development

Land held for property development consists of land held for future development activities where no significant development has been undertaken or where development activities are not expected to be completed within normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 2(g).

Land held for property development is reclassified as current asset when the development activities have been commenced or development activities are expected to commence within the period of twelve months after the end of the reporting period and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs shall be classified as non-current asset where no development activities have been carried out or development activities are expected to commence within the period of twelve months after the end of the reporting period or where development activities are not expected to be completed within the normal operating cycle.

Property development costs shall be reclassified to current asset when the development activities have commenced or development activities are expected to commence within the period of twelve months after the end of the reporting period or where the activities are expected to be completed within the normal operating cycle.

When the financial outcome of development activity can be reliably estimated, property development revenue and expenses are recognised in the statements of comprehensive income by using the stage of completion. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project including costs to be incurred over the defects liability period shall be recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which measured at the lower of cost and net realisable value.

When the revenue recognised in the statements of comprehensive income exceeds billings to purchasers, the balance is shown as accrued billings under current assets. When the billings to purchasers exceed the revenue recognised in the statements of comprehensive income, the balance is shown as progress billings under current liabilities.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of non-financial assets

The carrying amounts of assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statements of comprehensive income in the period in which it arises.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(h) Financial assets

Financial assets are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

(i) Classification

The Group and the Company classify their financial assets in the following categories: at fair value through profit or loss (FVTPL), loans and receivables, available-for-sale (AFS) and held-to-maturity (HTM). The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (Cont'd)

(i) Classification (Cont'd)

AFS Financial Assets

AFS financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group and the Company have the positive intention and ability to hold to maturity. If the Group and the Company were to sell other than an insignificant amount of HTM financial assets, the whole category would be tainted and reclassified as AFS.

HTM investment are classified as non-current assets, except for those having maturity date within 12 months after the end of the reporting period which are classified as current.

(ii) Recognition and initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at FVTPL, which are recognised at fair value. Transaction costs for financial assets at FVTPL are recognised immediately in the statements of comprehensive income.

Regular way purchases and sales of financial assets are recognised on a trade-date basis - the date on which the Group and the Company commit to purchase or sell the asset.

(iii) Subsequent measurement

Financial assets, both AFS and at FVTPL are subsequently carried at fair value. The fair value measurement considerations of the Group and of the Company are as disclosed in Note 2(i).

Equity instrument which are classified as AFS that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost.

Changes in the fair values of financial assets at FVTPL including the effects of currency translation, interest and dividends, are recognised in the statements of comprehensive income when the changes arise.

Interest and dividend income on AFS financial assets are recognised separately in the statement of comprehensive income. Changes in fair values of AFS equity securities (i.e. non-monetary items) are recognised in the statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, which are recognised in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (Cont'd)

(iv) Impairment

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognise an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss.

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, it is written off against the related accumulated impairment losses account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statements of comprehensive income.

AFS Financial Assets

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the other comprehensive income shall be reclassified to the profit or loss. The amount of cumulative loss that is reclassified to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in the profit or loss on equity securities are not reversed through the profit or loss.

HTM investments

Impairment in respect of HTM investment carried at amortised cost are measured as the difference between the asset's carrying amount and the present values of their estimated future cash flows discounted at the HTM investments' original effective interest rate.

The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (Cont'd)

(v) Reclassification of financial assets

The Group and the Company may choose to reclassify non-derivative assets out from the held-for-trading category, in rare circumstances, where the financial assets are no longer held for the purpose of selling or repurchasing in the short term. In addition, the Group and the Company may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or AFS categories if the Group and the Company have the intention and ability to hold the financial asset for the foreseeable future or until maturity.

If the Group and the Company were to sell or reclassify more than an insignificant amount of HTM investments before maturity, the entire category would be tainted and be reclassified to available-for-sale.

Reclassifications are made at fair value as at the reclassification date, whereby the fair value becomes the new cost or amortised cost, as applicable. Any fair value gains or losses previously recognised in the profit or loss is not reversed.

As at the end of the reporting period, the Group and the Company have not made any such reclassifications of financial assets.

(vi) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership. On derecognition disposal of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

(i) Determination of fair value

All financial instruments are recognised initially at fair value. At initial recognition, the fair value of a financial instrument is the transaction price, i.e. the fair value of the consideration given or received. Subsequent to initial recognition, the fair value of financial instruments measured at fair value is measured in accordance with the valuation methodologies as set out in Note 36(g).

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost, and assessed for impairment at the end of each reporting period.

(j) Derivatives

Derivatives relate to fair value hedges on financial assets held through profit or loss. Derivatives are initially recognised at fair values on the date the contract is entered into and is subsequently carried at fair value.

The fair value hedges are not designated as effective hedging investments therefore changes in fair value are recognised immediately in the statements of comprehensive income.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group and the Company classify their financial liabilities in the following categories: at FVTPL or other financial liabilities. Management determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initial recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as FVTPL. Changes in the carrying value of these liabilities are recognised in the profit or loss.

Financial liabilities at FVTPL include financial liabilities held for trading, derivative (except for financial guarantee contracts or a designated and effective hedging instrument) and financial liabilities designated into this category upon initial recognition.

Other financial liabilities are non-derivatives financial liabilities. The Group and the Company's other financial liabilities comprise trade and other payables and borrowings. Financial liabilities are classified as current liabilities; except for maturities more than 12 months after the end of the reporting period, in which case they are classified as non-current liabilities.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damage, obsolete or slow-moving inventories.

The cost of inventories is based on the first-in first-out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(m) Lease and hire purchase

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are treated as operating leases.

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statements of financial position as liabilities. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the Group's incremental borrowing rate is used.

Hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are recognised as an expense in the statements of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Lease and hire purchase (Cont'd)

The depreciation policy for assets acquired under hire purchase is consistent with that for depreciable property, plant and equipment which are owned.

Lease rental under operating lease is charged to the statements of comprehensive income on a straight line basis over the term of the relevant lease.

(n) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current asset is measured in accordance with FRS 5, Non-current Assets held for Sale and Discontinued Operations, which is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or is a subsidiary or associated company acquired exclusively with a view to resale.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits, sinking funds account and cash collateral account pledged to secure banking facilities, if any.

(p) Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost directly attributable to the issuance of the shares is accounted for as deduction from share premium, otherwise, it is charged to the statements of comprehensive income.

When shares are repurchased, the amount of consideration paid, including directly attributable costs, is measured at cost and set off against equity. Shares repurchased and not cancelled are classified as treasury shares. Where treasury shares are reissued by re-sale in the open market, the difference between the sale consideration and the carrying amount is recognised in equity.

Dividends on ordinary shares, when declared or proposed by the Director of the Company are disclosed in the notes to the financial statements. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of retained profit in the financial year in which the dividends are paid.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Provision for liabilities

Provisions for liabilities are recognised when the Group and the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the borrowings are made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawndown from that borrowing facility.

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the financial year.

All other borrowing costs are recognised as an expense in the statements of comprehensive income in the period in which they are incurred.

(s) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using historical rate as at the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

(t) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Goods sold and services rendered

Revenue from sales of goods and services measured at the fair value of the consideration receivable and is recognised when significant risk and rewards have been transferred to the buyer, if any, or upon performance of services, net of sales taxes and discounts.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition (Cont'd)

(ii) Rental income

Rental income is on a time proportion basis over the lease term unless the recoverability is in doubt.

(iii) Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

(u) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the reporting period.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an assets or liabilities in the statements of financial position and its tax base at the end of the reporting period. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the statements of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(v) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statements of comprehensive income in the period to which they relate.

(iii) Share based compensation

SYF Resources Berhad Employee Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiary companies' employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment make strategic decisions based on operating segments' results. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

(y) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. PROPERTY, PLANT AND EQUIPMENT

	At Valuation			At Cost								
	Freehold land RM'000	Leasehold land RM'000	Freehold buildings RM'000	Freehold land RM'000	Freehold buildings and building improvements RM'000	Leasehold land and building RM'000	Office equipment, furniture and fittings RM'000	Renovation and electrical upgrade RM'000	Tools and machinery RM'000	Motor vehicles RM'000	Building in progress RM'000	Total RM'000
2012												
Group												
At 1 August 2011	21,809	-	27,696	790	33,602	4,254	6,363	460	50,930	2,602	-	148,506
Additions	-	-	67	-	19	-	61	-	1,375	776	152	2,450
Revaluation surplus	10,714	1,801	19,237	-	-	-	-	-	-	-	-	31,752
Elimination of accumulated depreciation on revaluation	-	(121)	(6,582)	-	-	-	-	-	-	-	-	(6,703)
Disposals	-	-	-	-	-	-	-	-	(326)	(666)	-	(992)
Written off	-	-	-	-	-	-	(2,660)	-	(1,500)	-	-	(4,160)
Reclassification	43	2,120	18,395	(790)	(19,239)	(2,120)	-	-	-	-	-	(1,591)
At 31 July 2012	32,566	3,800	58,813	-	14,382	2,134	3,764	460	50,479	2,712	152	169,262
Accumulated depreciation												
At 1 August 2011	-	-	3,707	-	4,161	211	4,843	77	29,749	1,758	-	44,506
Charge for the financial year	-	28	987	-	282	40	219	9	3,634	295	-	5,494
Disposals	-	-	-	-	-	-	-	-	(145)	(652)	-	(797)
Written off	-	-	-	-	-	-	(2,656)	-	-	-	-	(2,656)
Elimination of accumulated depreciation on revaluation	-	(121)	(6,582)	-	-	-	-	-	-	-	-	(6,703)
Reclassification	-	99	2,094	-	(2,094)	(99)	-	-	-	-	-	-
At 31 July 2012	-	6	206	-	2,349	152	2,406	86	33,238	1,401	-	39,844
Accumulated impairment losses												
At 1 August 2011	898	-	844	-	-	-	-	-	1,500	-	-	3,242
Impairment during the financial year	-	-	-	-	715	-	-	-	-	-	-	715
Reversal of impairment	(151)	-	-	-	-	-	-	-	(1,500)	-	-	(1,651)
Reclassification	(747)	-	(844)	-	-	-	-	-	-	-	-	(1,591)
At 31 July 2012	-	-	-	-	715	-	-	-	-	-	-	715
Carrying amount												
At 31 July 2012	32,566	3,794	58,607	-	11,318	1,982	1,358	374	17,241	1,311	152	128,703

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Valuation		At Cost							
	Freehold land RM'000	Freehold buildings RM'000	Freehold land RM'000	Freehold buildings and building improvements RM'000	Leasehold land and building RM'000	Office equipment, furniture and fittings RM'000	Renovation and electrical upgrade RM'000	Tools and machinery RM'000	Motor vehicles RM'000	Total RM'000
2011										
Group										
At 1 August 2010										
- As previously restated	22,039	27,661	790	33,552	1,587	6,310	572	52,199	2,227	146,937
- Effect of adopting Amendments to FRS 117	-	-	-	-	2,389	-	-	-	-	2,389
- As restated	22,039	27,661	790	33,552	3,976	6,310	572	52,199	2,227	149,326
Additions	-	35	-	50	278	63	-	2,224	726	3,376
Disposals	(230)	-	-	-	-	(10)	(112)	(3,493)	(351)	(4,196)
At 31 July 2011	21,809	27,696	790	33,602	4,254	6,363	460	50,930	2,602	148,506
Accumulated depreciation										
At 1 August 2010										
- As previously restated	-	3,278	-	3,565	69	4,604	104	27,994	1,931	41,545
- Effect of adopting Amendments to FRS 117	-	-	-	-	80	-	-	-	-	80
- As restated	-	3,278	-	3,565	149	4,604	104	27,994	1,931	41,625
Charge for the financial year	-	429	-	596	62	242	18	3,981	178	5,506
Disposals	-	-	-	-	-	(3)	(45)	(2,226)	(351)	(2,625)
At 31 July 2011	-	3,707	-	4,161	211	4,843	77	29,749	1,758	44,506
Accumulated impairment losses										
At 1 August 2010/ 31 July 2011	898	844	-	-	-	-	-	1,500	-	3,242
Carrying amount										
At 31 July 2011	20,911	23,145	790	29,441	4,043	1,520	383	19,681	844	100,758

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Certain freehold land, freehold building and building improvements, leasehold land and building of the Group with carrying amount of RM94,742,000 (2011: RM63,930,000) have been pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 19.

(b) Included in the property, plant and equipment of the Group are motor vehicles acquired under hire purchase arrangements with carrying amount of RM689,000 (2011: RM666,000).

(c) Included in the property, plant and equipment of the Group are motor vehicles with carrying amount of RM605,000 (2011: RM666,000) held in trust under the name of third parties.

(d) The leasehold land, freehold land and buildings of the Group were revalued in May 2012 by independent professional qualified valuer, Raine & Horne International Zaki + Partners Sdn. Bhd., using the open market value method.

(e) Had the revalued property, plant and equipment been included in the financial statements at cost less accumulated depreciation and accumulated impairment, the carrying amount of the revalued property, plant and equipment would have been as follows:

	Group	
	2012 RM'000	2011 RM'000
Leasehold land	2,094	-
Freehold land	3,756	2,966
Buildings	45,007	28,744
	50,857	31,710

(f) The aggregate additional cost for the property, plant and equipment of the Group during the financial year under hire purchase financing and cash payments are as follows:

	Group	
	2012 RM'000	2011 RM'000
Aggregate costs	2,450	3,376
Less: Hire purchase financing	(464)	(480)
Cash payments	1,986	2,896

(g) The remaining lease terms of the leasehold land range from 78 to 84 (2011: 79 to 85) years.

4. INVESTMENTS IN SUBSIDIARY COMPANIES

(a) Investments in subsidiary companies

	Company 2012 RM'000	Company 2011 RM'000
In Malaysia		
Unquoted shares, at cost	80,070	80,115
Less: Written off	-	(2,045)
Less: Accumulated impairment		
At 1 August	(46,221)	(48,243)
Impairment during the financial year	-	(23)
Reversal of impairment during the financial year	-	2,045
At 31 July	(46,221)	(46,221)
	33,849	31,849

(b) The subsidiary companies and shareholdings therein are as follows:

Name of company	Country of incorporation	Effective interest 2012 %	Effective interest 2011 %	Principal activities
Direct holding:				
Seng Yip Furniture Sdn. Bhd.	Malaysia	100	100	Manufacture and export of moulded timber, furniture products and timber treatment processing
Tomisho Sdn. Bhd.	Malaysia	100	100	Manufacture and export of furniture and component parts
SYF Venture Sdn. Bhd.	Malaysia	100	100	Investment holding
Great Platform Sdn. Bhd.	Malaysia	100	-	Intended principal activities are those of manufacturing and trading of particle board
SYF Properties Sdn. Bhd.	Malaysia	-	100	* Struck off
All Star Wood Products Sdn. Bhd.	Malaysia	-	100	* Struck off
SYF Wood Tech Sdn. Bhd.	Malaysia	-	100	* Struck off
Apota Furnishing Sdn. Bhd.	Malaysia	-	100	* Struck off

4. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest 2012 %	Effective interest 2011 %	Principal activities
Indirect holding:				
Subsidiary companies of SYF Venture Sdn. Bhd. :				
Seng Yip Timber Sdn. Bhd. (formerly known as C&L Lumber Sdn. Bhd.)	Malaysia	100	100	Ceased operation
SYF Development Sdn. Bhd.	Malaysia	100	100	Property development
SYF Plantation Sdn. Bhd. (formerly known as SYF Trading Sdn. Bhd.)	Malaysia	100	100	Ceased operation

* Completely struck off during the financial year

The struck off of these subsidiary companies do not have any significant financial effect on the net assets and earning of the Company for the financial year ended 31 July 2012.

(c) Acquisition of a subsidiary company

On 22 December 2011, the Company acquired 100% equity interest in Great Platform Sdn. Bhd. for a total cash consideration of RM2.

The asset arising from acquisition is as follows:

	Group 2012 RM'000	Group 2011 RM'000
Net asset acquired:		
Cash in hand	*	-
Total cost of acquisition, discharged by cash	*	-

The cash outflow arising from the acquisition is as follows:

	Group 2012 RM'000	Group 2011 RM'000
Purchase consideration to be satisfied by cash	*	-
Less: Cash and cash equivalents of a subsidiary company acquired	*	-
Net cash outflow from acquisition of investment in a subsidiary company	-	-

* denote RM2

5. OTHER INVESTMENTS

	Group/Company 2012 RM'000	2011 RM'000
Unquoted bonds, at cost	-	5,500
Less: Written off	-	(5,500)
Less: Accumulated impairment		
At 1 August	-	(5,500)
Reversal of impairment during the financial year	-	5,500
At 31 July	-	-
	-	-

6. LAND AND PROPERTY DEVELOPMENT COSTS

	Group 2012 RM'000	2011 RM'000
Freehold land, at cost		
At 1 August	-	-
Addition during the financial year	5,443	-
At 31 July	5,443	-
Property development costs		
At 1 August	-	-
Addition during the financial year	16,325	-
At 31 July	16,325	-
Less: Costs recognised in the statements of comprehensive income		
At 1 August	-	-
Recognised during the financial year	13,824	-
At 31 July	13,824	-
Total land and property development costs	7,944	-

(a) As disclosed in Note 35(c)(iii), a subsidiary company had entered into a joint venture agreement ("JVA") with certain related parties and certain third parties (the landowners) to jointly develop certain freehold land. Based on the JVA, the landowners shall be entitled to an agreed percentage of the gross development value as specified in the JVA.

(b) As disclosed in Note 35(c)(iv), a subsidiary company had entered into a Sale and Purchase Agreement for the acquisition of a freehold agriculture land held under GM 119 for Lot 401 in the Mukim Hulu Semenyih, Daerah Hulu Langat, Selangor Darul Ehsan.

6. LAND AND PROPERTY DEVELOPMENT COSTS (CONT'D)

(c) Included in the property development costs for the financial year are as follows:

	2012 RM'000	2011 RM'000
Rental of site	6	-

7. INVENTORIES

	Group	
	2012 RM'000	2011 RM'000
At cost		
Raw materials	13,735	14,158
Consumables	1,250	1,328
Work-in-progress	24,632	16,353
Finished goods	6,355	4,583
	45,972	36,422
At net realisable value		
Finished goods	2,193	2,850
	48,165	39,272

8. TRADE RECEIVABLES

	Group	
	2012 RM'000	2011 RM'000
Trade receivables	8,661	9,853
Less: Accumulated impairment	(1,397)	(2,185)
	7,264	7,668
Accrued billings in respect of property development costs	12,729	-
	19,993	7,668

Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

The Group's normal trade credit terms range from 1 to 90 days (2011: 1 to 90 days). Other credit terms are assessed and approved on a case by case basis.

8. TRADE RECEIVABLES (CONT'D)

The Group's credit exposures are concentrated mainly on 2 (2011: 4) trade receivables, which accounted for 16.6% (2011: 20.4%) of total trade receivables.

Movements in impairment during the financial year are as follows:

	Group	
	2012 RM'000	2011 RM'000
At beginning of the financial year	2,185	2,044
Impairment during the financial year	461	158
Reversal of impairment during the financial year	(1,249)	(17)
At end of the financial year	1,397	2,185

Analysis of the trade receivables ageing is as follows:

	Group	
	2012 RM'000	2011 RM'000
Neither past due nor impaired	6,867	5,547
Past due less than 30 days not impaired	116	436
Past due for more than 31 to 60 days not impaired	190	104
Past due for more than 61 days not impaired	91	1,581
	7,264	7,668
Impaired	1,397	2,185
	8,661	9,853

The Group has not recognised any impairment loss on certain receivables that are past due at the end of financial year, as there has not been significant change in credit quality and these amounts are still considered receivable.

The foreign currency exposure profile is as follows:

	Group	
	2012 RM'000	2011 RM'000
United States Dollar (USD)	2,198	4,066

9. OTHER RECEIVABLES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Other receivables	7,735	4,032	-	-
Less: Accumulated impairment	(40)	(206)	-	-
	7,695	3,826	-	-
Deposits	16,922	1,068	-	1
Prepayments	1,638	546	-	-
	26,255	5,440	-	1

Included in the other receivables of the Group are advances to logs suppliers and a contractor for property development project amounting to RM7,484,000 (2011: Nil).

Included in the deposits of the Group are RM13,676,000 paid for the acquisition of property, plant and equipment by a subsidiary company as disclosed in Note 35(d)(i) and (iii).

Movements in impairment during the financial year are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At beginning of the financial year	206	1,362	-	786
Reversal of impairment during the financial year	(166)	(1,156)	-	(786)
At end of the financial year	40	206	-	-

10. DERIVATIVE FINANCIAL ASSETS

	Group			
	2012		2011	
	Contract/ Notional amount USD'000	Financial Assets RM'000	Contract/ Notional amount USD'000	Financial Assets RM'000
Group				
Non-hedging derivative:				
Current				
Forward currency contracts	8,308	136	3,483	411

The Group has forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

10. DERIVATIVE FINANCIAL ASSETS (CONT'D)

Forward currency contracts are used to hedge the Group's sales denominated in USD for which firm commitments existed at the end of the reporting period, extending to July 2013.

During the financial year, the Group recognised a loss of RM275,000 (2011: gain of RM411,000) arising from fair value changes of derivative assets. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

11. AMOUNT OWING BY SUBSIDIARY COMPANIES

	Company	
	2012 RM'000	**2011 RM'000**
Amount owing by subsidiary companies	75,061	66,741
Less: Accumulated impairment	(7,000)	-
	68,061	66,741

(i) This amount is unsecured, interest free except for Nil (2011: RM48,325,000) which bears interest at a rate of Nil (2011: 10%) per annum and repayable on demand.

(ii) During the financial year, waiver of debts from the Company to a subsidiary company amounting to RM3,624,000 (2011: Nil).

(iii) Movements in impairment on amount owing by subsidiary companies during the financial year are as follows:

	Company	
	2012 RM'000	**2011 RM'000**
At beginning of the financial year	-	-
Impairment during the financial year	7,000	-
At end of the financial year	7,000	-

12. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Group have been pledged with licensed banks as security for credit facilities granted to certain subsidiary companies as disclosed in Note 19.

The interest rates and maturities of deposits is 3.0% (2011: 2.50%) per annum and 365 days (2011: 365 days) respectively.

13. CASH AND BANK BALANCES

The foreign currency exposure profile is as follows:

	Group 2012 RM'000	Group 2011 RM'000
United States Dollar (USD)	358	1,075
Pound Sterling (GBP)	2	2

14. NON-CURRENT ASSETS HELD FOR SALE

	Group 2012 RM'000	Group 2011 RM'000
At 1 August	-	9,252
Add: Addition during the financial year	-	80
Less: Disposal during the financial year	-	(9,332)
At 31 July	-	-

15. SHARE CAPITAL

	Group/Company			
	2012	2011	2012	2011
	Number of ordinary shares ('000)		RM'000	RM'000
Authorised				
At beginning of the financial year				
- *Ordinary shares of RM1.00 each*	-	200,000	-	200,000
- *Ordinary shares of RM0.25each*	800,000	-	200,000	-
	800,00	200,000	200,000	200,000
Capital reduction	-	600,000	-	-
At end of the financial year				
- *Ordinary shares of RM0.25each*	800,000	800,000	200,000	200,000
Issued and fully paid				
At beginning of the financial year				
- *Ordinary shares of RM1.00 each*	-	84,070	-	84,070
- *Ordinary shares of RM0.25each*	84,070	-	21,017	-
	84,070	84,070	21,017	84,070
Capital reduction	-	-	-	(63,053)
Rights issue	84,070	-	21,017	-
Conversion of RCSLS	102,717	-	25,680	-
At end of the financial year				
- *Ordinary shares of RM0.25 each*	270,857	84,070	67,714	21,017

15. SHARE CAPITAL (CONT'D)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(a) During the financial year, the Company increased its issued and paid up share capital from RM21,017,000 to RM67,714,000 by the issuance of the following ordinary shares of RM0.25 each:

(i) Rights issue of 84,069,603 ordinary shares of RM0.25 each; and

(ii) 102,717,300 shares at an issue price of RM0.25 each pursuant to conversion of 102,717,300 RCSLS of RM0.25 each.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

(b) On 20 October 2011, the Company had issued 102,717,300 units of 5 years 3.5% per annum RCSLS of RM25,679,325 nominal value of RCSLS at 100% of the nominal value of RM0.25 each. The said RCSLS was admitted to the official list of Bursa Malaysia Securities Berhad on 25 October 2011.

On 5 December 2011, the Company made an announcement to Bursa Malaysia Securities Berhad that 102,717,300 RCSLS had been fully converted into 102,717,300 new ordinary shares of RM0.25 each. The RCSLS had been removed from the official list of Bursa Malaysia Securities Berhad on 5 December 2011.

16. RESERVES

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Non-distributable:					
Share premium		15,374	15,374	15,374	15,374
Assets revaluation reserve	(a)	38,169	11,435	-	-
Accumulated losses		-	(22,807)	-	(2,545)
		53,543	4,002	15,374	12,829
Distributable:					
Retained profit		28,030	-	18,754	-
		81,573	4,002	34,128	12,829

The movements in the reserves are reflected in the statements of changes in equity.

16. RESERVES (CONT'D)

(a) Assets revaluation reserve

	Group 2012 RM'000	2011 RM'000
At 1 August	11,435	11,503
Realisation of asset revaluation reserve	(119)	(68)
Other comprehensive income:		
Revaluation of freehold land and buildings and leasehold land	31,752	-
Deferred tax liabilities relating to components of other comprehensive income	(4,899)	-
	26,853	-
At 31 July	38,169	11,435

Assets revaluation reserve arose from the revaluation of leasehold land, freehold land and buildings of the subsidiary companies, and is not available for distribution as dividends to the shareholders.

17. WARRANTS

The warrants 2003/2013 were constituted under the Deed Poll dated 1 August 2003. On 25 October 2011, an additional of 873,871 warrants were issued and allotted to the holders of the existing warrants which are not exercised prior to 26 September 2011 and the exercise price of the existing warrants 2003/2013 was revised downwards from RM1.00 to RM0.98. The additional warrants were listed and quoted simultaneously with the Rights Shares on 25 October 2011.

As at 31 July 2012, the total numbers of warrants that remain unexercised are 35,358,171 (2011: 34,484,300).

18. HIRE PURCHASE PAYABLES

	Group 2012 RM'000	2011 RM'000
(a) **Minimum hire purchase payments**		
Payable within one year	341	153
Payable between one and five years	631	508
	972	661
Less: Future finance charges	(85)	(68)
Present value of hire purchase liabilities	887	593
(b) **Present value of hire purchase liabilities**		
Repayable within one year	231	127
Repayable between one and five years	656	466
	887	593
Analysed as:		
Repayable within twelve months	231	127
Repayable after twelve months	656	466
	887	593

18. HIRE PURCHASE PAYABLES (CONT'D)

Interest is charged at rates ranging from 2.44% to 3.50% (2011: 2.52% to 3.50%) per annum.

Certain hire purchase payables of the Group amounting to RM563,000 (2012: RM592,000) are in relation to assets held in trust under the name of third parties as disclosed in Note 3(c).

19. BANK BORROWINGS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Secured				
Floating rates				
Bank overdrafts	3,317	5,839	-	-
Term loans	12,168	15,455	-	-
Bills payables and revolving credit	18,375	20,115	-	-
	33,860	41,409	-	-
Unsecured				
Fixed rates				
Term loans	-	59,961	-	59,961
	-	59,961	-	59,961
Total bank borrowings	33,860	101,370	-	59,961
Analysed as:				
Repayable within twelve months				
Secured				
Floating rates				
Bank overdrafts	3,317	5,839	-	-
Term loans	5,089	15,455	-	-
Bills payables and revolving credit	18,375	20,115	-	-
	26,781	41,409	-	-
Unsecured				
Fixed rates				
Term loans	-	59,961	-	59,961
	26,781	101,370	-	59,961
Repayable after twelve months				
Secured				
Floating rates				
Term loans	7,079	-	-	-
	7,079	-	-	-
Total bank borrowings	33,860	101,370	-	59,961

19. BANK BORROWINGS (CONT'D)

The credit facilities of the Group obtained from licensed banks are secured by the following:

(a) Legal charge on certain property, plant and equipment as disclosed in Note 3; and

(b) Legal charge on fixed deposits placement as disclosed in Note 12.

As disclosed in the previous financial year, the Company and certain of its subsidiary companies had defaulted in the repayment of certain bank borrowings. On 16 December 2010, the Company and certain of its subsidiary companies had entered into a debt restructuring agreement ("DRA") to address the default in repayment as disclosed in Note 35(a).

Upon the completion of the said Debt Restructuring Scheme and the Rights Issue on 25 October 2011, the defaulted bank borrowings were settled during the financial year in accordance with the terms and conditions as stipulated in the DRA.

Maturity of the bank borrowings is as follows:

	Group		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Within one year	26,781	101,370	-	59,961
Between one and two years	1,761	-	-	-
Between two and three years	1,733	-	-	-
Between three and four years	1,269	-	-	-
Between four and five years	1,135	-	-	-
After five years	1,181	-	-	-
	33,860	101,370	-	59,961

Range of interest rates at the end of the financial year is as follows:

	Group		Company	
	2012 %	**2011 %**	**2012 %**	**2011 %**
Fixed rates				
Term loans	-	7.55 - 8.38	-	7.55 - 8.38
Floating rates				
Bank overdrafts	7.60	7.05 - 8.30	-	-
Term loans	6.70 - 8.60	6.40 - 9.00	-	-
Bills payables and revolving credit	5.00 - 8.60	4.37 - 8.60	-	-

20. DEFERRED TAX LIABILITIES

	Group 2012 RM'000	Group 2011 RM'000
At 1 August	3,906	4,720
Recognised in profit or loss	(69)	(814)
Other comprehensive income:		
Deferred tax liabilities arising from revaluation of leasehold land, freehold land and buildings	4,899	-
At 31 July	8,736	3,906

This is in respect of estimated deferred tax liabilities/(assets) arising from temporary differences as follows:

	Group 2012 RM'000	Group 2011 RM'000
Difference between the carrying amount of property, plant and equipment and its tax base	6,277	6,362
Revaluation surplus	8,063	3,179
Unutilised capital allowances	(3,666)	(3,939)
Unused tax losses	(1,938)	(1,696)
	8,736	3,906

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Deductible temporary differences in respect of property, plant and equipment and its tax base	-	3	-	-
Unutilised capital allowances	2,978	5,634	-	-
Unused tax losses	22,109	29,791	-	1,824
Unutilised reinvestment allowances	24,105	40,789	-	-
	49,192	76,217	-	1,824

21. TRADE PAYABLES

	Group 2012 RM'000	Group 2011 RM'000
Trade payables	22,972	11,788
Landowners' entitlement		
- related parties	4,591	-
- third parties	699	-
	5,290	-
	28,262	11,788

The normal trade credit term granted to the Group ranges from 1 to 90 days (2011: 1 to 90 days). Other credit terms are assessed and approved on a case by case basis.

The foreign currency exposure profile is as follows:

	Group 2012 RM'000	Group 2011 RM'000
Japanese Yen (JPY)	10	10

22. OTHER PAYABLES

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Other payables	4,909	3,545	94	218
Accruals	4,011	9,401	271	4,823
Deposits	2,141	1,601	-	-
	11,061	14,547	365	5,041

The foreign currency exposure profile is as follows:

	Group 2012 RM'000	Group 2011 RM'000
United States Dollar (USD)	576	540

23. AMOUNT OWING TO A DIRECTOR

The amount is unsecured, interest free and repayable on demand.

24. REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Sale of goods	180,923	156,128	-	-
Property development	17,647	-	-	-
Interest income	-	-	-	4,833
	198,570	156,128	-	4,833

25. FINANCE COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest expenses on:				
Term loans	960	7,366	-	6,000
Bank overdrafts	172	557	-	-
Bills payables and revolving credit	1,156	1,599	-	-
Hire purchase	37	8	-	-
Late payment	9	37	-	-
	2,334	9,567	-	6,000

26. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is derived after charging/(crediting):

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Auditors' remuneration				
- statutory				
- current year	98	70	30	21
- over provision in prior years	(69)	-	(21)	-
- other	6	30	6	30
Bad debts written off	1,377	1,156	-	786
Company's Directors				
- fee	104	96	104	96
- salaries and other emoluments	1,345	1,082	986	986
- EPF	160	130	118	118
- Benefits-in-kind	42	18	42	18

26. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits written off	2	37	-	-
Depreciation of property, plant and equipment	5,494	5,506	-	-
Incorporation fee	3	-	-	-
Impairment on property, plant and equipment	715	-	-	-
Impairment on amount owing by a subsidiary company	-	-	7,000	-
Impairment on investment in subsidiary companies	-	-	-	23
Impairment on trade receivables	461	158	-	-
Investment in subsidiary companies written off	-	-	-	2,045
Loss on disposal of treasury shares	-	29	-	29
(Gain)/Loss on disposal of property, plant and equipment	(177)	519	-	-
Other investments written off	-	5,500	-	5,500
Property, plant and equipment written off	1,504	-	-	-
Prepayment written off	-	1,175	-	-
Rental of land and premises paid/payable				
- a subsidiary companies	-	-	72	72
- Company's Director	526	526	-	-
- third parties	1,994	954	-	-
Restructuring expenses	433	966	433	966
Waiver of debts owing by a subsidiary company	-	-	3,624	-
Fixed deposit interest income	(56)	(15)	(43)	-
Loss/(Gain) on derivative financial assets	275	(411)	-	-
(Gain)/Loss on foreign exchange				
- realised	(820)	(1,602)	-	-
- unrealised	168	(151)	-	-
Gain on disposal of non-current assets held for sale	-	(774)	-	-
Management fee received/receivable from subsidiary companies	-	-	(80)	(80)
Rental income from investment properties	-	(322)	-	-
Reversal of impairment on other investments	-	(5,500)	-	(5,500)
Reversal of impairment on investment in subsidiary companies	-	-	-	(2,045)
Reversal of impairment on trade receivables	(1,249)	(17)	-	-
Reversal of impairment on other receivables	(166)	(1,156)	-	(786)
Reversal of impairment on property, plant and equipment	(1,651)	-	-	-
Waiver of debts by financial institutions				
- bank borrowings	(30,968)	-	(29,981)	-
- bank overdrafts	(1,381)	-	-	-
Over provision of interest on borrowings				
- bank borrowings	(5,021)	-	(4,569)	-
- bank overdrafts	(388)	-	-	-

27. TAXATION

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Tax expense for the financial year:				
Current tax provision	47	18	30	-
Over provision in prior years	(1)	(1)	-	-
	46	17	30	-
Real property gains tax				
Current tax provision	-	76	-	-
Over provision in prior years	(51)	-	-	-
	(51)	76	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(69)	(814)	-	-
	(69)	(814)	-	-
	(74)	(721)	30	-

Current income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated assessable profit/(loss) for the financial year.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group	
	2012 RM'000	2011 RM'000
Profit/(Loss) before taxation	50,644	(2,951)
Taxation at statutory tax rate of 25% (2011: 25%)	12,661	(738)
Income not subject to tax	(7,830)	(1,791)
Expenses not deductible for tax purposes	1,925	2,541
Deferred tax assets not recognised	-	280
Double tax relief	(34)	(35)
Permanent loss not recognised during the financial year	12	119
Utilisation of previously unrecognised tax losses and capital allowances	(6,756)	(1,172)
Real property gains tax	-	76
Over provision of taxation in prior years	(1)	(1)
Over provision of real property gains tax in prior years	(51)	-
Tax expense for the financial year	(74)	(721)

27. TAXATION (CONT'D)

	Company 2012 RM'000	2011 RM'000
Profit/(Loss) before taxation	21,329	(3,211)
Taxation at statutory tax rate of 25% (2011: 25%)	5,332	(803)
Income not subject to tax	(6,875)	(2,083)
Expenses not deductible for tax purposes	2,029	2,665
Deferred tax assets not recognised	-	221
Utilisation of previously unrecognised tax losses	(456)	-
Tax expense for the financial year	30	-

The Group has estimated unutilised capital allowances, unused tax losses and unutilised reinvestment allowances of RM5,047,000 (2011: RM20,855,000), RM29,418,000 (2011: RM29,914,000) and RM41,325,000 (2011: RM39,125,000) respectively carried forward available for set-off against future taxable profit.

The Company has unused tax losses amounting to approximately Nil (2011: RM1,824,000) available for carry forward to set-off against future taxable profits.

28. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The earnings/(loss) per share has been calculated based on the consolidated profit/(loss) for the financial year attributable to the owners of the parent of RM50,718,000 (2011: RM2,230,000) and the weighted average number of ordinary shares in issue during the financial year of 220,100,000 (2011: 84,030,000).

	Group 2012	2011
Profit/(Loss) for the financial year attributable to the owners of the parent (RM'000)	50,718	(2,230)
Weighted number of ordinary shares in issue (in thousands)	220,100	84,030
Basic earnings/(loss) per share (sen)	23.0	(2.6)

28. EARNINGS/(LOSS) PER SHARE (CONT'D)

(b) Diluted earnings per share

Diluted earnings per share has been calculated based on the adjusted consolidated profit/(loss) for the financial year attributable to the owners of the parent of RM50,718,000 (2011: RM2,230,000) and the adjusted weighted average number of ordinary shares issued and issuable of 220,100,000 (2011: 84,030,000) shares.

	Group	
	2012	2011
Profit/(Loss) for the financial year attributable to the owners of the parent (RM'000)	50,718	(2,230)
Weighted number of ordinary shares in issue (in thousands)	220,100	84,030
Adjusted for:		
Assumed exercise of ESOS at no consideration	*	*
Warrants	*	*
	220,100	84,030

* The number of shares under ESOS and Warrants was not taken into account in the computation of diluted earnings per share because the effect on the basic earnings per share is antidilutive.

29. STAFF COSTS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Staff costs (excluding Directors)	25,080	20,455	70	-

Included in the total staff costs above are contributions made to the Employees Provident Fund under a defined contribution plan for the Group and for the Company amounting to RM581,000 and RM4,500 (2011: RM431,000 and Nil) respectively.

30. EMPLOYEES' SHARE OPTION SCHEME

The Company's existing Employees' Share Option Scheme ("existing ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 23 May 2003. At all times, the existing ESOS shall not exceed 10% of the issued share capital and shall be granted to eligible Directors and employees of the Group. The existing 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 existing 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.

In view that the existing ESOS is no longer attractive, the Company's shareholders approved the termination of the existing ESOS at an extraordinary general meeting held on 1 March 2012.

30. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The Company's new Employees' Share Option Scheme ("new ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 1 March 2012. At all times, the new ESOS shall not exceed 15% of the issued share capital and shall be granted to eligible Directors and employees of the Group. The new ESOS shall be in force for a period of five (5) years from the effective date of implementation or until 8 May 2017.

The salient features and other terms of the new ESOS are as follows:

(i) Eligible employees are those who have been confirmed in writing as employees of the Group and must have been completed for continuous period of at least one year.

(ii) The option is personal to the grantee and is non-assignable.

(iii) The option price shall be at a discount of not more than ten percent from the weighted average of the market price of the Company's ordinary shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days preceding the respective dates of the offer in writing to the grantee or at the par value of the ordinary shares of the Company, whichever is higher.

(iv) The options granted may be exercised by the grantee by notice in writing to the Company in the prescribed form from time to time during the option period in respect of all or any part of the new Company's shares comprised in the option, provided that where an option is exercised in respect of a part of the new ordinary shares comprised therein, the number of the new Company's shares of which such option may be exercised shall not be less than one hundred and shall be in multiples of one hundred.

(v) Subject to any adjustments that may be made in accordance with the by-laws of the new ESOS, the price payable for the exercise of an option under the new ESOS shall be determined by the Option Committee at its discretion based on the five (5)-day weighted average market price of the underlying SYF Shares at the time the option is offered by the Option Committee with a discount of not more than ten percent (10%), if deemed appropriate, or the par value of the Company's shares, whichever is higher.

Movements in the number of share options outstanding are as follows:

	Number of Share Options						
	Outstanding as at 1 August '000	Movements during the financial year: Granted '000	Exercised '000	Forfeited '000	Lapsed '000	Outstanding as at 31 July '000	Exercisable as at 31 July '000
2012							
New ESOS	-	15,118	-	-	(120)	14,998	14,998
Existing ESOS	3,072	-	-	-	(3,072)	-	-
2011							
Existing ESOS	3,087	-	-	-	(15)	3,072	3,072

30. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Details of share options outstanding at end of the financial year are as follows:

Share Options	Exercise prices RM	Exercise periods		
2012				
New ESOS	0.50	11.05.2012	-	08.05.2017
Existing ESOS	1.00	01.08.2003	-	31.07.2013
2011				
Existing ESOS	1.00	01.08.2003	-	31.07.2013

The fair value of share options granted during the financial year was estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2012
Fair value of share options at the following grant dates (RM)	0.44
Weighted average share price (RM)	0.483
Weighted average exercise price (RM)	0.50
Expected volatility (%)	4.16
Expected option life (years)	5
Risk-free interest rate, p.a. (%)	3.456
Expected dividend yield (%)	-

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility is based on the historical volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Executive Directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Group		Company	
	2012 '000	2011 '000	2012 '000	2011 '000
New ESOS				
At 1 August	-	-	-	-
Granted and accepted	6,360	-	2,940	-
At 31 July	6,360	-	2,940	-
Existing ESOS				
At 1 August	1,830	1,830	1,100	1,100
Lapsed	(1,830)	-	(1,100)	-
At 31 July	-	1,830	-	1,100

30. EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

31. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2012 RM'000	2011 RM'000
Group		
Director:		
Rental paid	526	526
Related parties:		
Disposal of land	-	230
Landowner's entitlement payable	4,591	-
Company		
Subsidiary companies:		
Interest income received/receivable	-	4,833
Management fee received/receivable	80	80
Rental paid/payable	72	72
Waiver of debt	3,624	-

The nature and relationship between the Group and the related parties are as follows:

(i) A company in which certain Directors of the Company have financial interest; and

(ii) Directors and key management personnel having authority for planning, directing and controlling the activities of the Company and their close family members.

(b) Information regarding outstanding balances arising from related party transactions as at 31 July 2012 is disclosed in Notes 11, 21 and 23.

(c) Information regarding compensation of key management personnel is as follows:

	Group 2012 '000	Group 2011 '000	Company 2012 '000	Company 2011 '000
Short-term employee benefits	2,729	1,989	1,301	1,104
Benefits-in-kind	42	18	42	18
	2,771	2,007	1,343	1,122

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any Director of the Company.

32. SEGMENTAL INFORMATION

The main business segments of the Group comprise the following:

Rubberwood furniture	Manufacture and trading of rubberwood furniture and component parts
Property development	Property development
Others	Investment holding and others

Performance is measured based on segment profit before taxation, interest and depreciation, as included in the internal management reports that are reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment assets information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment assets.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment liability.

	Rubberwood furniture RM'000	Property development RM'000	Others RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
2012					
Revenue					
External sales	180,923	17,647	-	-	198,570
Inter-segment sales	21,224	-	-	(21,224)	-
Total sales	202,147	17,647	-	(21,224)	198,570
Results					
Segment results	21,971	2,895	21,168	7,000	53,034
Interest income	(13)	-	(43)	-	(56)
Finance costs	(2,326)	(8)	-	-	(2,334)
Profit before taxation	19,632	2,887	21,125	7,000	50,644
Taxation	54	50	(30)	-	74
Net profit for the financial year, representing total comprehensive income for the financial year	19,686	2,937	21,095	7,000	50,718
Assets					
Addition to non-current assets	1,892	407	151	-	2,450

32. SEGMENTAL INFORMATION (CONT'D)

	Rubberwood furniture RM'000	Property development RM'000	Others RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
2012					
Non-cash expenses/(income)					
Bad debts written off	1,377	-	-	-	1,377
Depreciation of property, plant and equipment	5,439	55	-	-	5,494
Deposits written off	2	-	-	-	2
Impairment on trade receivables	461	-	-	-	461
Impairment on amount owing by subsidiary companies	-	-	7,000	(7,000)	-
Impairment on property, plant and equipment	715	-	-	-	715
Gain on disposal of property, plant and equipment	(177)	-	-	-	(177)
Property, plant and equipment written off	1,504	-	-	-	1,504
Loss on foreign exchange					
- unrealised	168	-	-	-	168
Loss on derivative financial assets	275	-	-	-	275
Reversal of impairment on trade receivables	(1,249)	-	-	-	(1,249)
Reversal of impairment on other receivables	(166)	-	-	-	(166)
Reversal of impairment on property, plant and equipment	(1,651)	-	-	-	(1,651)
Waiver of debts by financial institutions					
- bank borrowings	(987)	-	(29,981)	-	(30,968)
- bank overdraft	(1,381)	-	-	-	(1,381)
Over provision of interest on borrowings					
- bank borrowings	(452)	-	(4,569)	-	(5,021)
- bank overdraft	(388)	-	-	-	(388)

32. SEGMENTAL INFORMATION (CONT'D)

	Rubberwood furniture RM'000	Others RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
2011				
Revenue				
External sales	156,128	-	-	156,128
Inter-segment sales	18,461	4,833	(23,294)	-
Total sales	174,589	4,833	(23,294)	156,128
Results				
Segment results	8,077	1,185	(2,631)	6,631
Interest income	(15)	-	-	(15)
Finance costs	(8,400)	(6,000)	4,833	(9,567)
Loss before taxation	(338)	(4,815)	2,202	(2,951)
Taxation	(39)	-	760	721
Net loss for the financial year, representing total comprehensive income for the financial year	(377)	(4,815)	2,962	(2,230)
Assets				
Addition to non-current assets	(3,376)	-	-	(3,376)
Addition to non-current assets held for sale	(80)	-	-	(80)
Non-cash expenses/(income)				
Bad debts written off	-	1,156	-	1,156
Deposits written off	37	-	-	37
Depreciation of property, plant and equipment	5,503	3	-	5,506
Impairment on investment in subsidiary companies	-	23	(23)	-
Impairment on trade receivables	158	-	-	158
Impairment on amount owing by subsidiary companies	-	2,179	(2,179)	-
Investment in subsidiary companies written off	-	2,045	(2,045)	-
Loss on disposal of property, plant and equipment	519	-	-	519
Loss on disposal of treasury shares	-	29	-	29
Other investments written off	-	5,500	-	5,500
Prepayment written off	1,175	-	-	1,175
Gain on disposal on non-current assets held for sale	(774)	-	-	(774)
Gain on foreign exchange - unrealised	(151)	-	-	(151)
Gain on derivative financial assets	(411)	-	-	(411)
Reversal of impairment on investment in subsidiary companies	-	(2,045)	2,045	-
Reversal of impairment on other investments	-	(5,500)	-	(5,500)
Reversal of impairment on trade receivables	(17)	-	-	(17)
Reversal of impairment on other receivables	-	(1,156)	-	(1,156)

32. SEGMENTAL INFORMATION (CONT'D)

All the inter-segment transactions were carried out on normal commercial basis and in the ordinary course of business.

(b) Geographical segments

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers.

	Group	
	2012 RM'000	2011 RM'000
Malaysia	101,301	68,982
Asia Pacific and other Asian countries	17,377	12,915
Europe	3,631	8,821
North America	49,703	43,776
Others	26,558	21,634
	198,570	156,128

(c) Major customer

The following major customer with revenue equal or more than 10% of the Group's revenue:

	Revenue		Segment
	2012 RM'000	2011 RM'000	
One major customer (2011: One)	37,634	22,352	Rubberwood furniture

33. CONTINGENT LIABILITIES

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Bank guarantee issued	3,049	2,713	-	-
Guarantee given for banking facilities granted to subsidiary companies	-	-	36,909	44,121
	3,049	2,713	36,909	44,121

34. COMMITMENTS

	Group 2012 RM'000	Group 2011 RM'000
(a) Capital commitment		
Approved and contracted for:		
Purchase of property, plant and equipment	13,230	-
(b) Operating lease commitment		
The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the end of the reporting period but not recognised as liabilities are as follows:		
Future minimum lease payments:		
Within one year	1,065	1,485
Between one and five years	3,262	4,449
After five years	69	280
	4,396	6,214

The Group has entered into commercial lease for its land and premises. These lease have tenure ranging from 1 to 3 years with a renewal option included in the contract. There are no restrictions placed upon the Group by entering into these lease.

35. SIGNIFICANT EVENTS

During the financial year, the following significant events took place for the Company and its subsidiary companies:

(a) SYF Resources Berhad ("the Company" or "SRB")

(i) During the financial year, the Company successfully completed its restructuring scheme as follow:

(1) the settlement of debt was completed on 25 October 2011 upon the listing of the 102,717,300 RCSLS at RM0.25 each and the cash payment to the unsecured financial lenders; and

(2) 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 restructuring scheme, the Company was uplifted from PN 1 status effective 25 October 2011.

(ii) On 5 December 2011, the Company made an announcement to Bursa Malaysia Securities Berhad that 102,717,300 RCSLS had been fully converted into 102,717,300 new ordinary shares of RM0.25 each. The RCSLS had been removed from the official list of Bursa Malaysia Securities Berhad on 5 December 2011.

35. SIGNIFICANT EVENTS (CONT'D)

(b) SYF Plantation Sdn. Bhd. (formerly known as SYF Trading Sdn. Bhd.) ("SYFP")

On 12 December 2011, SYFP changed its name from SYF Trading Sdn. Bhd. to SYF Plantation Sdn. Bhd..

(c) SYF Development Sdn. Bhd. ("SYFD")

(i) On 3 October 2011, SFYD changed its name from Twenty-One SJ Sdn. Bhd. to SYF Development Sdn. Bhd.

(ii) On 15 November 2011, SYFD entered into a joint venture agreement with Astana Baru Sdn. Bhd. to jointly develop 5 parcels of freehold land held under Lot No. PT25263 to 25266 and PT30291, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan, measuring 5.02 acres into an commercial development.

The proposed joint venture is still pending completion at the end of the reporting period.

(iii) On 15 November 2011, SYFD entered into a joint venture agreement with Kiara Susila Sdn. Bhd., Chee Ah Kuan, Cha Kim Pang, Cha Nyen Kong, Chung Dai Thai and Lew Ka Tek to jointly develop 4 parcels of freehold land held under Lot No. 1329, 1719, 2114 and 2115, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan, measuring 38.34 acres into an industrial development.

The proposed joint venture is completed during the financial year.

(iv) On 24 November 2011, SYFD entered into a Sale and Purchase Agreement with Chew Kwei Poo, Tan Goik Ho, Tan Kan and Tan Ooi for the acquisition of a freehold agriculture land held under GM 119 for Lot 401 in the Mukim Hulu Semenyih, Daerah Hulu Langat, Selangor Darul Ehsan, measuring approximately 421,956 square metres for a total cash consideration of RM5,063,473.

The above acquisition was completed during the financial year.

(d) Great Platform Sdn. Bhd. ("GPSB")

(i) On 23 December 2011, GPSB entered into a sale and purchase agreement with Commercial Edge Kiln Dry Sdn. Bhd. for the acquisition of three contiguous pieces of freehold land measuring a total of 12.93 acres together with buildings and facilities erected thereon for a total consideration of RM12,300,000.

The above acquisition was completed after the financial year end.

(ii) On 3 April 2012, GPSB increased its issued and paid-up share capital from RM2 to RM2,000,000 by the issue of 1,999,998 ordinary shares of RM1.00 each at par by way of capitalising amount owing to SRB. Accordingly, SRB has subscribed for the entire issued and paid-up share capital of GPSB.

(iii) On 24 May 2012, GPSB had contracted to purchase one complete set of production machinery at a cost of USD4.46 million from Linyi Xingteng Wood-Based Panel Machinery Co., Ltd for the production of particleboard.

The above acquisition has yet to be completed at the end of the financial year.

(e) Seng Yip Timber Sdn. Bhd. (formerly known as C&L Lumber Sdn. Bhd.) ("SYTSB")

On 12 December 2011, SYTSB changed its name from C&L Lumber Sdn. Bhd. to Seng Yip Timber Sdn. Bhd..

36. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At fair value through profit or loss RM'000	Loans and receivables RM'000	Financial liabilities at amortised costs RM'000	Total RM'000
Group				
2012				
Financial Assets				
Trade receivables	-	19,993	-	19,993
Other receivables	-	26,255	-	26,255
Derivative financial assets	136	-	-	136
Fixed deposits with licensed banks	-	240	-	240
Cash and bank balances	-	3,057	-	3,057
Total financial assets	136	49,545	-	49,681
Financial Liabilities				
Trade payables	-	-	28,262	28,262
Other payables	-	-	11,061	11,061
Amount owing to a Director	-	-	2,400	2,400
Hire purchase payables	-	-	887	887
Bank borrowings	-	-	33,860	33,860
Total financial liabilities	-	-	76,470	76,470
2011				
Financial Assets				
Trade receivables	-	7,668	-	7,668
Other receivables	-	5,440	-	5,440
Derivative financial assets	411	-	-	411
Fixed deposits with licensed banks	-	50	-	50
Cash and bank balances	-	3,593	-	3,593
Total financial assets	411	16,751	-	17,162
Financial Liabilities				
Trade payables	-	-	11,788	11,788
Other payables	-	-	14,547	14,547
Hire purchase payables	-	-	593	593
Bank borrowings	-	-	101,370	101,370
Total financial liabilities	-	-	128,298	128,298

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	At fair value through profit or loss RM'000	Loans and receivables RM'000	Financial liabilities at amortised costs RM'000	Total RM'000
Company				
2012				
Financial Assets				
Amount owing by subsidiary companies	-	68,061	-	68,061
Cash and bank balances	-	327	-	327
Total financial assets	-	68,388	-	68,388
Financial Liability				
Other payables	-	-	365	365
Total financial liability	-	-	365	365
2011				
Financial Assets				
Other receivables	-	1	-	1
Amount owing by subsidiary companies	-	66,741	-	66,741
Cash and bank balances	-	257	-	257
Total financial assets	-	66,999	-	66,999
Financial Liabilities				
Other payables	-	-	5,041	5,041
Bank borrowings	-	-	59,961	59,961
Total financial liabilities	-	-	65,002	65,002

(b) Capital risk management objectives and policies

The Group and the Company's management manages its capital to ensure that the Group and the Company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

The capital of the Group and of the Company consists of issued capital, cash and cash equivalents and bank borrowings.

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including credit risk, liquidity risk and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

(d) Credit risk

Fixed deposits with licensed banks and cash at banks are placed with credit worthy financial institutions.

Credit risk arises mainly from the inability of its customers to make payments when due. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via Company's management reporting procedures and action will be taken for long outstanding debts.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk except as disclosed in Note 8.

(e) Liquidity risk

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor their cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total RM'000
Group					
2012					
Trade payables	28,262	-	-	-	28,262
Other payables	11,061	-	-	-	11,061
Amount owing to a Director	2,400	-	-	-	2,400
Hire purchase payables	231	229	427	-	887
Bank borrowings	26,781	1,761	4,137	1,181	33,860
	68,735	1,990	4,564	1,181	76,470
2011					
Trade payables	11,788	-	-	-	11,788
Other payables	14,547	-	-	-	14,547
Hire purchase payables	127	134	332	-	593
Bank borrowings	101,370	-	-	-	101,370
	127,832	134	332	-	128,298

36. FINANCIAL INSTRUMENTS (CONT'D)

(e) Liquidity risk (Cont'd)

	On demand or within 1 year RM'000
Company	
2012	
Other payables	365
2011	
Other payables	5,041
Bank borrowings	59,961
	65,002

(f) Market risks

(i) Foreign currency exchange risk

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar (USD). The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant.

The carrying amounts of the Group's are foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Financial Assets			
	Trade receivables RM'000	Derivative financial assets RM'000	Cash and bank balances RM'000	Total RM'000
Group				
2012				
USD	2,198	136	358	2,692
GBP	-	-	2	2
2011				
USD	4,066	411	1,075	5,552
GBP	-	-	2	2

36. FINANCIAL INSTRUMENTS (CONT'D)

(f) Market risks (Cont'd)

(i) Foreign currency exchange risk (Cont'd)

	Financial Liabilities		
	Trade payables RM'000	Other payables RM'000	Total RM'000
Group			
2012			
USD	-	576	576
JPY	10	-	10
2011			
USD	-	540	540
JPY	10	-	10

(ii) Foreign currency risk sensitivity

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period would increase/(decrease) the profit before taxation and other comprehensive income by the amount shown below. This analysis assumes that all other variables remain unchanged.

	Group		
	USD RM'000	JPY RM'000	Total RM'000
2012			
Profit before taxation	(212)	1	(211)
2011			
Profit before taxation	(501)	1	(500)

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

(iii) Interest rate risk

The Group and the Company obtain financing through other financial liabilities. The Group's and the Company's policy is to obtain the financing with the most favourable interest rates in the market.

The Group and the Company constantly monitor its interest rate risk and does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

36. FINANCIAL INSTRUMENTS (CONT'D)

(f) Market risks (Cont'd)

(iii) Interest rate risk (Cont'd)

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk are as follows:

	2012 RM'000	2011 RM'000
Group		
Financial Asset		
Fixed deposits with licensed banks	240	50
Financial Liability		
Bank borrowings	33,860	41,409

The Group is exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group.

(iv) Interest rate risk sensitivity

An increase in market interest rates by 1% on financial asset and financial liability of the Group which have variable interest rates at the end of the reporting period would increase the loss before taxation by RM336,000 (2011: RM413,000). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial asset and financial liability of the Group which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

(g) Fair values of financial assets and financial liabilities

The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amount derived from such methods and valuation technique are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

(i) On the basis of amount estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amount of the various financial assets and financial liabilities reflected on the statements of financial position approximate their fair values

36. FINANCIAL INSTRUMENTS (CONT'D)

(g) Fair values of financial assets and financial liabilities (Cont'd)

The methodologies used in arriving at the fair values of the principal financial assets and financial liabilities of the Group and of the Company are as follows:

- Cash and cash equivalents, trade and other receivables, intercompany balances, trade and other payables and short-term borrowings

  The carrying amounts are considered to approximate the fair values as they are within the normal credit terms or they have short-term maturity period.

- Long-term borrowings

  Fair value which is determined for disclosure purposes is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(ii) Fair value of financial instruments by categories that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	2012		2011	
	Carrying amount RM'000	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Group				
Financial liabilities				
- non current				
Hire purchase payables	656	609	466	423
Company				
Financial liabilities				
- non current				
Contingent liabilities	36,909	@	44,121	@

@ It is not practical to estimate the fair value of contingent liabilities as disclosed in Note 33 due to the uncertainties of timing, costs and eventual outcome.

37. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 July 2012 were authorised for issue in accordance with a resolution of the Board of Directors on 16 November 2012.

Supplementary Financial Information
on the Disclosure of Realised and Unrealised Profit or Losses

The breakdown of the retained profit/(accumulated losses) of the Group and of the Company as of 31 July 2012 and 31 July 2011 into realised and unrealised amounts is as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Retained profit/(Accumulated losses)				
- Realised	(5,550)	(50,046)	18,754	(2,545)
- Unrealised	107	562	-	-
	(5,443)	(49,484)	18,754	(2,545)
Less: Consolidation adjustments	33,473	26,677	-	-
	28,030	(22,807)	18,754	(2,545)

The disclosure of realised and unrealised profits or losses is solely compiled in accordance to the Malaysian Institute of Accountants Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements issued on 20 December 2010.

The disclosure of realised and unrealised profits and losses is solely for the purpose of disclosure requirements of Bursa Securities Listing Requirements and should not be applied for any other purpose.

FORM OF PROXY

成業資源有限公司
SYF RESOURCES BERHAD
(364372-H)
(Incorporated in Malaysia)

No. of ordinary shares held

I / We .... NRIC No. : ....
(Full Name in block letters)

of...
(Full address)

being a member/members of **SYF RESOURCES BERHAD** hereby appoint* ....

....of ....

or failing him/her ....

of ....

or the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at the **Ballroom, Prescott Metro Inn, Wisma Metro Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Wednesday, 23 January 2013 at 10.00 a.m**. and at any adjournment thereof, to vote as indicated below:

Ordinary Resolutions		**FOR**	**AGAINST**
1	Approval of Directors' Fees for the financial year ended 31 July 2012.		
2	Re-election of Dato' Sri Chee Hong Leong, JP as Director in accordance with Article 106 of the Company's Articles of Association.		
3	Re-election of Dr. Roslan Bin A Ghaffar as Director in accordance with Article 106 of the Company's Articles of Association.		
4	Election of Dato' Sri Hii Chii Kok @ Hii Chee Kok as Director in accordance with Article 93 of the Company's Articles of Association.		
5	Re-appointment of Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Special Business			
6	Issuance of shares pursuant to Section 132D of the Companies Act, 1965.		
7	Share Buy-Back Authority.		
Special Resolution			
	Proposed Amendments to the Articles of Association of the Company.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the Proxy will vote or abstain from voting at his/her discretion.)

Dated this .... day of 2013

....
Signature of Member/Common Seal

NOTES :

1. *A member entitled to attend and vote at this meeting is entitled to appoint a proxy (or in the case of a corporation, a duly authorized representative) to attend and vote in his/her stead. A proxy need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1) (a) and (b) of the Companies Act, 1965 shall not apply to the Company.*

   A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.
2. *A member may appoint a maximum of two (2) proxies to attend and vote at the same meeting. Such appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
3. *Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
5. *An Exempt Anuthorised Nominee refers to an Authorised Nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation/company, either under its common seal or under the hand of officer or attorney duly authorised.*
7. *The instrument appointing a proxy must be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.*
8. *Only members whose names appear in the Record of Depositors as at 17 January 2013 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.*

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STAMP

Company Secretary
SYF RESOURCES BERHAD (364372-H)
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

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SYF RESOURCES BERHAD
Kawasan Perindustrian Sungai Lalang,
Lot 971, Jalan Vill, Mukim Semenyih, Jalan Sungai Lalang
43500 Semenyih, Selangor Darul Ehsan.

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