



M & A EQUITY HOLDINGS BERHAD

(formerly known as SYF Resources Berhad)

Registration No. 199501035170 (364372-H)



ANNUAL REPORT 2023

About Us

It is with pleasure that we present to you our Annual Report for M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad, “M&A”, “the Group” and “the Company”).

We have had a challenging but exciting journey since we embarked on the listing exercise via the reverse takeover of SYF Resources Berhad which was completed on 10 May 2023. Concurrent with the reverse takeover exercise, the Company had changed its name to M & A Equity Holdings Berhad on 8 June 2023 and changed of sector reclassification from Consumer Products & Services to Financial Services on 30 June 2023, to better reflect its new core business and future undertakings in the financial services industry. Despite the difficult and volatile domestic and global economic conditions and a weaker ringgit, we continued to make steady progress.

The Group’s main business is a stockbroker and corporate finance adviser in Malaysia with extensive experience in securities dealing, corporate finance and advisory services. The Company, through its subsidiaries, is also engaged in nominee agents and registration services and property investment and development.

Headquartered in Mid Valley, Kuala Lumpur, the Group is rapidly expanding the stockbroking services through 5 established branch offices covering from the Northern region in Pulau Pinang & Ipoh, Perak, the Central region in Kuala Lumpur and to the Southern region in Johor Bahru. We strive to provide our customers best-in-class practices and service excellence. With strong understanding on the stockbroking, corporate finance and advisory business for 5 decades; we are here to serve and manage our customers’ expectations in investment management.

CONTENTS

03	Corporate Information
04	Corporate Structure
05	Profile of Directors
09	Key Senior Management's Profile
12	5-Year Financial Highlights and Indicators
15	Group Managing Director's Statement and Management Discussion and Analysis
24	Corporate Governance Overview Statement
39	Statement on Risk Management and Internal Control
42	Audit Committee Report
46	Sustainability Statement
61	Statement of Directors' Responsibility in Respect of the Audited Financial Statements
62	Additional Compliance Information
64	Directors' Report and Financial Statements
176	List of Properties
177	Analysis of Shareholdings
179	Statement of Directors' Interest in the Company and its Related Corporations
181	Notice of Annual General Meeting
187	Statement Accompanying Notice of Annual General Meeting Form of Proxy

CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP

Chairperson / Independent Non-Executive Director
(appointed on 10 May 2023, redesignated on 30 June 2023)

Dato' Yong Lei Choo

Deputy Chairperson / Independent Non-Executive Director
(appointed on 10 May 2023, redesignated on 30 June 2023)

Datuk Tan Choon Peow, Bill

Managing Director
(appointed on 10 May 2023, redesignated on 30 June 2023)

Dato' Sri Chee Hong Leong, JP

Executive Director

Dato' Mohamad Azmi Bin Ali

Independent Non-Executive Director

Tan Choon Thye

Independent Non-Executive Director
(appointed on 30 June 2023)

Thong Mei Chuen

Non-Independent Non-Executive Director
(appointed on 01 August 2023)

Dato' Abdul Rashid Bin Mat Amin

Independent Non-Executive Director
(resigned on 30 June 2023)

Datuk Mohamed Arsad Bin Sehan

Independent Non-Executive Director
(resigned on 30 June 2023)

Dato' Wong Gian Kui

Non-Independent Non-Executive Director
(resigned on 01 August 2023)

Dato' Sri Ng Ah Chai

Non-Independent Non-Executive Director
(redesignated on 10 May 2023, resigned on 30 June 2023)

Ng Wei Ping

Non-Independent Non-Executive Director
(redesignated on 10 May 2023, resigned on 30 June 2023)

AUDIT COMMITTEE

Dato' Mohamad Azmi Bin Ali
(Chairman)

Dato' Yong Lei Choo
(appointed on 30 June 2023)

Tan Choon Thye
(appointed on 30 June 2023)

Datuk Mohamed Arsad Bin Sehan
(resigned on 30 June 2023)

Dato' Abdul Rashid Bin Mat Amin
(resigned on 30 June 2023)

NOMINATION COMMITTEE

Dato' Yong Lei Choo
(Chairperson) (appointed on 30 June 2023)

Datuk Mohamed Arsad Bin Sehan
(Chairman) (resigned on 30 June 2023)

Dato' Mohamad Azmi Bin Ali

Tan Choon Thye
(appointed on 30 June 2023)

Dato' Abdul Rashid Bin Mat Amin
(resigned on 30 June 2023)

REMUNERATION COMMITTEE

Tan Choon Thye
(Chairman) (appointed on 30 June 2023)

Dato' Mohamad Azmi Bin Ali

Dato' Yong Lei Choo
(appointed on 30 June 2023)

Datuk Mohamed Arsad Bin Sehan
(Chairman) (resigned on 30 June 2023)

Dato' Abdul Rashid Bin Mat Amin
(resigned on 30 June 2023)

RISK MANAGEMENT COMMITTEE

Dato' Mohamad Azmi Bin Ali
(Chairman)

Dato' Sri Chee Hong Leong, JP

Datuk Tan Choon Peow, Bill
(appointed on 30 June 2023)

Dato' Yong Lei Choo
(appointed on 30 June 2023)

Tan Choon Thye
(appointed on 30 June 2023)

Ng Wei Ping
(resigned on 30 June 2023)

Lee Oon Kar
(resigned on 30 June 2023)

COMPANY SECRETARIES

Lim Shook Nyee
(MAICSA 7007640 /
SSM PC No. 201908003593)
(appointed on 31 July 2023)

Tan Tong Lang
(MAICSA 7045482 /
SSM PC NO. 202208000250)
(resigned on 31 July 2023)

Thien Lee Mee
(LS0010621 /
SSM PC NO. 201908002254)
(resigned on 31 July 2023)

REGISTERED OFFICE

Ho Hup Tower-Aurora Place
2-07-01-Level 7, Plaza Bukit Jalil
No. 1, Persiaran Jalil 1
Bandar Bukit Jalil
57000 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : 03-9779 1700
Fax : 03-9779 1701
Email : osem@quadrantbiz.co

PRINCIPAL PLACE OF BUSINESS

No. 47-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2284 2911
Fax : 03-2284 2718
Website : mnaequityholdings.com

AUDITORS

Grant Thornton Malaysia PLT
(No. 201906003682 &
LLP0022494-LCA)
(Member Firm of Grant Thornton
International Ltd)
Chartered Accountants (AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

PRINCIPAL BANKERS

Affin Hwang Investment Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS

Shearn Delamore & Co.

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : M&A
Sector : Financial Services
Stock Code : 7082

CORPORATE STRUCTURE



M & A EQUITY HOLDINGS BERHAD



PROFILE OF DIRECTORS

Y.A.M. TENGKU PUTERI SERI KEMALA TENGKU HAJJAH AISHAH BINTI ALMARHUM SULTAN HAJI AHMAD SHAH, DK(II), SIMP ("Y.A.M. TENGKU AISHAH")

Aged 66

Malaysian

Female

Date of appointment: 10 May 2023

- **Chairperson / Independent Non-Executive Director**

Y.A.M. Tengku Aishah was appointed as an Independent Non-Executive Director on 10 May 2023. She was subsequently re-designated as the Chairperson of the Company on 30 June 2023.

She graduated with a Diploma in Business Administration from Dorset Institute, United Kingdom in 1980 and has been a Director of TAS Industries Sdn. Bhd. since 15 August 1990. TAS Industries Sdn. Bhd. is an investment holding and property development company in Kuala Lumpur.

Y.A.M. Tengku Aishah is also the Non-Independent Non-Executive Chairperson of Insas Berhad and Inari Amertron Berhad and the Independent Non-Executive Chairperson of Divfex Berhad.

DATO' YONG LEI CHOO ("DATO' YONG")

Aged 62

Malaysian

Female

Date of appointment: 10 May 2023

- **Deputy Chairperson / Independent Non-Executive Director**
- **Chairperson of Nomination Committee**
- **Member of Audit Committee, Risk Management Committee and Remuneration Committee**

Dato' Yong was appointed as an Independent Non-Executive Director on 10 May 2023. She was subsequently re-designated as the Deputy Chairperson of the Company on 30 June 2023.

Dato' Yong graduated with a Bachelor of Arts (Hons) in Population Studies from the University of Malaya, Malaysia in 1985 and also graduated with a Master of Science in Human Resources Development from Western Carolina University, North Carolina, United States of America in 1997.

Dato' Yong joined the Royal Malaysian Police Force (the Force) in 1986 as a Cadet Assistant Superintendent of Police. She had a distinguished career in the Force for nearly 36 years before retiring from the Force in October 2021 as the Deputy Chief Police Officer of Kuala Lumpur. Dato' Yong had immense experience in fields of investigation, prosecution, administration, anti-human trafficking, international security liaison, research & analysis, training and personnel management in police precincts of various states such as Perak, Selangor, Penang and Bukit Aman in Kuala Lumpur. She was also commissioned as the Chief VIP Security Team involved in the security details for the Prime Ministers' international excursions.

Dato' Yong currently sits on the Board of LBS Bina Group Berhad, Vestland Berhad and Fiamma Holdings Berhad as Independent Non-Executive Director. She is also the Independent Non-Executive Chairperson of Red Ideas Holdings Berhad.

PROFILE OF DIRECTORS (CONT'D)

DATUK TAN CHOON PEOW ("DATUK BILL TAN")

Aged 52

Malaysian

Male

Date of appointment: 10 May 2023

- **Managing Director**
- **Member of Risk Management Committee**

Datuk Bill Tan was appointed to the Board on 10 May 2023 as an Executive Director. He was subsequently re-designated as the Managing Director on 30 June 2023.

Datuk Bill Tan graduated with a Bachelor of Commerce from Murdoch University, Australia in 1993 and is a member of the Malaysian Institute of Accountants and Certified Practising Accountant of Australia, both since 1996. In 2001, he was registered as Chartered Accountant with the Malaysian Institute of Accountants.

Datuk Bill Tan started his career in 1993 as an Audit Assistant with KPMG Peat Marwick where he was involved in various audit assignments. In 1997, he left the firm as Audit Senior to join Bright Rims Manufacturing Sdn Bhd as Group Financial Controller where he was responsible for managing its accounts and finance functions up to 2000. Between 2001 to 2004, he was attached to Leverage Management Sdn Bhd as a Director where he was involved in the provision of corporate finance advisory.

In 2004, Datuk Bill Tan joined Avenue Securities Sdn Bhd as Associate Director, Corporate Finance. In 2007, he left ECM Libra Avenue Securities Sdn Bhd (the merged entity of Avenue Securities Sdn Bhd and ECM Libra Securities Sdn Bhd) to join MIMB Investment Bank Berhad as a Director (non-board member) and Team Head, Investment Banking till 2009 when he joined M & A Securities Sdn Bhd.

DATO' SRI CHEE HONG LEONG, JP ("DATO' SRI CHEE")

Aged 59

Malaysian

Male

Date of appointment: 13 March 2003

- **Executive Director**
- **Member of Risk Management Committee**

Dato' Sri Chee was appointed to the Board as an Independent Non-Executive Director on 13 March 2003 and was subsequently re-designated as Executive Director on 2 December 2011. He graduated with a Bachelor of Engineering (Computer) and a Master of Business Administration, 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, Dato' Sri Chee 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 to 2002 where he held various positions from General Manager to Executive Director/ Chief Operating Officer.

Dato' Sri Chee currently sits on the Board of Hextar Industries Berhad and Inari Amertron Berhad as Independent Non-Executive Director and Microlink Solutions Berhad and Ho Hup Construction Company Berhad as Executive Director.

PROFILE OF DIRECTORS

(CONT'D)

DATO' MOHAMAD AZMI BIN ALI ("DATO' AZMI")

Aged 66

Malaysian

Male

Date of appointment: 1 March 2017

- Independent Non-Executive Director
- Chairman of Audit Committee and Risk Management Committee
- Member of Nomination Committee and Remuneration Committee

Dato' Azmi was appointed to the Board on 1 March 2017.

Dato' Azmi is a member of CPA (Australia) and the Malaysian Institute of Accountants. He holds a Bachelor of Accounting degree from University Kebangsaan Malaysia.

Dato' Azmi's experience in the public sector spanned over 36 years, from 1981 until his retirement in 2017. Earlier in his career he was appointed as the Kelantan State's Treasurer from 1983 to 1991. He served in Economic Planning Unit, Prime Minister's Department in the Privatization Task Force and Foreign Investment Committee from 1992 to 2001. Following that, he was the Head of Accountant's General Office in Kuching from 2002 to 2008, and was the Head Accountant of the Ministry of Education from 2008 to 2011. Subsequently, he headed various divisions in the Accountant's General Office before being appointed as the Deputy Accountant General of Malaysia in 2015. On 1 December 2020, he was appointed by the Ministry of Finance ("MOF") as the Registrar of the Malaysian Institute of Accountants. He is also an Audit Committee member at Malaysia Productivity Corporation, Technology Depository Agency Berhad (a MOF Company).

He is currently also an Independent Non-Executive Director of Insas Berhad and Inari Amerton Berhad.

TAN CHOON THYE ("MR. TAN")

Aged 69

Malaysian

Male

Date of appointment: 30 June 2023

- Independent Non-Executive Director
- Chairman of Remuneration Committee
- Member of Audit Committee, Risk Management Committee and Nomination Committee

Mr. Tan was appointed as a member of the Board on 30 June 2023.

Mr. Tan graduated from University of Malaya in 1979 with a Bachelor of Electrical Engineering (Honours) and then received his Master of Business Administration from University of Hawaii, United States of America in 1982.

He has over 20 years of investment banking and 10 years of commercial banking experience being with CIMB banking group from July 1988 to January 2006 and from August 2007 to July 2019 respectively. During the period, he has worked in Indonesia being seconded there as an Executive Director of PT CIMB Niaga Securities and in China being seconded there as a Deputy President, Bank of Yingkou, an investee bank of CIMB Bank and as the General Manager of CIMB Bank Shanghai Branch.

He is currently also an Independent Non-Executive Director of NTPM Holdings Berhad.

PROFILE OF DIRECTORS (CONT'D)

THONG MEI CHUEN ("MS. THONG")

Aged 41

Malaysian

Female

Date of appointment: 1 August 2023

• **Non-Independent Non-Executive Director**

Ms. Thong was appointed as a member of the Board on 1 August 2023. She graduated with a Bachelor of Arts from Dartmouth College.

Ms. Thong has had 5 years of equity capital markets experience having worked at Credit Suisse in New York from 2004 to 2006, and Deutsche Bank from 2006 to 2009 at their New York, Hong Kong and Singapore offices. She subsequently joined the corporate finance team in Genting Hong Kong from 2009 to mid-2012. On 1 July 2012, she was appointed Head of Global Treasury and Corporate Planning of Insas Berhad. In February 2014, she has also undertaken the role of Chief Operating Officer in Microlink Solutions Berhad's Singapore division.

Ms. Thong is the daughter of Dato' Sri Thong Kok Khee, a major shareholder of Insas Berhad, the holding company of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad).

Ms. Thong was appointed to the Board of Inari Amertron Berhad on 2 July 2013 as the Alternate Director to Dato' Sri Thong Kok Khee, who is a Non-Independent Non-Executive Director and substantial shareholder of Inari Amertron Berhad.

Note:

(i) Family relationship with Director and/or major shareholder

Save as disclosed above, none of the Directors has any family relationship with any other Director and/or major shareholder of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad).

(ii) Conflict of interest with the Company

Save for the related party disclosures as disclosed under Note 44 to the Audited Financial Statements in this Annual Report and the Circular to Shareholders dated 25 October 2023, none of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

(iii) Conviction for offences

None of the Directors has been convicted for any offences (other than traffic offences, if any) within the past five (5) years or has been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial period from 1 August 2022 to 30 June 2023.

(iv) Directorship in public companies and listed issuers

Save for the disclosures as stated above, none of the Directors hold any directorship in other public companies and listed issuers.

KEY SENIOR MANAGEMENT'S PROFILE

DATUK TAN CHOON PEOW ("DATUK BILL TAN")

Aged 52

Malaysian

Male

- Managing Director, M & A Equity Holdings Berhad
- Executive Director, M & A Securities Sdn Bhd ("M & A Securities")

The profile of Datuk Bill Tan is stated on the Profile of Directors on page 6 of the Annual Report.

DATO' SRI CHEE HONG LEONG, JP ("DATO' SRI CHEE")

Aged 59

Malaysian

Male

- Executive Director, M & A Equity Holdings Berhad
- Director, Darul Majumas Sdn Bhd

The profile of Dato' Sri Chee is stated on the Profile of Directors on page 6 of the Annual Report.

DATO' THONG KOK YOON ("DATO' THONG")

Aged 72

Malaysian

Male

- Executive Director, M & A Securities

Dato' Thong was appointed as an Executive Director of M & A Securities on 15 November 1991.

Dato' Thong graduated with a Bachelor of Science majoring in Mechanical Engineering from Imperial College of Science and Technology, University of London in 1974. He was attached to Phillip Singapore Limited prior to joining M & A Securities. He has more than 40 years of working experience in the stock broking industry.

Dato' Thong is a substantial shareholder of Insas Berhad, the holding company of M & A Equity Holdings Berhad. (formerly known as SYF Resources Berhad). He is the brother of Dato' Sri Thong Kok Khee, a major shareholder of Insas Berhad.

KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)

TING HUA TAI, GARY ("MR. GARY TING")

Aged 53

Malaysian

Male

- **Head of Corporate Finance, M & A Securities**

Mr. Gary Ting was appointed as the Head of Corporate Finance of M & A Securities on 11 August 2009.

He graduated with a Bachelor of Commerce (Accounting) from Latrobe University, Australia in 1994.

In 1995, he started his career with Coopers & Lybrand (now part of PwC Malaysia) as an Executive in its Corporate Recovery department where he assisted in various corporate recovery and insolvency assignments. He left in 1996 to join Price Waterhouse (now known as PwC Malaysia) as Audit Assistant and was involved in various audit assignments.

He began his career in corporate finance in 1997 when he joined Bumiputra Merchant Bankers Berhad as Executive, Corporate Finance. In 1999, he left to join Amanah Merchant Bankers Berhad (which later merged with Alliance Merchant Bank Berhad) as Senior Executive, Corporate Finance. He left the merchant bank in 2003 as Manager, Corporate Finance to join Avenue Securities Sdn Bhd as Associate Director, Corporate Finance. In 2007, he left ECM Libra Avenue Securities Sdn Bhd (merged entity of Avenue Securities Sdn Bhd and ECM Libra Securities Sdn Bhd) to join MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) as Director, Corporate Finance (non-board member).

He left MIMB Investment Bank Berhad in 2009 to join M & A Securities in his current capacity. As Head of Corporate Finance, he oversees the department's day-to-day activities and supervises all corporate finance client mandates from deal origination to execution.

He has more than twenty (20) years of experience in corporate finance covering various transactions such as initial public offerings, mergers and acquisitions, fundraising, takeovers and share placements.

LEE HENG AUN ("MR. LEE")

Aged 59

Malaysian

Male

- **Chief Financial Officer, M & A Securities**

Mr. Lee joined M & A Securities on 2 May 2023 as General Manager - Finance and was later redesignated as Chief Financial Officer of M & A Securities.

He is a Fellow of the Association of Chartered Certified Accountant (United Kingdom) and a Chartered Accountant of the Malaysian Institute of Accountants. He graduated with a Master in Business Administration (Information Technology Management) from the Multimedia University.

Mr. Lee began his career as an Auditor in 1990 in the United Kingdom and has more than 30 years of experience in management, operations and finance in various industries, ranging from trading, manufacturing, express delivery, logistics, haulage and transportation, construction, property development and mobile payment to oil and gas support services. He served as Chief Financial Officer of Ho Hup Construction Company Berhad prior to joining the Company.

KEY SENIOR MANAGEMENT'S PROFILE

(CONT'D)

Note:

(i) Family relationship with Director and/or major shareholder

Dato' Thong is the brother of Dato' Sri Thong Kok Khee ("Dato' Sri Thong"). Dato' Sri Thong is a major shareholder of Insas Berhad, the holding company of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad).

Save as disclosed herein, none of the Key Senior Management Team has any family relationship with any other Director and/or major shareholder of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad).

(ii) Conflict of interest with the Company

Save for the related party disclosures as disclosed under Note 44 to the Audited Financial Statements in this Annual Report and the Circular to Shareholders dated 25 October 2023, none of the members of Key Senior Management Team has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

(iii) Conviction for offences

None of the members of Key Senior Management Team has been convicted for any offences (other than traffic offences, if any) within the past five (5) years or has been imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial period from 1 August 2022 to 30 June 2023.

(iv) Directorship in public companies and listed issuers

The members of Key Senior Management Team do not hold any directorship in other public companies and/or listed issuers other than Dato' Sri Chee, of which his directorship in the other listed issuers are disclosed in the Profile of Directors on page 6 of the Annual Report.

5-YEAR FINANCIAL HIGHLIGHTS AND INDICATORS

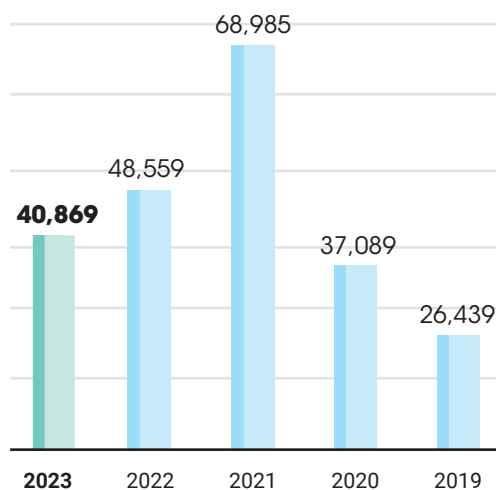
	As per Consolidated Audited Financial Statements	As per Consolidated Financial Statements (Note 1)			
		2023 RM' 000	2022 RM' 000	2021 RM' 000	2020 RM' 000
Revenue	40,869	48,559	68,985	37,089	26,439
EBITDA	22,041	33,626	27,870	16,775	10,791
Profit before taxation	16,739	28,406	23,530	13,985	7,933
Profit after taxation	12,112	23,513	17,517	10,388	5,733
Profit after taxation attributable to owners of the Company	12,203	23,513	17,517	10,388	5,733
Total assets	605,522	326,953	346,145	309,689	223,994
Total liabilities	195,497	133,579	169,024	143,740	60,488
Total borrowings (Note 2)	92,488	60,780	77,209	20,968	21,775
Equity attributable to owners of the Company	395,364	193,374	177,121	165,949	163,506
Number of shares in issue - weighted average (thousands) (Note 3)	1,103,903	1,009,091	1,009,091	1,009,091	1,009,091
Basic/Diluted earnings per share (sen)	1.11	2.33	1.74	1.03	0.57
Number of shares in issue (thousands) (Note 3)	1,998,724	1,009,091	1,009,091	1,009,091	1,009,091
Net assets per share attributable to owner of the parent (RM)	0.20	0.19	0.18	0.16	0.16
Return on equity (%)	3.1%	12.2%	9.9%	6.3%	3.5%
Return on total assets (%)	2.0%	7.2%	5.1%	3.4%	2.6%
Net gearing ratio (times)	0.23	0.31	0.44	0.13	0.13

Note:

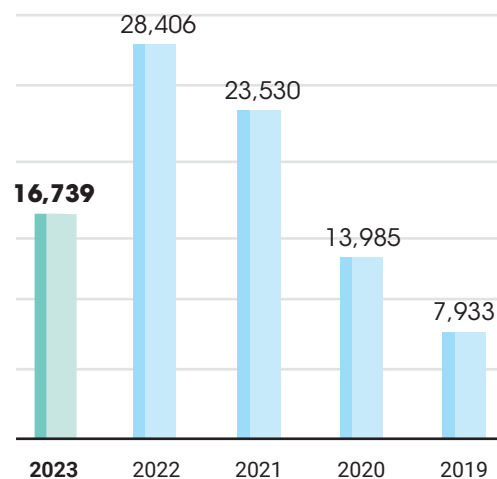
- The Consolidated Financial Statements of M & A Securities Sdn Bhd ("M&A Securities") and its subsidiaries ("M&A Securities Group") at the respective year ended 30 June 2019 to 2022 has been presented as the comparative figures at Group level following the completion of the Reverse Acquisition of the Company on 10 May 2023, as disclosed in Note 2(a) to the Audited Financial Statements in this Annual Report.
- Including amount due to related companies which are interest-bearing.
- In accordance to MFRS 3: Business Combinations, M&A Securities is regarded as the accounting parent, and the Consolidated Financial Statements represent a continuation of the historical financial statements of the M&A Securities Group except for its capital structure. The capital structure of M&A Securities is restated retrospectively to reflect the capital structure of the Company as the legal parent and accordingly for the period prior to the Reverse Acquisition, the capital structure reflects the number of shares of the Company issued in the Reverse Acquisition. For FY2023, the basic/diluted earnings per share is computed based on the weighted average number of ordinary shares of the Company in issue of 1,103,903,000 shares whereas the net assets per share is computed based on the number of ordinary shares of the Company in issue of 2,003,960,000 as at 30 June 2023 (net of the 5,236,000 ordinary shares being held as treasury shares), in arriving at the total of 1,998,724,000 ordinary shares.

5-YEAR FINANCIAL HIGHLIGHTS AND INDICATORS (CONT'D)

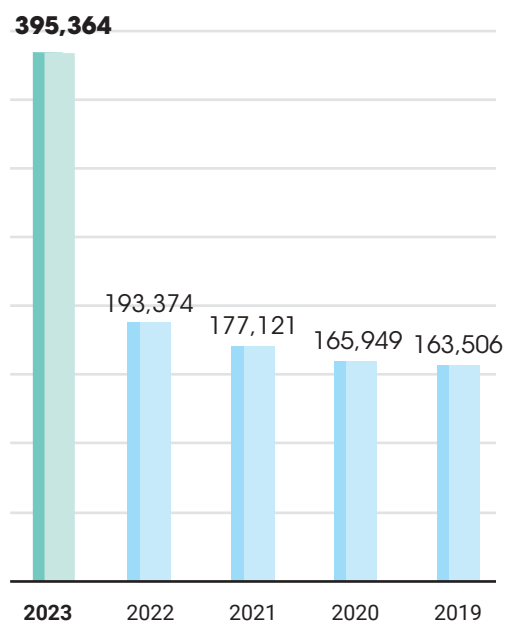
REVENUE (RM' 000)



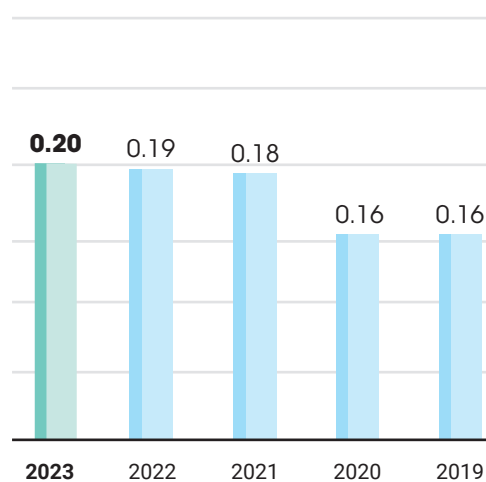
PROFIT BEFORE TAXATION (RM' 000)



EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM' 000)



NET ASSETS PER SHARE (RM)





M&A EQUITY HOLDINGS BERHAD

LISTING

Entering the public market, we are poised to capture a substantial share of the ever-expanding financial service industry, driven by digitalisation and evolving customer needs.



GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of M & A Equity Holdings Berhad ("M&A", "the Company" or "the Group") for the financial year ended 30 June 2023 ("FY 2023").

INTRODUCTION

On 6 October 2021, the Company announced its intention to undertake a series of multiple corporate proposals with the objective to turn the Group into a full-fledged financial services group after disposing the Group's existing business in rubberwood furniture manufacturing and materials processing and part of the Group's landbank.

The multiple corporate proposals which were fully completed during FY 2023 comprised of:

- a) the disposal of the Company's 100% equity interest in Seng Yip Furniture Sdn Bhd ("Seng Yip Furniture", "Seng Yip", which carries out the Group's business in rubberwood furniture manufacturing and materials processing ("Furniture Business");
- b) the disposal of two (2) pieces of freehold land in Mukim Ceras, Daerah Hulu Langat forming part of the Group's landbank;
- c) cash distribution via capital repayment of 18 sen to the Company's shareholders from the proceeds of the sale of the Furniture Business and the two (2) pieces of land and internal generated funds of the Company;
- d) the acquisition of 100% equity interest and redeemable convertible preference shares in M & A Securities Sdn Bhd ("M&A Securities") and its subsidiaries from Insas Berhad ("Insas"), which forms the opportunity for the Company to enter into the financial services industry. The purchase consideration was satisfied via the allotment of ordinary shares in the Company to Insas, which affirms Insas' commitment in the future growth of M&A Securities;
- e) fund-raising exercise by the Company comprising a Rights Issue and Restricted Issue to raise approximately RM92 million. The proceeds of both issues were to be used to repay the inter-company advances of M&A Securities to Insas Group and to finance the working capital of the financial services business;
- f) the change of name from SYF Resources Berhad to M & A Equity Holdings Berhad on 8 June 2023, to reflect the Company's new corporate identity along with its new core business and future undertakings in the financial services industry.
- g) with the completion of the multiple corporate proposals, the Company announced the resignation of the old management and executive directors of the Company and the appointment of the new Directors forming the senior management team which charts a new path for the Group.

Details of the multiple corporate proposals are disclosed in the Corporate Development section of this report.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

BUSINESS OVERVIEW

M&A is an investment holding company. Through its new subsidiaries from the Acquisition, the Group is operating in three (3) main corporate business segment:

- (i) Provision of stockbroking services and corporate finance advisory services ("Financial services")
- (ii) Property investment and development
- (iii) Investment holding

M&A's core business in the Financial services industry is supported by M&A Securities, which holds a Capital Market Services License issued by the Securities Commission ("SC") for dealing in securities and advising in corporate finance. It is also a recognised principal adviser with the SC, and is an ACE Market and LEAP Market Sponsor with Bursa Malaysia Securities Berhad ("Bursa Securities").

Throughout FY 2023, the global developments continued to be the dominant factor in driving the domestic economic and financial landscape. Market sentiments were dampened by concerns over a slower global economic outlook and the financial market expectations of continued monetary policy tightening in major economies.

Despite the headwinds, the Group has overcome the difficult operating environment to report a revenue and profit before taxation ("PBT") of RM40.9 million and RM16.7 million, respectively for FY 2023.

(a) Financial services

The Financial services segment represents the Group's core business, offering a range of financial services to its clients, comprising stock brokerage services, corporate finance advisory services as well as margin financing services to complement its stockbroking business.

Building on the foundation of its stockbroking business, M&A Securities operates in several branches located in Kuala Lumpur, Ipoh, Penang and Johor Bahru, to bring about wider reach with its services sought by many, creating synergies while contributing to diversified sources of revenue.

(b) Property investment and development

The Group's property development arm under Darul Majumas Sdn Bhd, a 75% owned subsidiary of the Group, is the developer of a high-rise residential project known as Alstonia Residence in Bandar Sungai Long, Selangor with net GDV of RM300 million. The Alstonia Residence comprised of 483 units of 3 and 4-bedroom freehold condominiums spread across 3 towers which sit on top a 6-storey podium comprising four levels of car park and two levels of facilities. The condominium project offers a broad range of facilities consisting of a multi-purpose hall, swimming pool, gymnasium, reading room, games room, nursery, cafeteria, children's playground, BBQ area and other facilities.

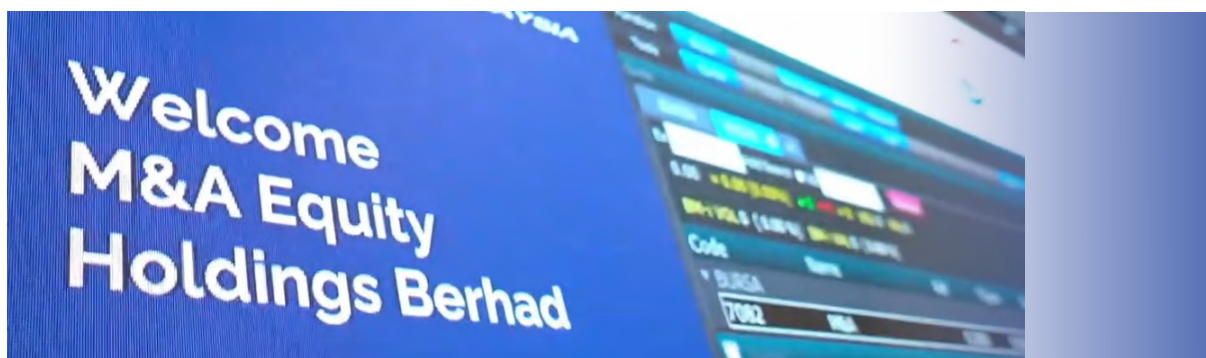
(c) Investment holding

The investment holding segment functions as a supporting division to the Group. Its activities include corporate and management services to the Group.

OBJECTIVE AND STRATEGY

As a public listed entity, our main objective is to enhance shareholders' value and provide a sustainable return on investment. In pursuit of our corporate objectives, the Group focuses on business development activities to maintain business networks, seek new business opportunities and expansion of its client base to generate sustainable revenue streams for the Group.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



CORPORATE DEVELOPMENT

On 6 October 2021, the Company announced the following proposals ("Multiple Proposals"):

- (a) the Company had entered into a share sale agreement ("SSA") with Mieco Chipboard Berhad ("Mieco"), to dispose of the entire 20,000,000 ordinary shares, representing 100% equity interest in Seng Yip Furniture Sdn Bhd, a wholly-owned subsidiary, for a total disposal consideration of RM50.00 million ("Disposal of Furniture Business");
- (b) the following subsidiaries had entered into sale and purchase agreement ("SPAs") with Juta Development Sdn Bhd ("Juta") for the disposal of the following:
 - i. disposal by Nikmat Sekitar Sdn Bhd ("Nikmat Sekitar"), an indirect wholly-owned subsidiary of a parcel of freehold land held under GM 403, Lot 1461, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor for a cash disposal consideration of RM10.60 million; and
 - ii. disposal by Nuri Meriah Sdn Bhd ("Nuri Meriah"), an indirect wholly-owned subsidiary of a parcel of freehold land held under GM 1128, Lot 1464, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor for a cash disposal consideration of RM10.60 million;
 ("Disposal of Freehold Land")
- (c) special dividend of RM0.07 per ordinary share in the Company ("SYF Share") and a proposed capital repayment of RM0.11 per SYF Share on an entitlement date to be determined;
- (d) the Company had entered into a share sale and purchase agreement ("SSPA") with Insas for the acquisition of the 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares ("RCPS") in M&A Securities, representing 100% equity interest and 100% of the RCPS in M&A Securities from Insas for a total purchase consideration of RM222.00 million, which will be fully satisfied through the issuance of 1,585,714,286 new SYF Shares ("Consideration Share(s)") at an issue price of RM0.14 per Consideration Share ("Acquisition");
- (e) renounceable rights issue of 284,436,506 new SYF Shares ("Rights Shares") to the Company's shareholders on the basis of one (1) Rights Share at an issue price of RM0.14 each for every two (2) existing SYF Shares held on the entitlement date ("Rights Issue");
- (f) restricted issue of up to 215,458,730 new SYF Shares ("Restricted Issue Shares") at an issue price of RM0.14 each, representing 10% of the enlarged share capital of the Company after the Acquisition to eligible directors and employees of the enlarged M&A group including M & A Securities and its subsidiary companies ("M&A Securities Group") and persons who have contributed to the business of M & A Securities Group ("Restricted Issue");
- (g) exemption under subparagraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions for Insas and its persons acting in concert from the obligation to undertake a mandatory take-over offer to acquire the remaining SYF Shares not already owned by them upon completion of the Acquisition ("Exemption"); and
- (h) change of name of "SYF Resources Berhad" to "M & A Capital Berhad" ("Change of Name").

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

CORPORATE DEVELOPMENT (CONT'D)

On 2 December 2021, the Company announced:-

- i. The distribution of RM0.07 per SYF Share or RM39,821,111 will be undertaken by way of a special dividend or capital repayment or a combination of both and funded from the proceeds of the Disposal of Furniture Business; and
- ii. The distribution of RM0.11 per SYF Share or RM62,576,031 will be undertaken by way of a special dividend or capital repayment or a combination of both and funded from the proceeds of the Disposal of Freehold Land and internal generated funds of the Company ("Special Dividend and/or Capital Repayment").

On 13 October 2022, the Company announced that:-

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

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

- i. That the issue price of the Consideration Shares, Rights Shares and Restricted Issue Shares shall be revised from RM0.14 to RM0.22 per share; and
- ii. That arising from the revised issue price of the Consideration Shares, the number of SYF Shares to be issued for the Acquisition and Restricted Issue has been revised to 1,009,090,909 Consideration Shares and up to 157,796,392 Restricted Issue Shares respectively.

In addition, on behalf of the Board, our advisors, Malacca Securities Sdn Bhd announced that the Acquisition is deemed as a related party transaction in accordance with paragraph 10.08 of the Main Market Listing Requirements of Bursa Securities.

On 14 November 2022, Dato' Sri Ng Ah Chai gave an irrevocable undertaking to the Company that he shall: -

- (a) remit an amount of RM6.00 million to the Company in the event he disposes of all or any part of his SYF Shares prior to the entitlement date for the Special Dividend and/or Capital Repayment, out of the proceeds from such disposal; OR
- (b) forgo his entitlement to the Special Dividend and/or Capital Repayment amounting to RM6.00 million which shall be retained by the Company.

On 14 December 2022, the Company announced that the SC had, vide its letter dated 14 December 2022 ("Letter"), informed that the application in relation to the Multiple Proposals (save for the Exemption) has been approved by the SC under Section 214(1) of the Capital Markets and Services Act 2007, subject to terms and conditions to be fulfilled.

On 27 December 2022, the Company announced that Bursa Securities had, vide its letter dated 27 December 2022 approved, subject to conditions, the listing and quotation of the following:-

- i. 1,009,090,909 new SYF shares to be issued pursuant to the Acquisition;
- ii. 284,436,506 new SYF shares to be issued pursuant to the Rights Issue; and
- iii. up to 157,796,392 new SYF shares to be issued pursuant to the Restricted Issue.

On 19 January 2023, the Company announced that all the resolutions pertaining to the Multiple Proposals as set out in the Notice of the Extraordinary General Meeting ("EGM") dated 28 December 2022 were duly passed by the shareholders of the Company at the EGM held on 19 January 2023.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CORPORATE DEVELOPMENT (CONT'D)

On 30 January 2023, the Company announced that the Company had on 26 January 2023, filed the cause papers for the High Court of Malaya's ("High Court") confirmation in relation to the Capital Repayment and the High Court had on 30 January 2023 granted the order ("Order") confirming the reduction of share capital of the Company under Section 116 of the Companies Act 2016 and that the share capital of the Company shall be reduced from RM143,527,253 to RM41,130,111 comprising of 568,873,012 ordinary shares of the Company and the amount of RM0.072 shall be deemed to be paid-up on each share at the date of the Order.

On 3 March 2023, the Company announced that the Company has been informed by Insas that the SC had, vide its letter dated 2 March 2023, approved the application made by Insas on 22 February 2023 in relation to the Exemption under subparagraph 4.08(1)(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions.

On 10 March 2023, the Company announced that all conditions precedent to the SSA, SPA and SSPA have been fulfilled. Accordingly, the SSA, SPA and SSPA have become unconditional on the even date.

On 14 March 2023, the Company announced that the SSA has been completed.

On 17 March 2023, the Company announced capital repayment exercise pursuant to Section 116 of the Companies Act 2016 by way of cash distribution of RM0.07 per SYF Share which was paid on 17 April 2023 upon completion of the Disposal of Furniture Business.

On 9 May 2023, the disposal of two (2) parcels of freehold land under GM 403, Lot 1461, and GM 1128, Lot 1464, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor held by Nikmat Sekitar and Nuri Meriah respectively to Juta for a total disposal consideration of RM21.20 million have been completed.

On 10 May 2023, the Company announced that the acquisition of 100,000,000 ordinary shares and 60,000,000 RCPS in M & A Securities, representing the entire equity interest and RCPS in M & A Securities from Insas for a purchase consideration of RM222.0 million to be satisfied through the issuance of 1,009,090,909 new SYF Shares to Insas has been completed.

On 10 May 2023, the Company announced capital repayment exercise pursuant to Section 116 of the Companies Act 2016 by way of cash distribution of RM0.11 per SYF Share which was paid on 7 June 2023, upon completion of the Disposal of Freehold Land.

On 8 June 2023, the Company announced the change of name of the Company from "SYF Resources Berhad" to "M & A Equity Holdings Berhad".

On 28 June 2023, the Company announced the Consideration Shares, the Rights Shares and 136,323,600 new SYF Shares issued pursuant to the Restricted Issue will be listed on 30 June 2023 and the sector re-classification for the Company will be changed from Consumer Products & Services to Financial Services on 30 June 2023.

REVIEW OF OPERATIONS

(a) Furniture business

In line with the corporate proposal to dispose the Furniture Business, the Company has completed the disposal of Seng Yip Furniture on 14 March 2023. With this event, the Group has fully exited from the rubberwood furniture segment.

(b) Financial services

During FY 2023, the corporate finance division of M&A Securities has successfully listed 6 (FY 2022: 7) companies on the ACE Market. It has continuously been ranked as one of the top principal advisers in the IPO market for the ACE and LEAP Markets.

(c) Property investment and development

The Alstonia Residence project is 100% sold and construction has been fully completed during the financial year, and Darul Majumas Sdn Bhd has obtained the certificate of completion and compliance and delivered the vacant possession to the owners in July 2023.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE

The following table is the breakdown of the Group's performance for FY 2023 and financial year ended 30 June 2022 ("FY 2022") by business segments:-

	FY 2023 (RM'000)				FY 2022 (RM'000)		
	Financial services	Investment holding	Property investment and development	Total	Financial services	Property investment	Total
Revenue	40,652	–	217	40,869	48,529	30	48,559
Profit/ (Loss) before taxation	19,798	(867)	(2,192)	16,739	28,362	44	28,406
Profit/ (Loss) after taxation	15,238	(884)	(2,242)	12,112	23,483	30	23,513
Total assets	303,563	118,299	183,660	605,522	313,112	13,841	326,953
Total liabilities	138,821	423	56,253	195,497	133,518	61	133,579

Revenue

The Group's revenue decreased by -RM7.7 million or -15.8% to RM40.9 million in the current financial year mainly due to decrease in revenue in the Financial services segment. Nevertheless, the Group's Financial services segment contributed approximately 99.5% to the total revenue for FY 2023.

The Financial services segment's revenue for the current financial year decreased by -RM7.9 million or -16.2% to RM40.6 million (FY 2022: RM48.5 million) mainly due to lower brokerage income and corporate advisory fee income recorded in FY 2023 compared to FY 2022 as a result of lower trading volumes on Bursa Securities and weaker market sentiments.

The Property investment and development segment reported higher revenue for the current financial year of RM217,000 (FY 2022: Property investment revenue of RM30,000) mainly due to higher revenue contribution from the property development subsidiary on its Alstonia project (FY 2022 : Nil).

Profit before taxation

The Group's profit before taxation decreased by -RM11.7 million or -41.1% to RM16.7 million (FY 2022: RM28.4 million) in the current financial year mainly due to the decrease in revenue of the Financial services segment.

The Financial services segment recorded a lower PBT of RM19.8 million (FY 2022: RM28.4 million) mainly due to lower brokerage and corporate advisory income in FY 2023.

The Property investment and development segment recorded a loss of -RM2.2 million (FY 2022: Property Investment's PBT of RM44,000) mainly due to higher operational expenses incurred by the property development subsidiaries (FY 2022 : Nil).

Taxation

The Group's effective tax rate for the financial year under review was higher than the statutory tax rate due mainly to the non-deductibility of provisions incurred.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Total assets

At the end of the financial year, the Group's total assets increased by RM278.6 million or 85.2% to RM605.5 million (FY 2022: RM326.9 million) mainly due to the increase in land and property development costs of RM71.1 million; goodwill on acquisition of RM25.7 million and contract assets of RM75.9 million, being the impact of the business combination of SYF Resources Berhad Group with M&A Securities arising from the Reverse Acquisition as explained in Note 2(a) to the Audited Financial Statements in this Annual Report. The Group's cash position, including short-term funds, fixed deposits, and cash and bank balances, was RM180.8 million (FY 2022: RM101.0 million) as at 30 June 2023. Cash and bank balances and fixed deposits with licensed banks and financial institutions increased by RM79.8 million mainly due to proceeds of the Rights Issue and Restricted Issue raised in June 2023.

Total liabilities

As at 30 June 2023, the Group's total liabilities increased by RM61.9 million or 46.4% to RM195.5 million (FY 2022: RM133.6 million), mainly due to the increase in trade payables of M&A Securities and the borrowings of property investment and development segment. The trade payables increased by RM29.2 million or 64.6% to RM74.4 million (FY 2022: RM45.2 million) mainly due to increase in amount due to brokers which are to be settled within the settlement cycle of T+2 days under Bursa Securities' Fixed Delivery and Settlement System trading rules. Amount due to brokers arise from buy contracts that M&A Securities executes on behalf of its clients. The Property investment and development segment's bank borrowings at RM20.6 million (FY 2022: Nil), was derived from a term loan taken by a subsidiary.

Gearing

The Group's gearing ratio decreased to 0.23 times as at 30 June 2023 (30 June 2022: 0.31 times) mainly due to the effect of issuance of 284,436,506 Rights Shares and 136,323,600 Restricted Issue Shares in FY 2023 despite the increase in the borrowings amid the business combination between SYF Resources Berhad Group and M&A Securities from the Reverse Acquisition. The Group expects the gearing ratio to decrease over time following the expected stronger performance of the Group going forward.

The Group's capital management strategy focuses on maintaining a low and healthy gearing ratio while creating and maximising shareholders' value. By having a healthy gearing ratio, the Group will place itself in a better position to capture new business opportunities and withstand any economic volatility.

CAPITAL EXPENDITURE ("CAPEX")

The Group's estimated CAPEX for the financial year ending 30 June 2024 ("FY 2024") is RM5.2 million, of which its breakdown is shown below:

	RM'000
Acquisition of property, plant and equipment	587
Setting up new corporate website	110
Investment commitment for new subsidiaries in financing related activities	4,500

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

MANAGING ANTICIPATED OR KNOWN RISKS

The key risks identified associated with our businesses are:

(a) Market competition

Within stock brokerage services, factors that influence competitiveness include, but are not limited to, brokerage fees, provision of margin financing, attractiveness of interest rates for margin financing, reputation in the industry, accessibility based on branch office locations as well as service levels. The Group may experience competitive pressure on pricing of services from other stockbroking companies that charge lower brokerage fees and/or price their other related services at a lower fee.

In dealing with market competition, the Group remains resilient in executing and delivering satisfactory services, and to provide uninterrupted and responsive online trading services to the clients.

(b) Operational and technological failures

The Group relies on technology, including the internet and mobile services, to conduct its stockbroking business where customers can conduct their trading transactions on its platform. The systems and operations are vulnerable to disruptions from power and service outages, interruptions or losses, computer and telecommunications failures, software bugs, cybersecurity attacks, computer viruses, malware, spam attacks, phishing or other social engineering, ransomware, security breaches, technological failure, human error, terrorism, improper operation, unauthorised entry, data loss and other similar events.

The Group closely monitor and maintain, expand and upgrade its systems and infrastructure to meet future requirements and mitigate future risks against technological failures such as error, defect or failure in its operating systems and infrastructure.

(c) High regulated industry

The Group operates in a highly regulated industry and its activities are conducted under licences issued by governmental and regulatory bodies such as the SC, Bursa Securities and the Ministry of Local Government Development ("KPKT"). Any unfavourable changes in regulatory conditions and government policies in Malaysia could materially and adversely affect the financial and operational conditions of the Group.

In this respect, the Group closely monitor and ensure continuous compliance with all applicable laws, regulations and guidelines from time to time to remain fit and proper to be licensed.

(d) Political and economic instability

The Group generates revenue from domestic sales and services. The performance of the Group is significantly dependent upon the stability of the local political climate and the solidity of the Malaysian economy. A prolonged weakness in the equity markets may lead to reduction in volume, size and price of transactions and a slowdown in the financial markets may affect fee income such as broking, corporate advisory, underwriting and placement.

The Group is following closely the development of the local political and economic conditions to detect any potential downside risk and to take preventive measures to mitigate the impact of such risks.

GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PROSPECT AND FUTURE OUTLOOK

With the challenging global environment, the Malaysian economy is projected to expand nearer to the lower end of the 4.0% to 5.0% range in 2023. Growth will continue to be supported by domestic demand amid improving employment and income as well as implementation of multi-year projects.

The Group is cautiously optimistic that its performance will align with the expected improved economic conditions. The Group will continue to expand and strengthen its corporate finance advisory business by exploring business opportunities for acting as adviser, placement agent and underwriter in respect of IPOs and secondary offerings, and to take up more significant IPO engagements, in terms of higher market capitalisation and higher fundraising quantum on an ongoing basis. The Group will continue to grow its stock brokerage and margin financing businesses by enhancing its online trading platform and expanding its margin financing business.

Separately, the Group may look into disposing its remaining landbank namely, two (2) parcels of vacant development land in Semenyih held under Geran 312794, Lot 25299, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan and Geran 312793, Lot 25285, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan to focus on the financial services sector.

Moving forward, the Group aspires to explore the opportunities to undertake other non-organic initiatives such as venturing into asset management as well as setting up a Labuan investment bank to become a diversified Malaysian financial services group with the ultimate objective to increase its long-term business sustainability and enhance shareholders' value.

DIVIDEND

No dividend has been proposed during the financial year.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank all our valued clients, business partners, bankers, professional advisers and most of all, our staffs for their invaluable contribution, dedication and continued support.

Finally, I would also like to express my gratitude to our shareholders for their investment and my fellow board members for their insights, guidance and advice.

Thank you.

Datuk Tan Choon Peow, Bill
Managing Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad) ("M&A" or "the Company") recognises the importance of adopting good corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group. The Group will continue to endeavour in applying the recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") released by Securities Commission of Malaysia, in its effort to observe high standards of transparency, accountability and integrity, and strive to strengthen corporate culture anchored on accountability and transparency.

This corporate governance overview outlines the corporate governance practices which have been adopted by the Board of the Company during the financial year ended 30 June 2023, where possible, and applicable laws to be a dynamic framework within which the Company would conduct its business.

Please note that the following statement is to be read together with the Corporate Governance Report, which is available on the Company's website at mnaequityholdings.com.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

Board's Leadership on Objectives and Goals

The Board is responsible for the leadership, oversight and overall management of the Company. An effective Board is one that is made up of a combination of Executive Directors with intimate knowledge of the business and Non-Executive Directors from diversified industry/business background to bring broad business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, reviewing the Group's performance and critical business issues and ultimately the enhancement of long-term shareholders' value. It monitors and delegates the implementation of the strategic direction to the Management.

The Directors collectively, with their different background and specification, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal regulatory and operations which is relevant to the Group. A brief profile of each individual Director is set out in this Annual Report under the Profile of Directors.

The Board's role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from the Management at the quarterly Board meetings when reviewing the unaudited quarterly results. During such meetings, the Board participated actively in the discussion on the performance of the Company and assessed the performance of the Management.

The roles and responsibilities of the Board are clearly defined in the Board Charter, which is available on the Company's website at mnaequityholdings.com.

The roles and responsibilities of the Independent Non-Executive Directors and Executive Directors are clearly defined and properly segregated. All the Independent Non-Executive Directors are independent of the Executive Directors, Management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations.

The Board will normally hold meetings at least four (4) times in each financial year to consider the following: -

- (i) relevant operational reports from the Management;
- (ii) reports on the financial performance;
- (iii) specific proposals for capital expenditure and acquisitions, if any;
- (iv) major issues and opportunities for the Company and the Group, if any; and
- (v) quarterly financial statements for announcement to Bursa Malaysia Securities Berhad ("Bursa Securities")

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

Board's Leadership on Objectives and Goals (Cont'd)

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following respective Board Committees:

- Audit Committee ("AC");
- Nomination Committee ("NC");
- Remuneration Committee ("RC"); and
- Risk Management Committee ("RMC").

The Chairman of each Board Committee will report to the Board on the outcome of the Committee's meetings which also include the key issues deliberated at the Committee's meetings. The Board Committees discharge their duties in accordance with the Terms of Reference approved by the Board.

Separation of Functions between the Chairman of the Board, Managing Director and Executive Director

The Chairman provides overall leadership to the Board and is primarily responsible for the orderly conduct and function of the Board to ensure that the contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The Chairman also ensures that rules and procedures in conducting meetings are followed and that decisions made are formally recorded and adopted. While, the Managing Director and Executive Director are responsible for implementing the policies and decisions of the Board, overseeing the operations of the Group as well as coordinating the development and implementation of business and corporate strategies.

Chairman of the Board should not be a member of the Board Committees

The Board endeavours to comply with the Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the AC, NC or RC.

The Chairperson is conscious of her differing roles on the Board, in the AC, NC and RC. All issues before recommending to the Board are thoroughly deliberated at the committee levels which involved the participation of the other two Independent Non-Executive Directors. All recommendations by the Committees to the Board have been arrived at unanimously and this would have eliminated the risk of self-review and absolute control over decision making by one person.

On 30 June 2023, the Company announced the latest composition of the AC, NC and RC, whose members comprised of three (3) Independent Non-Executive Directors of the Company who is not the Chairperson of the Board. With these appointments, the Company has complied with Practice 1.4 of the MCCG.

Board Commitment

Under the Board Charter, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed under the Main Market Listing Requirements ("MMLR") of Bursa Securities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his responsibilities. Directors are required to notify the Chairman before accepting any new directorship(s). The notification would include an indication of time that will be spent on the new appointment(s). Any Director is, while holding office, at liberty to accept other Board appointment in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. To ensure the Directors have the time to focus and fulfil their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships at more than five (5) public listed companies as prescribed in Paragraph 15.06 of the MMLR of Bursa Securities.

Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairperson and/or Company Secretaries, where applicable.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

Board Commitment (Cont'd)

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board was satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section below.

For the financial period from 1 August 2022 to 30 June 2023, the Board held six (6) meetings. Details of the Directors' attendance are as follows: -

Name of Directors	Attendance
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP (appointed on 10 May 2023)	1/1
Dato' Yong Lei Choo (appointed on 10 May 2023)	1/1
Datuk Tan Choon Peow (appointed on 10 May 2023)	1/1
Tan Choon Thye (appointed on 30 June 2023)	-
Dato' Sri Chee Hong Leong, JP	6/6
Dato' Mohamad Azmi Bin Ali	6/6
Thong Mei Chuen (appointed on 1 August 2023)	-
Dato' Wong Gian Kui (resigned on 1 August 2023)	4/6
Datuk Mohamed Arsad Bin Sehan (resigned on 30 June 2023)	6/6
Dato' Sri Ng Ah Chai (resigned on 30 June 2023)	4/6
Ng Wei Ping (resigned on 30 June 2023)	4/6
Dato' Abdul Rashid Bin Mat Amin (resigned on 30 June 2023)	6/6

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the MMLR. In the intervals between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through resolution in writing. The resolutions passed by way of such resolutions are then noted at the next Board Meeting.

The Board meets on a quarterly basis, with amongst others, review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings maybe convened by the Company Secretaries, after consultation with the Chairperson.

The tentative dates for Board and Board Committee meetings for the year will be proposed by the Company Secretaries in advance from the beginning towards the end of the previous year. At the end of each Board and Board Committee meetings, the tentative date of the next meetings is re-confirmed by the Board and Board Committee to ensure that each of the Director is able to attend the planned Board and/or Board Committee meetings including the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

Qualified and competent Company Secretaries

As at 30 June 2023, the Board is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries of M&A are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016.

The Company Secretaries provide the required support to the Board in carrying out their duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation. The Directors are regularly updated by the Company Secretaries on new statutory as well as regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

The Board is satisfied with the support rendered by the Company Secretaries to the Board in the discharge of their roles and responsibilities.

Access to information and advice

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors and External Auditors and, may seek advice from the Management on issues under their respective purview.

For each Board meeting, notice for calling the meeting is issued at least seven (7) days in advance of the meeting with the relevant agendas detailing the matters to be transacted at the meeting and the Board papers detailing the key issues so that the Directors have ample time to review and consider the relevant information.

The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's and the Group's operations or business concerns from the Management to enable the Board to discharge its duties in relation to the matter being deliberated.

Subsequent to the meeting, the Minutes will be circulated to the Board and Board Committee for confirmation to ensure that deliberations and decisions are accurately recorded.

The Board and Board Committee's Chairman of the meeting sign the minutes as a correct record of the proceeding and thereafter, the said minutes of all proceedings are kept in the statutory book of the Company to be made available for inspection under the Companies Act 2016.

Where applicable, the Directors whether as a full board or in their individual capacity, are encouraged to seek independent professional advice, information and support services from the following parties to enable the Board to discharge their duties:

- (i) the Company Secretaries;
- (ii) any representatives of the audit engagement team of the External Auditors or the Internal Auditors;
- (iii) any other independent professional firms for any other specific issues, subject to the approval of the Chairperson/Board, in relation to the quantum of fees to be incurred.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

DEMARCATIION OF RESPONSIBILITIES

Board Charter

The Board Charter serves as a guide to the Board members of their roles and responsibilities in discharging their duties as Directors. The principles of good corporate governance as set out in the MCCG 2021 and the MMLR of Bursa Securities were taken into consideration during the process of finalising the Board Charter.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remain consistent with the policies and procedures of the Board.

The Board Charter was last reviewed and approved by the Board on 22 November 2022. A full copy of the Board Charter is made available on the Company's website at mnaequityholdings.com.

Code of Conduct and Ethics

The Directors and the employees of the Group are expected to behave ethically and professionally for or on behalf of the Company and the Group and comply with the Code of Conduct and Ethics at all times.

The Code of Conduct and Ethics is subject to review by the Board as and when necessary to ensure it remains relevant and appropriate.

The details of the Code of Conduct and Ethics are made available on the Company's website at mnaequityholdings.com.

Whistleblowing Policy

The Board has in place a Whistleblowing Policy to foster an environment in which integrity and ethical behaviour are upheld to the highest standards. The Board acknowledges that misconduct and any illegal improper actions within the Group are usually known first by people who work in or with the Group. As such, the Board views the Whistleblowing Policy and procedure as a good early warning system to help the Group detect any wrongdoings and to take corrective actions before the problem escalates.

The details of the Whistleblowing Policy are available for reference on the Company's website at mnaequityholdings.com.

As at the date of this Statement, the Company has not received any complaint under this procedure.

Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

The Company had adopted the ABAC Policy to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within our Group and to prevent the occurrence of corrupt practices in accordance with the Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020 and to include the corruption risks in the annual risk assessment of our Group.

The details of the ABAC Policy are available for reference on the Company's website at mnaequityholdings.com.

Strategies Promoting Sustainability

The Board is aware of the importance of business sustainability and reviews operational practices which impact on sustainability of environment, governance and social aspects of its business on a regular basis.

The Group is committed to the continuous efforts in maintaining a delicate balance between its sustainability agenda and other stakeholders' interest.

The Sustainability Statement of the Group for the financial year ended 30 June 2023 are disclosed on pages 46 to 60 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION

Size and Composition of the Board

As at 30 June 2023, the Board has a total of seven (7) directors comprising the following members:

- One (1) Independent Non-Executive Chairperson
- One (1) Independent Non-Executive Deputy Chairperson
- One (1) Managing Director
- One (1) Executive Director
- One (1) Non-Independent Non-Executive Director
- Two (2) Independent Non-Executive Directors

The four (4) Independent Directors represent compliance with the requirement for one-third (1/3) Independent Directors on the Board, pursuant to Paragraph 15.02(1) of MMLR of Bursa Securities. The composition of the Independent Directors also complies with the requirement of Practice 5.2 of the MCCG which requires at least half of the Board comprises Independent Directors.

The Board is of the view that the current composition of the Board facilitates effective decision making and independent judgement where no individual shall dominate the Board's decision making.

The individual profile of the Directors is available for viewing as set out in the Annual Report 2023.

Tenure of Independent Directors

The Board is aware that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years as recommended by Practice 5.3 of the MCCG. The Board Charter includes the limitation of the Independent Non-Executive Director's tenure to nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Director. The NC will assess the independence of the Independent Directors based on the assessment criteria developed by the NC and recommend to the Board for recommendation to the shareholders. Justification for the approval would be provided.

Datuk Mohamed Arsad Bin Sehan, who had served the Board for a cumulative term of more than nine (9) years, and Dato' Abdul Rashid Bin Mat Amin, both Independent Non-Executive Directors of the Company, had resigned from the Board on 30 June 2023. Three (3) new Independent Non-Executive Directors was appointed to the Board on 10 May 2023 and 30 June 2023 after the completion of the reverse takeover whereas Dato' Mohamad Azmi Bin Ali was appointed to the Board on 1 March 2017, hence none of the Independent Non-Executive Directors on the Board has exceeded nine (9) years tenure.

Diverse Board and Senior Management Team

The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either Board or Senior Management team shall be given fair and equal treatment.

The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.

Notwithstanding the above, the Board affirms its commitment to boardroom diversity as a truly diversified board can enhance the board's effectiveness, perspective, creativity and capacity to thrive in good times and to weather the tough times.

In identifying suitable candidates for appointment to the Board, the NC will consider candidates based on merit against objective criteria and with due regard for the benefits of diversity on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

Gender Diversity

As mentioned above, the Board did not set specific targets on gender diversity for the Company but will endeavor to improve the number of female directors on the Board, based on pre-determined skill sets and competencies.

As at the date of this report, the Board has three (3) female Directors namely Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, and Dato' Yong Lei Choo who were appointed to the Board on 10 May 2023 and Ms. Thong Mei Chuen, who was appointed to the Board on 1 August 2023. With these appointments, the Company has complied with the recommendation by the MCCG 2021 for the Board to comprised of at least 30% women directors.

New Candidates for Board Appointment

The NC assesses the effectiveness of the Board and the Board Committees, as well as the performance of individual Directors on an annual basis. In furtherance to these annual assessments, the NC is able to identify gaps in the Board composition and the needs to identify and select new members to the Board.

The NC, in making a recommendation to the Board on the candidate for recruitment or new Board appointment, shall have regard to:

- i. Size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group;
- ii. The candidate's skills, knowledge, expertise and experience, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence criteria as set out in Paragraph 1.01 of the MMLR as well as the necessary skill and experience to bring an independent and objective judgment on issues considered by the Board and the ability to discharge such responsibilities as expected from Independent Non-Executive Directors; and
- iii. The appropriate number of Independent Directors to fairly reflect the interests of the minority shareholders and that Independent Directors should make up at least 1/3 of the membership of the Board.

The final decision as to who shall be appointed as Director remains the responsibility of the full Board after considering the recommendation of the NC.

For the Company's financial period from 1 August 2022 to 30 June 2023, the new Directors appointed to the Board of the Company were as follows:

- Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP (appointed on 10 May 2023)
- Dato' Yong Lei Choo (appointed on 10 May 2023)
- Datuk Tan Choon Peow (appointed on 10 May 2023)
- Tan Choon Thye (appointed on 30 June 2023)

Subsequently on 1 August 2023, Thong Mei Chuen was appointed to the Board as a Non-Independent Non-Executive Director of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

NC

The Company has established the NC comprising exclusively of Non-Executive Directors, all of whom are independent, with the responsibilities of assessing the balance composition of Board members, nominate the proposed Board member by looking into his skills and expertise for contribution to the Company and the Group on an ongoing basis, and to assess the performance and effectiveness of the Board which includes assessment of independence of the Independent Directors.

The members of the NC are as follows:

- Dato' Yong Lei Choo (Chairperson, Independent Non-Executive Deputy Chairperson) (appointed on 30 June 2023)
- Dato' Mohamad Azmi Bin Ali (Member, Independent Non-Executive Director)
- Tan Choon Thye (Member, Independent Non-Executive Director) (appointed on 30 June 2023)
- Datuk Mohamed Arsad Bin Sehan (Chairman, Independent Non-Executive Chairman) (resigned on 30 June 2023)
- Dato' Abdul Rashid Bin Mat Amin (Member, Independent Non-Executive Director) (resigned on 30 June 2023)

The NC had undertaken the following activities during the Company's financial period from 1 August 2022 to 30 June 2023:-

- (a) Evaluated and assessed the effectiveness of the Board and its Board Committees individually, the contribution and performance of each individual director, and giving guidance and feedback;
- (b) Assessed the current size, composition, mix of qualifications, skills and experience and other qualities, including core competencies of the Board as a whole, the committees of the Board and the contribution of each existing Director and thereafter, recommend the findings to the Board;
- (c) Assessed the independence of the Independent Directors based on criteria set out in the MMLR of Bursa Securities;
- (d) Assessed and review the performance of the AC and each of its members to determine whether the AC and its members had carried out their duties in accordance with the Terms of Reference of the AC;
- (e) Reviewed and recommended to the Board for approval, the retirement of Datuk Mohamed Arsad Bin Sehan and Ng Wei Ping pursuant to Clause 103(1) of the Company's Constitution at the 27th AGM of the Company held on 5 January 2023;
- (f) Assessed and recommended for the retention of Datuk Mohamed Arsad Bin Sehan at the 27th AGM, who has served as Independent Non-Executive Chairman of the Company for a cumulative term of more than nine (9) years, to continue to act as the Independent Non-Executive Chairman of the Company;
- (g) Reviewed the updated the terms of reference of the NC and recommend to the Board for approval; and
- (h) Reviewed and recommended the appointment of Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, Dato' Yong Lei Choo, Datuk Tan Choon Peow and Tan Choon Thye to the Board.

On 26 September 2023, the NC assessed the effectiveness of the Board as a whole, Board Committees and contributions of each individual Director as well as their integrity and time commitment, and the independence of the Independent Directors. The NC reviews annually the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently.

Based on the assessments conducted for the Company's financial period from 1 August 2022 to 30 June 2023, the NC was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

Re-election of Directors

In accordance with Clause 103(1) of the Company's Constitution, one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election, provided always that Directors shall retire from office once at least in each three (3) years in compliance with the Paragraph 7.26 of MMLR of Bursa Securities.

At the forthcoming 28th AGM scheduled to be held on 24 November 2023, Dato' Mohamad Azmi Bin Ali is retiring by rotation in accordance with Clause 103(1) of the Company's Constitution and being eligible, has offered himself for re-election.

The Constitution of the Company further provides that Directors who are appointed by the Board to fill a casual vacancy, or as an addition to the existing Board, are subject to re-election by the shareholders at the next AGM following their appointment.

Thus, at the forthcoming 28th AGM, Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, Dato' Yong Lei Choo, Datuk Tan Choon Peow, Tan Choon Thye and Thong Mei Chuen are retiring in accordance with Clause 110 of the Company's Constitution, and being eligible, have offered themselves for re-election.

Upon review, the NC were satisfied with the performance of Dato' Mohamad Azmi Bin Ali, Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, Dato' Yong Lei Choo, Datuk Tan Choon Peow, Tan Choon Thye and Thong Mei Chuen and had recommended their re-election to the Board for approval. The Board has in turn, recommended the same to be considered by the shareholders at the forthcoming 28th AGM of the Company.

Continuing Education and Training of Directors

The Board acknowledges the importance of continuous education and training to equip themselves for the effective discharge of their duties.

The Board has cultivated the following best practices:

- (a) All newly appointed and existing Directors are required to attend the Mandatory Accreditation Training Programme ("MAP") as prescribed by Bursa Securities within the stipulated timeframe;
- (b) All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment; and
- (c) The Directors may be requested to attend additional training courses according to their individual needs as a Director/Board Committee's member on which they serve

All Directors have attended the MAP prescribed by Bursa Securities. In addition to that, the Directors are briefed and updated at the quarterly meetings by the External Auditors, Internal Auditors and/or the Company Secretary on relevant amendments to the MMLR, corporate governance practices and principles, risk management and internal control approaches, Malaysian Financial Reporting Standards as well as auditing requirements. The Directors also gained insights to the market development through constructive and active deliberations at the Board meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

Continuing Education and Training of Directors (Cont'd)

During the Company's financial period from 1 August 2022 to 30 June 2023, the Directors, on their own efforts, continue to equip themselves with latest knowledge and updates on the business and economic environment via trade fairs, industrial periodicals, professional journals and attending the following:

Name of Directors	Course/Seminar attended
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP (appointed on 10 May 2023)	1. Cyber Security Awareness Training 2022 2. AMLA Segmented Training 2022
Dato' Yong Lei Choo (appointed on 10 May 2023)	1. Sustainability Management and Reporting 2. Cybersecurity Approach & Risk Mitigation 3. Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers 4. Capital Market Director Programme 5. Bursa Malaysia Immersive Session, The Board "Agender" 6. Financial Master Class: AMLA, Personal Data Act (PDPA), Cyber-Security & Integrity (Code of Ethics) and Anti-Corruption & Bribery
Datuk Tan Choon Peow (appointed on 10 May 2023)	1. Transactions and RPT Rules 2. Cyber Security Awareness Training 2022 3. E-Training-AMLA Segmented Annual Training 2022 4. Workshop on Considering Non-Compliances by MIMB 5. AMLA, Personal Data Act (PDPA), Cyber Security Integrity (Code Ethical & Anti-Corruption & Bribery Integrity (Code of Ethics) from the Ancient Chinese Traditional Wisdom) 6. Market Surveillance Industry Dialogue (MSID) 2023 by Bursa
Dato' Sri Chee Hong Leong, JP	–
Tan Choon Thye (appointed on 30 June 2023)	1. ESG, Stakeholder Capitalism and Sustainable and Responsible Investment (SRI) 2. Sun Tzu's Art of War for Traders and Investors Series: Effective Corporate Strategy
Dato' Mohamad Azmi Bin Ali	1. Governance Audit Conference 2022 2. Webinar on Corporate Guide 4th. Edition 3. MIA International Accountants Conference 2023 4. Malaysia Insolvency Conference 2023
Thong Mei Chuen (appointed on 1 August 2023)	–

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

RC

The RC comprises exclusively of Non-Executive Directors, all of whom are independent. The present members of the RC are as follows:

- Tan Choon Thye (Chairman, Independent Non-Executive Director) (appointed on 30 June 2023)
- Dato' Mohamad Azmi Bin Ali (Member, Independent Non-Executive Director)
- Dato' Yong Lei Choo (Member, Independent Non-Executive Deputy Chairperson) (appointed on 30 June 2023)
- Datuk Mohamed Arsad Bin Sehan (Chairman, Independent Non-Executive Chairman) (resigned on 30 June 2023)
- Dato' Abdul Rashid bin Mat Amin (Member, Independent Non-Executive Director) (resigned on 30 June 2023)

The RC is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The RC shall meet at least once a year and at such time, and the Chairman of the RC may request for a meeting as and when deemed necessary.

The following works were undertaken by the RC during the Company's financial period from 1 August 2022 to 30 June 2023:

- (a) Reviewed the payment of Directors' Fees payable up to RM156,000 for the financial year ended 31 July 2022 for the shareholders' approval at the 27th AGM of the Company; and recommended the same to the Board for approval; and
- (b) Reviewed the payment of Directors' Benefits up to RM70,000.00 from 5 January 2023 until the conclusion of the next AGM of the Company and recommended the same to the Board for approval.

A copy of the Terms of Reference of the RC is available for viewing on the Company's website at mnaequityholdings.com.

Remuneration Policies and Procedures

The Company has established a formal remuneration policy for the Executive Directors and Senior Management to align with the business strategy and long-term objectives of the Company. The Board as a whole, determines the level of fees of Non-Executive Directors and Executive Directors.

Pursuant to Section 230 of the Companies Act 2016, the fees of the Directors and any benefits payable to the directors at a listed company and its subsidiaries shall be approved at a general meeting.

The relevant resolutions in relation to the Directors' Fees and any benefit payable to the Independent Directors are to be presented to the shareholders for approval at the forthcoming 28th AGM.

Remuneration of Directors

The remuneration packages of Executive Directors include salaries, benefits-in-kind, incentives and bonuses which are linked to the Group's performance. The fees of Non-Executive Directors consist of fixed fees and meeting allowances for their attendances and participation in Board and Board Committee meetings. The respective Directors abstained from discussing and deliberating on their own remuneration and Directors' fees and it has to be approved by shareholders at the AGM.

The Group aims to set remuneration at levels which is sufficient to attract and retain high calibre Directors needed to run the businesses of the Group successfully. For oversight on remuneration matters, the NC implements policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Board.

Remuneration details of the Directors of the Company for the financial period from 1 August 2022 to 30 June 2023 for the Company and for the financial year from 1 July 2022 to 30 June 2023 for the Group are disclosed in the Corporate Governance Report. A copy of the Corporate Governance Report is made available via the Company's announcement to Bursa Securities on 25 October 2023 and on the Company's website at mnaequityholdings.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

Remuneration of Senior Management

The Board is of the view that, the disclosure of the remuneration of the senior management will give rise to recruitment and talent retention issues and may lead to the performing senior management staff being lured away by the competitors and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance.

The Board will ensure that the remuneration for the senior management personnel commensurate with their performance in order to attract, retain and motivate them to contribute positively to the Group's performance.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

Separation of the positions of the Chair of the AC and the Board

The AC currently comprises three (3) members, all of whom are Independent Non-Executive Directors. The Company is in compliance with Practice 9.1 of the MCGG which stipulates that the Chairman of the AC is not the Chairman of the Board.

The AC Chairman is Dato' Mohamad Azmi Bin Ali, who is not the Chairman of the Board. The Chairman of the AC is a member of the Malaysian Institute of Accountants, and a member of CPA (Australia).

The composition of the AC is set out in the Audit Committee Report of this Annual Report.

Cooling Off Period for Appointment of Former Audit Partner

The Board took note on Practice 9.2 of the MCGG to have a policy that requires a former audit partner to observe a cooling-off period of at least three years before being appointed as a member of the AC.

None of the Board members are former audit partners of the Group.

Assessment of Suitability and Independence of External Auditors

In compliance with Practice 9.3 of the MCGG, the Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External Auditors highlight to the AC and Board of Directors on matters that require the AC and the Board's attention.

The AC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The AC has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the AC.

In assessing or determining the suitability and independence of the External Auditors, the AC has taken into consideration of the following:

- (i) the adequacy of the experience and resources of the External Auditors;
- (ii) the External Auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the External Audit Plan;
- (iii) the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- (iv) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services of the External Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I – AUDIT COMMITTEE (CONT'D)

Assessment of Suitability and Independence of External Auditors (Cont'd)

On 23 May 2023, the Board of Directors of the Company has approved the appointment of Grant Thornton Malaysia PLT ("GTM") as the Auditors of the Company following the resignation of auditors, Messrs. UHY on 19 May 2023. GTM has given its consent to act as the new external auditors of the Company on 9 June 2023.

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the AGM on the recommendation of the Board. The External Auditors are invited to attend the AGM of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the AC will meet with the External Auditors without the presence of Executive Directors and members of the management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the AC are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the AC, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the AC and the Board for the Company's financial period from 1 August 2022 to 30 June 2023.

The AC was satisfied with the competence and independence of the External Auditors for the financial year/period under review. Having regard to the outcome of the annual assessment of the External Auditors, the Board approved the AC's recommendation for the shareholders' approval to be sought at the Annual General Meeting on the reappointment of GTM as the External Auditors of the Company for the financial year ending 30 June 2024.

The external auditors had provided a confirmation of their independence to the AC that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

RMC

The RMC was established on 5 October 2018 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) Chairman : Dato' Mohamad Azmi Bin Ali, Independent Non-Executive Director
- (2) Member : Dato' Sri Chee Hong Leong, JP, Executive Director
- (3) Member : Datuk Tan Choon Peow, Managing Director (appointed on 30 June 2023)
- (4) Member : Dato' Yong Lei Choo, Independent Non-Executive Deputy Chairperson (appointed on 30 June 2023)
- (5) Member : Tan Choon Thye, Independent Non-Executive Director (appointed on 30 June 2023)
- (6) Member : Ng Wei Ping, Non-Independent Non-Executive Director (resigned on 30 June 2023)
- (7) Member : Lee Oon Kar, Chief Financial Officer (resigned on 30 June 2023)

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

Effective Risk Management and Internal Control Framework

The Board fulfils its responsibilities in risk governance and oversight functions through the RMC for maintaining a sound system of internal controls which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as adherence with internal procedures and guidelines. The internal control system is designed to meet the Group's needs and to manage and minimise the risks to which it is exposed. The Board regularly review its effectiveness, adequacy and integrity of the risk management framework and internal control systems to safeguard shareholders' investments and the Company's assets.

The Board established an independent internal audit function that reports directly to the AC assisted by the RMC. This internal audit function is outsourced to an independent professional firm. The internal audit function of M & A Securities Sdn Bhd are carried out by the in-house Group Internal Audit ("GIA") function of the holding company, Insas Berhad.

An overview of the state of internal controls within the Group are set out in the Annual Report 2023 under the Statement on Risk Management and Internal Control.

Internal Audit Function

The Directors are responsible for the Group's system of internal controls and its effectiveness. The principal aim of the system of internal controls is the management of financial and business risks that are significant to the fulfilment of the Company's business objectives, which is to enhance the value of shareholders' investment and safeguarding the Group's assets.

The Company outsourced its internal audit function to an independent internal audit service provider, namely Messrs. LTTH PLT who reports directly to the AC. The internal audit function of M & A Securities Sdn Bhd are carried out by the in-house GIA of the holding company, Insas Berhad. Details of the internal audit works carried out by the GIA during the financial year 2023 can be viewed on the Audit Committee Report in the Annual Report 2023 of Insas Berhad, which is accessible at www.insas.net.

The function of the Internal Auditors is to assist the AC in providing independent assessment and review on the adequacy, efficiency and effectiveness of the key controls and processes in the operating units, as well as the governance aspect of the Group and to ensure compliance with the established policies and procedures of the Group.

The internal controls are tested for effectiveness and efficiency by the Internal Auditors. The report of the internal audit is tabled for the AC's review and comments, and the audit findings will then be communicated to the Board.

The Audit Committee Report as set out in this Annual Report provides further details of the Internal Audit Function.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – ENGAGEMENT WITH STAKEHOLDERS

Continuous Communication between Company and Stakeholders

The Board acknowledges the importance of an effective, transparent and regular communication with its stakeholders. As a public listed company, the Company has put in place procedures to abide by the corporate disclosure requirements of material information as set out by Bursa Securities. The Board members are kept informed of material matters which require public disclosures and they approve the announcement of material matters prior to public disclosure. The Board is mindful that material information is to be announced timely and that confidential information should be sensitively handled to avoid leakages leading to improper use of such information. In such circumstance, the Company will also closely monitor the market activity of its securities during a period where information is withheld. Where it is believed that such information has inevitably been leaked, immediate announcement will be made.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART I – ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

Continuous Communication between Company and Stakeholders (Cont'd)

The Group also endeavors to provide additional disclosures of information on a voluntary basis, where necessary. The management believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

The M&A's website consists of the relevant corporate and governance information including the board charter, terms of reference of the Board Committees, the quarterly announcements, and the annual report amongst others. Shareholders and investors are also kept informed of all major developments within the Group through announcements via the website of Bursa Securities at www.bursamalaysia.com. The Company also engages with fund managers and analysts from time to time.

PART II – CONDUCT OF GENERAL MEETINGS

Notice of AGM

The Board endeavors to dispatch the Notice of AGM at least 28 days before the meeting and is mindful that sufficient notice and time given would allow the shareholders to make the necessary arrangements to attend and participate at the AGM either in person, by corporate representative, by proxy or by attorney. This would also enable the shareholders to properly consider the resolutions that will be discussed and decided at the meeting.

The AGM is the principal forum for dialogue with the shareholders. The shareholders will be notified of the meeting together with a copy of the Company's Annual Report at least twenty-eight (28) days before the meeting. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolutions. Shareholders are given the opportunity to participate in the question and answer session on the Group's operations and proposed resolutions. The Directors, senior management and the external auditors are available to respond to shareholders' queries during the AGM and/or any extraordinary general meetings of the Company.

Notice of the 28th AGM together with the Company's Annual Report was made available on the website of Bursa Securities and the Company on 25 October 2023, being more than 28 days in advance of the scheduled AGM which will be held on 24 November 2023. This is to enable the shareholders to have sufficient time to read and understand the Company's financial and non-financial performance before the meeting.

Poll Voting

In line with Paragraph 8.29A of the MMLR of Bursa Securities, the Company will ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company will appoint at least one (1) scrutineer to validate the votes casted at the general meeting.

During the 27th AGM held on 5 January 2023, all the resolutions tabled were voted by poll.

COMPLIANCE STATEMENT

The Board is satisfied that to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the MCCG 2021 as well as the relevant MMLR for the financial period from 1 August 2022 to 30 June 2023. Any practices in the MCCG which are not implemented during the financial period will be reviewed by the Board and implemented where possible and relevant to the Group's business.

This Statement was made in accordance with the resolution of the Board dated 26 September 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of the Company is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). The Board recognises the importance of good practice of corporate governance and is committed to maintain a sound system of internal control to safeguard shareholders' interests and Group's assets.

RESPONSIBILITY OF THE BOARD

The Board affirms its overall responsibility for maintaining an adequate and sound risk management framework and system of internal control, and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Company's assets. The review of the Group's risk management and system of internal control is a concerted and continuing process. In the pursuit of this objective, the Directors are aware that the internal control system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives and can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board has received assurance from the Managing Director of the Company that the Group's risk management and internal control are operating adequately and satisfactorily in all material aspects based on the risk management and internal control system of the Group.

KEY ELEMENTS OF INTERNAL CONTROL

Key Internal Control Processes

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 the reports prepared by the internal 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's performance and financial results at quarterly meetings;
- (f) Authority limits are defined for board members and senior management within an appropriate organisation structure;
- (g) The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and third parties to report and disclose any occurrence of improper or illegal activities within the Group; and
- (h) The Group has developed an anti-bribery and anti-corruption policy and procedures to provide guidance on how to act when exposed to potential acts of bribery and corruption.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

Risk Management Framework

The Board recognises the importance of risk management and as such a Risk Management Committee, chaired by an Independent Non-Executive Director, has been tasked to identify, evaluate and develop controls to manage the key risks inherent in the Group's operations and business environment.

In performing its role, the Risk Management Committee carries out periodic reviews of the various risks and controls in consultation with the respective management staffs involved including but not limited to the following areas:

- (a) External – Economic conditions, industry competition, technology changes.
- (b) Regulatory – Changes in laws and regulations, non-compliance with statutory requirements including securities and exchange requirements.
- (c) Financial – Borrowings, foreign exchange fluctuation, credit control, budgetary control, fraud.
- (d) Corporate governance – Unauthorised or inappropriate press statements, communication of corporate mission, strategic plans to management staff.
- (e) Customers – Customer service, relationship management, loss of key customers, customer preference.
- (f) Products – Product knowledge, quality control.
- (g) Suppliers – Shortage of raw materials, timely delivery/vacant possession, quality of products and services rendered to the Group.
- (h) Operations – Increasing cost of production/development, IT system breakdown, fire prevention, security, occupational health and safety.
- (i) Human capital – Staff turnover, succession planning, insurance coverage.
- (j) Assets – adequate insurance coverage and physical safeguards.

INTERNAL AUDIT FUNCTIONS

Independent reviews of internal control are essential in order to provide an objective assurance to the Board. At present, the review mechanism is under the purview of the Audit Committee. Functionally, the internal auditors report directly to the Audit Committee and are responsible to conduct reviews on the systems of risk management and internal control, report the weaknesses of the systems of risk management and internal control and to provide recommendations for improvement to the management.

The principal duty and responsibility of the internal auditors is to examine and evaluate the adequacy and effectiveness of the Group's internal control system. The internal auditors have performed the audit according to the Internal Audit Plan approved by the Audit Committee. Included in the reports are risk measures of issues identified and recommended corrections for implementation by the Management.

The Group's internal audit function is outsourced to an independent professional service firm, namely Messrs. LTTH PLT. The works carried out by the outsourced internal audit function during the financial year 2023 is reported under the Audit Committee Report on pages 42 to 45 of this Annual Report.

Prior to the completion of Reverse Acquisition as explained in Note 2(a) to the Financial Statements in this Annual Report, the internal audit function of M & A Securities Sdn Bhd were carried out by the in-house Group Internal Audit ("GIA") of the holding company, Insas Berhad. Details of the works carried out by the GIA during the financial year 2023 can be viewed in the Audit Committee Report and Statement of Risk Management and Internal Control in the Annual Report of Insas Berhad, which is accessible via its website at www.insas.net.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is not prepared in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of issuance of this Statement on Risk Management and Internal Control in the Annual Report, the Board is of the opinion that the system of internal control currently in place is adequate and effective to safeguard the Group's interests and assets. The Board will continually assess the adequacy and effectiveness of the Group's risk management and system of internal control and to strengthen it, as and when necessary.

The Statement on Risk Management and Internal Control was made in accordance with the resolution of the Board on 26 September 2023.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") was established to serve as a committee of the Board of Directors of the Company ("the Board") and to assist the Board in fulfilling its statutory duties and fiduciary responsibilities.

COMPOSITION OF AC

The AC comprises the following members:-

Dato' Mohamad Azmi Bin Ali	(Chairman, Independent Non-Executive Director)
Dato' Yong Lei Choo	(Member, Independent Non-Executive Deputy Chairperson) (appointed on 30 June 2023)
Tan Choon Thye	(Member, Independent Non-Executive Director) (appointed on 30 June 2023)
Datuk Mohamed Arsad Bin Sehan	(Member, Independent Non-Executive Chairman) (resigned on 30 June 2023)
Dato' Abdul Rashid Bin Mat Amin	(Member, Independent Non-Executive Director) (resigned on 30 June 2023)

Dato' Mohamad Azmi Bin Ali is a member of the Malaysian Institute of Accountants. Accordingly, the Company complies with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR of Bursa Securities"). None of the AC members are alternate Director. The composition of the AC was revamped on 30 June 2023 following the completion of the multiple corporate proposals undertaken by the Company on 30 June 2023.

The Terms of Reference of the AC which laid down its duties and responsibilities are accessible via the Company's website at mnaequityholdings.com.

MEETING ATTENDANCE

There were six (6) AC meetings held during the financial period ended 30 June 2023, which were attended by the AC members as follows:-

Members	Attendance at Meeting
Dato' Mohamad Azmi Bin Ali	6/6
Dato' Yong Lei Choo (appointed on 30 June 2023)	–
Tan Choon Thye (appointed on 30 June 2023)	–
Datuk Mohamed Arsad Bin Sehan (resigned on 30 June 2023)	6/6
Dato' Abdul Rashid Bin Mat Amin (resigned on 30 June 2023)	6/6

The AC meetings were convened with proper notices and agenda. The Chairman of the AC reported the key issues discussed at each meeting to the Board. The management was invited to all Audit Committee meetings to facilitate direct communication and to provide clarification on audit issues and the Group's operations.

All deliberations during the AC meetings were duly minuted. Minutes of the AC meetings were tabled for confirmation for every succeeding AC meeting and the Minutes were distributed to each Board member for their notation.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES

The works carried out by the AC during the financial period from 1 August 2022 to 30 June 2023 include the following:-

(1) Financial Reporting

Reviewed and recommended to the Board for approval the unaudited quarterly reports on consolidated results and financial statements to ensure that the financial reporting and disclosure requirements from the relevant authorities have been complied with, focusing particularly on:

- the going concern assumption;
- compliance with accounting standards and regulatory requirements;
- any changes in accounting policies and practices;
- significant issues and unusual events; and
- significant adjustment arising from audit, if any.

In fulfilling its oversight responsibilities, the AC reviewed and discussed with the management and External Auditors on the salient accounting and audit issues, significant risk and audit focus areas, any deficiency on internal control, reasonableness of significant judgements, and amendments to the reporting standards and other legal requirements.

(2) External Audit

- (a) Reviewed, evaluated and approved the Audit Planning Memorandum presented by the new External Auditors of the Company and the Group, Grant Thornton Malaysia PLT for the financial period/year ended 30 June 2023. The statutory responsibilities of the Auditors, audit approach, areas of audit emphasis, engagement team, timing of audit, accounting standards updates and other updates amongst others were discussed and brought to the attention of AC;
- (b) Reviewed the Audit Review Memorandum presented by the External Auditors which serves to provide the AC a status update of the key findings and issues arising from the audit. A summary of key audit findings was presented to the AC;
- (c) Reviewed with the External Auditors the approved accounting standards where applicable to the financial statements of the Group;
- (d) Reviewed the annual audited financial statements of the Company and the Group prior to the submission to the Board for approval;
- (e) To consider the re-appointment of the retiring auditors as the external auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration;
- (f) Reviewed and assessed the independence and performance of the External Auditors; and
- (g) Conducted independent meeting (without the presence of the Management) with the External Auditors.

(3) Internal Audit

- (a) Reviewed the letter of engagement of Messrs. LTTH PLT as Internal Auditors of the Group;
- (b) Reviewed and approved the Internal Audit Plan to ensure that the scope and coverage of the internal audit on the Group's operations are adequate and that all the risk areas are covered by the Internal Auditors;
- (c) Reviewed and deliberated the Internal Audit Report presented by the Internal Auditors containing approaches of internal audit reviews, findings, the recommendation action plans and the management's response, and also the status of implementation of the action plans; and
- (d) Reviewed the effectiveness of internal audit processes as well as the adequacy of the scope, functions, competency and resources of the internal audit function and whether it has the necessary authority to carry out its works.

(4) Risk Management and Internal Control

- (a) Reviewed the adequacy and effectiveness of the policies and procedures and system of internal controls to monitor risks in specific areas, based on the outsourced Internal Auditors' reports on specific business functions within the Group; and
- (b) Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

The works carried out by the AC during the financial period from 1 August 2022 to 30 June 2023 include the following (Cont'd):-

(5) Related Party Transactions

- (a) Reviewed the related party transactions and conflict of interest situation that may arise within the Group, including any transactions, procedures or course of conduct that raises questions of management integrity and to ensure its compliance with MMLR of Bursa Securities;
- (b) Reviewed the related party transactions and/or new recurrent related party transactions to be entered by the Group with any Director, major shareholder or person connected with such Director or major shareholder;
- (c) Reviewed the quarterly report on recurrent related party transactions for compliance with the MMLR of Bursa Securities; and
- (d) Reviewed the Circular/Statement to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature and proposed renewal of authority for the Company to purchase its own shares prior to its approval by the Board.

(6) Other Activities

- (a) Reviewed the Audit Committee Report prior to submission to the Board for consideration and inclusion in the Annual Report;
- (b) Reviewed the updated Terms of Reference of the Audit Committee and recommend to the Board for approval;
- (c) Reviewed the suitability and independence of the External Auditors;
- (d) Reviewed the multiple corporate exercises; and
- (e) Reviewed and recommended the Sustainability Statement and the Corporate Governance Overview Statement to the Board for approval and inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional firm namely Messrs. LTTH PLT to assist the AC in discharging its duties and responsibilities more effectively. Messrs. LTTH PLT acted independently and with due professional care and presented the Internal Audit Reports on the findings and recommendations to the AC.

The internal audit reviews were conducted using a risk-based approach and were guided by a recognised framework. The internal audit reviews involved walkthrough of the process and procedures, discussion with key staff, review documentation as well as observation of the current practices.

The AC has full and direct access to the outsourced Internal Auditors, reviews its internal audit plan and reports on the audit performed, and monitors its performance. The AC also reviews the adequacy of the scope, functions, competency and resources of outsourced internal audit functions from time to time.

In respect of the financial period from 1 August 2022 to 30 June 2023, the Internal Auditors had carried out internal audit review on the following areas of a subsidiary of the Company:

- (a) Sales and purchase practices
- (b) Purchase order from customers to suppliers
- (c) Authorisation of delivery orders

The audit findings and recommendations for improvement and management responses were presented at the AC meeting. The senior management were present in the AC meeting to clarify on the actions taken to rectify the audit issues highlighted.

AUDIT COMMITTEE REPORT

(CONT'D)

INTERNAL AUDIT FUNCTION (CONT'D)

There were no material losses incurred during the financial period as a result of weaknesses in the system of internal control and the management continues to take appropriate measures to strengthen and enhance the adequacy and effectiveness of the control environment. The fees incurred in maintaining the outsourced internal audit function for the financial period from 1 August 2022 to 30 June 2023 amounted to RM17,300.

Prior to the completion of Reverse Acquisition as disclosed in Note 2(a) to the Financial Statements in this Annual Report, the internal audit function of M & A Securities Sdn Bhd were carried out by the in-house Group Internal Audit ("GIA") function of the holding company, Insas Berhad. Details of the internal audit reviews carried out by GIA on M & A Securities Sdn Bhd during the financial year ended 30 June 2023 can be viewed on the Annual Report of Insas Berhad which is accessible via its website at www.insas.net.

This Report has been reviewed by the AC and approved by the Board on 26 September 2023 for inclusion in the Annual Report.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

This Sustainability Statement provides an overview of M & A Equity Holdings Berhad's ("M&A" or "the Group") sustainability initiatives and practices, highlighting the economic, environmental, social and governance ("EESG") aspect for the financial year ended 30 June 2023 ("FY 2023"). This Statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa") and the Sustainability Reporting Guide.

The Group at all time strongly believes the importance of managing sustainable value drivers in driving the future growth. By managing sustainability in the business, it enables the Group to have a strong foundation for long term future growth.

SCOPE AND BOUNDARY

This report covers all subsidiaries of the Group which the Group has direct control.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group believes that sustainability governance is fundamental to the effective implementation of sustainability initiatives. The Management is committed towards achieving the highest sustainability practices in driving our business as a good steward of the EESG.

The Board provides guidance and oversight to ensure that the Company is equipped with the appropriate strategies and risk management processes to create sustainable values for all stakeholders. The Managing Director drives the operational responsibility for sustainability matters, whereas the Management Team is responsible for formulating and implementing sustainability policies across the Group.

The Managing Director and the Management Team report to the Board on a regular basis regarding sustainability issues and recommend the best practices for implementation.

All heads of departments are dedicated and united towards the common goal of proactively enhancing their respective department's sustainability practices throughout the Group.

The Managing Director and the Management Team is continuously looking forward to continually improve the delivery of sustainable products and services.

STAKEHOLDERS' ENGAGEMENT

We strive to be responsible corporate citizens through the engagement of our stakeholders, to understand their areas of concern. We have been in communication with our stakeholders through various engagements.

Stakeholders	Engagement Activities	Frequency of engagement
Board of directors	- Board meetings - Annual General Meeting	- At least four times a year - Once a year
Employees	- Daily operations - On-the-job training, employee development programs - Performance appraisals	- Throughout the year - Throughout the year - At least once a year
Customers	Customer feedback mechanism	As and when required

SUSTAINABILITY STATEMENT

(CONT'D)

STAKEHOLDERS' ENGAGEMENT (CONT'D)

Stakeholders	Engagement Activities	Frequency of engagement
Suppliers	• Supplier, contractor and agent evaluation • Purchasing and procurement policies and guidelines	• As and when required • As and when required
Shareholders and investors	• Announcement released to Bursa • Annual General Meeting • Annual report • Company's website	• Periodic • Once a year • Once a year • On-going
Government and regulatory authorities	• Meetings and consultations • Advice from the Group's panel lawyers, external auditors, tax consultants, etc	• As and when required • As and when required
Media	• Media releases	• As and when required
Local communities	• Local employment • Contribution to nominated charities and attendance at charity events	• On-going • Periodic

MATERIALITY ASSESSMENT PROCESS

The Group acknowledged that a robust materiality assessment process is essential for the systematic identification as well as prioritisation of sustainability matters that are most material to the Group and its stakeholders.

The assessment involves evaluating the significance of each sustainability issues based on its level of impact and influence on the Group and to the stakeholders. The diagram below summarises our three-phases of materiality assessment process:-

Phase 1: Identification of sustainability matters

- Understand company's distinctive operating context
- Identify key stakeholders and understand their needs and expectations pertaining to sustainability-related impacts
- Derive preliminary list of sustainability matters
- To include the sustainability matters that are deemed to be material as disclosed in Sustainability Reporting Guide

Phase 2: Prioritisation of material sustainability matters

- Apply materiality concept and undertake stakeholder engagement in prioritisation
- Disclose prioritised material sustainability matters in a manner which illustrate the relative importance of each material sustainability matter

Phase 3: Review and validation of process and outcome

- Subject the outcome of materiality assessment for validation and approval
- Establish a review process for the materiality assessment process
- Determine the frequency of undertaking the materiality assessment

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT PROCESS (CONT'D)

Identification of sustainability matters

As part of our activity for the Phase 1 of the materiality assessment, we engaged our internal and external stakeholders to better understand their interests and expectations in us, as a foundation for us to determine the key material sustainability matters. We believe these key matters would have a profound impact on our daily business operations, business growth and as a critically indicators to our Board of Directors towards the sustainability initiatives and strategies.

Prioritisation of material sustainability matters

In FY 2023, we conducted our materiality assessment and prioritised the identified sustainability matters in a materiality matrix based on the importance to the Group's business as well as the importance to the stakeholders. The outcome of the materiality assessment allows the Group to take into account significant EESG themes to be embedded in wider business processes and prioritise the Group's resources allocation for sustainability issues.

Review and validation of process and outcome

The outcome of the materiality assessment undertaken has been reviewed by the Group's Management Team. The material matters identified and prioritised are meant to serve as a baseline for progressive planning of sustainability initiatives in the future years.

Based on our materiality assessment, we have identified and categorised the material sustainability matters under the four EESG themes below:

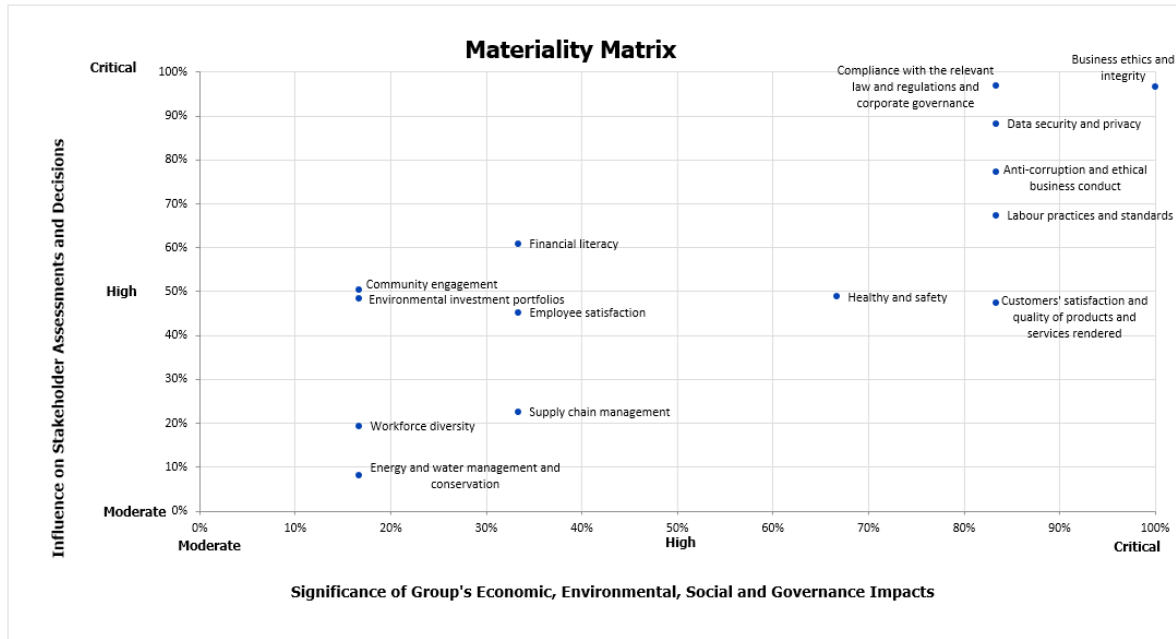
No.	Material Sustainability Matters	Themes
Critical		
1	Business ethics and integrity	Economic
2	Compliance with the relevant law and regulations and corporate governance	Governance
3	Data security and privacy	Governance
4	Anti-corruption and ethical business conduct	Governance
5	Labour practices and standards	Social
High		
6	Customers' satisfaction and quality of products and services rendered	Economic
7	Financial literacy	Economic
8	Health and safety	Social
9	Community engagement	Social
Moderate		
10	Employee satisfaction	Social
11	Environmental investment portfolios	Environmental
12	Workforce diversity	Social
13	Energy and water management and conservation	Environmental
14	Supply chain management	Economic

Under the Materiality Assessment Matrix, the X-axis represents EESG issues significant to the Group and the Y-axis represents influence on stakeholder assessments and decisions. The issues on the top right of the matrix are considered of most significance to our Group and stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT PROCESS (CONT'D)

Materiality Assessment Matrix of M&A Group



Moving forward, M&A aims to be more inclusive and systematic by expanding external stakeholders group into the stakeholder engagement process. M&A recognises that the material sustainability matters identified and their reporting content may change as the stakeholder universe expands. The relevance of each sustainability matter of the Group will be reviewed from time to time.

SUSTAINABILITY STATEMENT

(CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES

ECONOMIC SUSTAINABILITY

M&A recognises its responsibilities as a good corporate citizen, fulfilling them through its contributions towards a sustainable marketplace. Commitment to good business ethics and integrity, maintain customer satisfaction and quality of product and services rendered, financial literacy and supply chain management are important sustainability matters in the highly regulated industry that M&A is operating in.

Business ethics and integrity

The Group aspires to achieve the highest standards of integrity and governance in the conduct of its daily business operations. The Code of Conduct and Ethics for Directors and employee handbook intends to establish a standard of ethical behaviour and uphold the spirit of responsibility. M&A has also established a Whistleblowing Policy, which provides an avenue to all stakeholders to report any instance of suspected and/or known misconduct or criminal offence directly to the nominated person named in the Whistleblowing Policy.

In line with M&A's business in providing corporate finance services to clients, the applicable corporate finance mandates are subject to stringent Know-Your-Client (KYC) and risk management committee evaluations and assessments to provide services necessary for the continuity of its business operations.

Customers' satisfaction and quality of products and services rendered

M&A places high importance on customer service and aspires to be a responsible group that delivers quality and reliable product and services to our customers to improve and enhance customers' satisfaction.

The Group believes that the continuous quality management in its services is critical and a major factor for its business operations that is perceived by customers to maintain their satisfaction and loyalty. The Group has a prudent risk management system in carrying out the day-to-day operations. Over its years of business operations, the Group developed capabilities and experience in identifying, managing and preventing various risks. M&A Securities Sdn Bhd's ("M&A Securities") Risk Management Department and Credit Control and Margin Department play a leading role in managing their risk exposure on a day-to-day basis and using the risk management system to monitor the risk exposure on real time basis.

SUSTAINABILITY STATEMENT

(CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

ECONOMIC SUSTAINABILITY (CONT'D)

Customers' satisfaction and quality of products and services rendered (Cont'd)

Below are the delivery process flow and quality assurance protocols of M&A Securities in the provision of stockbroking, corporate finance and advisory services:-

Stockbroking services

Account opening

- M&A Securities has a checklist to ensure that all the required documents are obtained prior to opening an account
- The profile of each client will be assessed prior to opening a cash account or margin account

Registration of details on CDS and back-office system

- The CDS, Settlement, and Operations Department will work together to update the client's information in CDS, back-office and trading systems, online trading platforms, and the mobile application before the account is ready for use

Placement of trade orders

- Clients may place trade orders through broker-assisted services via the telephone or through M&A Securities' online trading platform, where the latter is accessible through website (TC-Plus) or mobile application (TC-mobile)
- If a client places a buy order that exceeds the credit limit in their trading account, approval from the Credit Control and Margin Department, following internal approval amount policies, is required. M&A Securities will conduct additional assessments, which include reviewing the client's past trading and settlement records, evaluating their overall portfolio, and considering prevailing market conditions

Match order and trade confirmation

- Trade orders are processed electronically via M&A Securities' internet trading system which will be matched automatically in Bursa's trading system
- A trade confirmation will be received by M&A Securities' trading and back-office system in real-time from Bursa. M&A Securities' dealer representatives will then notify the client about the executed transaction

Post-trade

- At end of the trading hours of the same day, a trade contract will be generated through the back-office system to facilitate the netting of amounts receivable and payable amongst the market participants on the order made

Post-loan monitoring

- When margin loans granted to client, M&A Securities required to perform post-loan monitoring. All margin accounts are monitored by M&A Securities's dealer's representatives and Credit Control and Margin Department on an ongoing basis
- When the client outstanding loan balance is greater than the approved limit or the margin loan amount extended to the client exceeds the agreed loan-to-value ratio of the amount of pledged collateral, M&A Securities will make margin calls against client to request the deposit of additional funds or collaterals

SUSTAINABILITY STATEMENT (CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

ECONOMIC SUSTAINABILITY (CONT'D)

Customers' satisfaction and quality of products and services rendered (Cont'd)

Below are the delivery process flow and quality assurance protocols of M&A Securities in the provision of stockbroking, corporate finance and advisory services (Cont'd):-

Corporate finance and advisory services

Identification of corporate proposal engagements

- Corporate Finance team will seek to obtain background information of the prospective client

Pre-mandate stage

- The Corporate Finance team is required for assessing the feasibility of proposed corporate proposals and determining whether accepting the engagement will result in any conflicts of interest. M&A Securities has established internal policies prohibiting its staff from dealing in the securities related to the companies involved in M&A Securities engagements

Execution

- Corporate Finance team will conduct due diligence, liaise closely with client and the appointed professional parties and to consult and discuss with Bursa and/or Securities Commission ("SC") regarding the corporate exercises, and the draft documents such as announcements, circulars, information memorandums and prospectuses, ensures the contents in the documents for submission and announcement are in compliance with relevant rules and guidelines

Mandate stage

- M&A Securities will prepare a mandate which sets out the salient terms of the engagement, and to formulate the suitable structures and schemes for the corporate proposal exercise follow the business requirements

Seek clearance of relevant documents

- M&A Securities will maintain close communication and respond to queries from Bursa and/or the SC regarding the submitted announcements, circulars, and other submissions on behalf of the client. M&A Securities collaborates closely with relevant professional parties throughout the clearance process. Upon receiving approval from the relevant authorities, the updated announcements, circulars, and other submissions will be registered with the appropriate authorities and then issued and dispatched to the public or shareholders

Completion, billing and settlement

- Accounts department will issue invoices for corporate finance advisory services rendered according to fee schedule set out in the mandate

SUSTAINABILITY STATEMENT

(CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

ECONOMIC SUSTAINABILITY (CONT'D)

Customers' satisfaction and quality of products and services rendered (Cont'd)

Our client base for stock brokerage services includes retail investors and institutional investors, while our client base for corporate finance services includes public listed companies, private limited companies and individuals.

For the Group's stock brokerage services, our retail clients consist of individuals aged 18 years and above, as well as private companies, which may include sophisticated investors like high-net-worth individuals and entities. Our institutional investors are asset owners and asset managers with equity holdings in corporations listed on Bursa and other stock exchanges.

For the Group's corporate finance services, we will include the key terms below for legally-binding mandates that M&A Securities enters into with the clients to uphold the confidentiality and quality of services to our clients.

Key terms of mandates	Description
Scope of work and deliverables	The mandate will specify the scope of works and deliverables relevant to the types of corporate proposals engaged by M&A Securities.
Confidentiality	M&A Securities has access to price sensitive information from the clients in the provision of corporate finance advisory services, therefore M&A Securities is required to comply with confidentiality obligations, unless required by the applicable laws, rules or regulations to report such information to the regulators or authorities.
Fee schedule and billing	M&A Securities charges stage payment fees of an agreed amount on a project basis in accordance with the fee schedule set out in the mandate.
Termination and indemnity	The mandate will usually provide for the termination of corporate finance advisory services, as agreed with the client. M&A Securities is also entitled to receive a predetermined sum from the professional fee as termination sum. Clients have the right to terminate M&A Securities services in the event M&A Securities commits a material breach of terms of the mandates. Similarly, clients are required to indemnify M&A Securities where M&A Securities sustains any loss due to handling the relevant corporate proposals.

Guided by policies aligned to applicable laws and regulations, and our efforts of maintaining regular communication with clients, our Group will continue providing quality services to clients, addressing client concerns and build lasting client relationships.

Financial literacy

We understand that when making investment decisions, retail investors should be made aware of and be able to understand complex information relating to investment opportunities. Hence, we believe that financial literacy is the basis from which sound investment decisions can be made. One of our key focus areas is to promote financial inclusion and literacy through continuous engagement with our clients and local communities to enhance their investing knowledge. We assist our clients by providing consultation and support catered to their individual needs when they seek investment guidance. Our online trading platform serves as a resources platform to maximise our reach and raise financial awareness and literacy for our client and the community.

Our online trading platform can be assessed at www.mnaonline.com.my

Supply chain management

M&A does not have any major supplier due to the nature of its principal activities on provision of stock broking services and corporate finance services. The suppliers of M&A comprise providers of services that are required for the continuity of the daily business operations, such as software vendors, internet service providers and disaster recovery service providers, that provide technology services and utilities, as with any business operations in general.

SUSTAINABILITY STATEMENT (CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

SOCIAL SUSTAINABILITY

Labour practices and standards

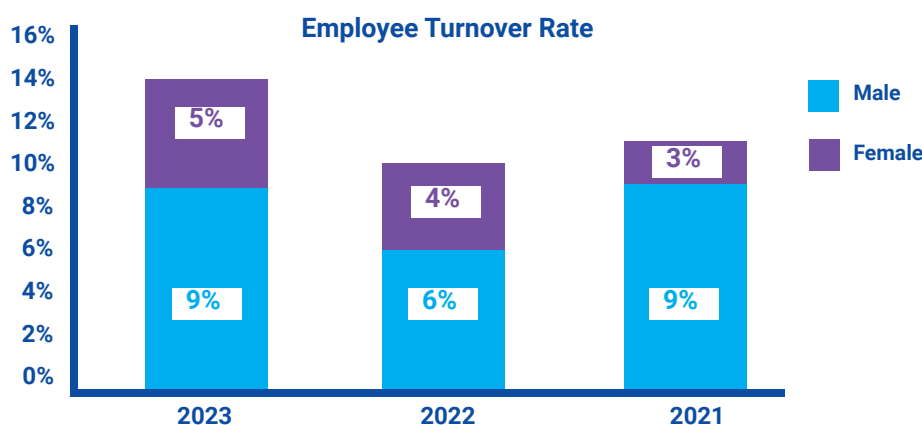
The Group is committed to ensuring its compliance with employee rights and benefits under the legal requirements of the applicable laws and regulations in Malaysia.

Benefits Provided to Employees	
•	General Benefits: Contributions to Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance Scheme (EIS)
•	Healthcare: Medical benefits, hospitalisation and surgical insurance scheme, and personal accident insurance scheme
•	Allowance: Travel claims and food allowance
•	Leave: Annual leave, public holidays, medical leave, hospitalisation leave, compassionate leave and paternal/maternity leave

M&A practices zero tolerance on all forms of discrimination, harassment and violence in the workplace. All employees are encouraged to speak up and escalate their grievances through the whistleblowing mechanism established by the Group.

No complaints regarding human rights violations were received during the financial year under review.

Following is the number of employee turnover, categorised by employee gender, for the three financial years:



The Group recognises that our employees are our greatest resource, which underpins the growth of the Group. M&A Securities stockbroking clients are allocated a licensed representative who is able to oversee the client's trading requirements and place trade orders on their behalf, should the client have no access to M&A's online trading platform. Therefore, we believe that our learning and development programs equip our employees with the necessary skill sets and expertise to effectively carry out their responsibilities.

The following are the details of the trainings provided to our employees in the years under review:-

	2023	2022	2021
Average training hour per employee	4.4	4.2	4.7
Total cost incurred (RM)	70,265	91,884	33,372

SUSTAINABILITY STATEMENT (CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

Health and safety

Workplace safety and employee health are our priority in the Group's day-to-day operations and decision-making processes. We place a strong emphasis on the health and safety of our employees, customers, and stakeholders as a fundamental aspect of our commitment to sustainability. We recognize that a safe and healthy work environment is not only essential for the well-being of our employees but also crucial for maintaining trust and ensuring the continuity of our operations.

We are dedicated to complying with all applicable health and safety regulations and strive to go beyond mere compliance by implementing robust policies, procedures and training programs. Through regular monitoring and evaluation, we identify and mitigate potential risks, fostering a culture of safety across all levels of our organization.

The occupational safety and health at the Group's property construction sites are managed by its third-party contractor, who is responsible for ensuring the compliance with safety rules and regulations.

There were no work-related fatalities at workplace during the financial year under review.

Community engagement

The Group recognises the co-relationship between business growth and social well-being and welfare. Therefore, in fulfilling its corporate responsibility to the community in which it conducts its business, the Group is obligated to be socially accountable corporate citizens.

During the FY 2023, the Group had spent RM27,800 (FY 2022: RM50,000) on charity initiatives.

The Group shall continue to focus on its responsibility to enhance its corporate social responsibility.

Employee satisfaction

The Group is committed to build a sustainability responsible workplace environment for our employees. To this end, we had conducted an Employee Satisfaction Survey ("Survey") as we believe that employee satisfaction plays a critical role in driving our sustainability efforts. This Survey will help us in identifying areas where we can enhance our engagement with employees and make improvements accordingly.

We covered five key themes that are relevant for assessing our employees' satisfaction. With 78% (FY 2022: 94%) employee participation, excluding directors, we have obtained the results of the Survey for the financial year under review:

Theme		Score
1.	Work-life balance	67%
2.	Compensation and benefits	61%
3.	Company culture and working environment	69%
4.	Career opportunity and professional growth	67%
5.	Diversity and inclusion	67%
Average		66%

Among the five themes covered in our Survey, company culture and working environment emerged as the most satisfactory aspect offered by the Group to our employees.

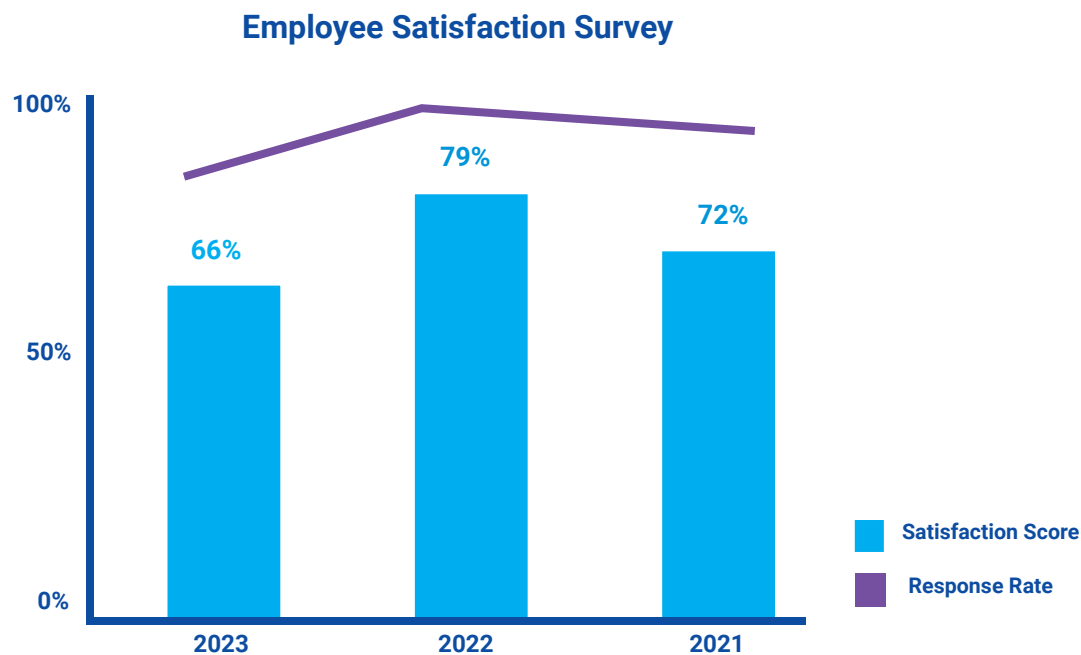
SUSTAINABILITY STATEMENT (CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

Employee satisfaction (Cont'd)

The results of employee satisfaction survey for the three financial years are as below:



During the financial year, the Group recorded a lower score of 66% for overall employee satisfaction compared to FY 2022 and FY 2021 of 79% and 72% respectively due mainly affected by the result of compensation and benefits aspect of the Survey. The management has taken note of the result of the Survey and will review and implement on the appropriate action to be undertaken.

The Group will continue to engage with our employees through an annual survey to further enhance and support their needs.

Workforce diversity

The Group is committed to the principle of equal employment opportunities for all employees. We believe that maintaining a diverse workforce provides a broad range of expertise and experience to enhance the Group's capabilities in delivering results.

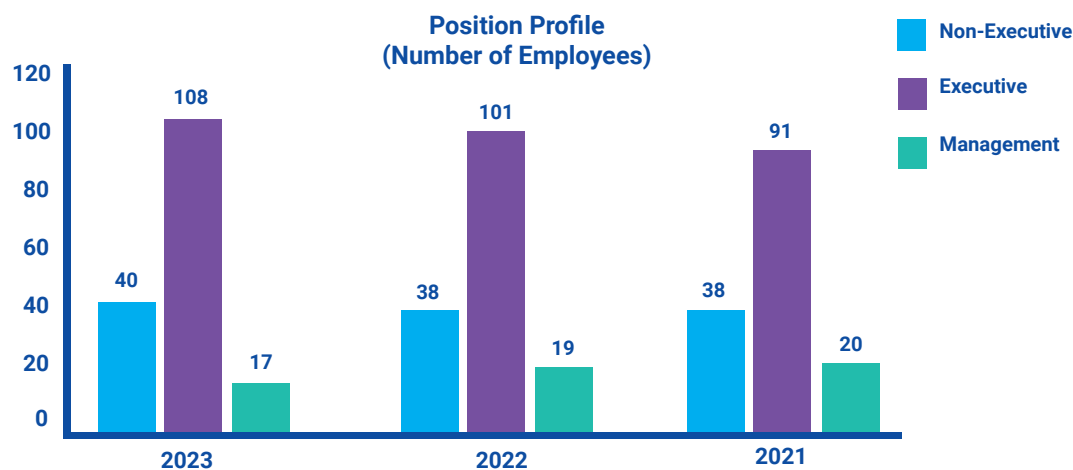
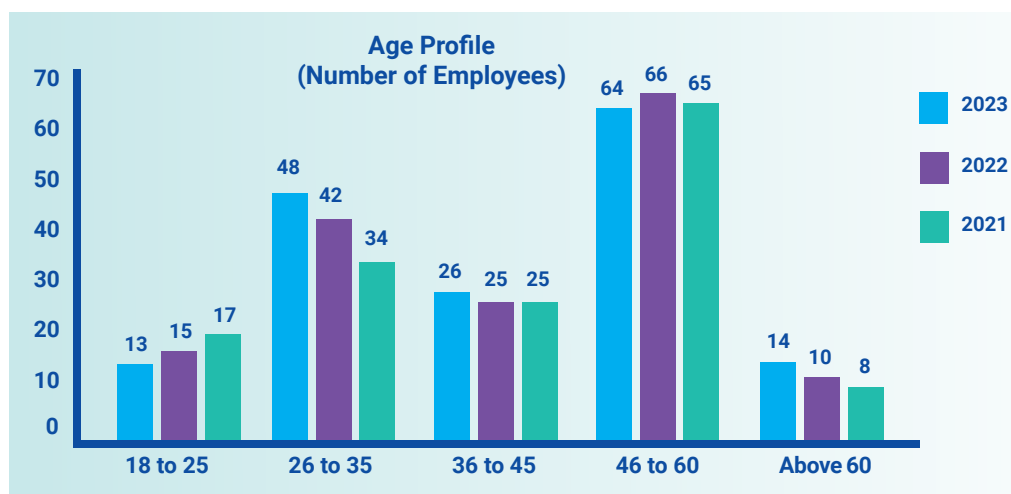
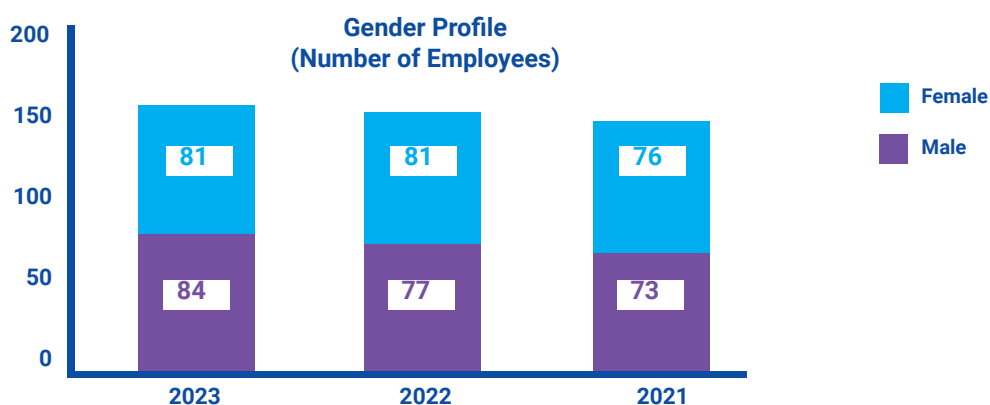
SUSTAINABILITY STATEMENT (CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

Workforce diversity (Cont'd)

Summarised below are the number Group's of employees by gender, age and position profile for the three financial years:-



SUSTAINABILITY STATEMENT

(CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

ENVIRONMENT SUSTAINABILITY

The Group's nature of operation in the financial services industry does not have significant impact on the environment. However, we consider the direct and indirect impact of our business on the environment and manage our ecological footprint as we grow. We endeavour to play our part in inculcating a culture of responsibility in assessing for environmental investment portfolios, energy and water management and conservation across our business operations, including adhering to all applicable laws, regulations and standards related to environmental protection.

The Group has continuously engaged with customers to adopt e-contract notes and e-statements.

Environmental investment portfolios

The Group's investment activities in providing stock brokerage and corporate finance services are to be integrated with environmental risk assessment when evaluating investment opportunities. This includes assessing the climate change risks, regulatory compliance, and potential environmental liabilities associated with the companies we advise or invest in. To this end, our sustainability focus is aligned with the nation's agenda in the journey towards environmental sustainability in the financial services sector.

Energy and water management and conservation

The Management Team of the Group provides the stewardship towards incorporating environmental sustainability into business strategies. We emphasize on energy consumption efficiency, efficient use of water and maximising the effectiveness of recycling initiatives. Our initiatives in caring for and preserving the environment include:

- Transitioning to a paperless environment, whereby electronic documentation is being used to replace paper documentation among employees, suppliers and customers.
- Printing paper sparingly and using double-sided printing where possible.
- Reducing energy consumption and promoting energy-saving practices such as turning off lights and equipment when not in use and utilizing natural light whenever possible.

Below are the details of electricity consumption for the past 3 financial years:-

Electricity	2023	2022	2021
Total consumption (RM)	450,872	393,180	419,151

During the financial year, the electricity Imbalance Cost Pass-Through ("ICPT") surcharge has increased the energy costs by 15% (FY2022: decreased 6%) as compared to the preceding financial year. Moving forward, the Group will monitor the energy use and consume energy more efficiently.

The Group is committed to comply with the regulations and standards established by the Department of Environment, Malaysia to ensure responsible material and waste management. The property construction waste is to be managed by the Group's third-party contractor for the Group's property development project.

We are also cognizant of the importance of water management in our journey towards sustainable business operations and therefore, we are cautious about water consumption in our daily business operations.

We monitor regularly and assess our water usage metrics to further identify opportunities for conservation and efficiency. Through these concerted efforts, we are responsible stewards of water resources ensuring a more sustainable future for generations to come.

SUSTAINABILITY STATEMENT

(CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

ENVIRONMENT SUSTAINABILITY (CONT'D)

Energy and water management and conservation (Cont'd)

Below are the details of water consumption for the past 3 financial years:-

Water	2023	2022	2021
Total consumption (RM)	5,978	11,434	9,756

The Group managed to reduce water consumption by 48% (FY2022: increased 17%) as compared to the preceding financial year, as a result of ongoing water saving initiatives implemented on a day-to-day practice. The Group will continue its effort to consume water efficiently.

GOVERNANCE SUSTAINABILITY

The Group strives to fully comply with the latest Malaysian Code of Corporate Governance 2021, and place a strong corporate governance framework on means to establish the Group's creditability standing, enhance shareholders' value and strengthen stakeholders' trust in our business practices to improve the Group business competitiveness.

Compliance with the relevant law and regulations and corporate governance

Our policy on governance requires the Group to meet all local requirements including law and regulations, accounting standards, listing requirements, tax compliance and licensing requirements amongst others.

Regulatory and reporting changes may affect the Group's business models, compliance measures as well as the management of capital, liquidity and profitability. Continuous engagement with regulatory authorities is undertaken to stay abreast of the latest regulatory developments. Senior management and staff attend relevant seminars and trainings to be updated and enhance their knowledge in order to discharge their works and responsibilities efficiently and effectively.

The following is a summary of key laws and regulations governing the conduct and business operations of the Group:-

- Capital Markets and Services Act 2007 ("CMSA")
- SC's Licensing Handbook
- Rules of Bursa
- Rules of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository")
- Rules of Bursa Malaysia Securities Clearing Sdn Bhd
- Capital Markets and Services (Capital Market Compensation Fund) (Contribution) Order 2012
- Main, ACE and LEAP Markets Listing Requirements
- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA")

The Group has also in place a corporate governance framework. Our CG report is available at the Company's website at mnaequityholdings.com as well as Bursa's website at www.bursamalaysia.com.

SUSTAINABILITY STATEMENT

(CONT'D)

THE GROUP'S KEY SUSTAINABILITY PRACTICES (CONT'D)

GOVERNANCE SUSTAINABILITY (CONT'D)

Data security and privacy

Cyberattacks continue to be a threat in the financial services industry amidst a highly regulated environment. The Group takes proactive measures to tackle this issue by enhancing the cyber security systems. Our goal is to ensure zero confidentiality breaches in our daily business operations.

There were no substantiated complaints concerning breaches of customer privacy and losses of customer data during the financial year.

The Group will continue to monitor and enhance the IT infrastructure and front and back-office trading systems (including online trading platform and mobile application) so as to enhance security features and user interface of the trading platform to facilitate seamless transactions that is reliable, secure, convenient and cost efficient.

Anti-corruption and ethical business conduct

The Group conducts its business with integrity and in compliance with both the amendments to the Listing Requirements and the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018). Our Anti-Corruption and Anti-Bribery Policy is published on the Company's website, provides principle and guidance to Directors, employees and associated third parties the way to recognise and deal with any act of corruption and bribery that may arise in the course of daily business and operational activities within the Group.

The Board ensures that:

- Policies and procedures on anti-corruption and whistleblowing are maintained and publish on its website; and
- The policies and procedures are reviewed periodically.

All Directors and employees are adequately informed and are expected to promptly report, via the established whistleblowing channels as provided for in the Whistleblowing policy and procedures, of any suspicious transactions that may indicate corruption, bribery or money laundering. The Group via the internal audit function, has conducted bribery and corruption risk assessment periodically, and the results are reported to the Audit Committee.

Continuous trainings on anti-corruption and anti-bribery are conducted by the Compliance Department for existing and new staffs on an annual basis. All of our employees have attended the anti-corruption trainings.

There were no reported incidents of corruption received during the financial year.

Statement of Assurance

In strengthening the credibility of the Sustainability Statement, this Sustainability Statement has been subjected to an internal review by the Company's internal auditors and has been reviewed by the Audit Committee.

STATEMENT OF **DIRECTORS' RESPONSIBILITY** IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements prepared for each financial year and ensure that the financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year/period ended then.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

- (i) Overseeing the overall conduct of the Group's and the Company's business;
- (ii) Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- (iii) Reviewing the adequacy and integrity of Internal Controls and Management Information System within the Group and the Company;
- (iv) Adopting suitable accounting policies and apply them consistently;
- (v) Making judgements and estimates that are reasonable and prudent; and
- (vi) Ensuring compliance with the application of Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records and other records which are closed with reasonable accuracy at any time the financial position of the Group and the Company.

The Directors are collectively responsible to ensure that the financial statements comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the requirements of the Companies Act 2016 and applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and the Company to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year/period ended 30 June 2023, the Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The amount of the audit and non-audit fees paid or payable by the Company and the Group to the external auditors, Grant Thornton Malaysia PLT for the financial year/period ended 30 June 2023 are set out as follows:

	Company (RM)	Group (RM)
Statutory audit fees	63,000	209,000
Non-audit fees	295,000	30,000

The non-audit services rendered were incurred mainly to act as Reporting Accountants and review of the statement of capitalisation and indebtedness, proforma report, interim financial information and consolidated financial statements relating to the multiple corporate proposals.

In considering the nature and scope of non-audit fees, the Audit Committee was satisfied that they were not likely to create any conflict of interest or impair the independence and objectivity of the external auditors.

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and the Group involving the interests of directors and/or major shareholders either still subsisting at the end of the financial year/period ended 30 June 2023 or, if not then subsisting, entered into since the end of the previous financial year, other than the announcements made by the Company on 1 July 2022, 29 September 2022, 13 October 2022, 1 November 2022, 14 November 2022, 15 December 2022, 16 December 2022, 27 December 2022, 28 December 2022, 3 January 2023, 19 January 2023, 30 January 2023, 31 January 2023, 3 March 2023, 10 March 2023, 14 March 2023, 17 March 2023, 7 April 2023, 9 May 2023, 10 May 2023, 12 May 2023, 16 May 2023, 30 May 2023, 8 June 2023, 22 June 2023 and 30 June 2023 to Bursa Malaysia Securities Berhad.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

The related party transactions are set out in the notes to the financial statements in which the transactions were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

At the 27th annual general meeting ("AGM") of the Company held on 5 January 2023, the Company obtained the shareholders' approval at the AGM for the renewal of the existing RRPT mandate ("Shareholders' Mandate"). The actual aggregate value ("Aggregate value") of transactions conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2023 are set in the following table:-

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") (CONT'D)

Company/ Subsidiaries involved	Transacting parties	Nature of recurrent transactions	Shareholders' mandate from last AGM on 5 January 2023 to the date of next AGM (RM'000)	Aggregate value (RM'000)	Interested related party and Nature of relations
Seng Yip Furniture Sdn Bhd	Mieco Manufacturing Sdn Bhd, a wholly-owned subsidiary of Mieco Chipboard Berhad ("MIECO")	Rental payable for log yard	100	40	1. Dato Sri Ng Ah Chai is a major shareholder and Managing Director of MIECO. He was the Managing Director and major shareholder of M&A prior to the completion of the Reverse Acquisition. 2. Ng Wei Ping is the son of Dato' Sri Ng Ah Chai. He is the Executive Director of MIECO. He was the Executive Director of M&A prior to the completion of the Reverse Acquisition.
Seng Yip Furniture Sdn Bhd	Great Platform Sdn Bhd, a wholly-owned subsidiary of MIECO	Rental payable for sawmill	500	264	
M&A Equity Holdings Berhad ("M&A") Group	MIECO and its subsidiaries ("MIECO Group")	Sales of logs, slabs, sawdust and chipboards to the MIECO Group and to receive sales commission from the MIECO Group	30,000	5,367	
M&A Group	MIECO Group	Purchase of chipboards and logs from the MIECO Group	20,000	2,631	

On 26 September 2023, the Board announced that the Company intends to seek shareholders' approval for the Proposed New Recurrent Related Party Transaction(s) Mandate.

4. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

As at the date of this Report, the total proceeds generated from Rights Issue of RM62.6 million and Restricted Issue of RM30.0 million on 30 June 2023 have been utilised as follows:-

Purpose	Expected timeframe for utilisation upon completion of the Rights Issue and Restricted Issue	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000
Working capital	Within 24 months	35,823	–	35,823
Repayment of amount due to related companies	Within 3 months	52,744	52,744	–
Expenses relating to the proposals	Immediate	4,000	4,000	–
Total		92,567	56,744	35,823

Save for above, there were no proceeds raised by the Company from any corporate proposal during the financial year ended 30 June 2023.



DIRECTORS' REPORT AND FINANCIAL STATEMENTS

65	Directors' Report
73	Statement by Directors and Statutory Declaration
74	Independent Auditors' Report
78	Statements of Financial Position
80	Statements of Profit or Loss
81	Statements of Comprehensive Income
82	Statements of Changes in Equity
84	Statements of Cash Flows
87	Notes to the Financial Statements

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year/period ended 30 June 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies are disclosed in Note 45 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial period.

CHANGE OF FINANCIAL YEAR END

On 26 May 2023, the Company and its subsidiary companies changed their financial year end from 31 July 2023 to 30 June 2023, save and except for the subsidiary companies acquired during the financial period namely M & A Securities Sdn. Bhd., M & A Nominee (Asing) Sdn. Bhd., M & A Nominee (Tempatan) Sdn. Bhd. and Venturescape Sdn. Bhd., whose financial year end is on 30 June 2023.

As such, the financial statements of the Company is made up from 1 August 2022 to 30 June 2023 covering a period of 11 months ("financial period"). The financial statements of the Group is made up from 1 July 2022 to 30 June 2023 covering a period of 12 months as explained in Note 2(a) to the financial statements.

CHANGE OF NAME

On 8 June 2023, the Company changed its name from SYF Resources Berhad to M & A Equity Holdings Berhad.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year/period	12,112	6,641
Attributable to:-		
Owners of the Company	12,203	6,641
Non-controlling interests	(91)	-
	12,112	6,641

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any final dividend for the financial period ended 30 June 2023.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

(CONT'D)

SHARE CAPITAL AND DEBENTURES

During the financial period, the movement to the Company's share capital are as follows:-

- (a) On 30 January 2023, the High Court of Malaya in Kuala Lumpur granted the order for the reduction of share capital of the Company pursuant to Section 116 of the Companies Act 2016 wherein the Company's share capital was reduced from RM143,527,253 to RM41,130,111 comprising of 568,873,012 ordinary shares (excluding the 5,236,000 ordinary shares being held as treasury shares) of RM0.072 each.
- (b) the Company carried out a capital repayment exercise in two (2) tranches pursuant to Section 116 of the Companies Act 2016:-
 - (i) by way of cash distribution of RM0.07 per ordinary share amounting to RM39,821,111 on 17 April 2023 whereby RM37,456,777 was paid to the shareholders of the Company and RM2,364,334 was forgone by a major shareholder on his entitlement.
 - (ii) by way of cash distribution of RM0.11 per ordinary share amounting to RM62,576,031 on 7 June 2023 whereby RM58,940,365 was paid to the shareholders of the Company and RM3,635,666 was forgone by a major shareholder on part of his entitlement.
- (c) the Company issued:-
 - (i) 1,009,090,909 new ordinary shares at an issue price of RM0.22 each to Insas Berhad pursuant to the Company's acquisition of 100% equity interest and redeemable convertible preference shares in M & A Securities Sdn. Bhd. from Insas Berhad for a purchase consideration of RM222 million.
 - (ii) 284,436,506 new ordinary shares ("Rights Shares") pursuant to the Rights Issue on the basis of 1 Rights share for every 2 existing ordinary shares in the Company and 136,323,600 new ordinary shares ("Restricted Issue Shares") pursuant to the Restricted Issue at an issue price of RM0.22 each. The proceeds from the issuance of Rights Shares and Restricted Issue Shares will be utilised to repay amount owing by M & A Securities Sdn. Bhd. to related companies, expenses relating to the corporate exercise and for working capital purposes.

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

There were no issuance of debentures during the financial period.

TREASURY SHARES

During the financial period, the Company did not repurchase any of its shares from the open market. Of the total 2,003,960,027 issued and fully paid up ordinary shares in the Company, 5,236,000 ordinary shares are being held as treasury shares by the Company for the financial period ended 30 June 2023. Further relevant details are disclosed in Note 21 to the financial statements.

INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) 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 adequate allowance had been made for doubtful debt; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year/period which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year/period which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year/period.

HOLDING COMPANY

The holding company is Insas Berhad, a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

SUBSIDIARY COMPANIES

Details of subsidiary companies are set out in Note 45 to the financial statements.

OTHER STATUTORY INFORMATION

The Directors state that:-

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion:-

- (a) the results of the Group's and of the Company's operations during the financial year/period were not substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the Notes to the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year/period 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 financial year/period in which this report is made.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS

The Directors who held office during the financial period and up to the date of this report are as follows:-

Y.A.M. Tengku Puteri Seri Kemala	
Tengku Hajjah Aishah Binti Almarhum	
Sultan Haji Ahmad Shah, DK(II), SIMP*	(appointed on 10 May 2023)
Dato' Yong Lei Choo*	(appointed on 10 May 2023)
Datuk Tan Choon Peow*	(appointed on 10 May 2023)
Dato' Sri Chee Hong Leong, JP*	
Thong Mei Chuen	(appointed on 1 August 2023)
Dato' Mohamad Azmi Bin Ali	
Tan Choon Thye	(appointed on 30 June 2023)
Dato' Sri Ng Ah Chai***	(resigned on 30 June 2023)
Ng Wei Ping**	(resigned on 30 June 2023)
Datuk Mohamed Arsad Bin Sehan	(resigned on 30 June 2023)
Dato' Abdul Rashid Bin Mat Amin	(resigned on 30 June 2023)
Dato' Wong Gian Kui**	(resigned on 1 August 2023)

- * Directors of the Company and certain of its subsidiary companies.
 ** Director of a subsidiary company as at the date of this report.
 *** Resigned as directors of subsidiary companies on 15 September 2023.

The Directors of the subsidiary companies since the beginning of the financial period and up to the date of this report, excluding those who are already Directors of the Company are as follows:-

Dato' Thong Kok Yoon	Boon Yat Mee	
Datin Tan Few Teng	Winnie Ng Yee Ching	(appointed on 15 September 2023)
Dato' Ng Jet Heong	Yap Lai Lee	(appointed on 15 September 2023)
Goh Hock Jin	Lee Oon Kar	(resigned on 15 September 2023)
Yu Hong Tin	Chee Chik Eng	(resigned on 15 September 2023)
Sundararajah A/L Ramasamy		

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, the interests and deemed interests of Directors in office at the end of the financial period in shares and warrants in the Company and its related corporations during the financial period are as follows:-

Directors of the Company	At 1.8.2022/ Date of appointment	Number of Ordinary Shares		
		Subscribed	Sold	At 30.6.2023
Interest in the Company				
<u>Direct interest</u>				
Y.A.M Tengku Puteri Seri Kemala				
Tengku Hajjah Aishah Binti Almarhum				
Sultan Haji Ahmad Shah, DK (II), SIMP	–	1,150,000	–	1,150,000
Datuk Tan Choon Peow	–	30,000,000	–	30,000,000
Dato’ Sri Chee Hong Leong, JP	41,156,600	20,578,300	–	61,734,900
Dato’ Wong Gian Kui	–	2,000,000	–	2,000,000
<u>Deemed interest</u>				
Tan Choon Thye	1,500,000	–	–	1,500,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' shareholdings, the interests and deemed interests of Directors in office at the end of the financial period in shares and warrants in the Company and its related corporations during the financial period are as follows (cont'd):-

Directors of the Company (cont'd)	Number of Ordinary Shares (cont'd)			
	At 1.8.2022/ Date of appointment	Subscribed	Sold	At 30.6.2023
Interest in holding company				
<u>Direct interest</u>				
Y.A.M Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK (II), SIMP	121,992	—	—	121,992
Dato' Sri Chee Hong Leong, JP	300,000	—	—	300,000
Dato' Wong Gian Kui	462,160	—	—	462,160
<u>Deemed interest</u>				
Dato' Wong Gian Kui	136,000	—	—	136,000
Interest in related companies				
Insas Properties Sdn. Bhd.				
<u>Direct interest</u>				
Dato' Wong Gian Kui	80,000	—	—	80,000
Segar Raya Development Sdn. Bhd.				
<u>Direct interest</u>				
Dato' Wong Gian Kui	129,999	—	—	129,999
<u>Deemed interest</u>				
Dato' Wong Gian Kui	80,000	—	—	80,000
Dellmax Worldwide Sdn. Bhd.				
<u>Deemed interest</u>				
Dato' Wong Gian Kui	35,000	—	—	35,000
Number of Redeemable Preference Shares				
Directors of the Company	At 1.8.2022	Bought	Sold	At 30.6.2023
Interest in holding company				
<u>Direct interest</u>				
Dato' Wong Gian Kui	712,900	—	—	712,900
<u>Deemed interest</u>				
Dato' Wong Gian Kui	119,800	—	—	119,800
Number of Warrants				
Directors of the Company	At 1.8.2022	Bought	Sold	At 30.6.2023
Interest in holding company				
<u>Direct interest</u>				
Dato' Wong Gian Kui	1,782,250	—	—	1,782,250
<u>Deemed interest</u>				
Dato' Wong Gian Kui	299,500	—	—	299,500

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' shareholdings, the interests and deemed interests of Directors in office at the end of the financial period in shares and warrants in the Company and its related corporations during the financial period are as follows (cont'd):-

Directors of the subsidiary companies	At 1.8.2022	Number of Ordinary Shares Subscribed/ Transferred	Sold/ Transferred	At 30.6.2023
Interest in the Company				
<u>Direct interest</u>				
Dato' Sri Ng Ah Chai	134,276,200	–	(100,500,000)	33,776,200
Lee Oon Kar	720,000	–	(720,000)	–
Dato' Ng Jet Heong	–	1,150,000	(1,150,000)	–
Chee Chik Eng	20,000	–	–	20,000
<u>Deemed interest</u>				
Dato' Sri Ng Ah Chai	1,920,000	–	(1,920,000)	–
Dato' Ng Jet Heong	–	1,150,000	–	1,150,000
Interest in the holding company				
<u>Direct interest</u>				
Dato' Thong Kok Yoon	43,358,813	–	–	43,358,813
Datin Tan Few Teng	2,189,344	–	–	2,189,344
<u>Deemed interest</u>				
Dato' Thong Kok Yoon	30,844,835	–	–	30,844,835
Datin Tan Few Teng	72,014,304	–	–	72,014,304
Number of Redeemable Preference Shares				
Directors of the subsidiary companies	At 1.8.2022	Bought	Sold	At 30.6.2023
Interest in the holding company				
<u>Direct interest</u>				
Dato' Thong Kok Yoon	8,671,762	–	–	8,671,762
Datin Tan Few Teng	437,868	–	–	437,868
<u>Deemed interest</u>				
Dato' Thong Kok Yoon	7,694,185	–	–	7,694,185
Datin Tan Few Teng	15,928,079	–	–	15,928,079
Number of Warrants				
Directors of the subsidiary companies	At 1.8.2022	Bought	Sold	At 30.6.2023
Interest in the holding company				
<u>Direct interest</u>				
Dato' Thong Kok Yoon	21,679,405	–	–	21,679,405
Datin Tan Few Teng	1,094,670	–	–	1,094,670
<u>Deemed interest</u>				
Dato' Thong Kok Yoon	19,172,212	–	–	19,172,212
Datin Tan Few Teng	39,756,947	–	–	39,756,947

Other than as disclosed above, none of the other Directors in office at the end of the financial period had any interest in the shares, warrants, options and debentures of the Company or its related corporations during the financial period.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REMUNERATIONS AND BENEFITS

Directors' remuneration of the Group and of the Company for the financial year/period ended 30 June 2023 were as follows:-

	Group RM'000	Company RM'000
Directors' fee	156	156
Directors' salaries and other emoluments	4,766	331
Defined contribution plan	539	31
Benefits-in-kind	19	–
	5,480	518

During and at the end of the financial period, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit 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, except as disclosed in Note 44(b) to the financial statements.

INDEMNITY AND INSURANCE COSTS

The Company maintains Directors and Officers liability insurance for the purpose of Section 289 of the Companies Act 2016.

During the financial period, the total amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Company were RM10,000,000 and RM12,688 respectively.

The holding company maintains Directors and Officers liability insurance whose indemnity coverage include the Directors and Officers of the Group for purpose of Section 289 of the Companies Act 2016.

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

Significant events during and after the financial period are disclosed in Note 46 to the financial statements.

DIRECTORS' REPORT

(CONT'D)

AUDITORS

The remuneration received and receivable by the auditors of the Group and of the Company, Grant Thornton Malaysia PLT, for the financial year/period ended 30 June 2023 is RM209,000 and RM63,000 respectively. There was no indemnity given to or insurance effected for the auditors of the Company, Grant Thornton Malaysia PLT.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 26 September 2023.

.....	)	
DATUK TAN CHOON PEOW	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
.....	)	
DATO' SRI CHEE HONG LEONG, JP	)	

Kuala Lumpur

STATEMENT BY DIRECTORS

We, Datuk Tan Choon Peow and Dato' Sri Chee Hong Leong, JP, being two of the Directors of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad), do hereby state that in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of the financial performance and cash flows of the Group and of the Company for the financial year/period then ended.

Signed on behalf of the Board in accordance with a resolution of the Board of Directors dated 26 September 2023.

.....
DATUK TAN CHOON PEOW

.....
DATO' SRI CHEE HONG LEONG, JP

Kuala Lumpur

STATUTORY DECLARATION

I, Datuk Tan Choon Peow, being the Director primarily responsible for the financial management of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 at Kuala Lumpur in)
the Federal Territory this day of)
26 September 2023)

.....
DATUK TAN CHOON PEOW
MIA No. CA11012

Before me:

RAMATHILAGAM A/P T RAMASAMY (W 671)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M & A EQUITY HOLDINGS BERHAD (FORMERLY KNOWN AS SYF RESOURCES BERHAD) (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of M & A Equity Holdings Berhad (formerly known as SYF Resources Berhad), which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and 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/period then ended, and the notes to the financial statements, including a summary of significant accounting policies as set out on pages 78 to 175.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year/period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of stock broking dealer's license and goodwill arising from the business combination

The Group holds intangible assets totaling RM51,743,000, which consists the stock broking dealer's license and goodwill arising from the business combination. The Group performs an annual impairment assessment for its stock broking dealer's license and goodwill arising from the business combination. This requires management to estimate the recoverable amount of the cash-generating units and this involves significant assumptions which are inherently judgmental.

We evaluated the model used in determining the value in use of cash-generating units as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. Besides that, we also compared the actual performance of the cash-generating units to assumptions applied in prior years model, to assess accuracy of management's estimates. We have performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying value of intangible assets with the alternations to the key assumptions. We also assessed the adequacy of disclosures in the financial statements.

The Group's disclosures regarding intangible assets are included in Notes 2 (e)(iii)(a), 4(g) and 9 to the financial statements.

We have determined that there are no key audit matters to communicate in our report in relation to our audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF M & A EQUITY HOLDINGS BERHAD
(FORMERLY KNOWN AS SYF RESOURCES BERHAD)
(INCORPORATED IN MALAYSIA)
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Corporate Information, Corporate Structure, 5-Year Financial Highlights and Indicators, Profile of Directors, Key Senior Management's Profile, Group Managing Director's Statement and Management Discussion and Analysis, Corporate Governance Overview Statement, Additional Compliance Information, Statement of Directors' Responsibility in Respect of the Audited Financial Statements, Statement on Risk Management and Internal Control, Audit Committee Report, Sustainability Statement, List of Properties and Directors' Reports, which we obtained prior to the date of this auditors' report, and the rest of the annual report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF M & A EQUITY HOLDINGS BERHAD
(FORMERLY KNOWN AS SYF RESOURCES BERHAD)
(INCORPORATED IN MALAYSIA)
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group in order to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We have provided to the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year/period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF M & A EQUITY HOLDINGS BERHAD
(FORMERLY KNOWN AS SYF RESOURCES BERHAD)
(INCORPORATED IN MALAYSIA)
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of the Company as at 31 July 2022 were audited by another firm of Chartered Accountants whose auditors' report dated 22 November 2022, expressed an unqualified opinion on the financial statements.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
26 September 2023

PHON POOI YIN
(NO: 03654/04/2024 J)
CHARTERED ACCOUNTANT

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 RM'000	Group 2022 RM'000	Company 30.06.2023 RM'000	31.07.2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	8,056	6,933	–	–
Investment property	7	9,806	9,806	–	–
Subsidiary companies	8(a)	–	–	236,463	14,648
Intangible assets	9	51,743	26,047	–	–
Land and property development costs	10	68,041	–	–	–
Deferred tax assets	11	1,636	2,666	–	–
Total non-current assets		139,282	45,452	236,463	14,648
Current assets					
Land and property development costs	10	3,038	–	–	–
Inventories	12	10,066	–	–	–
Contract assets	13	75,923	–	–	–
Trade receivables	14	178,191	158,303	–	–
Amount due from subsidiary companies	8(b)	–	–	55,519	85,542
Amount due from a related company	15	–	9,614	–	–
Other receivables, deposits and prepayments	16	14,231	7,635	79	1
Financial assets at fair value through profit or loss	17	1,893	4,951	–	–
Tax recoverable		2,048	16	–	–
Deposits with licensed banks and financial institutions	18	119,566	18,093	91,601	–
Cash and bank balances	19	61,284	82,889	890	50
		466,240	281,501	148,089	85,593
Asset held for sale	8(c)	–	–	–	47,500
Total current assets		466,240	281,501	148,089	133,093
TOTAL ASSETS		605,522	326,953	384,552	147,741

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

(CONT'D)

	Note	Group 2023 RM'000	2022 RM'000	Company 30.06.2023 RM'000	31.07.2022 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	20	377,719	160,000	355,697	143,527
Treasury shares	21	–	–	(761)	(761)
Other reserve	22	(10)	(10)	–	–
Retained earnings		17,655	33,384	13,537	896
		395,364	193,374	368,473	143,662
Non-controlling interests	23	14,661	–	–	–
TOTAL EQUITY		410,025	193,374	368,473	143,662
Non-current liabilities					
Loans and borrowings	24	18,151	–	–	–
Lease liabilities	25	388	40	–	–
Deferred tax liabilities	11	8,838	–	–	–
Total non-current liabilities		27,377	40	–	–
Current liabilities					
Trade payables	26	74,383	45,231	–	–
Contract liabilities	13	1,154	–	–	–
Amount due to holding company	27	2,477	3,035	–	–
Amount due to subsidiary companies	8(b)	–	–	15,666	3,251
Amount due to related companies	15	60,267	57,979	–	–
Other payables, deposits received and accruals	28	16,102	16,438	373	251
Lease liabilities	25	1,197	395	–	–
Loans and borrowings	24	12,485	10,078	–	–
Tax payable		55	383	40	577
Total current liabilities		168,120	133,539	16,079	4,079
TOTAL LIABILITIES		195,497	133,579	16,079	4,079
TOTAL EQUITY AND LIABILITIES		605,522	326,953	384,552	147,741

The accompanying notes form an integral part of the financial statements. The consolidated financial statements of M & A Securities Sdn. Bhd. and its subsidiaries as at 30 June 2022 is presented as the comparative following the reverse acquisition of the Company as explained in Note 2(a) to the financial statements.

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	01.08.2022 to 30.06.2023 RM'000	01.08.2021 to 31.07.2022 RM'000
Revenue	29	40,869	48,559	1,916	150
Cost of sales	30	(192)	–	–	–
Gross profit		40,677	48,559	1,916	150
Other income	31	34,572	34,466	9,608	2,659
Administration expenses	32	(2,428)	(272)	(3,986)	(2,688)
Other operating expenses	33	(52,441)	(50,590)	(368)	(44)
Finance costs	34	(3,641)	(3,757)	(248)	(51)
Profit before tax		16,739	28,406	6,922	26
Tax expense	35	(4,627)	(4,893)	(281)	(828)
Profit/(Loss) for the financial year/period		12,112	23,513	6,641	(802)
Attributable to:-					
Owners of the Company		12,203	23,513	6,641	(802)
Non-controlling interests		(91)	–	–	–
		12,112	23,513	6,641	(802)
Earnings per share (sen)					
- Basic/Diluted	36	1.11	2.33		

The accompanying notes form an integral part of the financial statements. The consolidated financial statements of M & A Securities Sdn. Bhd. and its subsidiaries as at 30 June 2022 is presented as the comparative following the reverse acquisition of the Company as explained in Note 2(a) to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	01.08.2022 to 30.06.2023 RM'000	01.08.2021 to 31.07.2022 RM'000
Profit/(Loss) for the financial year/period	12,112	23,513	6,641	(802)
<u>Other comprehensive loss may not be reclassified to profit or loss subsequently</u>				
Unrealised loss on fair value changes of financial assets at fair value through other comprehensive income, net of tax	-	(10)	-	-
Total comprehensive income/(loss) for the financial year/period, net of tax	12,112	23,503	6,641	(802)
Attributable to:-				
Owners of the Company	12,203	23,503	6,641	(802)
Non-controlling interests	(91)	-	-	-
	12,112	23,503	6,641	(802)

The accompanying notes form an integral part of the financial statements. The consolidated financial statements of M & A Securities Sdn. Bhd. and its subsidiaries as at 30 June 2022 is presented as the comparative following the reverse acquisition of the Company as explained in Note 2(a) to the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2023

Group	Attributable to Owners of the Company					Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	<Non-distributable reserve> <Distributable reserve>		
Balance at 1 July 2021	160,000	–	17,121	177,121	–	–	177,121
<u>Total comprehensive (loss)/income for the financial year</u>							
Profit for the financial year	–	–	23,513	23,513	–	–	23,513
Unrealised loss on fair value changes of financial assets at fair value through other comprehensive income, net of tax	–	(10)	–	(10)	–	–	(10)
Total comprehensive (loss)/income for the financial year	–	(10)	23,513	23,503	–	–	23,503
<u>Transaction with owners:-</u>							
Cash dividends paid by a subsidiary company to holding company prior to the reverse acquisition (Note 39)	–	–	(7,250)	(7,250)	–	–	(7,250)
Total transaction with owners	–	–	(7,250)	(7,250)	–	–	(7,250)
Balance at 30 June 2022	160,000	(10)	33,384	193,374	–	–	193,374
<u>Total comprehensive income for the financial year</u>							
Profit for the financial year	–	–	12,203	12,203	(91)	–	12,112
Total comprehensive income for the financial year	–	–	12,203	12,203	(91)	–	12,112
<u>Transactions with owners:-</u>							
Cash dividends paid by a subsidiary company to holding company prior to the reverse acquisition (Note 39)	–	–	(27,932)	(27,932)	–	–	(27,932)
Issuance of ordinary shares pursuant to (Note 20):-							
- Acquisition of subsidiary companies	125,152	–	–	125,152	–	–	125,152
- Rights Issue	62,576	–	–	62,576	–	–	62,576
- Restricted Issue	29,991	–	–	29,991	–	–	29,991
Non-controlling interests in subsidiary companies arising from the reverse acquisition	–	–	–	–	14,752	–	14,752
Total transactions with owners	217,719	–	(27,932)	189,787	14,752	–	204,539
Balance at 30 June 2023	377,719	(10)	17,655	395,364	14,661	–	410,025

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2023
(CONT'D)

Company	Share capital RM'000	◀ Distributable reserve ▶		Total RM'000
		Treasury shares RM'000	Retained earnings RM'000	
Balance at 1 August 2021	143,527	(761)	1,698	144,464
Total comprehensive loss for the financial year	–	–	(802)	(802)
Balance at 31 July 2022	143,527	(761)	896	143,662
Total comprehensive income for the financial period	–	–	6,641	6,641
Transactions with owners:-				
Capital repayment to shareholders of the Company (Note 20)	(102,397)	–	6,000	(96,397)
Issuance of ordinary shares pursuant to (Note 20):-				
- Acquisition of subsidiary companies	222,000	–	–	222,000
- Rights Issue	62,576	–	–	62,576
- Restricted Issue	29,991	–	–	29,991
Total transactions with owners	212,170	–	6,000	218,170
Balance at 30 June 2023	355,697	(761)	13,537	368,473

The accompanying notes form an integral part of the financial statements. The consolidated financial statements of M & A Securities Sdn. Bhd. and its subsidiaries as at 30 June 2022 is presented as the comparative following the reverse acquisition of the Company as explained in Note 2(a) to the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2023

	Group		Company	
	2023 RM'000	2022 RM'000	01.08.2022 to 30.06.2023 RM'000	01.08.2021 to 31.07.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	16,739	28,406	6,922	26
Adjustments for:-				
Allowance for doubtful debts	-	114	183	44
Allowance for doubtful debts no longer required	(8,506)	(330)	(5,375)	(763)
Bad debts written off	8,338	-	-	-
Depreciation of property, plant and equipment	1,661	1,463	-	-
Dividend income	(35)	(62)	(1,785)	-
Fair value loss on an investment property	422	-	-	-
Gain on disposal of property, plant and equipment	(30)	-	-	-
Gain on disposal of a subsidiary company	-	-	(2,500)	-
Gain on derecognition of a subsidiary company arising from loss of control	-	(5,591)	-	-
Gain on disposal of an associate company	-	(8)	-	-
(Gain)/Loss on fair value changes of financial assets at fair value through profit or loss	(1,757)	551	-	-
Interest expenses	3,641	3,757	248	51
Interest income	(2,764)	(1,751)	(1,733)	(1,688)
Provision for impairment loss on investment in a subsidiary company	-	-	185	-
Reversal of provision for impairment loss on investment in a subsidiary company	-	-	-	(209)
Operating profit/(loss) before working capital changes	17,709	26,549	(3,855)	(2,539)
Changes in working capital:-				
Land and property development costs	9,106	-	-	-
Financial assets at fair value through profit or loss	4,815	-	-	-
Contract assets	(1,293)	-	-	-
Contract liabilities	1,154	-	-	-
Receivables	(22,947)	18,383	(78)	(1)
Payables	9,886	(13,200)	122	(82)
Revolving credit	-	(15,000)	-	-
Net cash from/(used in) operations	18,430	16,732	(3,811)	(2,622)
Interest received	2,764	1,392	111	-
Interest paid	(3,591)	(3,757)	-	-
Net tax paid	(5,029)	(7,487)	(818)	(387)
Net cash from/(used in) operating activities	12,574	6,880	(4,518)	(3,009)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2023
(CONT'D)

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Repayment from/(Advances to) subsidiary companies	–	–	36,837	(15,284)
Purchase of property, plant and equipment (Note A)	(490)	(1,451)	–	–
Proceeds from disposal of property, plant and equipment	30	–	–	–
Addition/Purchase of an investment property	(594)	(13,800)	–	–
Purchase of quoted securities	–	(1,453)	–	–
Proceeds from disposal of quoted securities	–	772	–	–
Repayment from related companies	9,614	13,519	–	–
Proceeds from disposal of a subsidiary company	–	–	50,000	–
Interest income	–	–	–	285
Dividends received	35	62	1,785	–
Net cash inflow from the reverse acquisition (Note 40)	672	–	–	–
Net cash outflow on derecognition of a subsidiary company (Note 40)	–	(28)	–	–
Net cash from/(used in) investing activities	9,267	(2,379)	88,622	(14,999)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in fixed deposits pledged	(14)	(2)	–	–
Repayment to holding company	(558)	(3,581)	–	–
(Repayment to)/Advances from related companies	(7,712)	1,205	–	–
Capital repayment to shareholders of the Company	–	–	(96,397)	–
Proceeds from issuance of ordinary shares	92,567	–	92,567	–
Advances from/(Repayment to) subsidiary companies	–	–	12,167	(14,750)
Repayment of lease liabilities	(1,022)	(962)	–	–
Net repayment of loans and borrowings	(413)	–	–	–
Dividends paid to holding company	(27,932)	(7,250)	–	–
Net cash from/(used in) financing activities	54,916	(10,590)	8,337	(14,750)
CASH AND CASH EQUIVALENTS				
Net changes	76,757	(6,089)	92,441	(32,758)
Brought forward	100,278	106,367	50	32,808
Carried forward (Note B)	177,035	100,278	92,491	50

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2023

(CONT'D)

NOTES TO STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Total purchase of property, plant and equipment	2,612	1,451	–	–
Less: Recognition of additional lease liabilities	(2,122)	–	–	–
Cash payments made	490	1,451	–	–

B. CASH AND CASH EQUIVALENTS COMPRISE OF:-

	Group		Company	
	2023	2022	30.06.2023	31.07.2022
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts (Note 24)	–	(78)	–	–
Cash and bank balances	61,284	82,889	890	50
Deposits with licensed banks and financial institutions	119,566	18,093	91,601	–
	180,850	100,904	92,491	50
Less:-				
Fixed deposits pledged (Note 18)	(3,815)	(626)	–	–
	177,035	100,278	92,491	50

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities are disclosed in Note 8, Note 15, Note 24, Note 25 and Note 27 to the financial statements.

The accompanying notes form an integral part of the financial statements. The consolidated financial statements of M & A Securities Sdn. Bhd. and its subsidiaries as at 30 June 2022 is presented as the comparative following the reverse acquisition of the Company as explained in Note 2(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiary companies are disclosed in Note 45 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial period.

On 26 May 2023, the Company and its subsidiary companies changed their financial year end from 31 July 2023 to 30 June 2023, save and except for the subsidiary companies acquired during the financial period namely M & A Securities Sdn. Bhd. ("M & A Securities"), M & A Nominee (Asing) Sdn. Bhd., M & A Nominee (Tempatan) Sdn. Bhd. and Venturescape Sdn. Bhd. ("M & A Securities Group"), whose financial year end is on 30 June 2023.

As such, the financial statements of the Company is made up from 1 August 2022 to 30 June 2023 covering a period of 11 months ("financial period"). The financial statements of the Group is made up from 1 July 2022 to 30 June 2023 covering a period of 12 months as explained in Note 2(a) to the financial statements.

On 8 June 2023, the Company changed its name from SYF Resources Berhad to M & A Equity Holdings Berhad, to better reflect its new corporate identity along with its new core businesses in the financial services industry arising from the completion of the reverse acquisition of the Company by M & A Securities on 10 May 2023.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Ho Hup Tower-Aurora Place, 2-07-01-Level 7, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur. The principal place of business of the Company is located at No. 47-11, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The holding company is Insas Berhad, a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 September 2023.

2 BASIS OF PREPARATION

(a) Reverse acquisition

On 6 October 2021, the Company announced that it had entered into a Share Sale and Purchase Agreement ("SSPA") with Insas Berhad ("Insas") for the acquisition of 100,000,000 ordinary shares and 60,000,000 redeemable convertible preference shares ("RCPS") in M & A Securities, representing the entire equity interest and RCPS in M & A Securities. The purchase consideration was to be fully satisfied through the issuance of 1,585,714,286 new ordinary shares ("Shares") in the Company to Insas. On 14 November 2022, the Company announced the number of Shares shall be revised from 1,585,714,286 to 1,009,090,909 Shares ("Consideration Shares") and the revised issue price from RM0.14 to RM0.22 per share, resulted in a total purchase consideration of RM222.0 million ("Reverse Acquisition"). Upon completion of the Reverse Acquisition on 10 May 2023 ("Completion Date"), the Company became the legal holding company of M & A Securities.

In accordance with MFRS 3: Business Combinations, the aforementioned business combination between the Company and M & A Securities is treated as a reverse acquisition whereby for accounting purposes, M & A Securities is regarded as acquiring the Company and its subsidiary companies ("SYF Resources Berhad Group") on the Completion Date and thus, the accounting acquirer is M & A Securities while the accounting acquiree is the Company.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

2 BASIS OF PREPARATION (CONT'D)

(a) Reverse acquisition (cont'd)

Under the reverse acquisition method of accounting, even though the consolidated financial statements is issued under the name of the Company which is the legal holding company, the consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, M & A Securities except for its capital structure. The accounting policy for Reverse Acquisition is disclosed in Note 4(a) to the financial statements.

Following the completion of the Reverse Acquisition and change of financial year end of SYF Resources Berhad Group, this set of financial statements is prepared as follow:-

(i) Group level

Financial year ended 30 June 2023

The Consolidated Statements of Profit or Loss, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows comprised the financial results of M & A Securities Group for the period from 1 July 2022 to 30 June 2023 and accounting for the results of SYF Resources Berhad Group from the Completion Date to 30 June 2023 and the financial position of the enlarged Group as at 30 June 2023.

Financial year ended 30 June 2022

The Consolidated Statements of Profit or Loss, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows comprised the financial results of M & A Securities Group for the period from 1 July 2021 to 30 June 2022 and the financial position of M & A Securities Group as at 30 June 2022.

(ii) Company level

Financial period ended 30 June 2023

The Statements of Profit or Loss, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows comprised the results of the Company for the period from 1 August 2022 to 30 June 2023 (11 months) and the financial position of the Company as at 30 June 2023.

Financial year ended 31 July 2022

The Statements of Profit or Loss, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows comprised the results of the Company for the period from 1 August 2021 to 31 July 2022 and the financial position of the Company as at 31 July 2022.

The accompanying notes to financial statements of the Group and of the Company present information based on the basis of preparation of the financial statements as mentioned above.

Other than the Reverse Acquisition method of accounting disclosed herein, the accounting policies, estimates and judgements adopted in these financial statements are consistent with those adopted in the audited financial statements of M & A Securities Group for the financial year ended 30 June 2022.

(b) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and Issues Committee Interpretations ("IC Interpretations") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act 2016 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

2 BASIS OF PREPARATION (CONT'D)

(c) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of the reporting period as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

(d) Functional and presentation currencies

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented is in Ringgit Malaysia and all values are rounded to the nearest thousand except when otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

2 BASIS OF PREPARATION (CONT'D)

(e) The use of estimates and judgements

The preparation of financial statements in conformity with MFRSs and IC Interpretations require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. It also requires the management and Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the management's and Directors' best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised from the period in which the estimate is revised.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below:-

(i) Useful lives of depreciable assets

The management reviews annually the estimated useful lives of depreciable assets based on factors such as business plans and strategies, expected level of usage and future technological developments. Actual results, however, may vary due to changes in estimates brought about by changes in the factors mentioned.

The management does not expect any material difference that would arise on the estimation of useful lives of depreciable assets and the current evaluation of the useful lives of depreciable assets represents a fair estimation of the useful lives of the Group's depreciable assets.

(ii) Classification between investment properties and property, plant and equipment and inventories

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for owner occupation. If the property is not to be sold separately, the property is an investment property only if an insignificant portion is held for owner occupation.

Completed unsold properties that is intended for disposal in the near future are classified as inventories.

(iii) Impairment of assets

(a) Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of the impairment loss. For the purpose of impairment testing of non-financial assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

2 BASIS OF PREPARATION (CONT'D)

(e) The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

(iii) Impairment of assets (cont'd)

(a) Non-financial assets (cont'd)

A non-financial asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. 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.

(b) Financial assets

Financial assets at amortised cost

Credit losses are the differences between all contractual cash flows of the Group and of the Company that are due and the cash flows that they actually expect to receive. An expected credit loss is the probability-weighted estimate of credit losses which requires the Group's and the Company's judgement. The expected credit losses are discounted at the original effective interest rate (or credit-adjusted effective interest rate for the purchased or originated credit-impaired financial assets).

The Group and the Company evaluate the Expected Credit Losses ("ECL") on a case-by-case basis.

The Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available such as changes in financial capability of the debtor, and default or significant delay in payments.

(iv) Income taxes

Significant estimation is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise 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 impact the income tax and deferred tax provisions in the period in which such determination is made.

(v) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised business losses, unutilised reinvestment allowances and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised business losses, unutilised reinvestment allowances and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

2 BASIS OF PREPARATION (CONT'D)

(e) The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

(vi) Fair value of financial instruments

The management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, the management makes maximum use of market inputs, and uses estimates and assumptions that, as far as possible, consist of observable data that market participants would use in pricing the instrument. Where applicable data is not observable, the management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in a negotiated transaction at the reporting date.

(vii) Classification of financial instruments

(a) Financial assets at amortised cost

The Group and the Company classify financial assets at amortised cost as those held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income is equity security which is not held for trading but more for strategic investments. The classification as financial assets at fair value through other comprehensive income is an irrevocable election made on initial recognition.

(c) Financial assets at fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

(viii) Leases

The measurement of the right-of-use assets and lease liabilities for leases where the Group is a lessee requires the use of significant judgements and assumptions, such as lease term and incremental borrowing rate.

In determining the lease term, the Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases, the Group first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

2 BASIS OF PREPARATION (CONT'D)

(e) The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

(ix) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core businesses are subject to economic and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 12 to the financial statements.

(x) Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in the statements of profit or loss. The Group engaged independent valuation specialists and make reference to market evidence of transacted prices for similar properties using comparable prices adjusted for specific market factors such as nature, location and condition of the properties to assess fair value as at the end of the reporting period.

The key assumptions used to determine the fair value of investment property are provided in Note 7 to the financial statements.

(xi) Revenue from contracts with customers

The Group and the Company are required to assess each of their contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group and the Company recognise revenue over time in the following circumstances:-

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- (ii) the Group and the Company do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to date; and
- (iii) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and the Company under the contract is satisfied.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

2 BASIS OF PREPARATION (CONT'D)

(e) The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd):-

(xii) Revenue from property development contracts

Revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the stage of completion of the development activity at the end of the reporting period. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

Significant judgement is required in determining the completeness and accuracy of the total property development costs as estimates of future property development costs are inherently uncertain, which involve management's estimation of future cost to completion of the development. Substantial changes in cost estimates in future periods may affect the profitability of the respective property development projects. In making the estimation, the Group evaluates based on past experiences and by relying on the work of specialists. Where the actual total property development costs are different from the estimated total property development costs, such difference will impact the property development profits/(losses) recognised.

The carrying amount of assets of the Group arising from property development activities are disclosed in Note 13.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks are interest rate, credit, foreign currency exchange, liquidity and market risks. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group financial risk management practices. The Board regularly reviews these risks and approves the treasury policies covering the management of these risks. It is not the Group's policy to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Interest rate risk

The Group finances its operations through operating cash flows and borrowings. Interest rate exposures arise from the Group's borrowings. It is the Group's policy to manage its interest costs by obtaining the most favourable interest rates on its borrowings. Surplus funds of the Group are placed with licensed banks and financial institutions on term deposits to generate interest income.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Credit risk

The Group seeks to invest cash assets safely and profitably. The Group controls credit risk by application of credit evaluations and approvals, credit limits and monitoring procedures. Trade receivables are monitored on an ongoing basis via management reporting procedures. The Group has no significant concentration of trade receivables owing. There is no major concentration of credit risk related to any financial instruments.

(c) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of its normal operating activities whereby purchases and sales with foreign brokers are transacted in currencies other than the functional currencies of the entities within the Group. The Group maintains a natural hedge, whenever possible, by matching local currency income against local currency expenditure to minimise foreign exchange exposure.

(d) Liquidity risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all financing and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. The Group maintain reasonable amount of committed credit and banking facilities to meet its operating needs.

(e) Market risk

The Group faces exposure to the risk from changes in the equity prices, in particular the Group's exposure from changes in market price on its investments in quoted securities. The risk of loss in value of the Group's quoted securities is minimised through thorough analysis before making investments and continuous monitoring of the performance of the investments.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group and the Company are disclosed as follows:-

(a) Consolidation

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies as disclosed in Note 45 to the financial statements made up to the end of the financial year. Business combinations are accounted for using the acquisition method.

Under the acquisition method of accounting, the results of the subsidiary companies acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair value of the subsidiary companies' net assets are determined and reflected in the Group's financial statements. The excess of the fair value of purchase consideration paid for the shares in the subsidiary companies over the fair value of the underlying net assets of the subsidiary companies acquired represents goodwill arising on consolidation. The goodwill on consolidation is accounted for in accordance with the accounting policy for goodwill stated in Note 4(g) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Consolidation (cont'd)

(i) Basis of consolidation (cont'd)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

The excess of fair value of the underlying net assets of the subsidiary companies acquired over the purchase consideration paid for the shares in the subsidiary companies represents excess of fair value over investment costs and it is recognised immediately in the statements of profit or loss.

Upon the loss of control of a subsidiary company, the Group derecognises the assets and liabilities of the subsidiary company, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in the statements of profit or loss.

If the Group retains any interest in the subsidiary company, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset at fair value through other comprehensive income depending on the level of influence retained.

All inter-company transactions, balances and the resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless cost cannot be recovered.

Uniform accounting policies are adopted by the subsidiary companies for transactions and events in similar circumstances. The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

The total assets and liabilities of subsidiary companies are included in the consolidated statements of financial position and the interest of non-controlling interests in the net assets of the subsidiary companies is stated separately.

(ii) Reverse acquisition

The business combination between the Company and M & A Securities constituted a reverse acquisition. Consolidated financial statements prepared following a reverse acquisition are issued under the name of the Company (being the legal parent but is the accounting acquiree) and described in the notes as a continuation of the financial statements of M & A Securities (being the legal subsidiary but is the accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree/the legal parent. Comparative information presented in the consolidated financial statements are also retroactively adjusted to reflect the results and financial position of the legal subsidiary/accounting acquirer.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Consolidation (cont'd)

(ii) Reverse acquisition (cont'd)

Because the consolidated financial statements represent the continuation of the financial statements of the legal subsidiary except for its capital structure, the consolidated financial statements reflect:-

- (a) The assets and liabilities of the legal subsidiary (the accounting acquirer) recognised and measured at their pre-combination carrying amounts.
- (b) The assets and liabilities of the legal parent (accounting acquiree) recognised and measured in accordance with applicable accounting standard.
- (c) The retained earnings and other equity balances of the legal subsidiary (accounting acquirer) before the business combination.
- (d) The amount recognised as issued equity interests in the consolidated financial statements is determined by adding the issued equity interest of the legal subsidiary (accounting acquirer) outstanding immediately before the business combination to the fair value of the legal parent's (accounting acquiree)'s issued equity interest determined in accordance with the applicable accounting standard. However, the equity structure in the consolidated financial statements (i.e. the number and type of equity interests issued) shall reflect the equity structure of the legal parent, including the equity interests of the legal parent issued to effect the business combination, which is calculated based on the equity structure of the legal subsidiary restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent issued in the reverse acquisition.
- (e) The non-controlling interest's proportionate share of the legal subsidiary's (accounting acquirer's) pre-combination carrying amounts of retained earnings and other equity interests.

(b) Property, plant and equipment

(i) Recognition, measurement and derecognition

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(h)(b) to the financial statements.

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.

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits of the existing property, plant and equipment beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (cont'd)

(ii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is calculated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:-

Buildings	2%
Motor vehicles	20%
Office furniture, fittings and equipment	10% to 20%
Office renovation	10%
Right-of-use assets - premises	over the period of 1.4 to 2 years

The depreciable amount is determined after deducting the residual value.

The residual value, depreciation method and useful lives are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Leased assets (including premises and motor vehicles under lease arrangements) that fulfills the conditions to be recognised as right-of-use assets are presented as right-of-use assets in property, plant and equipment. The recognition and initial and subsequent measurements policies to leased assets is stated in Note 4(v) to the financial statements on right-of-use assets.

(c) Investment property

Investment property is property which is owned or held under a leasehold interest to earn rental income or for capital appreciation or for both.

Investment property is initially measured at cost. The cost of investment property includes expenditure that is directly attributable to the acquisition of the asset. Subsequent to initial recognition, investment property is stated at fair value, which is determined by the Directors by reference to valuation performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Gains or losses arising from changes in the fair value of investment property is included in the statements of profit or loss in the financial year in which it arises.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on retirement or disposal of an investment property is recognised in the statements of profit or loss in the financial year in which it arises.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial assets

(i) Classification

The classification of financial assets is determined by both:-

- the Group's and the Company's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

The Group and the Company classify their financial assets in the following categories:-

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. The financial assets are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current. The Group's and the Company's financial assets at amortised cost comprise trade and other receivables and deposits paid, amount due from subsidiary companies, amount due from a related company, deposits with licensed banks and financial institutions and cash and bank balances.

(b) Fair value through other comprehensive income

Equity investment

This category comprises investment in equity instruments that is not held for trading. The classification as financial assets at fair value through other comprehensive income is an irrevocable election made on initial recognition. The Group's equity investment is unquoted share held for long term.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income to be measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) Initial recognition and measurement

A financial asset is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (cont'd)

(iii) Subsequent measurement - gains and losses

Classifications of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statements of profit or loss. Any gain or loss on derecognition is recognised in the statements of profit or loss.

Interest income is recognised by applying the effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

Equity investment

This category comprises investment in equity instruments that is not held for trading. The Group irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in the statements of profit or loss unless the dividend is clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to the statements of profit or loss.

In previous financial year, the Group recognised unrealised loss on fair value changes on equity investment amounting to RM9,999 to the fair value through other comprehensive income reserve.

(c) Fair value through profit or loss

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the statements of profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investment measured at fair value through other comprehensive income, are subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (cont'd)

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expires or is transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in the statements of profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in market place concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(f) Subsidiary companies

Subsidiary companies are entities that are controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost in the Company's financial statements less impairment losses unless the investment is held for sale. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(h)(b) to the financial statements.

Upon the disposal of investment in subsidiary companies, the difference between net disposal proceeds and its carrying amounts is recognised in the statements of profit or loss.

(g) Intangible assets

Intangible assets acquired are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight-line basis over their estimated economic useful lives and assessed for impairment whenever there is an indication the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least once at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Intangible assets (cont'd)

Intangible assets with infinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an infinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statements of profit or loss.

Intangible assets - Stock broking dealer's license

The stock broking dealer's license was acquired by the Group to operate as a "1+1 Broker" and the acquisition cost is recognised as an intangible asset in the statements of financial position.

The useful life of the stock broking dealer's license is reassessed to be infinite and therefore is not amortised. The useful life of the intangible asset is reviewed annually to determine whether the infinite useful life assessment continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

The intangible asset is stated at cost less accumulated impairment losses. The intangible asset is tested for impairment annually, or more frequently if the event and circumstances indicates that the carrying value may be impaired. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(h)(b) to the financial statements.

Intangible assets - Goodwill

Goodwill acquired in a business combination represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets acquired and the liabilities assumed of a subsidiary company at the date of acquisition.

Goodwill arising on the acquisition of subsidiary companies is included in the consolidated statements of financial position as intangible assets.

Goodwill on consolidation is stated at cost less impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised in the statements of profit or loss when the carrying amount of the cash-generating unit including goodwill exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use. 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 assessment of the time value of money and the risks specific to the asset.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of assets

(a) Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's and the Company's trade and other receivables, contract assets, amount due from subsidiary companies, amount due from a related company, deposits with licensed banks and financial institutions and cash and bank balances are subject to the impairment requirements of MFRS 9 Financial Instruments.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:-

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset while 12 months ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating ECL is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company measure loss allowances at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12 months ECL. Loss allowances for trade receivables and contract assets, is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

An impairment loss in respect of financial assets measured at amortised cost is recognised in the statements of profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of assets (cont'd)

(a) Impairment of financial assets (cont'd)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subjected to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

Stated below is the policy adopted by M & A Securities on the impairment of trade receivables.

In accordance with Rule 12.04 of the Rules of Bursa Malaysia Securities Berhad ("Rules"), clients' accounts are classified as non-performing (doubtful and bad) under the following circumstances:-

Type of accounts	Criteria for classification as non-performing	
	Doubtful	Bad
Contra losses	When an account remains outstanding for 16 to 30 calendar days from the date of contra transaction.	When an account remains outstanding for more than 30 calendar days from the date of contra transaction.
Overdue purchase contracts	When an account remains outstanding from T+5 market days to 30 calendar days.	When an account remains outstanding for more than 30 calendar days.
	When a Discretionary Financing ("DF") Account remains outstanding from T+9 market days to 30 calendar days.	When a DF account remains outstanding for more than 30 calendar days.
Margin accounts	-	When the value of the collateral provided to secure the margin accounts have fall below 130% of the outstanding balance.

Specific allowances are made for trade receivables which are considered bad and doubtful or have been classified as non-performing, net of interest-in- suspense and taking into consideration any collateral held and the deposits of all amounts due to the stock broking subsidiary company of the Group in accordance with the Rules.

(b) Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of their non-financial assets to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for a non-financial asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the non-financial asset is less than its carrying amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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 non-financial asset.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of assets (cont'd)

(b) Impairment of non-financial assets (cont'd)

An impairment loss is recognised within other operating expenses in the statements of profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for a non-financial asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the non-financial asset recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously.

All reversals of impairment losses are recognised within other income in the statements of profit or loss. After such a reversal, the depreciation and amortisation of non-financial assets charges are adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful life.

(i) Inventories

(i) Land held for property development

Land held for property development consists of land held for future development where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

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.

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

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced where the development activities can be completed within the normal operating cycle.

The Group presents land held for property development in the statements of financial position as land and property development costs.

(ii) Property development costs

Property development costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs and related overheads incurred and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in the statements of profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Inventories (cont'd)

(ii) Property development costs (cont'd)

Property development costs for which works has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

Property development costs of completed but unsold units are transferred to completed development properties once the development is completed.

The Group presents property development costs in the statements of financial position as land and property development costs.

(iii) Other inventories

Other inventories comprising completed development properties held for sale are stated at the lower of cost and net realisable value.

The cost of completed development properties held for sale under inventories comprises cost associated with the acquisition of land and construction costs, other direct costs and appropriate proportion of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs incurred in marketing, selling and distribution.

Allowance for diminution in value of inventories is recognised in the statements of profit or loss.

(j) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract assets' carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group has performed under the contract and transfer control of the related goods or services to the customers.

(k) Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances, bank overdrafts and deposits with licensed banks and financial institutions that are free from encumbrances and short-term highly liquid investments which have an insignificant risk of change in value.

The Group has excluded dealer's representatives' security deposits and clients' monies held in trust by the Group and deposits pledged to licensed banks and financial institutions from its cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(I) Financial liabilities

(i) Classification

The Group and the Company carry only other financial liabilities on their statements of financial position:-

Amortised cost

The Group's and the Company's other financial liabilities not categorised as fair value through profit or loss include trade payables, other payables, deposits received and accruals, loans and borrowings, amount due to holding company, amount due to related companies and amount due to subsidiary companies.

Loans and borrowings are classified as current liabilities unless the Group has unconditional rights to defer settlement of the liability for at least 12 months after the reporting date.

(ii) Initial recognition and measurement

A financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred.

(iii) Subsequent measurement - gains and losses

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains or losses are recognised in the statements of profit or loss. Any gains or losses on derecognition are also recognised in the statements of profit or loss.

(iv) Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Non-current assets classified as 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. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification 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 for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of reclassification.

(n) Equity instruments

(i) Share capital and treasury shares

An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Ordinary shares are equity instruments.

Interim dividends on ordinary shares are recognised in equity in the period in which they are declared.

Final dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

When issued shares of the Company are repurchased, the consideration paid, including directly attributable transaction costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the statements of profit or loss on the sale, reissuance or cancellation of treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction in retained earnings.

(ii) RCPS

The RCPS is classified as equity if it is non-redeemable, or is redeemable but only at the issuer's option, and any dividends are discretionary. Dividends thereon are recognised as distribution within equity.

(o) Non-controlling interests

Non-controlling interests in the consolidated statements of financial position consist of their share of the fair values of identifiable assets and liabilities of the acquiree.

Non-controlling interests are presented in the consolidated statements of financial position and consolidated statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented on the face of the consolidated statements of profit or loss as an allocation of the total profit or loss for the period between the non-controlling interests and the owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Non-controlling interests (cont'd)

Changes in the Group's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the 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 interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary company are allocated to the non-controlling interests even if it results in the non-controlling interests carrying a deficit balance.

(p) Provision for liabilities

Provision for liabilities are recognised when the Group has a present legal or constructive 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 obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

(q) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or 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 assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(r) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contracts are recognised in the statements of financial position, initially as a liability at fair value, net of transaction costs.

Financial guarantee contracts are subsequently measured at the higher of:-

- the amount determined in accordance with the Expected Credit Losses model under MFRS 9 Financial Instruments; and
- the amount initially recognised, less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 Revenue from Contracts with Customers.

As at the end of the reporting period, no values were placed on corporate guarantees provided by the Company as the Directors of the Company regard the value of the credit enhancement provided by the corporate guarantee to be minimal.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income tax and deferred tax

Income tax in the statements of profit or loss for the financial year/period 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/period and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Current tax is recognised in the statements of profit or loss except to the extent that the tax relates to items recognised outside the statements of profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, 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 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 differences arise 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 is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statements of profit or loss, 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authorities.

(t) Revenue recognition

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of goods based on the five-step revenue recognition model as set out below:-

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when or as the Group and the Company satisfy a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition (cont'd)

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:-

- (i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:-

(i) Revenue from stock broking activities

Revenue from stock broking activities are recognised upon execution of contract. Brokerage income is accounted for before dealer's representatives' commissions and incentives.

(ii) Interest income

Interest income is recognised on accrual basis unless recoverability is in doubt, in which case the recognition of interest is suspended. Subsequent to suspension, interest is recognised on receipt basis.

(iii) Revenue from property development

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable rights to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group recognises revenue at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition (cont'd)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers (cont'd):-

(iv) Sale of securities

Revenue from sale of securities are recognised based on the contracted date and value.

(v) Rental income

Rental income from investment property is recognised in the statements of profit or loss on a straight-line basis over the specific tenure of the respective leases. The aggregate cost of incentives provided to lessee is recognised as a reduction of rental income over the lease term on a straight-line basis.

(vi) Sale of goods and trading activities

Revenue from sale of goods and trading activities is recognised at a point in time which is recognised upon delivery of product and customer acceptance, if any, net of discount and sale returns. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(vii) Revenue from services and fee income

Revenue from services is recognised when services are rendered and invoice issued. Revenue is recognised net of sales and service tax, where applicable.

Fee from advisory and corporate finance activities are recognised over a period of time upon completion of each stage of the engagement.

(viii) Dividend income

Dividend income is recognised when the right to received payment has been established and no significant uncertainty existed with regard to its receipt.

(ix) Other revenue

All other revenues are recognised when the right to receive payment is established and to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(u) Foreign currencies

Foreign currency translation and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of initial transaction.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Foreign currencies (cont'd)

Foreign currency translation and balances (cont'd)

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the statements of profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the statements of profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(v) Leases

The Group as lessee

At the inception of the contract, the Group assesses whether a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Contracts may contain both lease and non-lease components. The Group has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components and will instead account for the lease and non-lease components as a single lease component.

Leases are recognised as right-of-use ("ROU") asset with a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

(i) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and assesses whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

(ii) ROU assets

ROU assets are presented within the property, plant and equipment as disclosed in Note 6 to the financial statements.

Recognition and initial measurement

The ROU assets are initially measured at cost, which comprise the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Leases (cont'd)

The Group as lessee (cont'd)

(ii) ROU assets (cont'd)

Subsequent measurement

ROU assets are subsequently measured at cost, less accumulated depreciation and accumulated impairment loss (if any) and adjusted for any remeasurement of the lease liability. The policy for the recognition and measurement of impairment losses is in accordance with Note 4(h)(b) to the financial statements.

The ROU assets are generally depreciated over the shorter of the assets' useful life and the lease term on a straight-line basis. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as disclosed in Note 4(b)(ii) to the financial statements. If the Group is reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying assets' useful life.

(iii) Lease liabilities

The Group presents the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within finance costs in the statements of profit or loss.

Recognition and initial measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability can comprise of the followings:-

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase and extension option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that depend on future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in the statements of profit or loss in the period in which the performance or use occurs.

Subsequent measurement

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the ROU asset or is recognised in statements of profit or loss if the carrying amount has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Leases (cont'd)

The Group as lessee (cont'd)

(iv) Short-term leases and leases of low value assets

The Group applies recognition exemption to its short-term leases and low value assets. Short-term leases are leases with a lease term of twelve months or less and do not contain a purchase option. Payments associated with short-term leases and low value assets are recognised as an expense in the statements of profit or loss on a straight-line basis over the lease term.

The Group as lessor

Recognition and initial measurement

When the Group acts as lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is finance lease, if not, then it is an operating lease.

Subsequent measurement

Where the Group acts as lessor in an operating lease arrangement, the Group recognises lease payments received in the statements of profit or loss on a straight-line basis over the lease term.

(w) Borrowing costs

All borrowing costs are expensed to the statements of profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as part of the cost of a qualifying asset if the cost is directly attributable to the acquisition, construction or production of the qualifying asset.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(x) Employee benefits

(i) Short term employee benefits

Wages, salaries, allowances, bonuses, incentives, employment insurance scheme and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group. 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. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Employee benefits (cont'd)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current financial period and preceding financial years.

Such contribution is recognised as an expense in the statements of profit or loss as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

(y) Segmental reporting

The Group prepares segmental reporting wherein the operating segments are identified on the basis of internal reports on the operating segments of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance.

In identifying the operating segments, the management generally follows the Group's classification of operating segments, which represent the main products and services provided by the Group. Each of these operating segments is managed separately as each of these segments requires different resources. All inter segment transfers are carried out on negotiated basis.

(z) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements ("the reporting entity"). A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

A person or a close member of that person's family is related to the reporting entity if that person:-

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity.

An entity is related to the reporting entity if any of the following conditions applies:-

- the entity and the reporting entity are members of the same group;
- one entity is an associate company or jointly controlled entity of the reporting entity;
- both the entities are jointly controlled entities of the same third party;
- one entity is a jointly controlled entity of a third entity and the other entity is an associate company of the third entity;
- the entity is controlled or jointly-controlled by a person identified in the preceding paragraph above;
- the entity provides key management personnel services to the reporting entity; or
- a person who has control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity.

(aa) Sales and Service Tax ("SST")

SST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

The amount of SST payable to the taxation authority is included as part of payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

5 MFRSs

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year and in conformity with the applicable MFRSs issued by the Malaysian Accounting Standards Board ("MASB"):-

(a) Adoption of revised Standards that are effective

At the beginning of the current financial year/period, the Group and the Company adopted amendments to Standards and annual improvements to Standards issued by the MASB which are relevant to the Group for the financial year beginning on or after 1 July 2022 and to the Company for the financial period beginning on or after 1 August 2022.

The amendments to Standards and annual improvements to Standards did not have any material financial impact to the financial statements of the Group and of the Company.

(b) New and revised Standards that have been issued but are not yet effective

At the date of authorisation of these financial statements, the following new Standard and amendments to Standards have been issued by the MASB but are not yet effective, and have not been early adopted by the Group and the Company:-

Effective for financial period beginning on or after 1 January 2023

MFRS 17 and amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	Income Taxes - International Tax Reform: Pillar Two Model Rules

Effective for financial period beginning on or after 1 January 2024

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-Current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for financial period beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
------------------------	--

Effective date deferred indefinitely

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	--

Management anticipates that all relevant pronouncements will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of the pronouncements.

The initial applications of the relevant new Standard and amendments to Standards are not expected to have any material financial impact to the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

6 PROPERTY, PLANT AND EQUIPMENT

Group	Owned assets					ROU assets		Total
	Freehold land RM'000	Freehold building RM'000	Motor vehicles RM'000	Office furniture, fittings and equipment RM'000	Office renovation RM'000	Motor vehicles under lease RM'000	Premises under lease RM'000	
2023								
Cost								
At beginning of financial year	579	3,415	-	5,802	6,490	378	1,699	18,363
Additions	-	-	-	480	10	-	2,122	2,612
Acquisition of subsidiary companies	-	-	1,066	-	-	-	-	1,066
Reclassify from investment property	-	172	-	-	-	-	-	172
Disposals	-	-	(450)	-	-	-	-	(450)
Written off	-	-	-	(874)	(72)	-	-	(946)
Expiration of lease contract	-	-	-	-	-	-	(1,699)	(1,699)
At end of financial year	579	3,587	616	5,408	6,428	378	2,122	19,118
Accumulated depreciation								
At beginning of financial year	-	11	-	4,498	5,271	271	1,379	11,430
Charge for the financial year	-	72	-	395	199	76	919	1,661
Acquisition of subsidiary companies	-	-	1,066	-	-	-	-	1,066
Disposals	-	-	(450)	-	-	-	-	(450)
Written off	-	-	-	(874)	(72)	-	-	(946)
Expiration of lease contract	-	-	-	-	-	-	(1,699)	(1,699)
At end of financial year	-	83	616	4,019	5,398	347	599	11,062
Net carrying amount as at 30 June 2023	579	3,504	-	1,389	1,030	31	1,523	8,056

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)

	← Owned assets →				← ROU assets →		Total RM'000
	Freehold land RM'000	Freehold building RM'000	Office furniture, fittings and equipment RM'000	Office renovation RM'000	Motor vehicles under lease RM'000	Premises under lease RM'000	
2022							
Cost							
At beginning of financial year	439	3,526	5,219	5,677	378	1,699	16,938
Additions	-	-	624	827	-	-	1,451
Derecognition of a subsidiary company	(439)	(3,526)	(7)	-	-	-	(3,972)
Reclassify from investment property	579	3,415	-	-	-	-	3,994
Written off	-	-	(34)	(14)	-	-	(48)
At end of financial year	579	3,415	5,802	6,490	378	1,699	18,363
Accumulated depreciation							
At beginning of financial year	-	1,550	4,245	5,103	195	496	11,589
Charge for the financial year	-	28	294	182	76	883	1,463
Derecognition of a subsidiary company	-	(1,567)	(7)	-	-	-	(1,574)
Written off	-	-	(34)	(14)	-	-	(48)
At end of financial year	-	11	4,498	5,271	271	1,379	11,430
Net carrying amount as at 30 June 2022	579	3,404	1,304	1,219	107	320	6,933

- (a) The net carrying amount of property, plant and equipment pledged to a licensed bank for banking facilities granted to the Group is as follows:-

	Group	
	2023 RM'000	2022 RM'000
<u>Owned assets</u>		
Freehold land and building	4,083	3,983

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) The net carrying amount of property, plant and equipment acquired under lease liabilities are as follows:-

	Group
	2023
	RM'000
	2022
	RM'000
Motor vehicles	31
	107

(c) The Group has certain leases of equipments, premises and motor vehicles with lease terms of 12 months or less or with low value. The Group applied the short term lease and lease of low value assets recognition exemptions for these leases.

(d) Extension and termination options are included in premises' and motor vehicle's leases. These are used to maximise operational flexibility in terms of managing the assets used in operations.

Upon expiry of the lease term, the Group shall have the option to renew the lease at an annual rent to be mutually agreed with the lessor, which the option is exercisable by the Group. In the event the lease is terminated before expiry of the tenure, the Group shall be liable to pay the lessor a sum equal to the annual rent for the remaining unexpired period.

7 INVESTMENT PROPERTY

Group	Freehold land	Freehold building	Total
	RM'000	RM'000	RM'000
2023			
At beginning of financial year	1,421	8,385	9,806
Addition	-	594	594
Reclassify to property, plant and equipment	-	(172)	(172)
Fair value loss	-	(422)	(422)
Net carrying amount as at 30 June 2023			
- At fair value	1,421	8,385	9,806
2022			
At beginning of financial year	1,925	8,059	9,984
Addition	2,000	11,800	13,800
Derecognition of a subsidiary company	(1,925)	(8,059)	(9,984)
Reclassify to property, plant and equipment	(579)	(3,415)	(3,994)
Net carrying amount as at 30 June 2022			
- At fair value	1,421	8,385	9,806

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

7 INVESTMENT PROPERTY (CONT'D)

In the previous financial year, the Group acquired the freehold land and building from a related company for a total consideration of RM13,800,000.

- (a) The rental income and associated direct operating expenses of the investment property are disclosed in Note 29 and Note 33 to the financial statements.
- (b) The carrying amount of investment property pledged to a licensed bank for banking facilities granted to the Group is as follows:-

	Group	
	2023	2022
	RM'000	RM'000
Freehold land and building	9,806	9,806

- (c) The following table provides an analysis of the fair value hierarchy of investment property that is measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on degree to which the fair value is observable:-

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
2023				
<u>Investment property</u>				
Freehold land and building	–	9,806	–	9,806
	–	9,806	–	9,806
2022				
<u>Investment property</u>				
Freehold land and building	–	9,806	–	9,806
	–	9,806	–	9,806

The Level 2 fair value measurements are derived from the following valuation methods adopted to determine the fair value of the investment property:-

- (i) Sales comparison method entails analysing the recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made to differences in location, visibility, size and tenure etc.
- (ii) Reference to market evidence of transacted prices for similar properties using comparable prices adjusted for specific market factors such as nature, location and condition of the investment property.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

8 SUBSIDIARY COMPANIES

	Company	
	30.06.2023	31.07.2022
	RM'000	RM'000
(a) Unquoted shares, at cost	192,570	30,570
Redeemable convertible preference shares	60,000	–
Less: Accumulated impairment loss	(16,107)	(15,922)
	236,463	14,648

The movement of the impairment account used to record the impairment is as follows:-

	Company	
	30.06.2023	31.07.2022
	RM'000	RM'000
At beginning of financial period/year	15,922	16,131
Charge for the financial period/year	185	–
Reversal of impairment losses	–	(209)
At end of financial period/year	16,107	15,922

The Company assesses whether there is any indicator of impairment during the financial period. If any such indication exists, the management of the Company assesses the recoverable amount of the subsidiary companies and an impairment loss is recognised when the recoverable amount of the subsidiary companies is less than their carrying amount. The recoverable amount of the subsidiary companies are determined based on fair value less costs to sell method and are within Level 3 of the fair value hierarchy. An impairment loss on investment in a subsidiary company amounting to RM185,000 (31.07.2022: RMNil) had been recognised during the financial period. The Company has also identified writeback of impairment loss of RMNil (31.07.2022: RM209,000) on investment in a subsidiary company due to the recoverable amount is higher than the carrying amount.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

The Group's and the Company's equity interest in the subsidiary companies, their respective principal activities and principal place of business are shown in Note 45 to the financial statements. The Group's does not have any subsidiary companies which are controlled with less than a majority of voting rights. The Group's material non-controlling interests is disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

8 SUBSIDIARY COMPANIES (CONT'D)

- (b) Amount due from/(to) subsidiary companies

	Company	
	30.06.2023	31.07.2022
	RM'000	RM'000
<u>Current asset</u>		
Amount due from subsidiary companies	56,608	91,823
Less: Allowance for impairment	(1,089)	(6,281)
	55,519	85,542

The amount due from subsidiary companies represents non-trade balances which are interest bearing, at effective interest rate of 1.90% (31.07.2022: 1.90%) per annum, unsecured and are repayable on demand.

The amount due to subsidiary companies represents non-trade balances which are interest bearing, at effective interest rate of 1.90% (31.07.2022: 1.90%) per annum, unsecured and are repayable on demand.

The movement of the allowance account used to record the impairment is as follows:-

	Company	
	30.06.2023	31.07.2022
	RM'000	RM'000
At beginning of financial period/year	6,281	7,000
Charge for the financial period/year	183	44
Writeback during the financial period/year	(5,375)	(763)
At end of financial period/year	1,089	6,281

- (c) In the preceding financial year, the carrying amount of the investment in a subsidiary company, Seng Yip Furniture Sdn. Bhd., was presented separately in the statements of financial position as asset held for sale as disclosed in Note 40 to the financial statements.
- (d) The reconciliation of liabilities arising from financing activities in the statements of cash flows is as follows:-

	At beginning of financial period/year RM'000	Net addition/ (repayment) RM'000	Interest expenses RM'000	At end of financial period/year RM'000
Company				
30.06.2023				
Amount due to subsidiary companies	3,251	12,167	248	15,666
31.07.2022				
Amount due to a subsidiary company	17,950	(14,750)	51	3,251

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023
(CONT'D)

9 INTANGIBLE ASSETS

Group	Stock broking dealer's license RM'000	Goodwill on consolidation RM'000	Total RM'000
2023			
Cost			
At beginning of financial year	45,500	–	45,500
Acquisition of subsidiary companies	–	25,696	25,696
At end of financial year	45,500	25,696	71,196
Less:			
Accumulated amortisation			
At beginning and end of financial year	7,053	–	7,053
Accumulated impairment losses			
At beginning and end of financial year	12,400	–	12,400
Net carrying amount	26,047	25,696	51,743
2022			
Cost			
At beginning and end of financial year	45,500	–	45,500
Less:			
Accumulated amortisation			
At beginning and end of financial year	7,053	–	7,053
Accumulated impairment losses			
At beginning and end of financial year	12,400	–	12,400
Net carrying amount	26,047	–	26,047

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

9 INTANGIBLE ASSETS (CONT'D)

Impairment testing of stock broking dealer's license

The stock broking dealer's license had been allocated to the Group's stock broking business as a cash-generating unit ("CGU"), a reportable segment for impairment testing. The recoverable amount of the CGU has been determined based on a value in use calculation using cash flow projections covering a five-year period with an assumed revenue growth rate of 4% (2022: 5%) approved by the management of the stock broking subsidiary company. The discount rate applied to the cash flow projections is 7% (2022: 5%). The recoverable amount of the CGU is compared to the total carrying amount of the dealer's license. The management of the stock broking subsidiary company believes that no reasonable possible change in any of the key assumptions would cause the carrying value to materially exceed its recoverable amount.

Key assumptions used in value in use calculation of CGU

The key assumptions on which the management of the stock broking subsidiary company has based its cash flow projections to undertake impairment testing of the stock broking dealer's license are set out below:-

(a) Budgeted gross brokerage rate and gross margin rate

This is determined based on the CGU's past performance and the management of the stock broking subsidiary company's expectation of the performance of the local stock market index and market development.

(b) Operational costs

Other operational costs are expected to increase in line with expected inflation or expansion of the stock broking business.

Impairment testing on goodwill on consolidation

Goodwill arising from the reverse acquisition had been allocated to the investment holding and property development division as the cash-generating units ("CGUs"). The recoverable amounts of the CGUs has been determined based on a values in use calculations using cash flow projections covering a five-year period with an assumed average growth rate of 14% approved by the management of the subsidiary company. The discount rates applied to the cash flow projections is 6%. The recoverable amounts of the CGUs are compared to the total carrying amounts of the goodwill. The management of the subsidiary company believes that no reasonable possible change in any of the key assumptions would cause the carrying values to materially exceed their recoverable amounts except for changes in the prevailing operating environment which is not ascertainable.

The key assumptions on which the management of the subsidiary company has based its cash flow projections to undertake impairment testing of the goodwill are as follows:-

- the cash flows were projected based on expected operating results and a five-year business plans; and
- the discount rates applied to the cash flows projections are derived from the weighted average cost of capital plus a reasonable risk premium.

The derivation of the goodwill on consolidation of RM25,696,000 is disclosed in Note 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

10 LAND AND PROPERTY DEVELOPMENT COSTS

	Group 2023 RM'000	2022 RM'000
Non-current		
<u>Freehold land</u>		
At beginning of financial year	–	–
Acquisition of subsidiary companies	68,000	–
Addition-land related cost during the financial year	41	–
At end of financial year	68,041	–
Current		
<u>Property development costs</u>		
At beginning of financial year	–	–
Acquisition of subsidiary companies	268,150	–
Addition	1,458	–
Net reimbursement from project stakeholders	(10,481)	–
At end of financial year	259,127	–
<u>Less: Accumulated costs recognised in the statements of profit or loss</u>		
At beginning of financial year	–	–
Acquisition of subsidiary companies	(255,965)	–
Recognised during the financial year	(124)	–
At end of financial year	(256,089)	–
Total property development costs	3,038	–

The freehold land of the Group amounting to RM68,041,000 (2022 : RMNil) have been pledged to a licensed bank as security for credit facilities granted to the Group.

11 DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2023 RM'000	2022 RM'000
At beginning of financial year	2,666	2,904
Recognised in statements of profit or loss (Note 35)	(1,030)	(238)
Acquisition of subsidiary companies	(8,838)	–
At end of financial year	(7,202)	2,666
Presented as follows:-		
Deferred tax assets	1,636	2,666
Deferred tax liabilities	(8,838)	–
	(7,202)	2,666

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

11 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components of deferred tax assets and liabilities during the financial year are as follows:-

Deferred tax assets

Group	Other timing differences RM'000
2023	
At beginning of financial year	2,666
Recognised in statements of profit or loss	(1,030)
At end of financial year	<u>1,636</u>
2022	
At beginning of financial year	2,904
Recognised in statements of profit or loss	(238)
At end of financial year	<u>2,666</u>

The utilisation of the deferred tax assets is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

Deferred tax liabilities

Group	Land and property development costs RM'000
2023	
At beginning of financial year	-
Acquisition of subsidiary companies	8,838
At end of financial year	<u>8,838</u>

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023
(CONT'D)

11 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

As at reporting date, the Group and the Company have deferred tax assets (stated at gross) not recognised in the financial statements as follows:-

	Group		Company	
	2023	2022	30.06.2023	31.07.2022
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses				
- expiry by year of assessment 2028	(9,877)	(223)	(1,489)	(1,598)
- expiry by year of assessment 2029	(20,772)	(55)	-	-
- expiry by year of assessment 2030	(9,038)	(53)	-	-
- expiry by year of assessment 2031	(2,451)	(50)	-	-
- expiry by year of assessment 2032	(4,816)	(48)	-	-
- expiry by year of assessment 2033	(1,985)	-	-	-
	(48,939)	(429)	(1,489)	(1,598)
Unabsorbed capital allowances	(4,107)	-	-	-
Property development costs	(10,492)	-	-	-
Unutilised reinvestment allowances	(39)	-	-	-
	(63,577)	(429)	(1,489)	(1,598)

The above unutilised tax losses, unutilised reinvestment allowances and unabsorbed capital allowances are available for offset against future taxable profits. Deferred tax assets in respect of these items have not been recognised as it was not certain that future taxable profit will be available against which the Group and the Company can utilise the benefits.

Effective from year of assessment 2019 as announced in the Federal Budget 2019, the unutilised tax losses of the Group and of the Company as at 30 June 2019 and 31 July 2019 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded. The existing time limit to carry forward unutilised tax losses is extended to 10 consecutive years as announced in the Budget 2022.

12 INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
Completed apartments units and retail lots	10,066	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

13 CONTRACT ASSETS/(LIABILITIES)

	Group 2023 RM'000	2022 RM'000
Contract assets	75,923	–
Contract liabilities	(1,154)	–
	74,769	–
<u>Property development activities</u>		
At beginning of financial year	–	–
Acquisition of subsidiary companies	74,630	–
Addition during the financial year:		
- Property development revenue recognised	139	–
At end of financial year	74,769	–

Contract assets in relation to property development activities is the excess of revenue recognised in statements of profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional.

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM5,645,000 (2022: RMNil). The Group expects to recognise this revenue over the next 12 months (2022: Nil).

Contract liabilities refers to provision for liquidated ascertained damages which is expected to be claimed by the purchasers based on the terms of the applicable sale and purchase agreements.

14 TRADE RECEIVABLES

	Group 2023 RM'000	2022 RM'000
Trade receivables	179,374	167,987
Less: Allowance for impairment	(1,183)	(9,684)
	178,191	158,303

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

Included in trade receivables of the Group are amounts receivable from margin clients, non-margin clients (brokers and foreign brokers), outstanding purchase contracts, contra losses and others entered into on behalf of clients where settlements via the Bursa Malaysia Securities Berhad's Fixed Delivery and Settlement System trading rules have yet to be made as at the reporting date amounting to RM177,197,000 (2022: RM158,281,000).

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

14 TRADE RECEIVABLES (CONT'D)

The ageing analysis of the Group's trade receivables is as follows:-

	2023 RM'000	Group 2022 RM'000
Neither past due nor impaired	177,097	158,011
1 to 30 days past due not impaired	21	24
31 to 60 days past due not impaired	636	24
61 to 90 days past due not impaired	7	5
91 to 120 days past due not impaired	35	-
More than 120 days past due not impaired	395	239
	1,094	292
Impaired	1,183	9,684
	179,374	167,987

Trade receivables that are neither past due nor impaired are creditworthy debtors with insignificant losses noted. These trade receivables amounting to RM142,029,000 (2022: RM141,342,000) are secured in nature.

Trade receivables of RM1,094,000 (2022: RM292,000) that are past due but not impaired are unsecured in nature and the management is of the view these debts are recoverable and it relates to a number of independent customers from whom there is no recent history of default.

Trade receivables that are impaired amounting to RM1,183,000 (2022: RM9,684,000) relate to receivables that are in significant financial difficulties and have defaulted on repayments. These receivables are not secured by any collateral.

The fair value of the collateral at the reporting date is RM586,915,000 (2022: RM352,343,000).

Information on the credit risk of trade receivables is disclosed in Note 47(b)(ii) to the financial statements.

The movement of the allowance account used to record impairment is as follows:-

	2023 RM'000	Group 2022 RM'000
At beginning of financial year	9,684	9,900
Acquisition of subsidiary companies	5	-
Charge for the financial year	-	114
Writeback during the financial year	(8,506) *	(330)
At end of financial year	1,183	9,684
Individually impaired	1,183	9,684

* Writeback of allowance for impairment of RM8,506,000 during the financial year arose due to recovery of doubtful debts of RM172,000 and bad debts written off of RM8,334,000.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

15 AMOUNT DUE FROM/(TO) RELATED COMPANIES

Related companies refer to members of Insas Berhad's group of companies.

The amount due from a related company in the preceding financial year represents non-trade balances which is non-interest bearing, unsecured and are repayable on demand.

The amount due to related companies represents trade and non-trade balances which are unsecured and repayable on demand as follows:-

	Group	
	2023	2022
	RM'000	RM'000
Interest bearing at 6% to 8% (2022: 6%) per annum	60,267	50,267
Non-interest bearing	–	7,712
At end of financial year	60,267	57,979

The interest bearing balances amounting to RM50,267,000 (2022: RM50,267,000) were used for financing the share margin activities and trade settlement for the stockbroking business.

The reconciliation of liabilities arising from financing activities in the statements of cash flows is as follows:-

	At beginning of financial year RM'000	Net (repayment)/ advance RM'000	At end of financial year RM'000
Group			
2023			
Amount due to related companies	7,712	(7,712)	–
2022			
Amount due to related companies	6,507	1,205	7,712

16 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023	2022	30.06.2023	31.07.2022
	RM'000	RM'000	RM'000	RM'000
Sundry receivables				
- interest bearing ranging from 1.49% to 2.73% (2022 : 1.19% to 1.34%) per annum	6,322	6,199	–	–
- non-interest bearing	4,497	454	–	1
Deposits paid	3,130	775	–	–
Prepayments	282	207	79	–
	14,231	7,635	79	1

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

16 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The Group's and the Company's sundry receivables are creditworthy debtors and are repayable on demand. The Group's and the Company's deposits paid are not impaired.

Included in sundry receivables of the Group are:-

- (i) interest receivable on deposits with licensed bank amounting to RM536,000 (2022: RM360,000). The interest rates of the deposits with licensed banks are disclosed in Note 18 to the financial statements.
- (ii) the deposits paid to Bursa Malaysia Securities Clearing Sdn. Bhd. amounting to RM6,322,000 (2022: RM6,199,000) by M & A Securities for the purpose of clearing and settlement of trade contracts.
- (iii) amount due from a company related to Directors of certain subsidiary companies amounting to RM854,000 (2022: RMNil) and is interest free, unsecured and is repayable on demand.

Included in deposit paid of the Group are rental deposit paid to related companies amounting to RM166,000 (2022: RM76,000).

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group 2023 RM'000	2022 RM'000
Quoted securities, at market value - in Malaysia	1,893	4,951

The Group's financial assets at fair value through profit or loss amounting to RMNil (2022: RM578,000) are pledged to a licensed bank for banking facilities granted to the Group.

18 DEPOSITS WITH LICENSED BANKS AND FINANCIAL INSTITUTIONS

	Group 2023 RM'000	2022 RM'000	Company 30.06.2023 RM'000	31.07.2022 RM'000
Deposits with licensed banks and financial institutions consist of the following:-				
- fixed deposits	3,815	626	-	-
- short term deposits	115,751	17,467	91,601	-
	119,566	18,093	91,601	-

Deposits placed with licensed banks amounting to RM3,815,000 (2022: RM626,000) of the Group are pledged to licensed banks as security for banking and credit facilities granted to the Group.

Dealer's representatives' deposits and monies held in trust on behalf of clients of RM318,336,000 (2022: RM233,833,000) in respect of the stockbroking business are excluded from deposits with licensed banks and financial institutions of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 26 and Note 28 to the financial statements.

The effective interest rates for deposits with licensed banks and financial institutions of the Group and of the Company range from 1.75% to 2.45% (2022: 1.50% to 2.00%) and 1.85% (31.07.2022: Nil) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

19 CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM258,000 (2022: RMNil) maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations. The withdrawal of funds from the housing development account is restricted to cost incurred in respect of the development project.

Dealer's representatives' deposits and monies held in trust on behalf of clients of RM78,115,000 (2022: RM76,733,000) in respect of the stockbroking business are excluded from cash and bank balances of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 26 and Note 28 to the financial statements.

20 SHARE CAPITAL

	Group		Amount	
	Number of shares			
	2023 Unit'000	2022 Unit'000	2023 RM'000	2022 RM'000
Issued and fully paid with no par value:-				
<u>Ordinary shares</u>				
At beginning of financial year	574,109	100,000	100,000	100,000
Reclassification from RCPS arising from reverse acquisition	—	—	60,000	—
Issuance of shares pursuant to:-				
- Acquisition of M & A Securities	1,009,091	—	125,152	—
- Rights Issue	284,436	—	62,576	—
- Restricted Issue	136,324	—	29,991	—
At end of financial year	2,003,960	100,000	377,719	100,000
<u>RCPS</u>				
At beginning of financial year	—	60,000	60,000	60,000
Reclassification to ordinary share arising from reverse acquisition	—	—	(60,000)	—
At end of financial year	—	60,000	—	60,000
Total	2,003,960	160,000	377,719	160,000

	Company		Amount	
	Number of shares			
	30.06.2023 Unit'000	31.07.2022 Unit'000	30.06.2023 RM'000	31.07.2022 RM'000
Issued and fully paid with no par value:-				
<u>Ordinary shares</u>				
At beginning of financial period/year	574,109	574,109	143,527	143,527
Capital repayment to shareholders of the Company	—	—	(102,397)	—
Issuance of shares pursuant to:-				
- Acquisition of M & A Securities	1,009,091	—	222,000	—
- Rights Issue	284,436	—	62,576	—
- Restricted Issue	136,324	—	29,991	—
At end of financial period/year	2,003,960	574,109	355,697	143,527

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

20 SHARE CAPITAL (CONT'D)

During the financial period, the movement to the Company's share capital are as follows:-

- (a) On 30 January 2023, the High Court of Malaya in Kuala Lumpur granted the order for the reduction of share capital of the Company pursuant to Section 116 of the Companies Act 2016 wherein the Company's share capital was reduced from RM143,527,253 to RM41,130,111 comprising of 568,873,012 ordinary shares (excluding the 5,236,000 ordinary shares being held as treasury shares) of RM0.072 each.
- (b) the Company carried out a capital repayment exercise in two (2) tranches pursuant to Section 116 of the Companies Act 2016:-
 - (i) by way of cash distribution of RM0.07 per ordinary share amounting to RM39,821,111 on 17 April 2023 whereby RM37,456,777 was paid to the shareholders of the Company and RM2,364,334 was forgone by a major shareholder on his entitlement.
 - (ii) by way of cash distribution of RM0.11 per ordinary share amounting to RM62,576,031 on 7 June 2023 whereby RM58,940,365 was paid to the shareholders of the Company and RM3,635,666 was forgone by a major shareholder on part of his entitlement.
- (c) the Company issued:-
 - (i) 1,009,090,909 new ordinary shares at an issue price of RM0.22 each to Insas Berhad pursuant to the Company's acquisition of 100% equity interest and redeemable convertible preference shares in M & A Securities Sdn. Bhd. from Insas Berhad for a purchase consideration of RM222 million.
 - (ii) 284,436,506 new ordinary shares ("Rights Shares") pursuant to the Rights Issue on the basis of 1 Rights share for every 2 existing ordinary shares in the Company and 136,323,600 new ordinary shares ("Restricted Issue Shares") pursuant to the Restricted Issue at an issue price of RM0.22 each. The proceeds from the issuance of Rights Shares and Restricted Issue Shares will be utilised to repay amount owing by M & A Securities Sdn. Bhd. to related companies, expenses relating to the corporate exercise and for working capital purposes.

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

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

The salient terms of M & A Securities' RCPS are as follows:-

- (i) The RCPS is allowed to convert into ordinary shares at any time at the option of the RCPS holder(s).
- (ii) The RCPS carries the right to receive cumulative gross preferential dividend at a dividend rate of 6 sen per annum on the issue price of the RCPS. The dividends shall be made every 6 monthly ending on 30 June and 31 December of each year.
- (iii) The RCPS is perpetual in nature from the date of issuance.
- (iv) The RCPS is redeemable at 100% of the issue price of the RCPS at any time during the tenure of the RCPS at the option of M & A Securities as the issuer. M & A Securities may redeem the RCPS on a pro-rata basis at their nominal value of the issue price of the RCPS commencing from the date of issue of the RCPS up to the date of redemption.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

20 SHARE CAPITAL (CONT'D)

The salient terms of M & A Securities' RCPS are as follows (cont'd):-

- (v) In the event of default, the RCPS holder(s) may at their discretion, require M & A Securities to redeem the RCPS at the issue price together with accrued but unpaid dividend in the event of M & A Securities become insolvent or is unable to pay its debts as they fall due or ceasing or threatening to carry on its business or a substantial part of its business, or breaching the terms of the RCPS. The RCPS holder(s) shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of M & A Securities.
- (vi) The RCPS holders are not entitled to any voting rights or participation in any rights, allotments and/or other distributions in M & A Securities, except in the following circumstances:-
 - (a) where the dividend or part of the dividend on the RCPS has been declared but remains unpaid for more than six (6) months;
 - (b) on a proposal to reduce M & A Securities' share capital;
 - (c) on a proposal for the disposal of M & A Securities' assets, business and undertakings in excess of 25% of net assets of M & A Securities based on the last audited financial statements;
 - (d) upon any resolution which varies or is deemed to vary the rights and privileges attaching to the RCPS;
 - (e) upon any resolution of winding-up of M & A Securities; and
 - (f) other circumstances as may be provided under the law which is applicable to preference shares and/or preference shareholders from time to time.

21 TREASURY SHARES

	Group			
	Number of shares		Amount	
	2023 Unit'000	2022 Unit'000	2023 RM'000	2022 RM'000
At beginning and end of financial year	5,236	–	–	–

	Company			
	Number of shares		Amount	
	30.06.2023 Unit'000	31.07.2022 Unit'000	30.06.2023 RM'000	31.07.2022 RM'000
At beginning and end of financial period/year	5,236	5,236	(761)	(761)

The shareholders of the Company had by an ordinary resolution passed at the Annual General Meeting held on 5 January 2023, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company has the right to cancel, resell these shares and/or distribute these shares as dividends at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

22 OTHER RESERVE

Other reserve relates to the changes of fair value of financial asset at fair value through other comprehensive income.

23 NON-CONTROLLING INTERESTS

The Group's subsidiary company that has material non-controlling interests ("NCI") are as follows:-

	2023 Darul Majumas Sdn. Bhd.
NCI's percentage of ownership interest and voting interest	25%
Carrying amount of NCI (RM'000)	14,661
Loss allocated to NCI (RM'000)*	91

* Loss allocated to NCI is based on NCI's share of results of Darul Majumas Sdn. Bhd., for the period from Completion Date to 30 June 2023 as explained in Note 2(a) to the financial statements.

The summary of financial position, financial performance and cash flows before intra-group elimination of the subsidiary company that has material NCI is as follows:-

	RM'000
Financial position as at 30 June 2023	
<u>Assets and liabilities</u>	
Current assets	85,868
Current liabilities	(27,225)
Net assets	58,643
Financial performance for the financial period ended 30 June 2023	
<u>Results</u>	
Revenue	11,023
Profit for the financial period	528
Summary of Statement of Cash flows for the financial period ended 30 June 2023	
<u>Change in cash and cash equivalent</u>	
Net cash used in operating activities	(14,208)
Net cash from financing activities	13,652
Net decrease in cash and cash equivalent	(556)

There was no dividend paid to NCI in the current financial period.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

24 LOANS AND BORROWINGS

	Group 2023 RM'000	2022 RM'000
<u>Short-term loans and borrowings - secured</u>		
Bank overdrafts	–	78
Term loans	2,485	–
Revolving credit facilities	10,000	10,000
	12,485	10,078
<u>Long-term loans and borrowings - secured</u>		
Term loans	18,151	–
	18,151	–
	30,636	10,078

The maturity profile of the loans and borrowings as at the reporting date are as follows:-

	Group 2023 RM'000	2022 RM'000
<u>Amount repayable:-</u>		
On demand or within 1 year	12,485	10,078
More than 1 year but not later than 2 years	2,482	–
More than 2 years but not later than 5 years	7,447	–
More than 5 years	8,222	–
	30,636	10,078

The loans and borrowings of the Group are secured against the followings:-

- (i) legal charge over certain properties of the Group;
- (ii) fixed deposits with licensed banks of the Group;
- (iii) corporate guarantee by the Company and holding company;
- (iv) certain quoted securities of the Group's and the Group's margin clients; and
- (v) certain quoted securities held by a related company.

The effective interest rates per annum on the loans and borrowings as at the reporting date were as follows:-

	Group 2023	2022
Bank overdrafts	6.89% - 8.14%	6.89% - 7.47%
Term loans	6.84%	–
Revolving credit facilities	4.62% - 5.55%	4.19% - 4.62%

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

24 LOANS AND BORROWINGS (CONT'D)

The reconciliation of liabilities arising from financing activities in the statements of cash flows is as follows:-

	At beginning of financial year RM'000	Acquisition of subsidiary companies RM'000	Net repayment RM'000	At end of financial year RM'000
Group				
2023				
Term loans	-	21,049	(413)	20,636

25 LEASE LIABILITIES

	Group 2023 RM'000	2022 RM'000
<u>Current</u>		
Leases for motor vehicles	40	68
Leases for premises	1,157	327
	1,197	395
<u>Non-current</u>		
Leases for motor vehicles	-	40
Leases for premises	388	-
	388	40
Total lease liabilities	1,585	435

The maturity analysis of lease liabilities of the Group are disclosed in Note 47(b)(iv) to the financial statements.

The lease liability for motor vehicle is secured by the motor vehicle acquired under the finance lease arrangement.

The effective interest rates per annum for lease liabilities are as follows:-

	Group 2023	2022
Leases for motor vehicles	3.78%	3.78%
Leases for premises	1.96% - 2.40%	1.75%

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

25 LEASE LIABILITIES (CONT'D)

The reconciliation of liabilities arising from financing activities in the statements of cash flows is as follows:-

	At beginning of financial year RM'000	Addition of new lease RM'000	Repayment RM'000	Others RM'000	At end of financial year RM'000
Group					
2023					
Lease liabilities for motor vehicles	108	–	(68)	–	40
Lease liabilities for premises	327	2,122	(954)	50	1,545
	435	2,122	(1,022)	50	1,585
2022					
Lease liabilities for motor vehicles	176	–	(68)	–	108
Lease liabilities for premises	1,221	–	(894)	–	327
	1,397	–	(962)	–	435

Cash outflows for leases as a lessee is as follows:-

	Group	
	2023	2022
	RM'000	RM'000
<u>Included in cash flows from operating activities</u>		
Payment relating to short-term and low value leases	1,522	2,118
Payment relating to interest on lease liabilities	56	28
<u>Included in cash flows from financing activities</u>		
Payment of lease liabilities	1,022	962
Total cash outflows from leases	2,600	3,108

26 TRADE PAYABLES

Included in trade payables of the Group are amounts payable to brokers, outstanding sales contracts, contra gains and others entered into on behalf of clients where settlements via the Bursa Malaysia Securities Berhad's Fixed Delivery and Settlement System trading rules have yet to be made as at the reporting date amounting to RM62,662,000 (2022: RM44,741,000).

Included in trade payables of the Group is amount due to a company related to Directors of certain subsidiary companies in respect of landowner's entitlement for the property development project amounting to RM398,000 (2022: RMNil) and is unsecured, interest free and is repayable on demand.

All trade payables are non-interest bearing except for monies held in trust on behalf of clients that bear interest ranging from 1.40% to 2.40% (2022 : 1.15% to 1.40%) per annum.

Monies held in trust on behalf of clients amounting to RM381,216,000 (2022: RM297,800,000) in respect of the stockbroking business are excluded from trade payables of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 18 and Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

27 AMOUNT DUE TO HOLDING COMPANY

The holding company is Insas Berhad, a public limited liability company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The amount due to holding company is non-trade in nature, unsecured, interest free and is repayable on demand.

The reconciliation of liabilities arising from financing activities in the statements of cash flows is as follows:-

	At beginning of financial year RM'000	Net repayment RM'000	At end of financial year RM'000
Group			
2023			
Amount due to holding company	3,035	(558)	2,477
2022			
Amount due to holding company	6,616	(3,581)	3,035

28 OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

Other payables, deposits received and accruals consist of the followings:-

	Group		Company	
	2023 RM'000	2022 RM'000	30.06.2023 RM'000	31.07.2022 RM'000
Accrued expenses	11,303	13,995	267	238
Deposits received	58	21	-	-
Other payables	4,493	1,948	106	13
Sales and service tax payables	248	474	-	-
	16,102	16,438	373	251

Dealer's representatives' security deposits amounting to RM15,235,000 (2022: RM12,766,000) in respect of the stockbroking business are excluded from other payables of the Group in accordance with Financial Reporting Standards Implementation Committee ("FRSIC") Consensus 18, as disclosed in Note 18 and Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

29 REVENUE

Significant categories of revenue recognised during the financial year/period are as follows:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
<u>Financial services:-</u>				
- Interest income	10,744	9,687	-	-
- Brokerage commissions	13,388	18,731	-	-
- Corporate finance advisory fee income	16,520	20,111	-	-
	40,652	48,529	-	-
<u>Investment holding:-</u>				
- Management fees income	-	-	131	150
- Dividend income	-	-	1,785	-
	-	-	1,916	150
<u>Property investment and development:-</u>				
- Property development	139	-	-	-
- Rental income from letting of property	78	30	-	-
	217	30	-	-
	40,869	48,559	1,916	150
<u>Timing of revenue recognition:-</u>				
- at a point in time	24,132	28,418	1,916	150
- over time	16,737	20,141	-	-
	40,869	48,559	1,916	150

30 COST OF SALES

Included in cost of sales are, amongst other items, the followings:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Cost of inventories recognised in cost of sales	68	-	-	-
Property development costs	124	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023
(CONT'D)

31 OTHER INCOME

Included in other income are, amongst other items, the followings:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts no longer required	8,506	330	5,375	763
Bad debts recovered	7	21	-	-
Gain on disposal of property, plant and equipment	30	-	-	-
Gain on disposal of a subsidiary company	-	-	2,500	-
Gain on derecognition of a subsidiary company arising from loss of control	-	5,591	-	-
Gain on disposal of an associate company	-	8	-	-
Gross dividends from financial assets at fair value through profit or loss:-				
- quoted in Malaysia	35	62	-	-
Interest income from:-				
- deposits with licensed banks and financial institutions	1,966	1,626	111	285
- a related company	-	1	-	-
- subsidiary companies	-	-	1,622	1,403
- others	798	124	-	-
Rental income	18	-	-	-
Gain on fair value changes of financial assets at fair value through profit or loss	1,757	-	-	-
Realised foreign exchange gain	437	-	-	-
Reversal of provision for impairment loss on investment in a subsidiary company	-	-	-	209

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

32 ADMINISTRATION EXPENSES

Included in administration expenses are, amongst other items, the followings:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:-				
Grant Thornton Malaysia PLT				
Statutory audit fees				
- current financial year/period	205	79	63	-
- underprovision in preceding financial year	4	-	-	-
Non-audit fee	30	15	295	-
Other external auditors				
Statutory audit fees				
- current financial year	-	-	-	50
- overprovision in preceding financial year	-	-	(3)	-
Non-audit fee	-	-	-	3
Expenses in relation to Multiple Proposals	1,745	-	2,816	1,477

33 OTHER OPERATING EXPENSES

Included in other operating expenses are, amongst other items, the followings:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts	-	114	183	44
Bad debts written off	8,338	-	-	-
Depreciation of property, plant and equipment	1,661	1,463	-	-
Direct operating expenses arising from an investment property:-				
- rental generating property	140	88	-	-
Fair value loss on an investment property	422	-	-	-
Loss on fair value changes of financial assets at fair value through profit or loss	-	551	-	-
Provision for impairment loss on investment in a subsidiary company	-	-	185	-
Short term and low value lease expenses	1,522	2,118	-	-
Realised foreign exchange loss	-	566	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

34 FINANCE COSTS

Finance costs comprise of the following interest expenses:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:-				
- term loans	236	—	—	—
- bank overdrafts	18	33	—	—
- revolving credit facilities	268	696	—	—
- lease liabilities	56	28	—	—
- charged by subsidiary companies	—	—	248	51
- related companies	3,063	3,000	—	—
	3,641	3,757	248	51

35 TAX EXPENSE

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
<u>Income tax:-</u>				
Provision for current financial year/period				
- Malaysian income tax	3,907	5,567	284	250
(Over)/Underprovision in previous financial year				
- Malaysian income tax	(310)	(912)	(3)	578
<u>Deferred tax (Note 11):-</u>				
Transfer from deferred taxation	908	227	—	—
Overprovision in previous financial year	122	11	—	—
	4,627	4,893	281	828

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

35 TAX EXPENSE (CONT'D)

The reconciliation of income tax expense on profit before tax with the applicable statutory income tax rate is as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	01.08.2022 to 30.06.2023 RM'000	01.08.2021 to 31.07.2022 RM'000
Profit before tax	16,739	28,406	6,922	26
Income tax at the Malaysian statutory tax rate of 24% (2022: 24%)	4,017	6,817	1,661	6
Tax effects in respect of:-				
Non-allowable expenses	3,247	419	967	502
Income not subject to tax	(2,524)	(1,453)	(2,318)	(235)
Utilisation of previously unrecognised deferred tax assets	(26)	-	(26)	(23)
Deferred taxation not recognised in the financial statements	101	11	-	-
Tax expense for current financial year/period	4,815	5,794	284	250
(Over)/Underprovision for tax expense in previous financial year	(310)	(912)	(3)	578
Overprovision for deferred taxation in previous financial year	122	11	-	-
Tax expense for current financial year/period	4,627	4,893	281	828
Unutilised tax losses carried forward subject to agreement of the tax authorities	48,939	429	1,489	1,598
Unabsorbed capital allowances carried forward subject to agreement of the tax authorities	4,107	-	-	-
Unutilised reinvestment allowances carried forward subject to agreement of the tax authorities	39	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

36 EARNINGS PER SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding during the period calculated as follows:-

	2023	Group 2022
Profit for the financial year attributable to owners of the Company (RM'000)	12,203	23,513
Weighted average number of ordinary shares outstanding ('000)	1,103,903	1,009,091
Basic earnings per ordinary share (sen)	1.11	2.33

Diluted earnings per ordinary share

The diluted earnings per ordinary share is equals to basic earnings per ordinary share as there were no potential dilutive ordinary shares as at the end of the reporting period.

37 DIRECTORS' REMUNERATION

The aggregate remuneration paid and payable to the Directors of the Company and subsidiary companies for the financial year/period, categorised into the appropriate components are as follows:-

	Group		Company	
	2023 RM'000	2022 RM'000	01.08.2022 to 30.06.2023 RM'000	01.08.2021 to 31.07.2022 RM'000
<u>Executive Directors:-</u>				
Directors of the Company				
Salaries and other emoluments	153	-	226	312
Defined contribution plan	18	-	24	31
Benefits-in-kind	2	-	-	-
	173	-	250	343
Directors of M & A Securities Group				
Salaries and other emoluments	4,063	3,941	-	-
Defined contribution plan	486	473	-	-
Benefits-in-kind	17	24	-	-
	4,566	4,438	-	-
Total Executive Directors' remuneration	4,739	4,438	250	343

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

37 DIRECTORS' REMUNERATION (CONT'D)

The aggregate remuneration paid and payable to the Directors of the Company and subsidiary companies for the financial year/period, categorised into the appropriate components are as follows (cont'd):-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Non-Executive Directors:-				
Directors of the Company				
Salaries and other emoluments	340	–	105	49
Defined contribution plan	35	–	7	–
Fees	156	–	156	156
	531*	–	268	205
Directors of M & A Securities Group				
Salaries and other emoluments	210	441	–	–
Total Non-Executive Directors' remuneration	741	441	268	205
Total Directors' remuneration	5,480	4,879	518	548

* This includes the aggregate remuneration of Non-Executive Directors of the Company who are Directors and management staff of certain subsidiary companies.

38 STAFF COSTS

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Salaries, bonus, allowances and fees	21,764	23,656	487	517
Defined contribution plan	2,991	2,883	31	31
Social security cost	116	96	1	1
Other staff related expenses	144	75	–	–
	25,015	26,710	519	549

Included in staff costs of the Group and of the Company are executive and non-executive Directors' remuneration amounting to RM5,461,000 (2022: RM4,855,000) and RM518,000 (31.07.2022: RM548,000) respectively as disclosed in Note 37 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

39 DIVIDENDS

	2023 RM'000	Group 2022 RM'000
<u>In respect of the financial year ended 30 June 2022:-</u>		
Preferential cash dividend of 3.0247 sen per RCPS to Insas Berhad, paid on 30 December 2021	–	1,815
Preferential cash dividend of 2.9753 sen per RCPS to Insas Berhad, paid on 30 June 2022	–	1,785
Interim single-tier cash dividend of 3.6500 sen per ordinary share to Insas Berhad, paid on 30 June 2022	–	3,650
<u>In respect of the financial year ended 30 June 2023:-</u>		
Preferential cash dividend of 3.0247 sen per RCPS to Insas Berhad, paid on 30 December 2022	1,815	–
Interim single-tier cash dividend of 26.1167 sen per ordinary share to Insas Berhad, paid on 1 June 2023	26,117	–
	27,932	7,250

40 CHANGES IN THE COMPOSITION OF THE GROUP

During the financial year:-

(a) Reverse acquisition - Acquisition of subsidiary companies

As explained in Note 2(a) to the financial statements, the Company has completed the Reverse Acquisition on the Completion Date. Arising thereon, the Company became the legal holding company of M & A Securities.

In accordance with MFRS 3: Business Combinations, the business combination between the Company and M & A Securities is treated as a reverse acquisition whereby for accounting purposes, M & A Securities is regarded as acquiring the Company and its subsidiary companies ("SYF Resources Berhad Group") on the Completion Date and thus, the accounting acquirer is M & A Securities while the accounting acquiree is the Company.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

40 CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

During the financial year (cont'd):-

- (a) Reverse acquisition - Acquisition of subsidiary companies (cont'd)

Assets recognised and liabilities assumed

The fair value of identifiable assets and liabilities of SYF Resources Berhad Group as at the Completion Date are as follows:-

	Group 2023 RM'000
<u>Net assets acquired:-</u>	
Land and property development costs	80,185
Inventories	10,066
Trade and other receivables	3,369
Contract assets	74,630
Tax recoverable	1,065
Cash and cash equivalents	3,847
Amount due to a related company	(10,000)
Trade and other payables	(18,930)
Tax payables	(137)
Loans and borrowings	(21,049)
Deferred tax liabilities	(8,838)
Net assets at Completion Date	114,208
Non-controlling interest's share of net assets at Completion Date	(14,752)
Group's share of net assets at Completion Date	99,456
Goodwill on acquisition (Note 9)	25,696
Deemed purchase consideration of SYF Resources Berhad Group by M & A Securities	125,152
Proceeds satisfied by exchange of shares	(125,152)
Add: Deposits with a licensed bank pledged	3,175
Less: Cash and cash equivalents acquired	(3,847)
Net cash inflow from the reverse acquisition	(672)

Goodwill arising from business combination

The reverse acquisition gave rise to a goodwill of RM25,696,000 which has been included in the statements of financial position as intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

40 CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

During the financial year (cont'd):-

- (a) Reverse acquisition - Acquisition of subsidiary companies (cont'd)

The effects of the reverse acquisition of SYF Resources Berhad Group on the financial results of the Group during the financial year is as follows:-

	Group 2023 RM'000
Revenue	139
Cost of sales	(192)
Gross loss	(53)
Other income	264
Administration expenses	(2,302)
Other operating expenses	(473)
Finance costs	(300)
Loss before tax	(2,864)
Tax expense	19
Loss for the financial year	(2,845)
<u>Attributable to:-</u>	
Owners of the Company	(2,754)
Non-controlling interests	(91)
	(2,845)

If the acquisition had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year would have been RM59,264,000 and RM8,292,000 respectively.

- (b) Disposal of a subsidiary company - Seng Yip Furniture Sdn. Bhd. ("Seng Yip Furniture")

On 6 October 2021, the Company had entered into a share sale agreement ("SSA") with Mieco Chipboard Berhad ("Mieco"), to dispose of the entire 20,000,000 ordinary shares, representing 100% equity interest in Seng Yip Furniture, a wholly-owned subsidiary company of the Company, for a total disposal consideration of RM50 million.

On 14 March 2023, the Company announced that the disposal of Seng Yip Furniture has been completed. Arising thereon, Seng Yip Furniture ceased to be a subsidiary company of the Company.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

40 CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

In the preceding financial year:-

- (a) Acquisition of subsidiary company - Venturescape Sdn. Bhd. ("Venturescape")

On 5 October 2021, M & A Securities had acquired 1 ordinary share in Venturescape for a cash consideration of RM1. Arising from this acquisition, Venturescape became a wholly-owned subsidiary of M & A Securities.

Venturescape is a private limited company incorporated in Malaysia on 23 September 2021 and its principal activity is property investment.

- (b) Loss of control of Delta Crest (M) Sdn. Bhd. and disposal of Delta Crest (KL) Sdn. Bhd.

Prior to the reverse acquisition, the following internal restructuring was undertaken:-

- (i) Delta Crest (M) Sdn. Bhd. ("DCMSB"), a subsidiary company of M & A Securities disposed its entire shareholding comprising 25,000 ordinary shares representing 25% equity interest in Delta Crest (KL) Sdn. Bhd. ("DCKL") for total cash consideration of RM25,000. Arising thereon, DCKL ceased to be associate company of DCMSB.
- (ii) DCMSB had allotted 990,000 new ordinary shares to DCKL at an issue price of RM0.01 each representing 99% of the enlarged share capital in DCMSB for a total cash consideration of RM9,900. Arising thereon, DCMSB ceased to be subsidiary company of M & A Securities and M & A Securities accounted for its 1% equity interest in DCMSB of RM9,999 as a financial asset at fair value through other comprehensive income. The Group's share of DCMSB's net liabilities as at the date of derecognition is RM5,581,000 and resulted in a gain and net cash outflow on derecognition of RM5,591,000 and RM28,000 respectively.
- (c) Information on the dissolution of a subsidiary company - SYF Plantation Sdn. Bhd.
- On 11 July 2022, SYF Plantation Sdn. Bhd., a wholly-owned subsidiary company of the Company was struck off from the register of the Companies Commission of Malaysia with publication of the Gazette pursuant to Section 551(3) of the Companies Act 2016.

41 FINANCIAL GUARANTEES (UNSECURED)

	Group Limit RM'000	Amount utilised RM'000
Bank guarantee issued by licensed banks in favour of third parties/ local authorities for the performance of development projects:-		
2023		
- certain subsidiary companies	10,418	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

41 FINANCIAL GUARANTEES (UNSECURED) (CONT'D)

	Company Limit RM'000	Amount utilised RM'000
Corporate guarantees extended to licensed banks and financial institutions for credit facilities granted to:-		
30.06.2023 - a subsidiary company	20,636	20,636
31.07.2022 - certain subsidiary companies	39,465	39,465
Corporate guarantees extended to suppliers of goods granted to:-		
30.06.2023 - a subsidiary company	-	-
31.07.2022 - a subsidiary company	3,000	339

As at the reporting date, no values were placed on the corporate guarantees provided by the Company as the Directors regard the value of the credit enhancement provided by the corporate guarantees to be minimal.

42 CAPITAL COMMITMENTS

	Group 2023 RM'000	2022 RM'000
Authorised and contracted for:-		
- Acquisition of property, plant and equipment	587	282
- Setting up new corporate website	110	-
- Investment commitment for new subsidiaries in financing related activities	4,500	-
	5,197	282

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

43 SEGMENTAL INFORMATION

(a) Operating Segments

2023	Financial services RM'000	Investment holding RM'000	Property investment and development RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	40,652	–	217	–	40,869
Inter-segment revenue	–	100	630	(730)	–
Total segment revenue	40,652	100	847	(730)	40,869
Results					
Interest income	2,712	1,590	24	(1,562)	2,764
Finance costs	(3,342)	(397)	(1,464)	1,562	(3,641)
Depreciation and amortisation	(1,589)	–	(72)	–	(1,661)
Tax expense	(4,560)	(17)	(50)	–	(4,627)
Other non-cash items (i)	1,922	–	(419)	–	1,503
Segment profit/(loss)	15,238	(884)	(2,242)	–	12,112
Assets					
Additions to non-current assets (ii)	2,608	–	639	–	3,247
Segment assets	303,563	118,299	183,660	–	605,522
Liabilities					
Segment liabilities	138,821	423	56,253	–	195,497

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

43 SEGMENTAL INFORMATION (CONT'D)

(a) Operating Segments (cont'd)

2022	Financial services RM'000	Property investment RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	48,529	30	–	48,559
Inter-segment revenue	–	262	(262)	–
Total segment revenue	48,529	292	(262)	48,559
Results				
Interest income	1,753	–	(2)	1,751
Finance costs	(3,757)	(2)	2	(3,757)
Depreciation and amortisation	(1,434)	(29)	–	(1,463)
Tax expense	(4,879)	(14)	–	(4,893)
Other non-cash items (i)	5,256	–	–	5,256
Segment profit	23,483	30	–	23,513
Assets				
Additions to non-current assets (ii)	1,451	13,800	–	15,251
Segment assets	313,112	13,841	–	326,953
Liabilities				
Segment liabilities	133,518	61	–	133,579

Segment revenue, expenses and results include transfers between segments. The prices charged on inter-segment transactions are on negotiated basis. These transactions are eliminated on consolidation.

The Group is organised into three main operating segments. The main operating segments of the Group and their respective business activities are:-

<u>Operating segments</u>	<u>Business activities</u>
Financial services	Stock broking and dealing in securities and provision of corporate finance and advisory services and nominee agents and registration services.
Investment holding	Investment holding and provision of management services activities.
Property investment and development	Property development and property holding and investments.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

43 SEGMENTAL INFORMATION (CONT'D)

(a) Operating Segments (cont'd)

(i) Other material non-cash items consist of the following items:-

	2023 RM'000	2022 RM'000
Allowance for doubtful debts	–	(114)
Allowance for doubtful debts no longer required	8,506	330
Bad debts written off	(8,338)	–
Fair value loss on an investment property	(422)	–
Gain/(Loss) on fair value changes of financial assets at fair value through profit or loss	1,757	(551)
Gain on derecognition of a subsidiary company arising from loss of control	–	5,591
	1,503	5,256

(ii) Additions to non-current assets consist of the following items:-

	2023 RM'000	2022 RM'000
Land and property development costs	41	–
Property, plant and equipment	2,612	1,451
Investment property	594	13,800
	3,247	15,251

(b) Geographical Information

No geographical information is presented as the Group is operated in Malaysia.

(c) Information about major customer

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

44 RELATED PARTY DISCLOSURES

(a) Outstanding balances arising from related party transactions

The outstanding balances arising from related party transactions as at the reporting date were disclosed in Note 8, Note 15, Note 16, Note 26 and Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

44 RELATED PARTY DISCLOSURES (CONT'D)

- (b) The Group has the following transactions with the following related parties at negotiated terms agreed between the parties during the financial year/period:-

	2023	Group	2022
	RM'000		RM'000
Holding company:-			
- corporate advisory fees income	-		180
- dividend paid	27,932		7,250
- secretarial fees paid	20		19
Related companies:-			
- facility fees expense	250		250
- interest expense	3,063		3,000
- interest income	-		1
- management fees income	-		70
- rental expenses	1,003		1,469
- purchase of freehold land and building	-		13,800
- payments made on behalf	-		13
Related parties:-			
- corporate advisory fees income	50		300
- placement fees income	-		7,077
A company related to Directors of certain subsidiary companies:-			
- land owner's entitlement	17		-

- (c) The Company has the following transactions with the following related corporations during the financial period:-

	01.08.2022	Company	01.08.2021
	to		to
	30.06.2023		31.07.2022
	RM'000		RM'000
Subsidiary companies:-			
- advances from	12,220		3,200
- advances to	15,760		7,563
- dividend income	1,785		-
- interest income	1,622		1,403
- interest expense	248		51
- management fee income	131		150
Company related to Directors of certain subsidiary company:-			
- proceeds from disposal of a subsidiary company	50,000		-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

44 RELATED PARTY DISCLOSURES (CONT'D)

(d) Remuneration of key management personnel

The remuneration of Directors and other members of key management personnel during the financial year/period were as follows:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Salaries, bonus, allowances and fees	4,505	3,941	285	517
Defined contribution plan	540	473	31	31
Social security cost	2	2	1	1
Benefits-in-kind	19	24	-	-
	5,066	4,440	317	549

Included in the total compensation of key management personnel were:-

	Group		Company	
	2023	2022	01.08.2022 to 30.06.2023	01.08.2021 to 31.07.2022
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration (Note 37)	4,739	4,438	250	343

Other members of key management personnel comprise Executive Directors of the Group and persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

45 LIST OF SUBSIDIARY COMPANIES

Name of companies	% Effective equity interest		Principal activities	Principal place of business
	2023	2022		
Darul Majumas Sdn. Bhd.	75	75	Property developer	Malaysia
Giat Armada Sdn. Bhd.	100	100	Property developer	Malaysia
M & A Nominee (Asing) Sdn. Bhd.	100	-	Nominee agent and registration services	Malaysia
M & A Nominee (Tempatan) Sdn. Bhd.	100	-	Nominee agent and registration services	Malaysia
M & A Securities Sdn. Bhd.	100	-	Stock broking and dealing in securities and provision of corporate finance and advisory services	Malaysia

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

45 LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of companies	% Effective equity interest		Principal activities	Principal place of business
	2023	2022		
Nikmat Sekitar Sdn. Bhd.	100	100	Dormant	Malaysia
Nuri Meriah Sdn. Bhd.	100	100	Dormant	Malaysia
Seng Yip Furniture Sdn. Bhd.*	–	100	Manufacture and trading of moulded timber, furniture product and timber treatment processing	Malaysia
SYF Venture Sdn. Bhd.	100	100	Investment holding	Malaysia
SYF Development Sdn. Bhd.	100	100	Property development and trading of construction materials	Malaysia
SYF Construction Sdn. Bhd.	100	100	Building contractor (ceased operation)	Malaysia
Tomisho Sdn. Bhd.	100	100	Dormant	Malaysia
Venturescape Sdn. Bhd.	100	–	Property investment	Malaysia

* The company is not audited by Grant Thornton Malaysia PLT.

46 SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD

- (a) The details of changes in the composition of the Group during the financial year/period are disclosed in Note 40 to the financial statements.
- (b) On 30 January 2023, the High Court of Malaya in Kuala Lumpur granted the order for the reduction of share capital of the Company pursuant to Section 116 of the Companies Act 2016 wherein the Company's share capital was reduced from RM143,527,253 to RM41,130,111 comprising of 568,873,012 ordinary shares (excluding the 5,236,000 ordinary shares being held as treasury shares) of RM0.072 each.
- (c) On 3 March 2023, the Company announced that the Company has been informed by Insas Berhad that the Securities Commission had, vide its letter dated 2 March 2023, approved the application made by Insas Berhad on 22 February 2023 in relation to the exemption under subparagraph 4.08(1)(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions for Insas and its persons acting in concert from the obligation to undertake a mandatory take-over offer to acquire the remaining ordinary shares of the Company not already owned by them upon completion of the reverse acquisition.
- (d) On 30 June 2023, the Company announced that the multiple proposals pursuant to the Company's announcements dated between 6 October 2021 to 22 June 2023, the Company's circular to shareholders dated 28 December 2022 and the Company's abridged prospectus dated 30 May 2023, have been completed. The completion date for each of the proposals are as follows:-
 - (i) On 14 March 2023, the Company has completed the disposal of 20,000,000 ordinary shares in Seng Yip Furniture, representing 100% equity interest in Seng Yip Furniture by the Company to Mieco Chipboard Berhad for a total disposal consideration of RM50.0 million ("Disposal of Furniture Business").

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

46 SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL PERIOD (CONT'D)

- (d) On 30 June 2023, the Company announced that the multiple proposals pursuant to the Company's announcements dated between 6 October 2021 to 22 June 2023, the Company's circular to shareholders dated 28 December 2022 and the Company's abridged prospectus dated 30 May 2023, have been completed. The completion date for each of the proposals are as follows (cont'd):-
- (ii) On 17 March 2023, the Company announced the capital repayment exercise pursuant to Section 116 of the Companies Act 2016 by way of cash distribution of RM0.07 per ordinary share in the Company which was paid on 17 April 2023 upon completion of the Disposal of Furniture Business.
 - (iii) On 9 May 2023, the disposal of the two (2) parcels of freehold land held under GM 403, Lot 1461, and GM 1128, Lot 1464, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor by Nikmat Sekitar Sdn. Bhd. and Nuri Meriah Sdn. Bhd. respectively to Juta Development Sdn Bhd for a total disposal consideration of RM21.20 million has been completed ("Disposal of Freehold Land").
 - (iv) On 10 May 2023, the Company announced that the acquisition of 100,000,000 ordinary shares and 60,000,000 RCPS in M & A Securities, representing the entire equity interest in M & A Securities from Insas Berhad for a purchase consideration of RM222.0 million to be satisfied through the issuance of 1,009,090,909 new ordinary shares ("SYF Shares") of the Company ("Consideration Shares") to Insas Berhad has been completed.
 - (v) On 10 May 2023, the Company announced the capital repayment exercise pursuant to Section 116 of the Companies Act 2016 by way of cash distribution of RM0.11 per ordinary share in the Company which was paid on 7 June 2023, upon completion of the Disposal of Freehold Land.
 - (vi) On 8 June 2023, the Company announced the change of name of the Company from "SYF Resources Berhad" to "M & A Equity Holdings Berhad".
 - (vii) On 28 June 2023, the Company announced the Consideration Shares, 284,436,506 new ordinary shares issued pursuant to the Rights Issues and 136,323,600 new ordinary shares issued pursuant to the Restricted Issue will be listed on 30 June 2023 and the sector re-classification for the Company will be changed from Consumer Products & Services to Financial Services on 30 June 2023.
- (e) The Company has incorporated a new wholly-owned subsidiary under the Companies Act 2016 known as M & A Digital Sdn. Bhd. ("MADSB") on 27 July 2023 with an issued share capital of RM2.00 divided into 2 ordinary shares. The principal activities of MADSB are financing activities and other related services.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023
(CONT'D)

47 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis on the categories of financial instruments:-

- (i) Amortised cost ("AC")
- (ii) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2023			
Group			
Financial assets			
Trade receivables	178,191	178,191	-
Other receivables and deposits paid	13,949	13,949	-
Financial assets at fair value through profit or loss	1,893	-	1,893
Deposits with licensed banks and financial institutions	119,566	119,566	-
Cash and bank balances	61,284	61,284	-
	374,883	372,990	1,893
		Carrying amount RM'000	AC RM'000
Financial liabilities			
Trade payables		74,383	74,383
Amount due to holding company		2,477	2,477
Amount due to related companies		60,267	60,267
Other payables, deposits received and accruals		15,854	15,854
Loans and borrowings		30,636	30,636
		183,617	183,617
		Carrying amount RM'000	AC RM'000
2023			
Company			
Financial assets			
Amount due from subsidiary companies		55,519	55,519
Deposits with a licensed bank		91,601	91,601
Cash and bank balances		890	890
		148,010	148,010

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

The table below provides an analysis on the categories of financial instruments (cont'd):-

		Carrying amount RM'000	AC RM'000
2023 (cont'd)			
Company (cont'd)			
Financial liabilities			
Amount due to subsidiary companies		15,666	15,666
Other payables and accruals		373	373
		16,039	16,039
	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2022			
Group			
Financial assets			
Trade receivables	158,303	158,303	—
Amount due from a related company	9,614	9,614	—
Other receivables and deposits paid	7,428	7,428	—
Financial assets at fair value through profit or loss	4,951	—	4,951
Deposits with licensed banks and financial institutions	18,093	18,093	—
Cash and bank balances	82,889	82,889	—
	281,278	276,327	4,951
		Carrying amount RM'000	AC RM'000
Financial liabilities			
Trade payables		45,231	45,231
Amount due to holding company		3,035	3,035
Amount due to related companies		57,979	57,979
Other payables, deposits received and accruals		15,964	15,964
Loans and borrowings		10,078	10,078
		132,287	132,287

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

The table below provides an analysis on the categories of financial instruments (cont'd):-

	Carrying amount RM'000	AC RM'000
2022 (cont'd)		
Company		
<u>Financial assets</u>		
Amount due from subsidiary companies	85,542	85,542
Other receivables	1	1
Cash and bank balances	50	50
	85,593	85,593
<u>Financial liabilities</u>		
Amount due to subsidiary companies	3,251	3,251
Other payables and accruals	251	251
	3,502	3,502

(b) Financial risk management and policies

The Group and the Company are exposed to financial risks arising from the use of financial instruments. The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their interest rate, credit, foreign currency exchange, liquidity and market risks. The Group and the Company operate within guidelines approved by the Board and the Group's and the Company's policies are not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are not significantly exposed to interest rate risk except for the floating rate borrowings. The interest rates applicable on the Group's and the Company's trade and other receivables, deposits with licensed banks and financial institutions, lease liabilities, amount due to related companies and amount due from/(to) subsidiary companies are mainly fixed rate in nature and are not exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Interest rate risk (cont'd)

The interest rate profiles of the Group's and of the Company's financial assets and financial liabilities are set out as follows:-

	Floating rates instruments RM'000	Fixed rates instruments RM'000	Total RM'000	Effective interest rates during the year/period % per annum
2023				
Group				
<u>Financial assets</u>				
Trade receivables	–	85,921	85,921	9.00% - 10.50%
Other receivables	–	6,322	6,322	1.49% - 2.73%
Deposits with licensed banks and financial institutions	–	119,566	119,566	1.75% - 2.45%
<u>Financial liabilities</u>				
Amount due to related companies	–	60,267	60,267	6.00% - 8.00%
Lease liabilities	–	1,585	1,585	1.96% - 3.78%
Loans and borrowings	30,636	–	30,636	4.62% - 8.14%
Company				
<u>Financial assets</u>				
Amount due from subsidiary companies	–	55,519	55,519	1.90%
Deposits with a licensed bank	–	91,601	91,601	1.85%
<u>Financial liabilities</u>				
Amount due to subsidiary companies	–	15,666	15,666	1.90%

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023
(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Interest rate risk (cont'd)

The interest rate profiles of the Group's and of the Company's financial assets and financial liabilities are set out as follows (cont'd):-

	Floating rates instruments RM'000	Fixed rates instruments RM'000	Total RM'000	Effective interest rates during the year % per annum
2022				
Group				
<u>Financial assets</u>				
Trade receivables	–	103,006	103,006	9.00% - 10.50%
Other receivables	–	6,199	6,199	1.19% - 1.34%
Deposits with licensed banks and financial institutions	–	18,093	18,093	1.50% - 2.00%
<u>Financial liabilities</u>				
Amount due to a related company	–	50,267	50,267	6.00%
Lease liabilities	–	435	435	1.75% - 3.78%
Loans and borrowings	10,078	–	10,078	4.19% - 7.47%
Company				
<u>Financial assets</u>				
Amount due from subsidiary companies	–	85,542	85,542	1.90%
<u>Financial liability</u>				
Amount due to subsidiary companies	–	3,251	3,251	1.90%

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Interest rate risk (cont'd)

The Group's exposure to interest rate risk for a 1% (2022: 1%) increase/(decrease) in interest rate on the financial assets and liabilities with floating interest rates at the reporting date would result in a corresponding effect to the profit/equity for the financial year as follows:-

	Profit/Equity for the financial year RM'000
Group	
2023	
Variable rates	
- increase by 1%	(306)
- decrease by 1%	306
2022	
Variable rates	
- increase by 1%	(101)
- decrease by 1%	101

The assumed movement in interest rate of 1% for the interest rate sensitivity analysis is based on the prudent estimate of the current market environment.

(ii) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group does not have significant concentration of credit risk with any single counterparty. The Group's trade receivables mainly relate to a large number of diversified customers, there is no significant concentration of credit risk. There is no major concentration of credit risk as trade receivables are adequately secured with collateral.

The Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables, amount due from subsidiary companies and amount due from a related company in the statements of financial position.

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks and financial institutions with high credit rating. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(ii) Credit risk (cont'd)

Risk management objectives, policies and processes for managing credit risk

The Group's and the Company's risk management objectives, policies and processes for managing credit risk are disclosed in Note 3(b) to the financial statements.

Recognition and measurement of impairment loss - Trade receivables

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions to recover long overdue balances. Trade receivables' credit terms that are past due but not impaired is monitored via management reporting procedures.

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. The Group evaluates the expected credit losses on a case-by-case basis.

The Group assesses the expected loss rates based on historical payment profiles of the trade receivables and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward- looking information on factors affecting the financial capability of the debtor and default or significant delay in payments. No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group's normal trade credit terms to trade receivables ranges from 30 to 90 days (2022: 30 days) except for trade receivables in respect of the stockbroking business whose credit terms is 2 market days (2022: 2 market days) according to Bursa Malaysia Securities Berhad's Fixed Delivery and Settlement System Trading Rules. The Group's normal credit term in relation to rental receivables is 14 days (2022: 14 days). Other credit terms are assessed and approved on a case-by-case basis.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Trade receivables that are written off are still subjected to enforcement activities.

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for and the trade receivables that have not been impaired are creditworthy debtors whereby impairment is not required. Information in respect of the provision for impairment losses, ageing analysis for trade receivables and trade receivables secured by collaterals are disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(ii) Credit risk (cont'd)

Recognition and measurement of impairment loss - Debt instruments at amortised cost other than trade receivables

The Group and the Company assess on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company use three categories to reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's expected credit losses model is as follows:-

Category	Definition of categories	Basis of recognising expected credit losses
Performing	Receivables that have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected credit losses
Underperforming	Receivables for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime expected credit losses
Non-performing	Receivables which are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred.	Lifetime expected credit losses

Based on the above, loss allowance is derived as follows:-

- (i) the likelihood that the debtor would not be able to repay during the contractual period;
- (ii) the percentage of contractual cash flows that will not be collected if default happens; and
- (iii) the outstanding amount that is exposed to default risk.

As at the reporting date, the management are of the opinion that all necessary impairment that is required have been accounted for.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(ii) Credit risk (cont'd)

Financial guarantees

The Company provides unsecured financial guarantees to banks and financial institutions and suppliers in respect of banking facilities and for supply of goods respectively granted to certain subsidiary companies and monitored the on-going results of repayments by the subsidiary companies closely. As at the reporting date, there was no indication that any subsidiary companies will default on payment of the banking facilities and to suppliers. The maximum exposure to credit risk is as disclosed in Note 41 to the financial statements.

(iii) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency exchange risk on its sales and purchase with foreign brokers that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk is primarily the United States Dollar ("US Dollar"), Singapore Dollar, Euro, Sterling Pound, Australian Dollar and the Hong Kong Dollar.

The unhedged financial asset of the Group that is not denominated in its respective functional currency is as follows:-

	US Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Sterling Pound RM'000	Australian Dollar RM'000	Hong Kong Dollar RM'000	Total RM'000
2023							
Group							
Trade receivables	803	1,413	23	8	67	3,251	5,565
2022							
Group							
Trade receivables	470	990	–	–	–	1,466	2,926

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iii) Foreign currency exchange risk (cont'd)

A 5% (2022: 5%) weakening/strengthening of Ringgit Malaysia ("RM") against the following major foreign currencies at the reporting date would (decrease)/increase the Group's profit/equity for the financial year by the amounts shown below with all other variables held constant:-

		Group's profit/ equity for the financial year RM'000
2023		
US Dollar/RM	- strengthening	40
	- weakening	(40)
Singapore Dollar/RM	- strengthening	71
	- weakening	(71)
Euro/RM	- strengthening	1
	- weakening	(1)
Sterling Pound/RM	- strengthening	-
	- weakening	-
Australian Dollar/RM	- strengthening	3
	- weakening	(3)
Hong Kong Dollar/RM	- strengthening	163
	- weakening	(163)
2022		
US Dollar/RM	- strengthening	24
	- weakening	(24)
Singapore Dollar/RM	- strengthening	50
	- weakening	(50)
Hong Kong Dollar/RM	- strengthening	73
	- weakening	(73)

The assumed movement in foreign currency exchange rate of 5% for the foreign currency exchange rate sensitivity analysis is based on the prudent estimate of the current market environment.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iv) Liquidity risk

Liquidity risk is the risk that the Group and the Company are unable to meet its financial obligations when they fall due as a result of shortage of funds. The Group's and the Company's liquidity risk exposure mainly arise from trade and other payables, deposits received and accruals, loan and borrowings, lease liabilities, amount due to holding company, amount due to related companies and amount due to subsidiary companies.

The Group and the Company monitor and maintain sufficient level of cash and cash equivalents to ensure adequate financing of the Group's and the Company's operations. The Group and the Company also ensure the availability of funding through adequate amount of committed credit facilities.

The normal trade credit terms granted to the Group is 30 to 60 days (2022: Nil) except for trade payables in respect of the stockbroking business whose credit terms is 2 market days (2022: 2 market days) according to Bursa Malaysia Securities Berhad's Fixed Delivery and Settlement System Trading Rules.

The table below summarised the maturity profile of the Group's and of the Company's financial liabilities based on contractual undiscounted repayment obligations:-

	Less than 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000	Total RM'000
2023				
Group				
<u>Financial liabilities</u>				
Trade payables	74,383	-	-	74,383
Amount due to holding company	2,477	-	-	2,477
Amount due to related companies	60,267	-	-	60,267
Other payables, deposits received and accruals	15,854	-	-	15,854
Lease liabilities	1,233	396	-	1,629
Loans and borrowings	13,810	13,534	9,035	36,379
Company				
<u>Financial liabilities</u>				
Amount due to subsidiary companies	15,666	-	-	15,666
Other payables and accruals	373	-	-	373
Financial guarantee *	20,636	-	-	20,636

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management and policies (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iv) Liquidity risk (cont'd)

The table below summarised the maturity profile of the Group's and of the Company's financial liabilities based on contractual undiscounted repayment obligations (cont'd):-

	Less than 1 year RM'000	2 to 5 years RM'000	After 5 years RM'000	Total RM'000
2022				
Group				
<u>Financial liabilities</u>				
Trade payables	45,231	–	–	45,231
Amount due to holding companies	3,035	–	–	3,035
Amount due to related companies	57,979	–	–	57,979
Other payables, deposits received and accruals	15,964	–	–	15,964
Lease liabilities	408	43	–	451
Loans and borrowings	10,078	–	–	10,078
Company				
<u>Financial liabilities</u>				
Amount due to subsidiary companies	3,251	–	–	3,251
Other payables and accruals	251	–	–	251
Financial guarantee *	39,804	–	–	39,804

* Exposure to liquidity risk on financial guarantees will arise only when the financial guarantees, which are contingent liabilities, crystallised and become definite liabilities.

(v) Market risk

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market price of quoted securities held as financial assets at fair value through profit or loss as stated in Note 17 to the financial statements.

If the prices of quoted securities increase/decrease by 5% with other variable held constant at the reporting date, the effect of the increase/(decrease) on the Group's profit for the financial year and equity will be RM95,000 (2022: RM248,000) respectively.

The assumed movement in market price of quoted shares of 5% for the market price sensitivity analysis is based on the prudent estimate of the current market environment.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial instruments

Fair value is the amount at which the financial instruments could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in a forced and liquidation sale.

(i) Financial instruments not carried at fair value but fair value is disclosed

The Group and the Company do not have any financial instruments not carried at fair value but fair value is disclosed.

(ii) Financial instruments carried at fair value

Financial assets of the Group that are carried at fair value are as follows:-

- Financial assets at fair value through other comprehensive income - unquoted investments
- Financial assets at fair value through profit or loss

Other than the above, the carrying amounts of the remaining financial instruments in the statements of financial position are reasonable approximation of their fair values due to their relatively short term nature and the insignificant impact of discounting.

The following methods and assumptions summarised below are used to determine the fair values of each class of financial instruments:-

(i) Quoted securities

The fair values of quoted securities is determined by reference to their published market closing price or the quoted closing bid price at the reporting date.

(ii) Unquoted securities

The fair values of unquoted securities is determined based on the adjusted net asset value approach.

(iii) Financial assets and liabilities with short term maturity

The carrying amounts of these financial assets and liabilities at the reporting date are reasonable approximation of their fair values due to their short term nature and therefore have insignificant impact on discounting.

(iv) Other fixed interest rates financial assets and liabilities

The fair values of these financial assets and liabilities are estimated by discounting the future cash flows at market incremental lending rate for similar investment and borrowing arrangements at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy of financial instruments

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Group				
Financial assets at fair value through profit or loss				
- quoted securities	1,893	-	-	1,893
2022				
Group				
Financial assets at fair value through profit or loss				
- quoted securities	4,951	-	-	4,951

The following table shows the reconciliation of Level 3 fair values:-

	Group 2023 RM'000	2022 RM'000
<u>Unquoted investments</u>		
At beginning of financial year	-	-
Additions (Note 40)	-	10
Unrealised loss on fair value changes recognised in other comprehensive income (Note 22)	-	(10)
At end of financial year	-	-

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023

(CONT'D)

47 FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy of financial instruments (cont'd)

Policy on transfer between levels

The fair value of the financial instruments to be transferred between levels are determined as of the date of the event or change in circumstances that caused the transfer.

There is no transfer between Level 1, 2 and 3 during the reporting period.

(e) Measurement of fair value of financial instruments

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:-

Types of financial instrument carried at fair value	Level	Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted investments	3	The fair values are based on the adjusted net asset value approach.	Not applicable	Not applicable

48 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The Group and the Company do not have any non-financial assets measured at fair value, other than investment property which has been disclosed in Note 7 to the financial statements.

49 CAPITAL MANAGEMENT

The primary objective of capital management is to ensure that an entity maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group and the Company manage their capital structure to safeguard their ability to continue as a going concern in order to maintain investors, creditors and market confidence and to sustain future business development. The Group's and the Company's overall strategy remain unchanged from the previous financial year. There were no externally imposed capital requirements that the Group and the Company need to be in compliance with for the financial year ended 30 June 2023 and financial period/year ended 30 June 2022 and 31 July 2022 respectively except for the stock broking subsidiary company which is supervised by the Securities Commission and Bursa Malaysia Securities Berhad and is required to maintain a number of minimum capital adequacy requirements, which the stock broking subsidiary company has complied with.

The Group monitor capital using a gearing ratio, which is derived by dividing the amount of borrowings over equity. The Group's and the Company's policy is to keep the gearing ratio within manageable ratio.

NOTES TO THE FINANCIAL STATEMENTS

- 30 JUNE 2023 (CONT'D)

49 CAPITAL MANAGEMENT (CONT'D)

The Group's gearing ratio are summarised as below:-

	Group 2023 RM'000	2022 RM'000
Amount due to related companies		
- interest bearing	60,267	50,267
Total interest bearing borrowings	32,221	10,513
	92,488	60,780
Total equity attributable to owners of the Company	395,364	193,374
Gearing ratio	0.23	0.31

The gearing ratio is not applicable to the Company as the Company has no loans and borrowings.

50 COMPARATIVE INFORMATION

The comparative information of the Company was not audited by Grant Thornton Malaysia PLT.

Arising from the change in financial year end of the Company to 30 June 2023 in the current financial period, the financial information of the Company in the current financial period covers a period of 11 months from 1 August 2022 to 30 June 2023 whereas the comparative information of the Company is for the financial year from 1 August 2021 to 31 July 2022. Consequently, the comparative information for the Company in the Statements of Profit or Loss, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows and the related notes to the financial statements are not comparable.

LIST OF **PROPERTIES**

HELD BY M & A EQUITY HOLDINGS BERHAD GROUP AS AT 30 JUNE 2023

Address / Location	Description/ Existing use	Land area/ Built-up area (sq ft)	Tenure	Approximate age of building (Years)	Carrying value RM'000	Date of acquisition	Date of valuation
M & A Building 52A, Jalan Sultan Idris Shah, 30000 Ipoh, Perak	10 storey corporate offices leased out and for own use as office premise	10,484/ 112,680	Freehold	25	13,889	18-Jan-1995	30-Jun-2023
Unit 04-11	2 units of apartments held for sale	Not applicable/ 1,058	Freehold	4	406	26-Jul-2019	–
Unit 17-10 Iris Residence Jalan Kiara Sungai Long, Bandar Sungai Long, 43000 Kajang, Selangor		Not applicable/ 1,058	Freehold	4	425	26-Jul-2019	–
Unit SF-01, SF-02, SF-23, SF-26, SF-28, SG-14, SG-23, SG-24, SG-25, SG-26, SG-27 and SG-28 Kiara Plaza Jalan Semenyih, 43500 Semenyih, Selangor	12 units of retail lots held for sale and for lease	Not applicable/ 17,803	Freehold	5	9,235	30-May-2018	–
Lot 25285 Geran 312793	2 parcels of vacant land	387,393/ Not applicable	Freehold	Not applicable	46,500	13-Oct-2011	2-May-2023
Lot 25299 Geran 312794 Mukim Semenyih, Daerah Ulu Langat, Selangor		215,493/ Not applicable	Freehold	Not applicable	21,500	5-Aug-2011	2-May-2023

ANALYSIS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2023

ORDINARY SHARES

Total number of issued shares	:	2,003,960,027 ordinary shares (including treasury shares of 5,236,000)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share on a poll
Number of Shareholders	:	4,755

DISTRIBUTION OF ORDINARY SHAREHOLDERS

according to statistical summary of the Record of Depositors as at 29 September 2023

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 issued shares	12	0.252	314	0.000
100 to 1,000 issued shares	295	6.203	155,116	0.007
1,001 to 10,000 issued shares	2,105	44.269	11,558,982	0.578
10,001 to 100,000 issued shares	1,764	37.097	69,644,300	3.484
100,001 to less than 5% of issued shares	576	12.113	554,626,650	27.749
5% and above of issued shares	3	0.063	1,362,738,665	68.180
Total	4,755	100.00	1,998,724,027	100.00

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS

according to the Record of Depositors as at 29 September 2023

Name	No. of Shares Held	%
1. Insas Berhad	1,009,090,909	50.486
2. Insas Plaza Sdn Bhd	192,397,756	9.626
3. Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Kenanga Islamic Absolute Return Fund	161,250,000	8.067
4. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Gaik Eng (LIM4779C)	46,700,000	2.336
5. M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Chai (M&A)	33,500,000	1.676
6. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chee Hong Leong	31,134,900	1.557
7. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chee Hong Leong (CEB)	30,600,000	1.530
8. Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Tan Choon Peow (PB)	30,000,000	1.500
9. M & A Nominee (Tempatan) Sdn Bhd For Majestic Salute Sdn Bhd	14,923,600	0.746
10. M & A Nominee (Asing) Sdn Bhd Montego Assets Limited	14,230,000	0.711
11. Public Nominees (Tempatan) Sd Bhd Pledged Securities Account for Sim Leong Thun (E-SS2)	10,600,000	0.530
12. Robert Tan Chung Meng	10,000,000	0.500
13. M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Chow Dai Ying (M&A)	9,000,000	0.450

ANALYSIS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2023

(CONT'D)

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS (CONT'D)

according to the Record of Depositors as at 29 September 2023

	Name	No. of Shares Held	%
14.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account Majestic Salute Sdn Bhd for Yahya bin Razali (M&A)	8,818,400	0.441
15.	Liew Fook Meng	7,200,000	0.360
16.	Yayasan Guru Tun Hussein Onn	7,138,600	0.357
17.	Ho Seow Leng	6,100,000	0.305
18.	Public Invest Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Chee Kiat (C)	5,950,000	0.297
19.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Genting Utama Sdn Bhd (M&A)	5,147,900	0.257
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kiam Lam (001)	5,033,700	0.251
21.	Wong Siong Hwee	4,925,000	0.246
22.	Proven Venture Capital PLT	4,850,000	0.242
23.	Chong Tong Siew	4,700,000	0.235
24.	Andrew Heng	4,500,000	0.225
25.	Lim Kian Wat	4,311,900	0.215
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Doh Tee Leong (7001921)	4,050,000	0.202
27.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ta Kin Yan (7000778)	3,920,000	0.196
28.	Ch'ng Teng Teng	3,682,000	0.184
29.	Lau Pei Ling	3,600,000	0.180
30.	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities PLC	3,489,600	0.174
	Total	1,680,844,265	84.095

SUBSTANTIAL SHAREHOLDERS

according to the Register of Substantial Shareholders as at 29 September 2023

	Name	Direct Interest	No. of Shares Held %	Deemed Interest	%
1.	Insas Berhad	1,009,090,909	50.486	206,627,756 ⁽¹⁾	10.338
2.	Insas Plaza Sdn Bhd	192,397,756	9.626	—	—
3.	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Kenanga Islamic Absolute Return Fund	161,250,000	8.068	—	—
4.	Dato' Sri Thong Khok Khee	—	—	1,215,718,665 ⁽²⁾	60.825

Notes:

⁽¹⁾ Deemed interest by virtue of its interest held by Insas Plaza Sdn Bhd and Montego Assets Limited, both wholly-owned subsidiaries of Insas Berhad pursuant to Section 8 of the Companies Act 2016 (the "Act")

⁽²⁾ Deemed interest by virtue of his substantial interest in Insas Berhad pursuant to Section 8 of the Act

STATEMENT OF DIRECTORS' INTEREST

IN THE COMPANY AND ITS RELATED CORPORATIONS

DIRECTORS' INTERESTS IN THE COMPANY

according to the Register of Directors' Shareholdings as at 29 September 2023

M & A EQUITY HOLDINGS BERHAD

(FORMERLY KNOWN AS SYF RESOURCES BERHAD)

Director	Direct Interest	No. of Ordinary Shares Held		Deemed Interest	%
			%		
1. Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	1,150,000		0.058	—	—
2. Dato' Yong Lei Choo	—		—	—	—
3. Datuk Tan Choon Peow	30,000,000		1.501	—	—
4. Dato' Sri Chee Hong Leong	61,734,900		3.089	—	—
5. Dato' Mohamad Azmi bin Ali	—		—	—	—
6. Tan Choon Thye	—		—	1,500,000	0.075 ⁽¹⁾
7. Thong Mei Chuen	—		—	—	—

DIRECTORS' INTERESTS IN THE RELATED COMPANY

as at 29 September 2023

INSAS BERHAD - ORDINARY SHARES

Director	Direct Interest	No. of Ordinary Shares Held		Deemed Interest	%
			%		
1. Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	121,992		0.018	—	—
2. Dato' Yong Lei Choo	—		—	—	—
3. Datuk Tan Choon Peow	—		—	—	—
4. Dato' Sri Chee Hong Leong	300,000		0.045	—	—
5. Dato' Mohamad Azmi bin Ali	—		—	—	—
6. Tan Choon Thye	—		—	—	—
7. Thong Mei Chuen	110,000		0.017	—	—

STATEMENT OF DIRECTORS' INTEREST IN THE COMPANY AND ITS RELATED CORPORATIONS (CONT'D)

DIRECTORS' INTERESTS IN THE RELATED COMPANY (CONT'D) as at 29 September 2023

INSAS BERHAD – REDEEMABLE PREFERENCE SHARES ("RPS")

Director	Direct Interest	No. of RPS Held		%
			Deemed Interest	
		%		%
1. Thong Mei Chuen	22,000	0.017	–	–

INSAS BERHAD – WARRANTS 2021/2026 ("WARRANTS")

Director	Direct Interest	No. of Warrants Held		%
			Deemed Interest	
		%		%
1. Thong Mei Chuen	55,000	0.017	–	–

Notes:

⁽¹⁾ Deemed interest by virtue of his spouse's interest pursuant to Section 59(11) of the Act

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 28th Annual General Meeting of the Company will be held as a fully virtual meeting via live streaming and online remote voting via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) on **Friday, 24 November 2023 at 11.00 a.m.** for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|----|---|------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial period from 1 August 2022 to 30 June 2023 together with the Reports of the Directors and Auditors thereon. | [Please refer to Explanatory Note] |
| 2. | To approve the payment of Directors' fees to Non-Executive Directors of up to an amount of RM156,000 for the financial period from 1 August 2022 to 30 June 2023; | Resolution 1 |
| 3. | To approve the payment of Director's Benefits to Non-Executive Directors of the Company of up to an amount of RM70,000 from 25 November 2023 until the conclusion of the next AGM of the Company; | Resolution 2 |
| 4. | To re-elect the Dato' Mohamad Azmi bin Ali who retires by rotation in accordance with Clause 103(1) of the Company's Constitution and being eligible, has offered himself for re-election. | Resolution 3 |
| 5. | To re-elect the following Directors retiring in accordance with Clause 110 of the Company's Constitution and being eligible, have offered themselves for re-election: | |
| | (a) Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP | Resolution 4 |
| | (b) Dato' Yong Lei Choo | Resolution 5 |
| | (c) Datuk Tan Choon Peow | Resolution 6 |
| | (d) Tan Choon Thye | Resolution 7 |
| | (e) Thong Mei Chuen | Resolution 8 |
| 6. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 9 |

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following resolutions:

- | | | |
|----|--|---------------|
| 7. | ORDINARY RESOLUTION:
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 AND WAIVER OF THE PRE-EMPTIVE RIGHTS OVER NEW ORDINARY SHARES IN THE COMPANY UNDER SECTION 85 OF THE COMPANIES ACT 2016 | Resolution 10 |
|----|--|---------------|

"THAT pursuant to section 85 of the Companies Act 2016, read in conjunction with Clause 61 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from the allotment and issuance of shares.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

8. **ORDINARY RESOLUTION:
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW RRPT
MANDATE")**

Resolution 11

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature ("RRPTs") with the related parties as set out in the Circular to Shareholders dated 25 October 2023, provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) are undertaken in the ordinary course of business at arms' length basis and are on normal commercial terms which are not more favourable to the Related Party than those generally available to the public; and
- (c) are not detrimental to the minority shareholders of the Company.

AND THAT such approval, shall continue to be in force until:

- (a) the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the estimated aggregate value of the transactions conducted pursuant to the Proposed New RRPT Mandate during a financial year will be disclosed, in accordance with the MMLR, in the Annual Report of the Company for the said financial year;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed New RRPT Mandate."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. **ORDINARY RESOLUTION:
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN
SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

Resolution 12

"THAT, subject to the Act, rules, regulations and orders made pursuant to the Act, the Company's Constitution, Main Market Listing Requirements of Bursa Securities and any other relevant authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares in the Company's share capital through Bursa Securities and to take all such steps as are necessary (including the opening and maintaining of a depository account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchases with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company, subject further to the following:

- i) the aggregate number of shares purchased or held as treasury does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities at the point of purchase;
- ii) the maximum funds to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends;

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

By Order of the Board

LIM SHOOK NYEE
MAICSA No. 7007640
SSM PC No. 201908003593
Company Secretary

Kuala Lumpur
25 October 2023

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

EXPLANATORY NOTES:

Agenda 1

Audited Financial Statements for the financial period from 1 August 2022 to 30 June 2023

The audited financial statements are for discussion only under Agenda 1, as they do not require shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, they will not be put for voting.

Resolutions 1 & 2

Directors' Fees & Benefits

The Board had reviewed the Directors' fees (including Board Committees) and benefits after taking into account the responsibilities and time commitment required from the Non-Executive Directors to ensure the fees is in line with market trend for similar positions and is otherwise fair and not excessive.

The benefits payable to the Non-Executive Directors comprise of car, fuel, driver and meeting allowances for attending the Board, Board Committees and general meetings of the Company for the period from 25 November 2023 until the next Annual General Meeting in 2024. The meeting allowances is estimated based on the number of scheduled and unscheduled meetings and the number of Non-Executive Directors involved in these meetings.

The payment of Directors' fees for the financial period from 1 August 2022 to 30 June 2023 will be payable in full upon the shareholders' approval while the Directors' benefits will be paid as and when they are incurred.

Resolutions 3, 4, 5, 6, 7 & 8

Re-election of Directors

Clause 103(1) of the Company's Constitution provides that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. Each Director shall retire from office once at least in each three years but shall be eligible for re-election. Dato' Mohamad Azmi bin Ali who is retiring by rotation in accordance with Clause 103(1) of the Company's Constitution and being eligible, has offered himself for re-election at the 28th AGM.

Clause 110 of the Company's Constitution provides that any Directors appointed within the period under review shall hold office only until the next AGM and shall be eligible for re-election. Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, Dato' Yong Lei Choo and Datuk Tan Choon Peow were appointed on 10 May 2023, and Tan Choon Thye and Thong Mei Chuen were appointed on 30 June 2023 and 1 August 2023 respectively, are standing for re-election as Director and being eligible, have offered themselves for re-election at the 28th AGM.

The Nomination Committee (NC) has conducted an assessment of these Directors as well as the independence of the Independent Director, as applicable, and is satisfied that they comply and meet the independence criteria as required by the Main Market LR of Bursa Securities. Their profiles are presented in the Annual Report 2023. These six (6) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and NC Meetings. The Board has endorsed the NC's recommendation subject to the shareholders' approval at the 28th AGM.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Resolution 10

Authority to Allot Shares and Waiver of Pre-Emptive Rights

Ordinary Resolution 10, if passed, will empower the Directors of the Company to issue and allot new shares at any time to such persons, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) at any time without convening a general meeting as it would be both costs and time consuming to organize a general meeting.

As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the 27th AGM held on 5 January 2023 and which will lapse at the conclusion of the 28th AGM.

Resolution 11

Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 11, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with those related parties as set out in Circular/Statement to Shareholders dated 25 October 2023 which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

For further information on this resolution, please refer to the Circular/Statement to Shareholders dated 25 October 2023.

Resolution 12

Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 12, if passed, will empower the Directors to purchase the Company's shares through Bursa Securities up to ten percent (10%) of the total number of issued and paid-up capital of the Company for the time being. This authority will be expired at the conclusion of the next Annual General Meeting unless earlier revoked or varied by ordinary resolution passed by shareholders at a general meeting.

For further information on this resolution, please refer to the Circular/Statement to Shareholders dated 25 October 2023.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:

1. The 28th Annual General Meeting ("28th AGM") will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting facilities ("RPV"). The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the poll administrator for the AGM to facilitate the RPV via **TIIH Online website** at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at mnaequityholdings.com to register, participate and vote remotely via the RPV.
2. A member entitled to participate and vote at the meeting via RPV is entitled to appoint one (1) or more proxies to participate and vote in his stead. A proxy need not be a member of the Company.
3. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds shares in the Company for multiple beneficial owners in one 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.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the poll administrator not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. i.e. no later than **23 November 2023 at 11.00 a.m.**
 - (a) **Hard copy form**
Submit to Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (b) **Electronic form**
Lodge via TIIH Online website at <https://tiih.online> by following the procedures provided in the Administrative Guide.
6. A member who has appointed a proxy or authorised representative or attorney to participate in the 28th AGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for RPV at TIIH Online website at <https://tiih.online> in accordance with the procedures set out in the Administrative Guide.
7. Only members whose names appear in the **Record of Depositors as at 17 November 2023** will be entitled to participate or appoint proxy(ies) to participate in his/her stead in the 28th AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

A. Details of the individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is standing for election as a Director (excluding Directors standing for re-election) at the 28th Annual General Meeting (AGM) of the Company.

B. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements

The resolution in relation to the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016, is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM of the Company held on 5 January 2023.

As at the date of the Notice of the 28th AGM, no new shares were issued pursuant to the mandate granted to the Directors at the 27th AGM held on 5 January 2023 and which will lapse at the conclusion of the 28th AGM.

The resolution, if passed, would provide flexibility to the Directors to undertake fund-raising activities, including but not limited to placement of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors consider it to be in the best interests of the Company. Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated.

The waiver of the statutory pre-emptive rights of the shareholders of the Company pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

This page has been intentionally left blank



FORM OF PROXY

[Full name in block, and as per NRIC/Passport/Company No.]

I/We	Tel:
Of	Email:

being member(s) of **M & A EQUITY HOLDINGS BERHAD** (FORMERLY KNOWN AS SYF RESOURCES BERHAD), hereby appoint:

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company held on **Friday, 24 November 2023 at 11.00 a.m.** as a fully virtual meeting via live streaming and online remote voting via TIH Online website at <https://tihih.online> or <https://tihih.com.my> (Domain registration number with MYNIC: D1A282781) and at any adjournment thereof in the manner as indicated below:

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees to Non-Executive Directors of up to an amount of RM156,000 for the financial period from 1 August 2022 to 30 June 2023.		
2.	To approve the payment of Director's Benefits to Non-Executive Directors of the Company of up to an amount of RM70,000 from 25 November 2023 until the conclusion of the next AGM of the Company.		
3.	To re-elect Dato' Mohamad Azmi bin Ali who retires by rotation in accordance with Clause 103(1) of the Company's Constitution.		
4.	To re-elect Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP who retires in accordance with Clause 110 of the Company's Constitution.		
5.	To re-elect Dato' Yong Lei Choo who retires in accordance with Clause 110 of the Company's Constitution.		
6.	To re-elect Datuk Tan Choon Peow who retires in accordance with Clause 110 of the Company's Constitution.		
7.	To re-elect Tan Choon Thye who retires in accordance with Clause 110 of the Company's Constitution.		
8.	To re-elect Thong Mei Chuen who retires in accordance with Clause 110 of the Company's Constitution.		
9.	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
10.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016		
11.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
12.	Proposed Renewal of Share Buy-Back Authority.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain from voting at his / her discretion.

Signed this _____ day of _____ 2023

No. of Shares Held	
CDS Account No.	
Tel. No. (during office hours)	

Signature/Common Seal of Shareholder

NOTES:

- The 28th Annual General Meeting ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting facilities ("RPV"). The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as the poll administrator for the AGM to facilitate the RPV via **TIH Online website** at <https://tihih.online>. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at www.mnaonline.com.my to register, participate and vote remotely via the RPV.
- A member entitled to participate and vote at the meeting via RPV is entitled to appoint one (1) or more proxies to participate and vote in his stead. A proxy need not be a member of the Company.
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds shares in the Company for multiple beneficial owners in one 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.



4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the poll administrator not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. i.e. no later than **23 November 2023 at 11.00 a.m.**:
 - (a) Hard copy form
Submit to Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (b) Electronic form
Lodge via TIIH Online website at <https://tiih.online> by following the procedures provided in the Administrative Guide.
6. A member who has appointed a proxy or authorised representative or attorney to participate in the 28th AGM via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for RPV at TIIH Online website at <https://tiih.online> in accordance with the procedures set out in the Administrative Guide.
7. Only members whose names appear in the **Record of Depositors as at 17 November 2023** will be entitled to participate or appoint proxy(ies) to participate in his/her stead in the 28th AGM.

Fold this flap for sealing

AFFIX
STAMP

To: **THE SHARE REGISTRAR**
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

M & A EQUITY HOLDINGS BERHAD

(formerly known as SYF Resources Berhad)

Registration No. 199501035170 (364372-H)

No. 47-11, The Boulevard, Mid Valley City

Lingkaran Syed Putra, 59200 Kuala Lumpur

Tel : +6 (03) - 2284 2911 Fax : +6 (03) - 2284 2718

Website : mnaequityholdings.com