

PERMAJU INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA) Company No. 199601006711(379057-V)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER 30 JUNE 2020

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.06.2020 RM'000 Unaudited	Preceding Year Quarter 30.06.2019 RM'000 *	Current Year To-Date 30.06.2020 RM'000 Unaudited	Preceding Year To-Date 30.06.2019 RM'000 *
Revenue		5,890	N/A	57,582	N/A
Cost of sales		(4,772)	N/A	(54,511)	N/A
Gross profit		<u>1,118</u>	<u>-</u>	<u>3,071</u>	<u>N/A</u>
Other income		2,580	N/A	3,801	N/A
Selling and marketing expenses		(528)	N/A	(3,325)	N/A
Administrative expenses		(3,148)	N/A	(7,981)	N/A
Other expenses		(3,197)	N/A	(3,197)	N/A
Operating loss		<u>(3,175)</u>	<u>N/A</u>	<u>(7,631)</u>	<u>N/A</u>
Finance costs		(208)	N/A	(370)	N/A
Loss before tax		<u>(3,383)</u>	<u>N/A</u>	<u>(8,001)</u>	<u>N/A</u>
Income tax expense	18	509	N/A	569	N/A
Loss for the period	19	<u>(2,874)</u>	<u>N/A</u>	<u>(7,432)</u>	<u>N/A</u>
Other comprehensive loss for the period, net of tax		-	-	-	-
Total comprehensive loss for the period		<u>(2,874)</u>	<u>N/A</u>	<u>(7,432)</u>	<u>N/A</u>
Profit / (Loss) attributed to					
- Owners of the company		(3,004)	N/A	(6,586)	N/A
- Non-controlling interests		130	N/A	(846)	N/A
		<u>(2,874)</u>	<u>N/A</u>	<u>(7,432)</u>	<u>N/A</u>
Total comprehensive profit / (loss) attributed to					
- Owners of the company		(3,004)	N/A	(6,586)	N/A
- Non-controlling interests		130	N/A	(846)	N/A
		<u>(2,874)</u>	<u>N/A</u>	<u>(7,432)</u>	<u>N/A</u>
Basic loss per share attributable to owners of the Company :					
Basic loss per share for the period (sen)	26	(1.60)	N/A	(3.52)	N/A

* There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 31 December to 30 June.

PERMAJU INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA) Company No. 199601006711(379057-V)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30TH JUNE 2020

	Note	As at 30.06.2020 RM'000 (Unaudited)	As at 30.06.2019 RM'000 (Audited)
Non - current assets			
Property, plant and equipment		54,105	55,521
Land held for property development		63,727	63,727
Investment properties		-	3,423
Biological assets		5,622	6,093
Right use of assets		3,211	-
Deferred tax assets		2,547	1,879
		<u>129,212</u>	<u>130,643</u>
Current assets			
Property development costs		42,540	42,531
Inventories		13,947	27,543
Trade and other receivables		2,455	7,114
Other current asset		234	165
Income tax refundable		104	103
Cash and bank balances		1,676	794
		<u>60,956</u>	<u>78,250</u>
TOTAL ASSETS		<u>190,168</u>	<u>208,893</u>
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	22	2,008	3,395
Trade and other payables		52,924	66,068
Income tax payable		6	6
		<u>54,938</u>	<u>69,469</u>
Net current assets		<u>6,018</u>	<u>8,781</u>
Non - current liabilities			
Lease liabilities		3,267	-
Deferred tax liabilities		7,413	7,442
		<u>10,680</u>	<u>7,442</u>
Total liabilities		<u>65,618</u>	<u>76,911</u>
Net assets		<u>124,550</u>	<u>131,982</u>
Equity attributable to owners of the Company			
Treasury shares	7	228,310	228,310
Merger deficit		(3,280)	(3,280)
Revaluation reserve		(629)	(16,217)
Accumulated losses		21,552	21,552
		<u>(134,135)</u>	<u>(111,961)</u>
		111,818	118,404
Non-controlling interest		12,732	13,578
Total equity		<u>124,550</u>	<u>131,982</u>
TOTAL EQUITY AND LIABILITIES		<u>190,168</u>	<u>208,893</u>
Net asset per share - RM		0.67	0.70

PERMAJU INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA) Company No. 199601006711(379057-V)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30TH JUNE 2020
(The figures have not been audited)

Note	----- Attributable to Owners of the Company -----									
	Equity Total RM'000	Equity attributable to owners of the parent, Total RM'000	----- Non-Distributable -----					Distributable		
Share Capital RM'000			Share Premium RM'000	Treasury Shares RM'000	Merger Reserve / (Deficit)	Revaluation Reserves RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000	Non controlling interest RM'000	
As at 1st July 2019	131,982	118,404	228,310	-	(3,280)	(16,217)	21,552	-	(111,961)	13,578
Derecognition of merger deficit on disposal of subsidiary	-	-	-	-	-	15,588	-	-	(15,588)	-
Total comprehensive loss for the period	(7,432)	(6,586)	-	-	-	-	-	-	(6,586)	(846)
As at 30th June 2020	<u>124,550</u>	<u>111,818</u>	<u>228,310</u>	<u>-</u>	<u>(3,280)</u>	<u>(629)</u>	<u>21,552</u>	<u>-</u>	<u>(134,135)</u>	<u>12,732</u>
As at 1st July 2018*	N/A	N/A	N/A	-	N/A	N/A	N/A	-	N/A	N/A
Total comprehensive loss for the period	N/A	N/A	N/A	-	N/A	N/A	N/A	-	N/A	N/A
As at 30th June 2019*	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>

* There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 31 December to 30 June.

PERMAJU INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA) Company No. 199601006711(379057-V)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30TH JUNE 2020

	Current Year To-Date 30.06.2020 RM'000 Unaudited	Preceding Year To-Date 30.06.2019 RM'000 *
Operating activities		
Loss before tax	(8,001)	N/A
Adjustments for :		
Interest income	(1)	N/A
Finance costs	370	N/A
Depreciation of property, plant and equipment	480	N/A
Depreciation of property, plant and equipment - Right use of asset	253	N/A
Loss on disposal of investment property	3,423	N/A
Net gain on disposal of property, plant and equipment	(88)	N/A
Impairment loss on biological assets	823	N/A
Interest expense of right use of asset	174	N/A
Loss on disposal of property, plant and equipment	108	N/A
Operating cash flows before changes in working capital	<u>(2,459)</u>	<u>N/A</u>
Increase in property development costs	(9)	N/A
Decrease in inventories	13,596	N/A
Decrease in trade and other receivables	4,573	N/A
Increase in other current assets	(69)	N/A
Decrease in trade and other payables	(13,149)	N/A
Cash flows from operations	<u>2,483</u>	<u>N/A</u>
Interest received	1	N/A
Interest paid	(370)	N/A
Tax paid	(127)	N/A
Net cash flows from operating activities	<u>1,987</u>	<u>N/A</u>
Investing activities		
Proceeds from disposal of property, plant and equipment	305	N/A
Purchase of property, plant and equipment	(27)	N/A
Net cash flows from investing activities	<u>278</u>	<u>N/A</u>
Financing activities		
Repayment of loans and borrowings	(1,389)	N/A
Repayment of obligations under finance leases	-	N/A
Net cash flows used in financing activities	<u>(1,389)</u>	<u>N/A</u>
Net increase in cash and cash equivalents	876	N/A
Cash and cash equivalents at beginning of financial period	(1,741)	N/A
Cash and cash equivalents at end of financial period	<u>(865)</u>	<u>N/A</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
	As at 30.06.2020 RM'000	As at 30.06.2019 RM'000
Cash and bank balances	1,143	N/A
Deposits pledged	533	N/A
	<u>1,676</u>	<u>N/A</u>
Bank overdraft	(2,008)	N/A
	<u>(332)</u>	<u>N/A</u>
Less: Deposits pledged	(533)	N/A
	<u>(865)</u>	<u>N/A</u>

* There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 31 December to 30 June.

PERMAJU INDUSTRIES BERHAD
(Incorporated in Malaysia) Company No. 199601006711(379057-V)

**INTERIM REPORT FOR THE FINANCIAL QUARTER
ENDED 30TH JUNE 2020**

*NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
ENDED 30TH JUNE 2020*

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30th June 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30th June 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Adoption of MFRSs, amendments to MFRSs and IC Interpretation

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 30 June 2020 except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and IC Interpretations.

On 1 July 2019, the Group adopted the following new and amended MFRSs and IC interpretation:

- MFRS 16: Leases
- Amendments to MFRS 9: Prepayment feature with compensation
- Amendments to MFRS 119: Plan amendment, curtailment or settlement
- Amendments to MFRS 128: Long term interest in associates and joint ventures
- Annual Improvements to MFRS Standards 2015 - 2017 Cycle
- IC Interpretation 23: Uncertainty over income tax treatments

The adoption of the above standards and interpretation did not have a significant impact on the financial statements in the period of initial application except as discussed as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(b) Adoption of MFRSs, amendments to MFRSs and IC Interpretation (cont'd.)

MFRS 16: Leases

MFRS 16 replaced MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The financial statements of the Group for the financial period ended 31st March 2020 are prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework. The date of transition to the MFRS Framework was on 1 January 2017.

At the commencement date of a lease, a lessee recognised a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees are required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors continued to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The standard affected primarily the accounting for the Group’s non-cancellable operating leases. The Group recognised right-of-use assets and corresponding liabilities by applying the modified retrospective approach and not restate comparative amounts for the year prior to initial adoption. Right-of-use assets is measured at an amount equal to the lease liability amount on the date of transition.

In summary, upon the adoption of MFRS 16, the Group recognised the following balances as at 1 July 2019:

	Asset/ (Liabilities) RM'000
Right of use of asset	3,464
Lease liabilities	<u>(3,464)</u>

In the profit and loss, expenses which were previously recognised as lease expenses in the cost of sales are now replaced by interest expense on lease liabilities (included within the finance costs line) and depreciation of right-of use assets. In the statement of cash flows, lease payments for the principal portion are now classified under financing activities compared to operating activities in the past.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(c) Standard and Interpretation issued but not yet effective

The Group has not early adopted the following new and amended MFRSs and IC Interpretations that are not yet effective:

Description	Effective for financial period beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 108: Definition of Material	1 January 2022
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRS 2018 - 2020	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

3. AUDIT REPORT

The audit report of the Group's annual financial statements for the year ended 30th June 2019 was not subject to any qualification.

4. SEASONAL OR CYCLICAL FACTORS OF INTERIM OPERATIONS

The Group's business operations for the period ended 30th June 2020 have not been materially affected by seasonal or cyclical factors.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial quarter ended 30th June 2020.

6. EFFECTS OF CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the financial quarter ended 30th June 2020.

7. CHANGES IN DEBTS AND EQUITY SECURITIES

During the current quarter ended 30th June 2020, there were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities. The total number of shares bought back and held as treasury shares as at 30th June 2020 was 8,672,500 shares. The shares bought back are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

8. DIVIDEND PAYMENT

There was no dividend paid for the current quarter and financial period ended 30th June 2020.

9. CARRYING AMOUNT OF REVALUED ASSETS

The Group has revalued its leasehold land during the financial year 2017 based on valuations carried out by an independent professional valuer on an open market value basis during that financial year.

10. SUBSEQUENT EVENTS

There were no material events subsequent to the interim financial report under review as at the date of this announcement.

11. OPERATING SEGMENTS

The Group has four reportable segments, namely automotive, timber, property development and others which involved in Group-level corporate services, treasury functions and investments in marketable securities, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately.

(a) Information about reportable segments

	For the period ended 30.06.2020					
	Automotive 30.06.2020 RM'000	Timber 30.06.2020 RM'000	Property Development 30.06.2020 RM'000	Others 30.06.2020 RM'000	Adjustments and elimination 30.06.2020 RM'000	Total 30.06.2020 RM'000
External revenue	50,967	-	7,623	-	(1,008)	57,582
Inter segment revenue	-	-	-	-	-	-
Segment loss	(107)	(1,347)	(1,694)	(9,591)	5,307	(7,432)
Segment assets	16,731	34,007	77,235	100,070	(37,875)	190,168
Segment liabilities	47,241	33,235	77,014	5,224	(97,096)	65,618

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 30th June 2020.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets of the Group since the last statement of financial position as at 30th June 2020.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. REVIEW OF PERFORMANCE

The Group's revenue for the current quarter of RM5.89 million is made up of revenue from the Automotive Division of RM4.49 million and Property Division of RM1.40 million.

The Group registered a pre-tax loss of RM3.40 million for the current quarter.

There is no preceding year corresponding period comparison due to the change in the financial year end from 31 December to 30 June.

15. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

The Group's current quarter revenue of RM5.89 million against the preceding quarter revenue of RM14.33 million, was due to decrease in revenue derived from Automotive Division and decrease in revenue from Property Division. The Group's loss before taxation for the current quarter of RM3.40 million was mainly attributed to the loss before taxation of Automobile Division of RM0.11 million and loss before taxation of Property Development Division of RM1.70 million. Comparatively, in the preceding quarter the loss before taxation of RM3.0 million was mainly attributed to the loss before taxation of Automobile Division of RM0.84 million and loss before taxation of Property Development Division of RM2.52 million.

In the Automotive Division for current quarter, the vehicles sales decreased as compared to the previous quarter. While for Property Development Division 2 residential units were sold during current quarter compared to 13 units in previous quarter.

16. PROSPECTS

Malaysia Automotive Association (MAA) has revised the latest total industry volume (TIV) from 400,000 units to 470,000 units*. MAA has taken several factors into their forecast such as Covid-19 Pandemic, uncertain economic environment, stricter vetting on hire purchase application and reduction in Overnight Policy Rate (OPR).

In a move to revitalize demand in the domestic auto sector, the government has announced PENJANA plan, sales tax exemption up to 100% for completely knocked down (CKD) passenger vehicles and 50% for fully-imported completely-built up (CBU) passenger vehicles from 15 June 20 to 31 December 20.

However, analysts do not expect robust growth in sales volume, given the potential rise in unemployment rate, consumers remaining cautious about spending on big ticket items as well as strict lending requirements from financial institutions, due to banks gradually narrowing their exposure in hire-purchase loans.**

The property sector is expected to remain challenging due to weak demand and oversupply market.

In addition to the above, the rights issue (refer to Note 21) is expected to provide additional working capital which will be positive for the Group operations moving forward. Barring any unforeseen circumstances, the Board expect the results of the Group to be satisfactory.

*MAA Market Review For 1st Half 2020 Compared To 1st Half 2019

**TheStar 10 June 2020

17. PROFIT FORECAST OR PROFIT GUARANTEE

This is not applicable to the financial quarter under review.

18. INCOME TAX BENEFIT

	Current Year Quarter 30.06.2020 RM'000	Cumulative Year To Date 30.06.2020 RM'000
Income tax	127	127
Deferred tax	<u>(636)</u>	<u>(696)</u>
	<u>(509)</u>	<u>(569)</u>

19. LOSS FOR THE PERIOD

Loss for the period is arrived at after charging/(crediting):

	Current Year Quarter 30.06.2020 RM'000	Cumulative Year To Date 30.06.2020 RM'000
Finance costs	208	370
Depreciation and amortization	98	480
Impairment loss on expected credit loss	297	297
Written off of receivables	3,547	3,547
Gain on disposal of property, plant and equipment	(8)	(88)
Loss on disposal of property, plant and equipment	-	108

20. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties for the financial quarter under review.

21. CORPORATE PROPOSALS
 NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS)
 FUND RAISING

- (I) RIGHTS ISSUE OF ICPC WITH WARRANTS
 (II) SETTLEMENT
 (III) CONSTITUTION AMENDMENTS

(COLLECTIVELY REFERRED TO AS THE “CORPORATE EXERCISE”)

(For consistency purposes, the abbreviations and definitions used throughout this announcement shall have the same meanings as those previously defined in the Abridged Prospectus of the Company dated 14 July 2020 in relation to the Rights Issue of ICPS with Warrants.)

- a. On behalf of the Board, Mercury Securities had announced that the Corporate Exercises have been completed following the listing and quotation of 1,381,288,215 ICPS (comprising 936,309,855 Rights ICPS and 444,978,360 Settlement ICPS) and 93,630,984 Warrants on the Main Market of Bursa Securities on 21 August 2020.
- b. Utilisation of proceeds

The gross proceeds to be raised from the Rights Issue of ICPS with Warrants will be utilised in the following manner:-

Proposed utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue of ICPS with Warrants	RM'000
(i) Development of the Mydin Project	Within 36 months (by August 2023)	38,470
(ii) Funding for automotive division	Within 12 months (by August 2021)	5,000
(iii) Repayment of bank borrowings	Within 3 months (by November 2020)	1,995
(iv) Estimated expenses for the Corporate Exercises	Immediate	1,350
Total		46,815

22. LOANS AND BORROWINGS

	As at 30.06.2020 RM'000	As at 30.06.2019 RM'000
Current		
- Bank overdraft	2,008	2,006
- Obligation under finance leases	-	-
- Bank loans	-	1,389
	<u>2,008</u>	<u>3,395</u>

The borrowings are secured.

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of this announcement.

24. CHANGES IN MATERIAL LITIGATION

There were no material changes in the following litigation where:

David Shen I-Tan, practicing under Arkitek Konsult Sabah (“Claimant”), had on 22nd November 2013 initiated an arbitration proceeding against a subsidiary, Hardie Development Sdn Bhd (Hardie), for wrongful termination of its services as an architect. The Claimant is claiming for fees with interest as well as loss of income, amounting to RM11,400,000.00 (“Breach of Contract Arbitration”).

The Claimant had also initiated an arbitration proceeding against Permaju for tortious conduct by Permaju in inducing Hardie to breach a contract of services against the Claimant. The Claimant is claiming against Permaju for damages comprising of (a) RM2,590,724.04, being the outstanding professional fees allegedly due to the Claimant and (b) RM9,841,702.83 together with interest and cost for loss of income for balance of work prematurely terminated (“Permaju Arbitration”).

In respect of both the above-mentioned arbitration proceedings, the parties have agreed that the issue of liability for the Breach of Contract Arbitration will be determined first before the Permaju’s Arbitration. In this respect, no award will be made in relation to the Breach of Contract Arbitration on the quantum payable to either the Claimant or the Respondent at this stage. In the event that Hardie is successful in respect of the Breach of Contract Arbitration, then the Permaju Arbitration will come to an end.

On 21st May 2018, Hardie’s solicitors have informed Hardie that the arbitrator has given a partial award on the Breach of Contract Arbitration (“Partial Award”) and held that Hardie had wrongfully terminated the Claimant’s for its services and has awarded costs in the cause in the final award to the Claimant. Hardie’s solicitors have confirmed that there has been no award made by the arbitrator in respect of the quantum of damages payable to the Claimant in relation to the Breach of Contract Arbitration. Hardie’s solicitors also confirmed that there are no directions from the arbitrator in respect of the Permaju Arbitration.

Hardie’s solicitors was of the view that the chances of setting aside the Partial Award was good. However, Kota Kinabalu High Court dismissed the Application to set aside the Partial Award. An Appeal was filed and it is fixed for Hearing on 28th August 2020.

Pursuant to the directions given at the case management on 28 June 2019, the Tribunal had directed parties to submit submissions incorporating previous submissions on the issue of illegality with answers to clarification questions posed by the Tribunal. On 1st August 2019, Hardie’s solicitors have filed the necessary information to the Tribunal.

On 7 October 2019, the Arbitrator issued Partial Award No. 2 which found that the architect’s services had not been voided by illegality and he had been, wrongfully terminated. Hardie filed an Application to set aside the Partial Award No. 2. On 21st May 2020, the Kota Kinabalu High Court dismissed Hardie’s Application to set aside Partial Award No.2. On 17th June 2020, Hardie filed an Appeal to the Court of Appeal against the decision of the Kota Kinabalu High Court in respect of Partial Award No. 2.

The Hearing of David Shen's claim against Permaju Industries Berhad for inducing to breach their contract with David Shen I-Tan is fixed for Hearing on 25th and 26th November 2020. Apart from the foregoing, in respect of the Partial Award 1 published on 10th April 2018 is fixed for Hearing on 28th August 2020.

The Company's solicitors are of the view that there are merits to Permaju's defense in respect of the Permaju arbitration.

25. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30th June 2020 (30th June 2019 : Nil)

26. LOSS PER ORDINARY SHARE

Basic loss per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2020	Preceding Year Quarter 30.06.2020	Current Year Quarter 30.06.2020	Preceding Year Quarter 30.06.2020
Net loss for the period (RM'000)	(3,004)	N/A	(6,586)	N/A
Weighted average number of ordinary shares in issue ('000)	187,262	N/A	187,262	N/A
Basic loss per share (sen)	<u>(1.60)</u>	<u>N/A</u>	<u>(3.52)</u>	<u>N/A</u>

The basic loss per share is not subject to dilution as there is no dilutive effect of any potential ordinary shares.

27. REALISED AND UNREALISED LOSSES DISCLOSURE

	As at 30.06.2020 RM'000	As at 30.06.2019 RM'000
Total retained accumulated losses of Permaju Industries Berhad and its subsidiaries :		
- Realised	(127,109)	(104,935)
- Unrealised	<u>(7,026)</u>	<u>(7,026)</u>
Total group accumulated losses as per consolidated accounts	<u>(134,135)</u>	<u>(111,961)</u>

28. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 August 2020.