

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER 31ST MARCH 2021

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.03.2021 RM'000 Unaudited	Preceding Year Quarter 31.03.2020 RM'000 Unaudited	Current Year To-Date 31.03.2021 RM'000 Unaudited	Preceding Year To-Date 31.03.2020 RM'000 Unaudited
Revenue		7,812	14,330	25,310	51,692
Cost of sales		(7,424)	(15,955)	(23,488)	(49,739)
Gross profit/(loss)		388	(1,625)	1,822	1,953
Other income		2,355	721	3,613	1,221
Fair value loss on marketable securities		(24,840)	-	(10,894)	-
Selling and marketing expenses		(365)	(783)	(1,845)	(2,797)
Administrative expenses		(3,327)	(1,223)	(7,986)	(4,833)
Other expenses		3	-	(1,473)	-
Operating loss		(25,786)	(2,910)	(16,763)	(4,456)
Finance costs		(95)	(97)	(323)	(162)
Loss before tax		(25,881)	(3,007)	(17,086)	(4,618)
Income tax expense	18	(29)	20	11	60
Loss for the period	19	(25,910)	(2,987)	(17,075)	(4,558)
Other comprehensive loss for the period, net of tax		-	-	-	-
Total comprehensive loss for the period		(25,910)	(2,987)	(17,075)	(4,558)
Loss attributed to					
- Owners of the company		(25,443)	(2,225)	(16,202)	(3,582)
- Non-controlling interests		(467)	(762)	(873)	(976)
		<u>(25,910)</u>	<u>(2,987)</u>	<u>(17,075)</u>	<u>(4,558)</u>
Total comprehensive loss attributed to					
- Owners of the company		(25,443)	(2,225)	(16,202)	(3,582)
- Non-controlling interests		(467)	(762)	(873)	(976)
		<u>(25,910)</u>	<u>(2,987)</u>	<u>(17,075)</u>	<u>(4,558)</u>
Basic loss per share attributable to owners of the Company :					
Basic loss per share for the period (sen)		(3.56)	(1.19)	(2.27)	(1.91)

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31ST MARCH 2021

	Note	As at 31.03.2021 RM'000 (Unaudited)	As at 30.06.2020 RM'000 (Audited)
Non - current assets			
Property, plant and equipment		57,179	54,105
Land held for property development		63,727	63,727
Biological assets		5,893	5,622
Right use of assets		7,184	3,211
Investments		42,960	-
Deferred tax assets		2,547	2,547
		<u>179,490</u>	<u>129,212</u>
Current assets			
Property development costs		42,540	42,540
Inventories		8,612	13,947
Trade receivables		463	1,351
Other receivables, prepayments and deposits		44,434	1,314
Other current asset		-	125
Cash and bank balances		27,513	1,676
		<u>123,562</u>	<u>60,953</u>
TOTAL ASSETS		<u>303,052</u>	<u>190,165</u>
EQUITY AND LIABILITIES			
Current liabilities			
Loans and borrowings	23	-	2,007
Trade payables		7,774	10,200
Other payables		9,198	42,720
Income tax payable		6	6
		<u>16,978</u>	<u>54,933</u>
Net current assets		<u>106,584</u>	<u>6,020</u>
Non - current liabilities			
Lease liabilities		7,317	3,267
Deferred tax liabilities		7,354	7,413
		<u>14,671</u>	<u>10,680</u>
Total liabilities		<u>31,649</u>	<u>65,613</u>
Net assets		<u>271,403</u>	<u>124,552</u>
Equity attributable to owners of the Company			
Treasury shares	7	338,676	228,310
Merger deficit		-	(3,280)
Revaluation reserve		(629)	(629)
Irredeemable Convertible Preference Shares (ICPS)		21,552	21,552
Other Reserves		51,952	-
Warrant Reserves		(53,540)	-
Accumulated losses		53,540	-
		<u>(152,007)</u>	<u>(134,133)</u>
		259,544	111,820
Non-controlling interest		11,859	12,732
Total equity		<u>271,403</u>	<u>124,552</u>
TOTAL EQUITY AND LIABILITIES		<u>303,052</u>	<u>190,165</u>
Net asset per share - RM		0.38	0.67

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31ST MARCH 2021
(The figures have not been audited)

Note	Equity attributable to owners of the parent, Total		Attributable to Owners of the Company							Distributable		Non controlling interest RM'000
	Equity Total RM'000	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Revaluation Reserves RM'000	Irredeemable Convertible Preference Shares ("ICPS") RM'000	Other Reserves RM'000	Warrant Reserves RM'000	Accumulated Losses RM'000	Equity attributable to owners of the parent, Total RM'000	Non-Distributable	
As at 1st July 2020	124,551	228,310	(3,280)	(629)	21,552	-	-	-	(134,134)	111,819	-	12,732
Rights Issue of ICPS	69,064	-	-	-	-	69,064	-	-	-	69,064	-	-
Conversion of ICPS to ordinary shares	76,584	93,696	-	-	-	(17,112)	-	-	-	76,584	-	-
Issuance of Warrant	-	-	-	-	-	-	(53,594)	-	-	-	53,594	-
Reversal of warrant reserve	-	-	-	-	-	-	54	-	-	-	(54)	-
Warrant conversion	24	24	-	-	-	-	-	-	-	24	-	-
Resale of Treasury Shares	1,609	16,646	1,609	-	-	-	-	-	-	1,609	-	-
Employee share option exercised	16,646	16,646	-	-	-	-	-	-	-	16,646	-	-
Total comprehensive loss for the period	(17,075)	-	1,671	-	-	-	-	-	-	(16,202)	-	(873)
As at 31ST March 2021	271,403	338,676	-	(629)	21,552	51,952	(53,540)	53,540	(17,873)	259,544	(152,007)	11,859
As at 1st July 2019	131,982	228,310	(3,280)	(16,217)	21,552	-	-	-	(111,961)	118,404	-	13,578
Derecognition of merger deficit on disposal of subsidiary	-	-	-	20,811	-	-	-	-	(20,811)	-	(20,811)	-
Total comprehensive loss for the period	(4,558)	-	-	-	-	-	-	-	(3,582)	(3,582)	(3,582)	(976)
As at 31ST March 2020	127,424	228,310	(3,280)	4,594	21,552	-	-	-	(136,354)	114,822	(136,354)	12,602

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31ST MARCH 2021

	Current Year To-Date 31.03.2021 RM'000 Unaudited	Preceding Year To-Date 31.03.2020 RM'000 Unaudited
Operating activities		
Loss before tax	(17,086)	(4,618)
Adjustments for :		
Interest income	(146)	(5)
Finance costs	324	161
Depreciation of property, plant and equipment	608	382
Depreciation of right of use asset	370	-
Impairment of Biological assets	212	-
Inventories written off	900	-
Reversal of impairment ECL	(381)	-
Net gain on disposal of property, plant and equipment	(48)	(80)
Write off on trade and other receivables	172	-
Loss on disposal of property, plant and equipment	31	108
Fixed assets written off	30	-
Loss on disposal of investment property	-	3,423
Unrealised loss on marketable securities	10,100	-
Realised gain on marketable securities	(1,987)	-
Operating cash flows before changes in working capital	(6,901)	(629)
Decrease in inventories	4,435	10,172
(Increase)/Decrease in trade and other receivables	(40,307)	4,391
Decrease in other current assets	125	165
(Decrease) in trade and other payables	(33,863)	(12,510)
Cash (used in)/generated from operations	(76,511)	1,589
Interest received	146	5
Interest paid	(324)	(161)
Tax paid	(49)	(157)
Net cash (used in)/generated from operating activities	(76,738)	1,276
Investing activities		
Proceeds from disposal of property, plant and equipment	58	275
Purchase of property, plant and equipment	(3,967)	(22)
Purchase of marketable securities - Meridian Bhd	(26,000)	-
Purchase of marketable securities - PNE PCB Bhd	(27,060)	-
Additions to fixed deposit	(200)	-
Net cash (used in)/generated from investing activities	(57,169)	253
Financing activities		
Repayment of loans and borrowings	(2,007)	(1,389)
Issuance of ICPS	93,720	-
Proceeds from conversion of ICPS	51,952	-
Proceeds from resale of Treasury Shares	1,609	-
Proceeds from employees shares option exercised	16,646	-
Repayment of finance lease	(370)	-
Net cash generated form/(used in) financing activities	161,550	(1,389)
Net increase in cash and cash equivalents	27,643	140
Cash and cash equivalents at beginning of financial period	(880)	(1,741)
Cash and cash equivalents at end of financial period	<u>26,763</u>	<u>(1,601)</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
	As at 31.03.2021 RM'000	As at 31.03.2020 RM'000
Cash and bank balances	26,763	274
Deposits pledged	750	533
	<u>27,513</u>	<u>807</u>
Bank overdraft	-	(1,875)
	<u>27,513</u>	<u>(1,068)</u>
Less: Deposits pledged	(750)	(533)
	<u>26,763</u>	<u>(1,601)</u>

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

**INTERIM REPORT FOR THE FINANCIAL QUARTER
ENDED 31ST MARCH 2021**

*NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
ENDED 31ST MARCH 2021*

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 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 2020. 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 2020.

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 2020, the Group adopted the following new and amended MFRSs and IC interpretation:

- Amendments to MFRS 3: Definition of Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101: Definition of Material
- Amendments to MFRS 108: Definition of Material

The adoption of the above standards and interpretation did not have a significant impact on the financial statements in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(b) 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 16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	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
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between and 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. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30th June 2020 was not subject to any qualification.

4. SEASONAL OR CYCLICAL FACTORS OF INTERIM OPERATIONS

The Group's business operations for the period ended 31st March 2021 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 31st March 2021.

6. EFFECTS OF CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the financial quarter ended 31st March 2021.

7. CHANGES IN DEBTS AND EQUITY SECURITIES

During the current quarter ended 31st March 2021, The Company completed the followings:-

- (i) a private placement exercise involving the issuance of 54,500,000 new shares and raising a total of RM8.22 million. In addition, the Company had entered into a conditional share sale agreement with Chai Kim Chong for acquisition of 600,000 ordinary shares in Hardie Development Sdn Bhd (an existing 70%-owned subsidiary of the Company), representing 30% equity interest in Hardie, for a total purchase consideration of RM21,797,000.,
- (ii) The Company had made 4 offers of options to the eligible employees under the Company's ESOS. The total number of options offered were 105,194,348 units and raising a total of RM16,646,191.16; and

During the quarter ended 31st December 2020, The Company completed a private placement exercise involving the issuance of 49,331,502 new shares and raising a total of RM7.95 million. In addition, the total number of shares bought back and held as treasury shares, 8,672,500 shares were fully disposed. As disclosed above there were no other issuances, cancellations, repurchases, resale and repayments of debts and equity securities.

8. DIVIDEND PAYMENT

There was no dividend paid for the current quarter and financial period ended 31st March 2021.

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

Subsequent to the interim financial report as at the date of this announcement, the following events: -

On 28 April 2021, the Company had announced the price fixing for 50,000,000 placement shares at an issue price of RM0.14 each for the private placement proposed on 10 February 2021.

On 10 May 2021, 50,000,000 units of placement shares were allotted independent third – party investors and listing on 11 May 2021.

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 31.03.2021									
	Automotive		Property Development		Others		Adjustments and elimination		Total	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	22,524	46,223	3,407	6,225	-	-	(621)	(756)	25,310	51,692
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Segment loss after tax	(3,078)	(843)	(2,603)	(2,523)	(11,147)	(520)	(247)	(672)	(17,075)	(4,558)
Segment assets	19,968	7,743	79,226	76,584	358,688	141,245	(154,831)	(35,478)	303,051	190,094
Segment liabilities	53,555	36,007	81,608	76,978	110,295	38,426	(213,810)	(88,741)	31,648	62,670

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31st March 2021, other than disclosed below.

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 31st March 2021

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 RM7.81 million is lower by RM6.52 million than the preceding year corresponding quarter of RM14.33 million due to decrease in revenue from the Automotive Division by 49% and the Property Division by 40%. The decrease was mainly affected by Covid-19 pandemic and cessation on the operation of Volkswagen Taman Tun Dr Ismail (TTDI) outlet on 30 November 2020.

The Group registered a pre-tax loss of RM25.88 million for the current quarter against the preceding year corresponding quarter pre-tax loss of RM3.01 million. The significant increase was mainly due to the combination of the following-

- (i) The increase of other income by approximately RM1.63 million which was mainly due to realised gain from the investments in quoted shares ;
- (ii) The increase of fair value loss on marketable securities approximately RM24.84 million, which was mainly due to reversal and provision of unrealised investment gain and loss; and
- (iii) The increase of administrative expenses by approximately RM2.10 million which was mainly due to the increase in marketing costs and upkeeping costs of the Property division in anticipation of planning and relaunching once the it has fully consolidated the Property Division . In addition, professional fees incurred for Group's on-going legal case as well as expenses in relation to the several corporate exercises also contributed to the increase.

15. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter As at 31 Mar 2021 RM'000	Previous Quarter As at 31 Dec 2020 RM'000
Revenue	7,812	5,670
Profit/(Loss) before tax	(25,881)	10,799

The increase in revenue for this quarter as compared to previous quarter was mainly due to contribution from the Property Division as a result of more units in this quarter while as compared to previous quarter.

The increase in Group's loss before taxation for the current quarter of RM25.88 million as compared to last quarter was mainly due to the reversal of unrealised investment gain of RM13.95 million in previous quarter coupled with an unrealised quoted investments losses of RM10.89 million for this quarter. In addition, realised investment gain of RM1.99 million and RM1.21 million of additional marketing and upkeeping costs in relation the Property division in current quarter as well as expenses in relation to the several corporate exercises had also contributed to the increase.

16. PROSPECTS

Automotive

With the current challenging environment due to the outbreak of Covid-19 pandemic, the Group is currently consolidating its automotive resources to focus on Ford vehicles with a view to revive its automotive division. In addition the Group's current strategy to venture into the luxury car rental business is believed to be positive given the increase in expected demand in this market.

Property Division

The Group is cautiously optimistic about the property division given its recent acquisition of a strategic stake in Meridian Berhad, one of the listed property player in West Malaysia as well as its intention to increase investment in Hardie Development Sdn Bhd our Group's current property arm in Sabah. The division is expected to leverage on the recovery of the property sector once the pandemic is over as division would be fully equipped with the relevant resources to capitalise on this.

17. PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not issue any profit forecast and/or profit guarantee to the public given.

18. INCOME TAX BENEFIT

	Current Year Quarter		Cumulative Year To Date	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Deferred tax	29	(20)	(11)	(60)
	<u>29</u>	<u>(20)</u>	<u>(11)</u>	<u>(60)</u>

19. PROFIT/(LOSS) FOR THE PERIOD

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

	Current Year Quarter 31.03.2021 RM'000	Cumulative Year To Date 31.03.2021 RM'000
Finance costs	98	323
Depreciation and amortization	125	337
Impairment of biological assets	70	212
Inventory write off / (reversal)	(144)	900
Reversal of impairment on expected credit loss	(162)	(381)
Written off of receivables	-	86
Gain on disposal of property, plant and equipment	8	43
Loss on disposal of property, plant and equipment	9	26
Bad debts expenses (writtenback) / written off	5	85
Fixed assets written off/impaired	-	30

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 Securities on 21 August 2020.

b. Utilisation of proceeds

The gross proceeds raised from ICPS was RM46,815,492.75 and the current utilisation status is set out as follows: -

Purpose	Intended Timeframe for Utilisation from Completion Date	Proposed Utilisation RM'000	Actual Utilisation as at 26 May 2021 RM'000	Balance Utilisation RM'000
Development of the Mydin Project	Within 36 months	38,470	(9,896)	28,574
Funding for automotive division	Within 12 months	5,000	(5,000)	-
Repayment of bank borrowings	Within 3 months	1,995	(1,995)	-
Estimated expenses for the Corporate Exercises	Immediate	1,350	(1,350)	-
TOTAL		46,815	(18,241)	28,574

22. PRIVATE PLACEMENT 2020

On 18 November 2020, the Company completed a private placement exercise involving the issuance of 49,331,502 new Shares and raising a total of RM 7.95 million.

The current utilisation status as follows:-

Utilisation of proceeds	Intended Timeframe for Utilisation from 18 November 2020	Proposed Utilisation RM'000	Actual Utilisation as at 26 May 2021 RM'000	Balance Utilisation RM'000
Development of an online platform for luxury car rentals	Within 9 months	2,500	-	2,500
Acquisition of new cars for the Group's luxury car rental business	Within 24 months	3,950	-2,010	1,940
Working Capital	Within 24 months	1,062	-263	799
Estimated expenses for the Private Placement 2020	Immediate	440	-440	-
TOTAL		7,952	-2,713	5,239

23. PRIVATE PLACEMENT 2021

On 21 January 2021, the Company completed the Private Placement exercise involving the issuance of 54,500,000 new shares and raising a total of RM8.22 million.

The current utilisation status as follows:-

Utilisation of proceeds	Intended timeframe for utilisation from 21 January 2021	Proposed utilisation RM'000	Actual utilisation as at 26 May 2021 RM'000	Balance unutilised RM'000
(i) Funding for automotive division	Within 12 months	7,804	-	7,804
(ii) Estimated expenses for the Private Placement 2021	Immediate	420	420	-
Total		8,224	420	7,804

24. LOANS AND BORROWINGS

	As at 31.03.2021 RM'000	As at 31.03.2020 RM'000
Current		
- Bank overdraft	-	1,875

The borrowings are secured.

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

26. CHANGES IN MATERIAL LITIGATION

There were no material changes in the following litigation where:

An architect ("the Claimant") filed a civil suit against both the Company and a subsidiary for wrongful termination of his services and claimed outstanding fee with interest and loss income amounting to RM11.4 million.

The High Court directed that the claim by the Claimant against the subsidiary be referred to arbitration. On 28 March 2013, upon the appointment of the Arbitrator, the High Court struck off the claim against the subsidiary. On 7 November 2014, all parties agreed to withdraw the suit between the Claimant and the Company. Thereafter, the Arbitrator will hear both claims together.

The Arbitration proceeded with the Claimant and the respondent calling their respective witnesses. The principal issue to be decided by the Arbitrator is on whether there had been a mutual termination or wrongful termination of the Claimant's engagement. Based on the oral and documentary evidences produced in the Arbitration and supported by legal position, the Company's solicitors are of the view that the Company has established on a balance of probability that there was a mutual termination of the Claimant's engagement.

On 21 May 2018, subsidiary's solicitors have informed that the Arbitrator has given a partial award on the Breach of Contract Arbitration ("Partial Award") and held that the subsidiary had wrongfully terminated the Claimant's for its services and has awarded costs in the cause in the financial award to the Claimant. 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 and no directions from the Arbitrator in respect of the Permaju Arbitration.

Pursuant to the directions given at the case management on 28 June 2019, the Tribunal has directed parties to submit submissions incorporating pervious submissions on the issue of illegality with answers to clarification questions posed by the Tribunal. On 1st August 2019, subsidiary'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 Claimant's services had not been voided by illegality and he had seen, wrongfully terminated. The Company is appealing against this decision and the Company's solicitors had filed the necessary application to set aside the Partial Award.

The hearing of the Claimant's claim against the Company and the subsidiary for inducing to breach their contract with the Claimant is fixed for hearing on 6th to 9th April 2021. Apart from the foregoing, in respect of the Partial Award 1 and 2 is fixed for Hearing of Appeal on 21st April 2021.

Both of the matters were adjourned on the grounds that parties are trying for settlement on 21st April 2021.

No provision has been made for the damages for loss of income together with interest and cost as the Company's solicitors are of the view that the chance of success of a successful defence by the Group is strong.

27. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31st March 2021 (31st March 2020: Nil)

28. PROFIT/(LOSS) PER ORDINARY SHARE

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2021	Preceding Year Quarter 31.03.2020	Current Year Quarter 31.03.2021	Preceding Year Quarter 31.03.2020
Net profit/(loss) for the period (RM'000)	(25,443)	(2,225)	(16,202)	(3,582)
Weighted average number of ordinary shares ('000)	715,132	187,262	715,132	187,262
Basic profit/(loss) per share (sen)	<u>(3.56)</u>	<u>(1.19)</u>	<u>(2.27)</u>	<u>(1.91)</u>

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

29. REALISED AND UNREALISED LOSSES DISCLOSURE

	As at 31.03.2021 RM'000	As at 31.03.2020 RM'000
Total retained accumulated losses of Permaju Industries Berhad and its subsidiaries :		
- Realised	(144,981)	(129,328)
- Unrealised	<u>(7,026)</u>	<u>(7,026)</u>
Total group accumulated losses as per consolidated accounts	<u>(152,007)</u>	<u>(136,354)</u>

30. 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 27 May 2021.