

PERMAJU INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA) Company No. 199601006711(379057-V)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER 31 MARCH 2024

	Note	Individual Quarter		Cumulative Quarter	
		Current Year	Preceding Year	Current Year	Preceding Year
		Quarter	Quarter	To-Date	To-Date
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
		RM'000	RM'000	RM'000	RM'000
		Unaudited	Audited	Unaudited	Audited
Revenue		10,516	12,935	33,383	35,211
Cost of sales		(8,235)	(11,427)	(28,200)	(31,659)
Gross profit		<u>2,281</u>	<u>1,508</u>	<u>5,183</u>	<u>3,552</u>
Other income		163	771	1,637	2,070
Fair value loss on other investment		(3,950)	(1,975)	(625)	(7,801)
Selling and marketing expenses		(208)	(504)	(791)	(1,252)
Other expenses		(3,295)	(7,032)	(10,016)	(11,825)
Operating loss		<u>(5,009)</u>	<u>(6,765)</u>	<u>(4,612)</u>	<u>(15,256)</u>
Finance costs		(236)	(107)	(439)	(354)
Loss before tax		<u>(5,244)</u>	<u>(7,339)</u>	<u>(5,050)</u>	<u>(15,610)</u>
Income tax expense		(2)	20	(2)	60
Loss for the period	19	<u>(5,247)</u>	<u>(7,319)</u>	<u>(5,053)</u>	<u>(15,550)</u>
for the period, net of tax		-	-	-	-
Fair value gain on other investment					
- Owners of the company		(5,247)	(7,319)	(5,053)	(15,550)
- Non-controlling interests		-	-	-	-
		<u>(5,247)</u>	<u>(7,319)</u>	<u>(5,053)</u>	<u>(15,550)</u>
Total comprehensive loss attributed to					
- Owners of the company		(5,247)	(7,319)	(5,053)	(15,550)
- Non-controlling interests		-	-	-	-
		<u>(5,247)</u>	<u>(7,319)</u>	<u>(5,053)</u>	<u>(15,550)</u>
Basic/diluted loss per share attributable to owners of the Company :					
Basic/diluted loss per share for the period (sen)		(0.29)	(0.43)	(0.28)	(0.92)

PERMAJU INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA) Company No. 199601006711(379057-V)
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE QUARTER 31 MARCH 2024

	As at 31.03.2024 RM'000 (Unaudited)	As at 30.06.2023 RM'000 (Audited)
Non - current assets		
Property, plant and equipment	78,104	66,676
Other investment	41,666	60,615
Land held for property development	106,293	106,293
Right use of assets	6,503	6,837
	<u>232,566</u>	<u>240,421</u>
Current assets		
Inventories	13,424	6,617
Trade receivables	4,424	10,568
Other receivables, prepayments and deposits	31,384	24,812
Tax recoverable	143	301
Cash and bank balances	6,835	11,547
	<u>56,210</u>	<u>53,845</u>
TOTAL ASSETS	<u>288,776</u>	<u>294,266</u>
Fair value gain on other investment		
Trade payables	6,396	5,961
Other payables	4,305	5,999
Lease liabilities	1,202	408
Income tax payable	-	5
	<u>11,903</u>	<u>12,373</u>
Net current assets	<u>44,307</u>	<u>41,472</u>
Non - current liabilities		
Lease liabilities	5,786	6,875
Deferred tax liabilities	8,841	7,719
	<u>14,627</u>	<u>14,594</u>
Total liabilities	<u>26,531</u>	<u>26,967</u>
Net assets	<u>262,246</u>	<u>267,299</u>
Equity attributable to owners of the Company	445,047	443,759
Revaluation reserve	25,000	25,000
Irredeemable convertible preference shares (ICPS)	38,433	39,721
Other reserves	(53,540)	(53,540)
Warrant reserves	53,540	53,540
Accumulated losses	(246,234)	(241,181)
Total equity	<u>262,246</u>	<u>267,299</u>
TOTAL EQUITY AND LIABILITIES	<u>288,776</u>	<u>294,266</u>
Net asset per share - RM	0.15	0.18

PERMAJU INDUSTRIES BERHAD
(INCORPORATED IN MALAYSIA) Company No. 199601006711(379057-V)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER 31 MARCH 2024
(The figures have not been audited)

	----- Attributable to Owners of the Company -----										
	Equity Total RM'000	Equity attributable to owners of the parent, 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	Distributable	
Accumulated Losses RM'000										Non controlling interest RM'000	
As at 1st July 2023	267,298	267,298	443,759	-	-	25,000	39,721	(53,540)	53,540	(241,181)	-
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Rights Issue of ICPS	-	-	-	-	-	-	-	-	-	-	-
Conversion of ICPS to ordinary shares	-	-	1,288	-	-	-	(1,288)	-	-	-	-
Reversal of revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	(5,053)	(5,053)	-	-	-	-	-	-	-	(5,053)	-
As at 31 March 2024	<u>262,245</u>	<u>262,245</u>	<u>445,047</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>38,433</u>	<u>(53,540)</u>	<u>53,540</u>	<u>(246,234)</u>	<u>-</u>
Fair value gain on other investment											
As at 1st July 2022	282,282	282,282	441,689	-	-	21,552	41,791	(53,540)	53,540	(222,749)	-
Revaluation surplus	3,448	3,448	-	-	-	3,448	-	-	-	-	-
Rights Issue of ICPS	-	-	-	-	-	-	-	-	-	-	-
Conversion of ICPS to ordinary shares	-	-	2,070	-	-	-	(2,070)	-	-	-	-
Reversal of revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	(18,432)	(18,432)	-	-	-	-	-	-	-	(18,432)	-
As at 30 June 2023	<u>267,298</u>	<u>267,298</u>	<u>443,759</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>39,721</u>	<u>(53,540)</u>	<u>53,540</u>	<u>(241,181)</u>	<u>-</u>

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER 31 MARCH 2024

	Current Year To-Date 31.03.2024 RM'000 Unaudited	Preceding Year To-Date 30.06.2023 RM'000 Audited
Operating activities		
<i>Profit/(Loss) before tax</i>	(5,053)	(17,900)
<i>Adjustments for :</i>		
<i>Interest income</i>	(891)	(1,928)
<i>Depreciation of property, plant and equipment</i>	2,278	1,231
<i>Depreciation of right of use asset</i>	334	514
<i>Written off biological assets</i>	-	5,757
<i>Finance costs</i>	399	369
<i>Property, plant and equipment written off</i>	6	50
<i>Impairment loss on trade and other receivables</i>	-	349
<i>Reversal of impairment on trade and other receivables</i>	-	(44)
<i>Reversal of impairment on inventories</i>	-	(52)
<i>Fair value loss on other investment</i>	625	-
<i>Unrealised loss on marketable securities</i>	-	10,889
Operating cash flows before changes in working capital	<u>(2,302)</u>	<u>(766)</u>
<i>Increase in inventories</i>	(6,807)	(5,279)
<i>Increase in trade and other receivables</i>	(418)	(12,178)
<i>(Decrease)/increase in trade and other payables</i>	(1,259)	11
Cash used in operations	<u>(10,786)</u>	<u>(18,212)</u>
<i>Interest received</i>	891	1,928
<i>Interest paid</i>	(104)	(369)
<i>Tax paid</i>	1,275	-
Net cash used in operating activities	<u>(8,724)</u>	<u>(16,653)</u>
Investing activities		
<i>Placement in licensed banks</i>	19,547	-
<i>Purchase of property, plant and equipment</i>	(13,708)	(9,838)
<i>Purchase of marketable securities</i>	(1,224)	-
<i>Proceeds from disposal of property, plant and equipment</i>	-	986
Net cash generated from/(used in) investing activities	<u>4,615</u>	<u>(8,852)</u>
Financing activities		
<i>Repayment of lease liability</i>	(590)	(382)
<i>Issuance of Ordinary Share pursuant to Right ICPS</i>	1,288	-
<i>Proceeds from conversion of ICPS</i>	(1,288)	-
Net cash used in financing activities	<u>(590)</u>	<u>(382)</u>
<i>Net (decrease)/increase in cash and cash equivalents</i>	(4,699)	(25,886)
<i>Cash and cash equivalents at beginning of financial period</i>	11,246	37,132
<i>Cash and cash equivalents at end of financial period</i>	<u>6,547</u>	<u>11,246</u>
<i>Cash and cash equivalents at the end of the financial period comprise the following :</i>		
	As at 31.03.2024 RM'000	As at 30.06.2023 RM'000
<i>Cash and bank balances</i>	6,835	11,547
<i>Less: Deposits pledged</i>	(287)	(301)
	<u>6,547</u>	<u>11,246</u>

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

**INTERIM REPORT FOR THE FINANCIAL PERIOD
ENDED 31 MARCH 2024**

*NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
ENDED 31st March 2024*

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Ringgit Malaysia (RM).

2. SIGNIFICANT ACCOUNTING POLICIES

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

The significant accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the latest audited financial statements, except for the following:

Adoption of new and revised Malaysian Financial Reporting Standards (“MFRSs”)

MASB that are effective for annual financial periods beginning on or after 1 July 2022:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRSs Annual Improvements to MFRSs Standards 2018 - 2020	1 July 2022
Amendments to MFRS 3: Reference to Conceptual Framework	1 July 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 July 2022
Amendments to MFRS 137: Onerous Contracts - Costs of Fulfilling a Contract	1 July 2022

The above standards did not have material effect on the financial performance or position of the Group and the Company except as disclosed below:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(a) Standard and Interpretation issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 16: Lease – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale 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 year of initial applications.

3. AUDITOR'S REPORT ON PRECEEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the financial period ended 30th June 2023 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 2024 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 2024.

6. EFFECTS OF CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the financial quarter ended 31st March 2024.

7. CHANGES IN DEBTS AND EQUITY SECURITIES

During the current quarter ended 31st March 2024, there were no other issuances, cancellations, repurchases, resale and repayments of debts and equity securities except for the conversion of ICPS to 481,360 ordinary shares.

8. DIVIDEND PAYMENT

There was no dividend paid for the current quarter and financial period ended 31st March 2024.

9. CARRYING AMOUNT OF REVALUED ASSETS

The Group has revalued its leasehold land during the financial year 2023 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 three reportable segments, namely automotive, 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 31.03.2024											
	Automotive		EV Division		Property Development		Others		Adjustments and elimination		Total	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	31,065	34,955	2,696	607	-	-	-	-	(377)	(351)	33,384	35,211
Segment (loss)/profit after tax	(565)	(680)	763	105	(366)	(490)	(4,885)	(14,274)	-	(211)	(5,053)	(15,550)
Segment assets	62,028	43,694	13,750	6,588	71,211	71,055	376,318	381,460	(234,531)	(214,786)	288,776	288,011
Segment liabilities	21,926	80,167	14,189	7,102	80,875	80,137	171,830	120,299	(262,289)	(266,428)	26,531	21,277

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter ended 31st March 2024.

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 2024.

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 RM10.52 million has decreased by RM2.42 million compared to the preceding year corresponding quarter of RM12.94 million. There are 56 units of Ford Ranger sold during the current quarter compared to 66 units in preceding year corresponding quarter.

The Group's recorded a loss before tax of RM5.25 million despite an increase of gross profit of RM0.74 million as compared to a loss of RM7.32 million in previous corresponding quarter. The significant reduction in loss was mainly due to the combination of the following:

- (i) increase in fair value loss on quoted investment of RM1.98 million; and
- (ii) decrease in administrative expenses which was mainly due to disposal of biological assets of RM4.16 million.

15. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter As at 31 March 2024 RM'000	Previous Quarter As at 31 Dec 2023 RM'000
Revenue	10,516	12,580
Loss before tax	(5,247)	(1,350)

The decrease in revenue by RM2.42 million compared to the previous quarter is primarily due by decrease in sales of Ford vehicles.

The Group's registered a loss before taxation of RM5.25 million as compared to profit before taxation of RM1.35 million. The significant turnaround was mainly due to expenses of loss in fair value on quoted investment amounting to RM3.95 million.

16. PROSPECTS

Automotive

In the recovery process from the Covid-19 pandemic environment, the Group is currently consolidating its automotive resources to focus on Ford vehicles and electric vehicles (EV's) with the aim of reviving its automotive division. In addition, the Group has also started a luxury car rental business especially Electrical Vehicles which is expected to transform the Group into a fully-fledged automotive service provider in the future.

Property Division

The Group is cautiously enthusiastic about the property division. The Group currently reviewing in terms of existing gross development costs (GDC), gross development value (GDV), and current land values. The Group intends to proceed with the current plan and is actively seeking new property development markets.

Plantation Division

The collaboration with the Malaysian Cocoa Board to venture into cocoa plantation through the development of Cocoa Smart Farming is progressing, with land clearing completed and earthworks (terracing, roads, and drainage), nursery, and grass planting underway and expected to be completed by the end of the next quarter.

The cooperation with Felcra Bekalan & Perkhidmatan Sdn. Bhd. has begun with land clearing completed and earthworks (terracing, roads, and drainage), nursery, and grass planting underway and expected to be completed by the end of the next quarter. The plantation division is anticipated to increase its involvement in the future, and the Group will profit from these efforts.

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

	Quarter		To Date	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Income tax	(2)	20	(2)	60
	<u>(2)</u>	<u>20</u>	<u>(2)</u>	<u>60</u>

19. LOSS FOR THE PERIOD

Loss for the period is arrived at after charging:

	Current Year	Cumulative Year
	Quarter 31.03.2024 RM'000	To Date 31.03.2024 RM'000
Finance costs	132	236
Depreciation and amortization	735	2,278
Fixed assets written off	2	2

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 2020

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: -

Utilisation of proceeds	Intended Timeframe for Utilisation from Completion Date	Extended Timeframe for Utilisation RM'000	Proposed Utilisation RM'000	Actual Utilisation as at 31 March 2024 RM'000	Balance Utilisation RM'000
Development of the Mydin Project	Within 36 months	Within 18 months ⁽ⁱ⁾	38,470	(19,093)	19,377
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	(27,438)	19,377

Notes:-

- i) Development of the Mydin Project unutilised due to negotiation with the contractors for a new design and build model, including Mydin Project. The fund will be utilised in next 18 months.

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	Extended Timeframe for Utilisation RM'000	Proposed Utilisation RM'000	Actual Utilisation as at 31 March 2024 RM'000	Balance Utilisation RM'000
Development of an online platform for luxury car rentals	Within 9 months	Within 12 months ⁽ⁱ⁾	2,500	(1,316)	1,184
Acquisition of new cars for the Group's luxury car rental business	Within 24 months		3,950	(3,950)	-
Working Capital	Within 24 months		1,062	(1,062)	-
Estimated expenses for the Private Placement 2020	Immediate		440	(440)	-
TOTAL			7,952	(6,768)	1,184

Notes:-

- i) Development of an online platform for luxury car rentals unutilised due to negotiation with the supplier on the price and design still ongoing. The fund will be utilised in next 12 months.

23. CORPORATE PROPOSALS 2021

NEW ISSUE OF SECURITIES (CHAPTER 6 OF LISTING REQUIREMENTS) FUND RAISING

(I) RIGHTS ISSUE (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 dated 5 November 2021 issued by the Company in relation to the Right Issue.)

a. On behalf of the Board, Mercury Securities wishes to announce that the Rights Issue has been completed following the listing and quotation of 959,813,224 Right Shares on the Main Market of Bursa Securities on 6 December 2021.

b. Utilisation of proceeds

Based on the issue price of RM0.07 per Right Share, the gross proceeds to be raised from the Right Issue are intended to be utilised in the following manner: -

Utilisation of proceeds	Intended timeframe for utilisation from completion date	Extended Timeframe for Utilisation RM'000	Proposed Utilisation RM'000	Actual utilised as at 31 Dec 2023 RM'000	Balance unutilised RM'000
Importation of luxury and premium EVs	Within 24 months	Within 12 months ⁽ⁱ⁾	25,000	(24,984)	16
Establishment of an EV showroom and after-sales service centre	Within 15 months		29,000	(4,500)	24,500
Advertising and promotional activities to promote EVs	Within 24 months		8,000	(3,000)	5,000
Working capital	Within 24 months		4,437	(4,437)	-
Estimated expenses for the Right Issue	Immediate		750	(750)	-
Total			67,187	(37,671)	29,516

Notes:-

- i) Establishment of EV showroom and after-sales service centre unutilised due to negotiation with the supplier on the price and design still ongoing. The fund will be utilised in next 12 months.

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

25. 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 the subsidiary for wrongful termination of his services and claimed outstanding fees with interest and loss of 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, the 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 final 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 had directed parties to submit submissions incorporating previous submissions on the issue of illegality with answers to clarification questions posed by the Tribunal. On 1 August 2019, the 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 been, 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 6 to 9 April 2021. Apart from the foregoing, in respect of the Partial Award 1 and 2 is fixed for Hearing of Appeal on 21

April 2021.

Both of the matters were adjourned on the grounds that parties are trying for settlement on 21 April 2021. The next hearing is fixed on 1 September 2021 which the Court of Appeal heard arguments from both the Applicant's Counsel and the subsidiary's Counsel and reserved Judgment to 16 November 2021.

Notwithstanding the earlier Directions given by the Learned Arbitrator, the Learned Arbitrator gave Directions for Parties to file Submissions on the issue of quantum. On 17 March 2021, the Arbitrator published Partial Award No. 3. The Award reads as follows:

- (i) The subsidiary to pay the Claimant the net principal sum of RM2,600,724.04 as the amount of outstanding Professional Fees;
- (ii) The subsidiary to pay the Claimant a Pre-Award interest of RM1,943,374.40;
- (iii) The subsidiary shall bear in full the cost of award of Partial Award 1, Partial Award No.2 and Partial Award No.3 Tax by the Tribunal as RM132,000.00;
- (iv) Cost in reference for the subsidiary and the Company Arbitration shall be reserved until the Final Award;
- (v) Any sum awarded by the Tribunal shall be payable within four (4) weeks from the date of the said Award, failing this David Shen is entitled to impose a further interest at the rate of 5% per annum.

Meanwhile, the Claimant's Solicitors filed an application for the enforcement of Partial Award No.3 at the Kota Kinabalu High Court vide Originating Summons No. BKI-24NCC(ARB)-4/6-2021. The subsidiary's Solicitors filed an application to set aside Partial Award No.3 vide Originating Summons No. BKI-24NCC(ARB)-4/6-2021.

On 26 July 2021, the Judge directed that the application filed by the subsidiary to set aside Partial Award No.3 will be heard first and if the subsidiary's application is allowed, then the Claimant's application would fall. The Court fixed Hardie's application for Hearing on 14 September 2021.

However, in view of the pending decision from the Court of Appeal, both parties by mutual agreement agreed to defer the hearing until the outcome of the Court of Appeal's decision in respect of Partial Award 1 and 2 which is fixed for decision on 16 November 2021.

Meanwhile, the hearing of setting aside Partial Award No.3 and the Application for the enforcement of Partial Award is now fixed for hearing on 23 November 2021.

Notwithstanding the foregoing, as a result of the Partial Award No.3, the subsidiary's Solicitors commenced negotiations with the Claimant's Solicitors and still on-going.

The Court has directed both Originating Summons (3/6-2021 & 4/6-2021) will be heard together and the parties to file their Written Submissions on or before 15th December 2021 while the Submissions for rebuttal are to be filed on or before 31st December 2021. However, the hearing date will be fixed on 12th January.

The Board of Directors of Permaisuri informed that decision has been fixed on 28th March 2022 in respect of the following matters:

- (i) Subsidiary's application to set aside Partial Award No.3. (No. BKI-24NCC(ARB)-3/6/6-2021)
- (ii) The Claimant's application to register Partial Award No.3. (No. BKI-24NCC(ARB)-4/6-2021(HC5))

The Court had come up with the Decision of the Originating Summons on 28th March 2022 as follows:

- (i) The Court had set aside the pre-award interest of RM1,943,374.40 as awarded by the Learned Arbitrator. However, the Court has disallowed the application filed by Subsidiary to set aside the rest of the Arbitrator's Award.
- (ii) The Court allowed the application filed by the Claimant's for the registration of Arbitrator's Award as a Court Judgement subject to setting aside the pre-award interest of RM1,943,374.40.

Subsidiary has one(1) month from the date of decision to appeal against the Decision of High Court in respect of the above mentioned Originating Summons.

However, the Arbitration proceedings initiated by the Claimant were in abeyance until the outcome of the Appeals filed by both parties at the Court of Appeal. As at 30 June 2022, the subsidiary has provided the contingent liability amounting to RM4,909,903.36. Further developments pertaining to the above matters will be announced.

On 1 September 2022, the subsidiary had acknowledge through the subsidiary's solicitors that David Shen had filed Winding Up Petition in the High Court at Kota Kinabalu vide BKI-28NCC-47/8-2022 on 18 August 2022 against the subsidiary.

On 7 September 2022, the subsidiary deposited a sum of RM2,951,123.09 with its subsidiary's solicitor to hold the same as stakeholders until the final disposal of the subsidiary and David Shen's appeals. In the event if there are any appeals to the Federal Court, then the sum of RM2,951,123.09 is to be held by the subsidiary's Solicitor as stakeholders until the final disposal of any appeals before the Federal Court.

The subsidiary had made a application for stay in respect of originating summons and application to strike out David Shen's winding up petition.

Further, Permaju Industries Berhad (Permaju) filed its Notice of Intention to Appear in respect of the Petition and filed Affidavit in Opposition in respect of the Winding Up Petition on 21st September 2022. This matter was also fixed for Mention on 17th November 2022.

Pursuant to the Court Order dated 17th November 2022, the sum of RM2,951,123 held by our Solicitors as stakeholder was deposited in a Joint Fixed Deposit Account. The Joint Fixed Deposit Account is operated by arbitrator. In view of the foregoing Court Order, David Shen withdrew the Winding Up Petition against subsidiary company.

In respect of David Shen's claim against Permaju Industries Berhad for inducing the subsidiary to breach their contract with David Shen I-Tan, the Arbitrator vacated the Hearing dates on 6th, 7th, 8th and 9th April 2021 pending negotiations in respect of Partial Award No.3. In view of the negotiations, there is no hearing date in respect of the Claimant's claim against Permaju.

26. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31st March 2024 (31st March 2023: Nil).

27. LOSS PER ORDINARY SHARE

Basic loss per share amounts are calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following reflect the loss and share data used in the computation of basic and diluted loss per share for the financial year ended 31st March 2024:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2024	Preceding Year Quarter 31.03.2023	Current Year Quarter 31.03.2024	Preceding Year Quarter 31.03.2023
Net loss for the period (RM'000)	(5,247)	(7,319)	(5,053)	(15,550)
Weighted average number of ordinary shares ('000)	1,780,264	1,685,756	1,780,264	1,685,756
Basic/diluted loss per share (sen)	<u>(0.29)</u>	<u>(0.43)</u>	<u>(0.29)</u>	<u>(0.92)</u>

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the financial year, if any.

28. REALISED AND UNREALISED LOSSES DISCLOSURE

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Total retained accumulated losses of Permaju Industries Berhad and its subsidiaries :		
- Realised	(239,208)	(231,273)
- Unrealised	<u>(7,026)</u>	<u>(7,026)</u>
Total group accumulated losses as per consolidated accounts	<u>(246,234)</u>	<u>(238,299)</u>

29. 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 30 May 2024.