

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
(The figures have not been audited)

	Individual Quarter		Changes Increase/ (decrease) RM'000	Cumulative Quarter		Changes Increase/ (decrease) RM'000
	Unaudited Current Year Quarter 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2020 RM'000		Unaudited To Date 30.06.2021 RM'000	Unaudited Preceding Year 30.06.2020 RM'000	
Revenue	12,526	6,674	5,852	34,753	14,230	20,523
Cost of sales	(10,120)	(6,149)	(3,971)	(30,021)	(13,703)	(16,318)
Gross profit	2,406	525	1,881	4,732	527	4,205
Operating expenses	(970)	(198)	(772)	(1,686)	(1,132)	(554)
Other operating income	66	2,202	(2,136)	782	2,569	(1,787)
Profit from operations	1,502	2,529	(1,027)	3,828	1,964	1,864
Finance cost	-	-	-	-	-	-
Profit before tax	1,502	2,529	(1,027)	3,828	1,964	1,864
Taxation	-	-	-	-	-	-
Profit from continued operations	1,502	2,529	(1,027)	3,828	1,964	1,864
Net profit from discontinued operations	-	216	(216)	-	371	(371)
Net profit for the period	1,502	2,745	(1,243)	3,828	2,335	1,493
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive income for the period	1,502	2,745	(1,243)	3,828	2,335	1,493
Profit per share (sen)						
- Basic	1.52	4.16		4.14	3.54	
- Diluted #	1.36	4.16		3.90	3.54	

**Note :**

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE SECOND QUARTER ENDED 30 JUNE 2021  
(The figures have not been audited)**



	Unaudited As at End Of Current Quarter 30.06.2021 RM'000	Audited As at Preceding Financial Year End 31.12.2020 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	13,966	13,391
<b>Current assets</b>		
Inventories	942	1,049
Contract assets	1,322	1,456
Trade receivable	23,868	15,580
Other receivable, deposits & prepayments	4,118	1,316
Tax recoverable	13	4
Cash and bank balances	6,479	4,438
	<u>36,742</u>	<u>23,843</u>
<b>Total Assets</b>	<u>50,708</u>	<u>37,234</u>
<b>EQUITY</b>		
Share capital	15,884	11,284
Reserves	19,534	15,366
<b>Total equity</b>	<u>35,418</u>	<u>26,650</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	1,815	1,815
Borrowings	1,402	1,370
	<u>3,217</u>	<u>3,185</u>
<b>Current liabilities</b>		
Trade payables	9,401	4,947
Other payables and accruals	2,212	2,113
Borrowings	460	339
	<u>12,073</u>	<u>7,399</u>
<b>Total Liabilities</b>	<u>15,290</u>	<u>10,584</u>
<b>Total Equity And Liabilities</b>	<u>50,708</u>	<u>37,234</u>
Number of ordinary shares ('000)	103,158	85,800
<b>Net Tangible Assets per share attributable to Owner of the Company (RM)</b>	<u>0.34</u>	<u>0.31</u>

**Note :**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021  
 (The figures have not been audited)**

	Non-Distributable			Distributable	Total RM'000
	Share Capital RM'000	Employee Share Option Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
<b>Balance as at 31 December 2019 (audited)</b>	<b>8,116</b>	-	<b>15,730</b>	<b>52</b>	<b>23,898</b>
Private placement	3,168	-	-	-	3,168
Disposal of a subsidiary	-	-	(9,798)	9,798	-
Total comprehensive loss for the year	-	-	-	(417)	(417)
Realisation of revaluation surplus upon depreciation	-	-	(188)	188	-
<b>Balance as at 31 December 2020(audited)</b>	<b>11,284</b>	-	<b>5,744</b>	<b>9,621</b>	<b>26,649</b>
Total comprehensive profit for the year	-	-	-	3,828	3,828
Private placement	4,531	-	-	-	4,531
Issuance of shares upon exercise of employees' share option	52	-	-	-	52
Recognition of share option expenses	-	358	-	-	358
Transfer to share capital for employees' share option	17	(17)	-	-	-
<b>Balance as at 30 June 2021</b>	<b>15,884</b>	<b>341</b>	<b>5,744</b>	<b>13,449</b>	<b>35,418</b>

Note :

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
(The figures have not been audited)



	Current Year To Date 30.06.2021 RM'000	Cumulative Preceding Year End 31.12.2020 RM'000
<b>Net cash (outflow) from operating activities</b>	(13,899)	(9,134)
<b>Net cash inflow from investing activities</b>	9,204	8,579
<b>Net cash inflow from financing activities</b>	6,736	2,885
<b>Net increase in cash and cash equivalents</b>	<u>2,041</u>	<u>2,330</u>
<b>Cash and bank balances as at 1 January</b>	4,438	2,108
<b>Cash and cash equivalents as at 30 June</b>	<u><u>6,479</u></u>	<u><u>4,438</u></u>
<b><u>Reconciliation :</u></b>		
Cash and bank balances	5,279	4,438
Fixed deposit with licensed bank	1,200	-
<b>Cash and cash equivalents as at 30 June</b>	<u><u>6,479</u></u>	<u><u>4,438</u></u>

The unaudited Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

## Notes to the interim financial report for the financial quarter ended 30 June 2021

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements****A1. Changes in accounting policies**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim financial reporting and Chapter 9 Part K of the Listing Requirement of Malaysia Securities Berhad.

The interim unaudited financial statement should be read in conjunction with the audited financial statement for the year ended 31 December 2020 and the attached explanatory notes. The explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The Group and the Company have adopted the new MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory since current financial year as below:

Amendments to MFRS 16	Covid-19-Related Rent Concessions	01-Jun-20
Amendments to MFRS 9, MFRS 7, MFRS 4, and MFRS 16	Interest Rate Benchmark Reform – Phase 2	01-Jan-21

The Group and the company have not applied the following new MFRSs and amendments to MFRSs that have been issued by MASB but are not yet effective for the Group and the Company:

Amendments to MFRS 3	Reference to the Conceptual Framework	01-Jan-22
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use	01-Jan-22
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	01-Jan-22
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"		01-Jan-22
MFRS 17	Insurance Contracts	01-Jan-23
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	01-Jan-23
Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)	01-Jan-23
Amendments to MFRS 17	Insurance Contracts	01-Jan-23
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	01-Jan-23
Amendments to MFRS 108	Definition of accounting policies	01-Jan-23
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

**A3. Qualification of Preceding Annual Financial Statements**

The auditors report for the audited financial statements of the Company and its subsidiaries of the preceding financial year ended 31 December 2020 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's operations were not materially affected by any major seasonal or cyclical factors .

**A5. Nature, Size or Incidence of Unusual Items**

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows because of their nature, size or incidence during the current quarter under review and the financial period to date.

**A6. Material Changes in Estimates**

There were no material changes in estimates that have had a material effects in the results of the current quarter and financial period under review.

**A7. Issuance or Repayment of Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the financial period under review and up to the date of this report

**A8. Dividend Paid / Declared**

No dividends were paid during the current financial quarter under review.

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements (cont'd)**
**A9. Segmental Information**

Segment information was provided based on four (4) major segments as follows:-

- i) construction
- ii) furniture manufacturing & trading
- iii) rental of building with comprehensive services
- iv) investment holding

Business segments in revenue and results of the Group for the current quarter ended 30 June 2021 were as follows:-

**Quarter ended 30 June 2021 (Unaudited)**

<b>Business Segments</b>	<b>Construction RM'000</b>	<b>Furniture Manufacturing &amp; trading RM'000</b>	<b>Rental of Building with Comprehensive Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Consolidated financial statement RM'000</b>
<b>Revenue</b>						
External Sales						
-local	10,078	336	243	-	-	10,657
-overseas	-	1,869	-	-	-	1,869
Inter-segment	(1,705)	1,705	-	137	(137)	-
<b>Total Revenue</b>	<b>8,373</b>	<b>3,910</b>	<b>243</b>	<b>137</b>	<b>(137)</b>	<b>12,526</b>

**Results :**
**Continuing operations**

Segment results	711	633	187	(29)	-	1,502
Finance cost						-
Profit before tax						1,502
Taxation						-
Net profit from continuing operations						1,502

**Net profit for the period**
**Quarter ended 30 June 2020 (Unaudited)**

<b>Business Segments</b>	<b>Construction RM'000</b>	<b>Furniture Manufacturing &amp; trading RM'000</b>	<b>Rental of Building with Comprehensive Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Consolidated financial statement RM'000</b>
<b>Revenue</b>						
External Sales						
-local	4,846	-	216	-	-	5,062
-overseas	-	1,612	-	-	-	1,612
Inter-segment	-	-	-	79	(79)	-
<b>Total Revenue</b>	<b>4,846</b>	<b>1,612</b>	<b>216</b>	<b>79</b>	<b>(79)</b>	<b>6,674</b>

**Results :**
**Continuing operations**

Segment results	117	11	216	2,185	-	2,529
Finance cost						-
Profit before tax						2,529
Taxation						-
Net loss from continuing operations						2,529

**Discontinued operations**

Profit from assets held for sale						216
<b>Net profit for the period</b>						<b>2,745</b>

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements (cont'd)**

**A10. Valuations of Property, Plant and Equipment**

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial year ended 31 December 2020.

**A11. Subsequent Events**

There were no other material events during the current quarter ended 30 June 2021 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company; except as follows:

- (a) On 12 April 2021, the Company issued 17,160,00 new ordinary shares at an issue price of RM0.264 each for a total consideration of RM4,530,240 by way of private placement.
- (b) On 12 April 2021, Company offered 12,870,000 options to eligible directors and employees to subscribe shares at the exercise price of RM0.264 per share under its Employees' Share Option Scheme ("ESOS").
- (c) Subsequently, the Company increased its issued and paid up capital through the issuance of new ordinary shares pursuant to the exercise of ESOS options as follows :-

Listing Date	No. of SNC shares issued	Issue price	Total
7 May 2021	198,000	0.264	52,272
27 July 2021	78,000	0.264	20,592
28 July 2021	7,524,000	0.264	1,986,336
02 August 2021	2,200,500	0.264	580,932

**A12. Changes in Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**A13. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 December 2020.

**A14. Capital Commitments**

	30.06.2021
	RM'000
Commitments for acquisition of land	
- approved and contracted for	<u>5,241</u>

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B)****B1. Review of Performance for Comparison with Current Quarter to Corresponding Quarter of Last Year**

	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Increase/ (Decrease) RM'000
<b>REVENUE</b>			
Construction	8,373	4,846	3,527
Furniture manufacturing and trading	3,910	1,612	2,298
Rental of building with comprehensive services	243	216	27
Investment holding	-	-	-
Total Revenue	12,526	6,674	5,852
Cost of Sales	(10,120)	(6,149)	(3,971)
Gross profit	2,406	525	1,881
<b>PROFIT BEFORE TAX ("PBT")</b>			
Construction	711	117	594
Furniture manufacturing and trading	633	11	622
Rental of building with comprehensive services	187	216	(29)
Investment holding	(29)	2,185	(2,214)
Total	1,502	2,529	(1,027)

For the current quarter under review, the Group more than doubled its revenue to RM12.526 million compared to preceding year corresponding quarter of RM6.674 million. The Group achieved a higher core profit of RM1.860 million (after charging RM0.358 million recognition of share option expenses) compared to Q2 2020's RM1.286 million (after taking out previous year's one-off gain of RM1.243 million on disposal of a subsidiary company)

The higher core profits were mainly contributed by construction segment which almost doubled its revenue offset against a slight drop in rental income due to rental support given to tenants at the onset of 3rd Movement Control Order ("MCO 3.0") on 1 June 2021. Furniture manufacturing and trading segment also improved despite being affected by MCO3.0 lockdown towards the quarter end.

**B2. Review of Performance for Comparison with Immediate Preceding Quarter's Results**

	Current Year Quarter 30.06.2021 RM'000	Immediate Preceding Quarter 31.03.2021 RM'000	Increased/ (Decreased) RM'000
<b>REVENUE</b>			
Construction	8,373	17,895	(9,522)
Furniture manufacturing and trading	3,910	4,062	(152)
Rental of building with comprehensive services	243	270	(27)
Investment holding	-	-	-
Total Revenue	12,526	22,227	(9,701)
Cost of Sales	(10,120)	(19,901)	9,781
Gross profit	2,406	2,326	80
<b>PROFIT BEFORE TAX ("PBT")</b>			
Construction	711	877	(166)
Furniture manufacturing and trading	633	1,513	(880)
Rental of building with comprehensive services	187	100	87
Investment holding	(29)	(165)	136
Total	1,502	2,325	(823)

For the current quarter, the Group recorded lower revenue of RM12.526 million compared to immediate preceding quarter's RM22.227 million as the Group's operations were closed to comply with MCO 3.0 lockdown with effect from 1 June 2021. Accordingly, the Group's profit was lower at RM1.502mil (after charging RM0.358 million recognition of share option expenses) compared to Q1 2021's RM2.325 million.

**B3. Commentary on Prospects**

The Group shall continue to shift its business pivot to construction segment to diversify its income stream. This is further enhanced by the acceptance of seven (7) Letter of Award for construction works of projects, with aggregate contract value of RM34.52 million, which was announced on 14 July 2021.

The Group has also kicked-off transformation of its furniture manufacturing model from previous OEM build-to-order to design-build-sell model, which is aimed at improving production efficiencies, saving labour costs and achieving a wider reach of customers.

Barring future lockdowns that require further rental support, the Group's rental income is expected to remain stable.

In the long run, the Group has entered into a joint venture to establish a forest plantation on 5.434 hectares (equivalent to 13.445 acres) of land in Sokor Taku, Kelantan. The land is currently filled with secondary forest logs and will be replanted with Eucalyptus trees in stages, with all planting costs to be deducted from the proceeds of harvests from the forest plantation. The Group targets to commence its forest plantation operations by end FY 2021.



**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)****B4. Profit Forecast or Profit Guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

**B5. Notes to Consolidated Statement of Comprehensive Income**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<b>Profit for the period is arrived at after charging/ (crediting) :</b>				
Auditors' remuneration	20	15	35	35
Foreign exchange loss/(income)				
-realised	(5)	5	(5)	(18)
Impairment of				
-obsolete inventories	-	-	-	574
Interest income	(1)	(59)	(22)	(62)
Property, plant and equipment				
-depreciation	115	116	220	233
-(gain)/loss on disposal	-	(1)	-	(71)
Provision for doubtful debts	-	-	-	(300)

**B6. Taxation**

	Current Year Quarter RM'000	Preceding Year Corresponding Quarter RM'000
Malaysian income tax		
- current year provision	-	-
- under/(over) provision in prior year(s)	-	-
Deferred tax	-	-
Tax for the financial period	-	-

**B7. Status of Corporate Proposals****Private Placement**

On 12 March 2021, the Company announced a proposed private placement will be undertaken pursuant to the shareholders' mandate for the issuance of new ordinary shares in SNC ("SNC Share(s)" or "Share(s)") under Section 75 and 76 of the Companies Act 2016 ("Act") obtained at the Company's 25th Annual General Meeting ("AGM") convened on 18 August 2020 whereby the Board has been authorised to allot and issue new ordinary shares in SNC, not exceeding 20% of the issued ordinary shares of the Company ("General Mandate").

The additional listing application in relation to the Proposed Private Placement was submitted to Bursa Securities on 22 March 2021, with additional information in connection with the Proposed Private subsequently announced on 26 March 2021.

Bursa Securities had vide its letter dated 29 March 2021, resolved to approve the listing of and quotation for up to 17,160,000 Placement Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

- (i) SNC and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) SNC and TA Securities are required to inform Bursa Securities upon completion of the Proposed Private Placement;
- (iii) SNC is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;
- (iv) TA Securities is required to furnish Bursa Securities with details of the places in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement; and
- (v) in the event the Proposed Private Placement is not completed before the next annual general meeting, SNC is required to furnish a certified true copy of the resolution passed by SNC's shareholders for a general mandate under Sections 75 and 76 of the Companies Act 2016 at SNC's forthcoming annual general meeting.

The private placement was completed on 22 April 2021.

**Employees Shares Option Scheme ("ESOS")**

On 12 April 2021, the Board also announced it has offered options for subscription of 12,870,000 shares at the exercise price of RM0.264 per share to its eligible directors and employees under it ESOS, followed by a subsequent announcement on 13 April 2021 listing out number of option offered to directors of the Group.

The first ESOS exercise for 198,000 share was completed on 7 May 2021.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)****B8. Utilisation of Proceeds**

a) On 27 September 2019, the Company had announced to Bursa Securities to undertake, amongst others, the following:

- (i) a private placement exercise for the issuance and allotment of new SNC Shares up to 20% of the total number of issued SNC Shares in the Company, which was approved by Bursa Securities on 21 January 2020 and the shareholders of the Company via an extraordinary general meeting on 11 March 2020 ("2020 Placement"). The 2020 Placement was completed on 3 July 2020; and
- (ii) a special issue of up to 6,600,000 new SNC Shares, representing up to 10% of the total number of issued SNC Shares to Dato' Sri (Dr) Sow Chin Chuan, which was approved by Bursa Securities on 21 January 2020 and the shareholders of the Company via an extraordinary general meeting on 11 March 2020 ("Special Issue"). The Special Issue was completed on 7 July 2020.

The total proceeds raised from the 2020 Placement and Special Issue were as follows:

Description	Listing date	No. of SNC Shares issued	Issue price (RM)	Gross proceeds (RM)
2020 Placement	03-Jul-20	13,200,000	0.16	2,112,000
Special Issue	07-Jul-20	6,600,000	0.16	1,056,000
<b>Total</b>				<b>3,168,000</b>

The proceeds raised had since been utilised for the following purposes:

Description	Original allocation (RM)	Amount utilised (RM)	Balance proceeds (RM)
Payment of trade & other creditors	8,000,000	8,000,000	-
Purchase of raw materials	3,179,000	3,179,000	-
Repair and maintenance of office & factory	800,000	800,000	-
Management, employees and marketing expenses	105,000	105,000	-
Development & construction of a parcel of freehold land	3,000,000*	1,062,625	1,937,374
Estimated expenses in relation the proposals	500,000	335,491	164,509
<b>Total</b>	<b>15,584,000</b>	<b>13,482,116</b>	<b>2,101,883</b>

\* To be utilised within 24 months

b) On 12 March 2021, the Company had announced to Bursa Securities to undertake.

- (i) a private placement exercise for the issuance and allotment of new SNC Shares up to 20% of the total number of issued SNC Shares in the Company, which was approved by shareholders of the Company via an annual general meeting on 18 August 2020 and subsequently by Bursa Securities on 29 March 2021 ("2021 Placement"). The 2021 Placement was completed on 22 Apr 2021.

The total proceeds raised from the 2021 Placement were as follows:

Description	Listing date	No. of SNC Shares issued	Issue price (RM)	Gross proceeds (RM)
2021 Placement	22-Apr-21	17,160,000	0.264	4,530,240
<b>Total</b>				<b>4,530,240</b>

The proceeds raised had since been utilised for the following purposes:

Description	Original allocation (RM)	Amount utilised (RM)	Balance proceeds (RM)
Payment to trade payables			
i) Sub-contractors for the Group's construction segment	3,214,973	3,214,973	-
ii) Suppliers of raw materials for the Group's furniture manufacturing and trading segment	1,250,267	153,672	1,096,595
Estimated expenses in relation the proposals	65,000	30,840	34,160
<b>Total</b>	<b>4,530,240</b>	<b>3,399,485</b>	<b>1,130,755</b>

**B9. Material Litigation****Sand Nisko Capital Berhad vs Loh Siow Chan @ Loo Su Cheong ("LSC").**

On 18 July 2017, the Company received a notice from LSC to claim alleged debt amounting to RM4,652,951.22 ("Alleged Debt") by way of guarantee to Len Cheong Furniture Sdn Bhd ("LCF").

Pursuant to this claim, the shareholders of SNC have approved on 18 August 2020 a resolution authorizing the Company:-

- (i) to dispute the Alleged Debt amounting to RM4,652,951.22 by way of guarantee to LCF;
- (ii) to revoke DCR 2004 on the mode of settlement of the Alleged Debt approved by Board of Directors of SNC on 7 January 2004;
- (iii) to authorise the Board to appoint a firm of solicitors to take relevant and necessary actions in all related matters.

In light of the development of the abovementioned matter, the Company has appointed a firm of solicitors to take relevant and necessary actions to protect the best interest of the company, and will announce further developments in due course.

Save for the above, the Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the company or its subsidiaries and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries as at the date of this report.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)****B10. Proposed Dividend**

No dividend has been declared or paid during the current quarter and financial period under review.

**B11. Earnings per Share****a) Basic**

Basic earnings per ordinary share is calculated by dividing the net profit for the financial period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Quarter
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the period attributable to ordinary equity holders (RM '000)	1,502	2,745	3,828	2,335
Weighted average number of ordinary shares in issue ('000)	99,120	66,000	92,497	66,000
Basic earnings per ordinary share (sen)	1.52	4.16	4.14	3.54

**b) Diluted**

Diluted earnings per ordinary share is calculated by dividing the net profit for the financial period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares that would have been in issue assuming full exercise of Employees' Share Options Scheme ("ESOS") Options, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Period ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Net profit for the period attributable to ordinary equity holders (RM '000)	1,502	2,745	3,828	2,335
Weighted average number of ordinary shares in issue ('000)	99,120	66,000	92,497	66,000
Effect of dilution of share options ('000)	11,195	-	5,628	-
Weighted average number of ordinary shares in issue (Diluted) ('000)	110,314	66,000	98,125	66,000
Diluted earnings per ordinary share (sen)	1.36	4.16	3.90	3.54

**B12. Authority For Issue**

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 19 August 2021.

By order of the Board,

**Emily Sow Mei Chet**  
Group Managing Director

Date : 19 August 2021