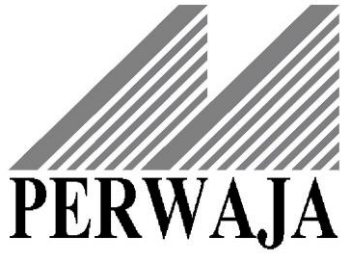


**PERWAJA HOLDINGS BERHAD (798513-D)**  
(Incorporated in Malaysia)



**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2014**

**PERWAJA HOLDINGS BERHAD (798513-D)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	<b>Unaudited 3 months ended</b>		<b>Unaudited 6 months ended</b>	<b>Audited 18 months ended</b>
	<b>31.12.2014</b>	<b>31.12.2013</b>	<b>31.12.2014</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	3,986	N/A	5,757	1,081,581
Operating expenditure	(31,120)	N/A	(64,515)	(2,115,075)
Other income	-	N/A	5,599	135,971
Finance costs	(42,078)	N/A	(60,987)	(199,929)
Loss before taxation	(69,212)	-	(114,146)	(1,097,452)
Taxation	-	N/A	-	(120,019)
Loss after taxation	(69,212)	-	(114,146)	(1,217,471)
Other comprehensive income, net of tax	-	N/A	-	-
Total comprehensive expenses	(69,212)	-	(114,146)	(1,217,471)
Total comprehensive expenses attributable to:				
Equity holders of the parent	(69,212)	N/A	(114,146)	(1,217,471)
Non-controlling interest	-	N/A	-	-
	(69,212)	-	(114,146)	(1,217,471)
Loss per share (Note 25) :				
- Basic LPS (sen)	(12.36)	-	(20.38)	(217.41)

*The financial year end of the Company has been changed from 31 December to 30 June to cover the 18-month period from 1 January 2013 to 30 June 2014 and thereafter, to end on 30 June each year. Accordingly, there are no comparative figures to be presented in this Condensed Consolidated Statement of Comprehensive Income.*

**PERWAJA HOLDINGS BERHAD (798513-D)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	<b>Unaudited As at 31.12.2014 RM'000</b>	<b>Audited As at 30.06.2014 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,195,820	1,233,777
<b>Current assets</b>		
Inventories	114,932	119,787
Receivables	25,874	23,006
Tax recoverable	115	115
Cash and bank balances	16,537	13,956
	<u>157,458</u>	<u>156,864</u>
<b>TOTAL ASSETS</b>	<u><u>1,353,278</u></u>	<u><u>1,390,641</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	560,000	560,000
Irredeemable convertible unsecured loan stocks	2,798	2,798
Redeemable convertible unsecured loan stocks	10,748	10,748
Reserves	(1,508,712)	(1,394,566)
<b>Total equity</b>	<u>(935,166)</u>	<u>(821,020)</u>
<b>Non-current liabilities</b>		
Payables	311,242	311,242
Deferred taxation	932	932
Loan and borrowings (Note 21)	276,373	276,373
	<u>588,547</u>	<u>588,547</u>
<b>Current liabilities</b>		
Trade and other payables	606,896	529,707
Overdrafts and short term borrowings (Note 21)	1,093,001	1,093,407
	<u>1,699,897</u>	<u>1,623,114</u>
<b>Total liabilities</b>	<u>2,228,444</u>	<u>2,211,661</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,353,278</u></u>	<u><u>1,390,641</u></u>
<b>Net (liabilities)/assets per share attributable to equity holders of the parent (RM)</b>	<u>(1.67)</u>	<u>(1.47)</u>

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.*

**PERWAJA HOLDINGS BERHAD (798513-D)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Attributable to Equity Holders of the Company						Total Equity RM'000
	Non-distributable					Distributable	
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	ICULS RM'000	RCULS RM'000	Accumulated Losses RM'000	
Balance at 1 July 2014	560,000	101,502	287,776	10,748	2,798	(1,783,844)	(821,020)
Comprehensive expenses for the period	-	-	-	-	-	(114,146)	(114,146)
Balance at 31 December 2014	560,000	101,502	287,776	10,748	2,798	(1,897,990)	(935,166)
Balance at 1 January 2013	560,000	101,502	287,776	10,748	2,798	(566,373)	396,451
Comprehensive expenses for the period	-	-	-	-	-	(1,217,471)	(1,217,471)
Balance at 30 June 2014	560,000	101,502	287,776	10,748	2,798	(1,783,844)	(821,020)

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.*

**PERWAJA HOLDINGS BERHAD (798513-D)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	<b>Unaudited 6 months ended 31.12.2014 RM'000</b>	<b>Audited 18 months ended 30.06.2014 RM'000</b>
Cash Flows From/(For) Operating Activities		
Loss before taxation	(114,146)	(1,097,452)
Adjustments for non-cash flow :		
Allowance for impairment losses on property, plant and equipment	-	244,348
Allowance for impairment losses on receivables	-	44,758
Allowance for impairment losses on intangible assets	-	1,293
Depreciation of property, plant and equipment	39,320	120,312
Unrealised loss on foreign exchange	-	170
Inventories written down	-	90,000
Imputed interest income	-	(126,390)
Interest income	-	(147)
Interest expense	60,987	199,929
Operating (loss)/profit before working capital changes	(13,839)	(523,179)
Decrease/(increase) in inventories	4,855	774,590
Decrease/(increase) in receivables	(5,962)	105,243
(Decrease)/increase in payables	17,933	(221,528)
	2,987	135,126
Interest paid	-	(99,961)
Income tax paid	-	(52)
Net cash from/(for) operating activities	2,987	35,113
Cash Flows For Investing Activities		
Purchase of property, plant and equipment	-	(149,607)
Interest received	-	147
Withdrawal of deposits pledged with licensed banks	-	5,255
Net cash for investing activities	-	(144,205)
Cash Flows From Financing Activities		
Net (repayment) / drawdown of bankers' acceptance	-	(15,898)
Net (repayment) / drawdown of term loan	(400)	101,750
Repayment of hire purchase obligations	(6)	(2,111)
(Repayment to)/Advances from related companies	-	(216)
Advances from /(Repayment to) related parties	-	952
Net cash from financing activities	(406)	(84,477)
Net decrease in cash and cash equivalents	2,581	(24,615)
Cash and cash equivalents at beginning of period	(2,031)	22,584
Cash and cash equivalents at end of period	550	(2,031)

# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (Continued)

	<b>Unaudited 6 months ended 31.12.2014 RM'000</b>	<b>Audited 18 months ended 30.06.2014 RM'000</b>
Composition of cash and cash equivalents		
Cash and bank balances	16,537	13,956
Bank overdrafts	(15,987)	(15,987)
Cash and cash equivalents at end of period	<u>550</u>	<u>(2,031)</u>

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.*

# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014

### PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

#### 1. Basis of reporting preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirement of Financial Reporting Standards 134 (FRS134): “Interim Financial Reporting” and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statement should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014. 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 financial period ended 30 June 2014.

The financial statements have been prepared on the assumption that the Group is a going concern. The Group incurred net losses during the financial period ended 30 June 2014 of RM1,217 million and, as of that date, the Group had net current liabilities of RM1,466 million and recorded capital deficiencies of RM821 million.

The Group was unable to meet its loan obligations during the financial period. As at 30 June 2014, the outstanding borrowings and bank overdrafts of the Group amounted to RM1,089 million.

On 26 November 2013 the Company announced that it became an Affected Listed Issue pursuant to Paragraph 2.1(e) and (f) of Practice Note N0.17/2011 (“PN 17”) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

The Company is currently in the midst of preparing a debt restructuring scheme with a view to reaching an agreement with its lenders to restructure the defaulted debts of the Group. The proposed debt restructuring scheme is part of a restructuring exercise that the Company is currently formulating to address the Company’s PN 17 status. The Company is required to submit its Proposed Regularisation Plan to the relevant authorities by 25 November 2014. On 9 January 2015, Bursa Securities approved the Company’s application for an extension of time up to 31 March 2015 to submit its Proposed Regularisation Plan to the regulatory authorities.

In addition, the major subsidiary of the Group, Perwaja Steel Sdn Bhd (“PSSB”) has been granted an order pursuant to Section 176(1) and Section 176 (10) of the Companies Act, 1965 by the High Court of Malaya in Kuala Lumpur on 29 October 2013 to restrain all the further proceedings or the taking of any proceeding or action brought by any party including the scheme creditors for a period of 90 days effective from 29 October 2013. The above order was applied for in order to facilitate PSSB to convene a meeting with its creditors pursuant to Section 176 (10) of the Companies Act, 1965 for the purpose of considering and if thought fit, to approve with or without any alteration or modification, a proposed scheme of arrangement and compromise of PSSB. The subsidiary has been granted an extension of the Order on 27 January 2014, 25 July 2014, 21 January 2015 and 21 February 2015. On 25 February 2015, PSSB has been granted an interim Order pursuant to Section 176(1) and 176(10) of the Companies Act, 1965 by the High Court up till 17 March 2015. Save that the Order shall not be applicable against, RHB Bank Berhad, Standard Chartered Bank Malaysia Berhad, Kuwait Finance House (Malaysia) Berhad, OCBC Bank (Malaysia) Berhad, Tenaga Nasional Berhad, Petroliam Nasional Berhad, Government of Malaysia and Orix Credit Malaysia Sdn Bhd.

# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

## 1. Basis of reporting preparation (Continued)

In view of the matters set out above, there are material uncertainties that may cast significant doubt on the ability of the Group to continue as going concern.

The going concern assumption is highly dependent upon the successful restructuring of the defaulted debts, the successful approval and implementation of the Regularisation Plan, and the ability of the Group to attain profitable operations to generate sufficient cash flows to fulfil their obligations as and when they fall due. In the event that these are not forthcoming, the Group may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group be unable to continue as going concern.

The financial statements of the Group does not include any adjustments and classifications relating to the recorded assets and liabilities that may be necessary if the Group is unable to continue as a going concern.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial period ended 30 June 2014 except for the adoption of the following new Amendments to FRSs and Interpretations for the current financial year ending 30 June 2015:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014

The adoption of the above standards, amendments and interpretations do not have significant impact on the financial statements of the Group.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments MFRS 9 (2010) Financial Instruments MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139) Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announced by MASB
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group operations except as follows:-



# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

## 1. Basis of reporting preparation (Continued)

- (i) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no material financial impact on the financial statements of the Group upon its initial application.
- (ii) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. Based on the preliminary assessment, there will be no material financial impact on the financial statements of the Group upon its initial application.

## 2. Auditors' report

Due to the significance of the matters described in Note 1 Basis of Reporting Preparation, the Auditors have not been able to obtain sufficient appropriate audit evidence to provide a basis of an audit opinion. Accordingly, the Auditors do not express an opinion on the financial statements of preceding eighteen months audited financial statements ended 30 June 2014.

## 3. Seasonal or cyclical factors

The business operation of the Group is generally affected by the demand in construction sector, commodities market condition and global economy, as well as the fourth quarter and first quarter festive seasons.

## 4. Items of unusual nature and amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current quarter and financial period.

## 5. Material changes in estimates

There were no changes in the estimates of amount relating to the prior financial period that have a material effect in the current quarter under review.

## **PERWAJA HOLDINGS BERHAD (798513-D)**

(Incorporated in Malaysia)

### **6. Debt and equity securities**

There have been no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year.

### **7. Dividends paid**

No dividend was paid during the financial year.

### **8. Segmental information**

Segmental information is not provided as the Group's primary business segment is principally in the manufacturing and trading in direct reduced iron, steel billets, beam blanks and blooms and its operation is principally located in Malaysia.

### **9. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment in the current quarter under review.

### **10. Capital commitments**

The total capital commitments being approved and contracted for as at the end of current quarter and financial year amount to RM58.6 million.

### **11. Subsequent event**

On 9 January 2015, the Company announced that Bursa Malaysia Securities Berhad had on 9 January 2015 approved its application for an extension of time up to 31 March 2015 to submit its regularisation plan to the regulatory authorities.

On 21 January 2015, the Company announced that its wholly-owned subsidiary, PSSB has been granted an extension of the Order pursuant to Section 176(1) and 176(10) of the Companies Act, 1965 by the High Court for a period of thirty (30) days effective from 22 January 2015 and expiring on 21 February 2015, save that the Order shall not be applicable against, RHB Bank Berhad, Standard Chartered Bank Malaysia Berhad, Kuwait Finance House (Malaysia) Berhad, OCBC Bank (Malaysia) Berhad, Tenaga Nasional Berhad, Petroliam Nasional Berhad, Government of Malaysia and Orix Credit Malaysia Sdn Bhd.

On 11 February 2015, the Company announced that it had on 11 February 2015 entered into a Memorandum of Agreement with Zhiyuan Investment Group Co Ltd "Zhiyuan") to explore the possibility of Zhiyuan's participation in Perwaja and/or via other business cooperation model to revive Perwaja and to transform and/or operate the Kemaman Plant into a profitable metal-steel related manufacturing plant.

# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

## 11. Subsequent event (Continued)

On 25 February 2015, the Company announced that its wholly-owned subsidiary, PSSB has been granted an interim Order pursuant to Section 176(1) and 176(10) of the Companies Act, 1965 by the High Court up till 17 March 2015. The Order shall not be applicable against, RHB Bank Berhad, Standard Chartered Bank Malaysia Berhad, Kuwait Finance House (Malaysia) Berhad, OCBC Bank (Malaysia) Berhad, Tenaga Nasional Berhad, Petroliaam Nasional Berhad, Government of Malaysia and Orix Credit Malaysia Sdn Bhd.

## 12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year.

## 13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets, which upon becoming enforceable, may have a material effect on the net assets, profits or financial position of the Group except the followings:-

(i)	Claim by supplier/financier:	
	- Claim I	82,720
	- Claim II	3,500
	- Claim III	14,045
		<hr/>
		100,265
		<hr/>

### Claim I

Claims have been made by two suppliers on the non-performance of the Contract of Affreightment. As at the date of this report, the Management is not aware of any legal proceedings being instituted by the suppliers against the subsidiary.

### Claim II

A claim has been made by a supplier for compensation on the breach of the Supply Agreement and Kiln Management Agreement. The Court has fixed the case management on 27 February 2015.

### Claim III

A financier issued a claim on the subsidiary and the Company as guarantor for the outstanding amount including interest. As at the date of this report, the Management is not aware of any legal proceedings being instituted by the financier against the subsidiary or the Company.

## (ii) Proposed Retrenchment Programme

On 15 December 2014, the Company issued an announcement on clarification to an article titled "Perwaja to close shop, lay off 1,500" published by the New Straits Times on 12 December 2014.

## **PERWAJA HOLDINGS BERHAD (798513-D)**

(Incorporated in Malaysia)

### **13. Contingent Liabilities and Contingent Assets (Continued)**

The Company clarified that its wholly-owned subsidiary, PSSB has in fact ceased all material operations since August 2013 when its dry gas and electricity supplies were curtailed. Given the cessation of operations, PSSB intends to undertake a company-wide retrenchment programme for its employees (“Proposed Retrenchment Programme”).

As at the date of this announcement, PSSB has no employees under its employment as the employees were retrenched pursuant to the retrenchment notice dated 17 November 2014. The Company is now formulating compensation scheme in relation to the Proposed Retrenchment Programme under professional advice.

The financial impact of the Proposed Retrenchment Programme on Perwaja group can only be determined upon finalisation of the terms of the Proposed Retrenchment Programme, and which will be announced in due course.

The financial impact of the Proposed Retrenchment Programme is not reflected in the financial statements for the quarter and period ended 31 December 2014 as the terms of the Proposed Retrenchment Programme are still not yet finalised.

# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

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

### 14. Review of performance of the Company and its principal subsidiaries

For the current quarter under review, the Group reported a revenue of RM4.0 million and a pre-tax loss of RM69.2 million. The financial year end of the Company has been changed from 31 December to 30 June to cover the 18-month period from 1 January 2013 to 30 June 2014 and thereafter, to end on 30 June each year. Accordingly, there are no corresponding quarter for the preceding year.

The low revenue and pre-tax loss in the current quarter was mainly driven by zero production and low sales volume. The zero production was affected by the gas and electricity supply curtailment by Petronas and TNB at the material time. This resulted in PSSB's inability to secure the necessary working capital for resumption of production.

### 15. Material changes in profit before tax for the current quarter results compared to the results of the preceding quarter

The Group recorded a pre-tax loss of RM69.2 million as compared to the preceding quarter's pre-tax loss of RM44.9 million. The higher pre-tax loss in the preceding quarter is mainly due the provision for default interest on the trade lines and bank loans.

### 16. Prospects for the financial year ending 30 June 2015

On 26 November 2013, the Company was designated an Affected Listed Issuer under Practice Note ("PN") 1 and PN 17 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("the MMLR"). Accordingly, the Company is required to inter alia submit a regularisation plan to the relevant authority within 12 months from the date of such announcement. The Company is currently in the process of formulating such Regularisation Plan. The Company is required to submit its Proposed Regularisation Plan to the relevant authorities by 25 November 2014. On 9 January 2015, Bursa Securities approved the Company's application for an extension of time up to 31 March 2015 to submit its Proposed Regularisation Plan to the regulatory authorities.

In addition, the major subsidiary of the Group, PSSB has been granted an order pursuant to Section 176(1) and Section 176 (10) of the Companies Act, 1965 by the High Court of Malaya in Kuala Lumpur on 29 October 2013 to restrain all the further proceedings or the taking of any proceeding or action brought by any party including the scheme creditors for a period of 90 days effective from 29 October 2013. The above order was applied for in order to facilitate PSSB to convene a meeting with its creditors pursuant to Section 176 (10) of the Companies Act, 1965 for the purpose of considering and if thought fit, to approve with or without any alteration or modification, a proposed scheme of arrangement and compromise of PSSB. The subsidiary has been granted an extension of the Order on 27 January 2014, 25 July 2014, 21 January 2015 and 21 February 2015. On 25 February, PSSB has been granted an interim Order pursuant to Section 176(1) and 176(10) of the Companies Act, 1965 by the High Court up till 17 March 2015. Save that the Order shall not be applicable against, RHB Bank Berhad, Standard Chartered Bank Malaysia Berhad, Kuwait Finance House (Malaysia) Berhad, OCBC Bank (Malaysia) Berhad, Tenaga Nasional Berhad, Petroliam Nasional Berhad, Government of Malaysia and Orix Credit Malaysia Sdn Bhd.

## PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

### 16. Prospects for the financial year ending 30 June 2015 (Continued)

The Group is undertaking a debt restructuring exercise to address its liquidity issue. The Group's prospect is highly dependent on the following successful events:

- i) approval of the restructuring scheme by the scheme creditors;
- ii) negotiation with secured lenders and Government of Malaysia; and
- iii) implementation of the restructuring scheme.

In view of the above, the prospects will continue to be challenging.

### 17. Variance between Actual Profit and Forecast Profit

The Group did not issue any profit forecast in a public document during the current financial period.

### 18. Taxation

The Group's effective tax rate for the current quarter and financial period is higher than the prevailing statutory tax rate of 25%, mainly due to non-recognition of deferred tax assets arising from tax losses in the current quarter and financial period.

### 19. Loss Before Taxation

Included in the loss before taxation are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	18 months ended
	31.12.2014	31.12.2013	31.12.2014	30.06.2014
	RM'000	RM'000	RM'000	RM'000
Auditor's remuneration	60	N/A	120	230
Allowance for impairment losses on property, plant and equipment	-	N/A	-	244,348
Allowance for impairment losses on receivables	-	N/A	-	44,758
Allowance for impairment losses on intangible assets	-	N/A	-	1,293
Depreciation of property, plant and equipment	19,666	N/A	39,332	120,312
Interest expense	42,078	N/A	60,987	199,929
Inventory written down	-	N/A	-	90,000
Rental of equipment	-	N/A	-	1,400
Rental of motor vehicles	-	N/A	-	115
Rental of premises	131	N/A	234	524
Rental of leases	-	N/A	-	1,982
Imputed interest income	-	N/A	-	(126,390)
Interest income	-	N/A	-	(147)
<b>19. Loss Before Taxation (Continued)</b>				

# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

The financial year end of the Company has been changed from 31 December to 30 June to cover the 18-month period from 1 January 2013 to 30 June 2014 and thereafter, to end on 30 June each year. Accordingly, there are no comparative figures for the corresponding quarter.

## 20 Status of Corporate Proposal

### Corporate Debt Restructuring Committee (CDRC)

On 26 September 2013, the Group obtained approval from CDRC to mediate with the financial lenders of the Group for the purpose of debt restructuring exercise with the financial lenders.

### Restraining Order under Section 176 (10) of the Companies Act, 1965

The major subsidiary of the Group, PSSB has been granted an order pursuant to Section 176(1) and Section 176 (10) of the Companies Act, 1965 by the High Court of Malaya in Kuala Lumpur on 29 October 2013 to restrain all the further proceedings or the taking of any proceeding or action brought by any party including the scheme creditors for a period of 90 days effective from 29 October 2013. The above order was applied for in order to facilitate PSSB to convene a meeting with its creditors pursuant to Section 176 (10) of the Companies Act, 1965 for the purpose of considering and if thought fit, to approve with or without any alteration or modification, a proposed scheme of arrangement and compromise of PSSB. The subsidiary has been granted an extension of the Order on 27 January 2014, 25 July 2014, 21 January 2015 and 21 February 2015. On 25 February, PSSB has been granted an interim Order pursuant to Section 176(1) and 176(10) of the Companies Act, 1965 by the High Court up till 17 March 2015. Save that the Order shall not be applicable against, RHB Bank Berhad, Standard Chartered Bank Malaysia Berhad, Kuwait Finance House (Malaysia) Berhad, OCBC Bank (Malaysia) Berhad, Tenaga Nasional Berhad, Petroliam Nasional Berhad, Government of Malaysia and Orix Credit Malaysia Sdn Bhd.

## 21. Group borrowings and debt securities

The Group's borrowings as at 31 December 2014 were as follows:-

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<u>Short term borrowings:-</u>			
Bankers' acceptances	561,296	-	561,296
Term Loan	172,823	-	172,823
Murabahah Medium Term Loan	110,000	-	110,000
Short-term loan	-	24,600	24,600
Loan from a related party	-	83,440	83,440
Loan from the Malaysian Government	-	117,131	117,131
Bank Overdraft	-	15,987	15,987
ICULS	-	4,864	4,864
Hire purchase payables	-	2,860	2,860
	<hr/>	<hr/>	<hr/>
	844,119	248,882	1,093,001
<u>Long term borrowing:-</u>			
Hire Purchase payables	-	103	103
RCULS	-	276,270	276,270
Total	-	276,373	276,373
	<hr/>	<hr/>	<hr/>
	844,119	525,255	1,369,374

# PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

## 22. Derivative Financial Instruments

There were no derivative financial instruments as at the reporting date.

## 23. Material Litigation

As at 31 December 2014, neither our Company nor any of our subsidiaries is engaged in any additional material litigation and arbitration either as plaintiff or defendant, save and except those that have been disclosed previously, which has a material effect on the financial position of our Company or our subsidiaries and our Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Company or our subsidiaries.

## 24. Proposed Dividend

There was no dividend proposed or declared for the current quarter and the financial period.

## 25. Loss Per Share (“LPS”)

The basic LPS is calculated based on the Group's net losses attributable to equity holders of the Company for the period by the weighted average number of ordinary shares in issue during the current quarter and the financial period as follows:

	<b>Current quarter 3 months ended 31.12.2014 RM'000</b>	<b>Cumulative period 6 months ended 31.12.2014 RM'000</b>
Net loss attributable to ordinary shareholders of the company	(69,212)	(114,146)
Weighted average number of ordinary shares in issue	560,000	560,000
Basic LPS (sen)	(12.36 sen)	(20.38 sen)

Fully diluted LPS for current quarter and financial period have not been presented as the effect is anti-dilutive.



## PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

### 26. Realised and Unrealised Profits/Losses Disclosure

The accumulated losses as at 31 December 2014 and 30 September 2014 is analysed as follows:

	<b>Current Quarter ended 31.12.2014 RM'000</b>	<b>Immediate Preceding Quarter ended 30.09.2014 RM'000</b>
Total accumulated losses of the Company and subsidiaries:		
- Realised losses	(1,897,990)	(1,828,779)
- Unrealised profit	-	-
	<hr/>	<hr/>
Total group accumulated losses as per consolidated financial statements	(1,897,990)	(1,828,779)
	<hr/>	<hr/>

### 27. Comparatives

Certain comparative figures have been reclassified to conform with the current period's presentation.

By order of the Board,

Tan Sri Dato' Sri Pheng Yin Huah  
Director  
Date: 26 February 2015