

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



**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2015**

PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2015**

	Individual Quarter (Q1)		Cumulative Quarter (3 Mths)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Revenue	146	1,771	146	1,771
Operating expenditure	(21,357)	(34,257)	(21,357)	(34,257)
Other income	213	6,460	213	6,460
Finance costs	(41,087)	(18,909)	(41,087)	(18,909)
Loss before taxation	(62,085)	(44,935)	(62,085)	(44,935)
Taxation	-	-	-	-
Loss after taxation	(62,085)	(44,935)	(62,085)	(44,935)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive expenses	(62,085)	(44,935)	(62,085)	(44,935)
Total comprehensive expenses attributable to:				
Equity holders of the parent	(62,085)	(44,935)	(62,085)	(44,935)
Non-controlling interest	-	-	-	-
	(62,085)	(44,935)	(62,085)	(44,935)
Loss per share (Note 25) :				
- Basic LPS (sen)	(11.09)	(8.02)	(11.09)	(8.02)

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial period ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

PERWAJA HOLDINGS BERHAD (798513-D)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	As at End of Current Quarter 30.09.2015 RM'000	As at Preceding Financial Year End 30.06.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	886,387	906,076
Current assets		
Inventories	88,458	88,458
Receivables	8,194	6,684
Tax recoverable	275	146
Cash and bank balances	13,573	14,562
	<u>110,500</u>	<u>109,850</u>
TOTAL ASSETS	<u>996,887</u>	<u>1,015,926</u>
EQUITY AND LIABILITIES		
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	(2,144,173)	(2,082,086)
Total equity	<u>(1,570,627)</u>	<u>(1,508,540)</u>
Non-current liabilities		
Payables	218,460	218,460
Deferred taxation	932	932
Loan and borrowings (Note 21)	276,393	276,356
	<u>495,785</u>	<u>495,748</u>
Current liabilities		
Payables	970,076	931,561
Overdrafts and short term borrowings (Note 21)	1,101,653	1,097,157
	<u>2,071,729</u>	<u>2,028,718</u>
Total liabilities	<u>2,567,514</u>	<u>2,524,466</u>
TOTAL EQUITY AND LIABILITIES	<u>996,887</u>	<u>1,015,926</u>
Net (liabilities)/assets per share attributable to equity holders of the parent (RM)	<u>(2.80)</u>	<u>(2.69)</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	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 2015	560,000	101,502	287,776	10,748	2,798	(2,471,364)	(1,508,540)
Comprehensive losses for the period	-	-	-	-	-	(62,085)	(62,085)
Balance at 30 September 2015	560,000	101,502	287,776	10,748	2,798	(2,533,449)	(1,570,625)
Balance at 1 July 2014	560,000	101,502	287,776	10,748	2,798	(1,783,844)	(821,020)
Comprehensive losses for the financial year	-	-	-	-	-	(44,935)	(44,935)
Balance at 30 September 2014	560,000	101,502	287,776	10,748	2,798	(1,828,779)	(865,955)

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	3 months ended 30.09.2015 RM'000	3 months ended 30.09.2014 RM'000
Cash Flows From/(For) Operating Activities		
Loss before taxation	(62,087)	(44,935)
Adjustments for non-cash flow :		
Allowance for impairment losses on receivables	232	-
Depreciation of property, plant and equipment	19,689	19,621
Unrealised loss on foreign exchange	1	-
Interest expense	41,087	18,909
Operating (loss)/profit before working capital changes	(1,079)	(6,405)
Decrease/(increase) in inventories	-	867
Decrease/(increase) in receivables	(1,742)	143
(Decrease)/increase in payables	(268)	(1,036)
	(3,089)	(6,431)
Interest paid	(3,665)	-
Income tax paid	(129)	-
Net cash from/(for) operating activities	(6,883)	(6,431)
Cash Flows From Investing Activities	-	-
Cash Flows From Financing Activities		
Repayment of hire purchase obligations	(7)	-
Advances from /(Repayment to) related parties	1,360	-
Net cash from financing activities	1,353	-
Net increase / (decrease) in cash and cash equivalents	(5,530)	(6,431)
Cash and cash equivalents at beginning of period	(5,931)	(2,031)
Cash and cash equivalents at end of period	(11,461)	(8,462)
Composition of cash and cash equivalents		
Cash and bank balances	13,573	7,525
Bank overdrafts	(25,034)	(15,987)
Cash and cash equivalents at end of period	(11,461)	(8,462)

The above condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial period ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

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 2015. 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 2015.

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 2015 of RM688 million and, as of that date, the Group had net current liabilities of RM1,919 million and recorded capital deficiencies of RM1,509 million.

The Group was unable to meet its loan obligations since the previous financial period. As at 30 June 2015, the outstanding borrowings and bank overdrafts of the Group amounted to RM1,072 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 30 November 2015. On 9 January 2015, 13 April 2015, 18 June 2015, 29 July 2015 and 13 October 2015, Bursa Securities approved the Company’s application for an extension of time up to 30 November 2015 to submit its Regularisation Plan to the regulatory authorities. The Company had on 15 July 2015 announced its proposed regularisation plan.

In addition, the major subsidiary company 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, 21 February 2015, 17 March 2015, 21 August 2015 and 17 November 2015. On 17 November 2015, 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 up till 17 May 2016.

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1. Basis of Preparation (Continued)

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, Petroliaam Nasional Berhad, Government of Malaysia, Peninsula Shipping Limited and Samarco Mineracao S.A.

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 year ended 30 June 2015 except for the adoption of the following new Amendments to FRSs and Interpretations for the current financial year ending 30 June 2016 :-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 119 Employee Benefits – <i>Define Benefit Plans : Employee Contributions</i>	1 January 2015
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 January 2015
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 January 2015

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 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11 Joint Arrangements – <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 Presentation of Financial Statements – <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 127 Consolidated and Separate Financial Statements – <i>Equity Method in Separate Financial Statements</i>	1 January 2016

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1. Basis of Preparation (Continued)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets – <i>Clarification of Acceptance Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141: Agriculture: <i>Bearer Plants</i>	1 January 2016
Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures – <i>Investment Entities : Applying the Consolidation Exception</i>	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

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

(i) MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and established a new five-step model which will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

(ii) MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting of financial instruments. The adoption of this Standard will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

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2. Auditors' report

Due to the significance of the matters described in Note 1 Basis of 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 preceding financial statements ended 30 June 2015.

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 second quarter and third 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.

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 period.

7. Dividends paid

No dividend was paid during the financial period.

8. Segmental Revenue & Results

	Manufacturing And Trading of Steel Billets RM'000	Training And Education RM'000	Investment Holdings RM'000	Group RM'000
3 Months ended 30.09.15				
<u>Revenue</u>				
External revenue	-	146	-	146
Inter-segment revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	146	-	146
Consolidation adjustments and eliminations				-
Consolidated Revenue			<hr/>	<hr/>
				146

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8. Segmental Revenue & Results (Continued)

	Manufacturing And Trading of Steel Billets RM'000	Training And Education RM'000	Investment Holdings RM'000	Group RM'000
3 Months ended 30.09.2015				
<u>Result</u>				
Result before following adjustments	(850)	(144)	(309)	(1,309)
Depreciation of property, plant and equipment	(19,671)	(18)	-	(19,689)
Segment results	<u>(20,527)</u>	<u>(162)</u>	<u>(309)</u>	<u>(20,998)</u>
Finance cost				(41,087)
Income tax expense				<u>-</u>
Consolidated loss after taxation				<u>(62,085)</u>

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 RM65.8 million.

11. Subsequent event

On 13 October 2015, Bursa Malaysia Securities Berhad approved the Company's application for an extension of time up to 30 November 2015 to submit its regularisation plan to the relevant regulatory authorities.

On 17 November 2015, 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 up till 17 May 2016.

12. Changes in the Composition of the Group

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

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:-

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13. Contingent Liabilities and Contingent Assets (Continued)

(i)	Claim by supplier/financier:	
	- Claim I	-
	- Claim II	3,500
	- Claim III	16,560
	- Claim IV	15,165
		<hr/>
		35,225
		<hr/>

Claim I

Claims have been made by two suppliers on the non-performance of the Contract of Affreightment. In the preceding financial year, the subsidiary has made a provision for these claims by suppliers. 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. On 24 August 2015, the High Court had struck out the supplier's claim with liberty to file afresh and with no order as to costs. The supplier then filed an appeal to the Court of Appeal against the decision of the High Court on 6 October 2015. The appeal has been fixed for cash management on 3 December 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.

Claim IV

A claim has been made by a supplier for substantial loss suffered on the termination of Sale and Purchase of Slag Agreement. As at the date of this report, the Management is not aware of any legal proceedings being instituted by the supplier against the subsidiary.

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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 RM0.15 million and a pre-tax loss of RM62.1 million.

The revenue for the current quarter derived from its training and education segment. The Group's main revenue contributor segment, the manufacturing and trading of steel billets has ceased its operations since August 2013 when the gas and electricity supplies to the Kemaman Plant were curtailed.

Pre-tax losses reported in current quarter were mainly derived from accruals of interest in borrowings, RCULS and ICULS amounted to RM41.1 million and depreciation charges for the quarter amounted to RM19.7 million.

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 RM62.1 million as compared to the preceding quarter's pre-tax loss of RM453.8 million. The lower pre-tax loss in the current quarter were mainly due to the additional allowance for impairment losses on property, plant and equipment, inventories and receivables amounting to RM295.4 million and provision for non-performance of the Contract of Affreightment of RM97.2 million made in the preceding quarter.

16. Prospects for the financial year ending 30 June 2016

On 26 November 2013, the Company was designated as 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, 13 April 2015, 18 June 2015, 29 July 2015 and 13 October 2015, Bursa Securities approved the Company's application for an extension of time up to 30 November 2015 to submit its Regularisation Plan to the regulatory authorities. The Company on 15 July 2015 announced its proposed regularisation plan.

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, 21 February 2015, 17 March 2015, 21 August 2015 and 17 November 2015, has been granted an extension of the Order pursuant to

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16. Prospects for the financial year ending 30 June 2016 (Continued)

Section 176(1) and 176(10) of the Companies Act, 1965 by the High Court up till 17 May 2016.

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, Peninsula Shipping Limited and Samarco Mineracao S.A.

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		3 months ended	3 months ended
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	19,689	19,621	19,689	19,621
Interest expense	41,087	18,909	41,087	18,909
Rental of premises	111	103	111	103
Rental of leases	5	-	-	-

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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, 21 February 2015, 17 March 2015, 21 August 2015 and 17 November 2015. On 17 November 2015, 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 up till 17 May 2016. 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, Petroliaam Nasional Berhad, Government of Malaysia, Peninsula Shipping Limited and Samarco Mineracao S.A.

Execution of Memorandum of Agreement and Master Framework Agreement with Zhiyuan International Investment & Holding Group (Hong Kong) Co Limited (“Zhiyuan”)

Further to the Memorandum of Agreement with Zhiyuan dated 11 February 2015 and 29 April 2015 which were duly announced to Bursa Malaysia, the Company on 15 July 2015 executed a Master Framework Agreement with Zhiyuan in relation to Zhiyuan’s participation in the Proposed Regularisation Scheme which is to be submitted to Bursa Malaysia by 30 September 2015. The Company on 15 July 2015 made the requisite announcement to this effect to the Bursa Malaysia.

21. Group borrowings and debt securities

The Group’s borrowings as at 30 September 2015 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<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	-	25,000	25,000
Loan from a related party	-	83,440	83,440
Loan from the Malaysian Government	-	117,131	117,131
Bank Overdraft	-	25,034	25,034
ICULS	-	4,864	4,864
Hire purchase payables	-	2,066	2,066
	<hr/>	<hr/>	<hr/>
	844,119	257,535	1,101,653
<u>Long term borrowing:-</u>			
Hire Purchase payables	-	123	123
RCULS	-	276,270	276,270
Total	-	276,393	276,393
	<hr/>	<hr/>	<hr/>
	844,119	533,928	1,378,046

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22. Derivative Financial Instruments

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

23. Material Litigation

On 18 September 2015, our Company together with its major shareholders were served with a Writ of Summons and Statement of Claim dated 4 September 2015 fined by Lonpac Insurance Berhad (“Lonpac”). Lonpac is claiming for its outstanding insurance premium for insurance coverage period between 15 January 2014 to 25 May 2014, due under an insurance policy which had been terminated on 26 May 2014. The amount claimed for includes:

- (i) the outstanding insurance premium amounting to RM2,722,767.04;
- (ii) agreed interest calculated at the rate of 8% per annum on the sum of RM2,722,767.04 from 30 September 2014 to the date of full payment;
- (iii) costs of the action; and
- (iv) such further and/or other relief as the High Court deems fit.

The case had been fixed for case management on 13 January 2016. The maximum expected losses from the Writ of Summons and Statement of Claim, if any, arising from the litigation is as stated above. The directors are seeking to negotiate and settle the case amicably without pursuing further legal action.

Except for the above claim, as at 25 Nov 2015, 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:

	Current quarter 3 months ended 30.09.2015 RM'000	Cumulative period 3 months ended 30.09.2015 RM'000
Net loss attributable to ordinary shareholders of the company	(62,085)	(62,085)
Weighted average number of ordinary shares in issue	560,000	560,000
Basic LPS (sen)	(11.09)	(11.09)

PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

25. Loss Per Share (“LPS”) (Continued)

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

26. Realised and Unrealised Profits/Losses Disclosure

The accumulated losses as at 30 September 2015 and 30 June 2015 is analysed as follows:

	As at 30.09.2015 RM'000	As at 30.06.2015 RM'000
Total accumulated losses :		
- Realised	(3,474,583)	(3,412,498)
- Unrealised	(3,276)	(3,276)
	<hr/>	<hr/>
	(3,477,859)	(3,415,774)
Less : Consolidation adjustments	944,410	944,410
Total Accumulated Losses	<hr/> <hr/>	<hr/> <hr/>
	(2,533,449)	(2,471,364)

27. Comparatives

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