

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



**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2015**

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2015**

	<b>Individual Quarter (Q2)</b>		<b>Cumulative Quarter (6 Mths)</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Period to Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31.12.2015 Unaudited RM'000</b>	<b>31.12.2014 Unaudited RM'000</b>	<b>31.12.2015 Unaudited RM'000</b>	<b>31.12.2014 Unaudited RM'000</b>
Revenue	162	3,986	308	5,757
Operating expenditure	(152,157)	(31,120)	(173,514)	(64,515)
Other income	572	-	785	5,599
Finance costs	(13,535)	(42,078)	(54,621)	(60,987)
Loss before taxation	(164,958)	(69,212)	(227,042)	(114,146)
Taxation	-	-	-	-
Loss after taxation	(164,958)	(69,212)	(227,042)	(114,146)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive expenses	(164,958)	(69,212)	(227,042)	(114,146)
Total comprehensive expenses attributable to:				
Equity holders of the parent	(164,958)	(69,212)	(227,042)	(114,146)
Non-controlling interest	-	-	-	-
	(164,958)	(69,212)	(227,042)	(114,146)
Loss per share (Note 25) :				
- Basic LPS (sen)	(29.46)	(12.36)	(40.54)	(20.38)

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

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	<b>Unaudited As at End of Current Quarter 31.12.2015 RM'000</b>	<b>Audited As at Preceding Financial Year End 30.06.2015 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	866,701	906,076
<b>Current assets</b>		
Inventories	88,458	88,458
Receivables	6,132	6,684
Tax recoverable	289	146
Cash and bank balances	11,692	14,562
	<u>106,571</u>	<u>109,850</u>
<b>TOTAL ASSETS</b>	<u>973,272</u>	<u>1,015,926</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	(2,309,128)	(2,082,086)
<b>Total equity</b>	<u>(1,735,582)</u>	<u>(1,508,540)</u>
<b>Non-current liabilities</b>		
Payables	-	218,460
Deferred taxation	932	932
Loan and borrowings (Note 21)	276,356	276,356
	<u>277,288</u>	<u>495,748</u>
<b>Current liabilities</b>		
Payables	1,313,662	931,561
Overdrafts and short term borrowings (Note 21)	1,117,904	1,097,157
	<u>2,431,566</u>	<u>2,028,718</u>
<b>Total liabilities</b>	<u>2,708,854</u>	<u>2,524,466</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>973,272</u>	<u>1,015,926</u>
<b>Net (liabilities)/assets per share attributable to equity holders of the parent (RM)</b>	<u>(3.10)</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 year ended 30 June 2015 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 FINANCIAL PERIOD ENDED 31 DECEMBER 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	-	-	-	-	-	(227,042)	(227,042)
Balance at 31 December 2015	560,000	101,502	287,776	10,748	2,798	(2,698,406)	(1,735,582)
Balance at 1 July 2014	560,000	101,502	287,776	10,748	2,798	(1,783,844)	(821,020)
Comprehensive losses 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)

*The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year 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 CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	<b>Unaudited 6 months ended 31.12.2015 RM'000</b>	<b>Unaudited 6 months ended 31.12.2014 RM'000</b>
Cash Flows (For)/From Operating Activities		
Loss before taxation	(227,042)	(114,146)
Adjustments for non-cash flow :		
Depreciation of property, plant and equipment	39,374	39,320
Unrealised gain on foreign exchange	(207)	-
Fair value adjustment in payables	126,390	-
Interest expenses	54,621	60,987
Operating loss before working capital changes	(6,864)	(13,839)
Decrease in inventories	-	4,855
Increase in receivables	(494)	(5,962)
(Decrease)/increase in payables	(16,002)	17,933
	(23,360)	2,987
Income tax paid	(143)	-
Net cash (for)/from operating activities	(23,503)	2,987
Cash Flows For Financing Activities		
Net repayment of term loan	-	(400)
Repayment to related parties	(114)	-
Repayment of hire purchase obligation	(38)	(6)
Net cash for financing activities	(152)	(406)
Net (decrease) / increase in cash and cash equivalents	(23,655)	2,581
Cash and cash equivalents at beginning of period	(5,931)	(2,031)
Cash and cash equivalents at end of period	(29,586)	550
Composition of cash and cash equivalents		
Cash and bank balances	11,692	16,537
Bank overdrafts	(41,278)	(15,987)
Cash and cash equivalents at end of period	(29,586)	550

*The above condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year 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 31 DECEMBER 2015

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

#### 1. Basis of reporting preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 Interim Financial Reporting (“MFRS 134”) and International Accounting Standards 34 Interim Financial Reporting (“IAS 34”) and Chapter 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 year 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 year 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 year. As at 30 June 2015, the outstanding borrowings and bank overdrafts of the Group amounted to RM1,092 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 31 March 2016. On 9 January 2015, 13 April 2015, 18 June 2015, 29 July 2015, 13 October 2015 and 11 January 2016, Bursa Securities approved the Company’s application for an extension of time up to 31 March 2016 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.

# PERWAJA HOLDINGS BERHAD (798513-D)

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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.

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 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
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
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>	Deferred until further notice
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: <i>Agriculture: 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

# PERWAJA HOLDINGS BERHAD (798513-D)

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## 1. Basis of Preparation (Continued)

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

### (i) MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group is currently assessing the financial impact of adopting MFRS 9.

### (ii) MFRS 15 Revenue from Contracts with Customers

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. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

## 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

Fair value adjustment amounting to approximately of RM126 million arising mainly from two payables has been recognized in the current quarter under review.



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## 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

	<b>Manufacturing And Trading of Steel Billets RM'000</b>	<b>Training And Education RM'000</b>	<b>Investment Holdings RM'000</b>	<b>Group RM'000</b>
3 Months ended 31.12.15				
<u>Revenue</u>				
External revenue	-	162	-	162
Inter-segment revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	162	-	162
Consolidation adjustments and eliminations				-
Consolidated Revenue			<hr/>	<hr/>
				162
<u>Result</u>				
Result before following adjustments	(131,418)	(45)	(275)	(131,738)
Depreciation of property, plant and equipment	(19,671)	(14)	-	(19,685)
Segment results	<hr/>	<hr/>	<hr/>	<hr/>
	(151,089)	(59)	(275)	(151,423)
Finance cost				(13,535)
Consolidated loss after taxation			<hr/>	<hr/>
				(164,958)

# PERWAJA HOLDINGS BERHAD (798513-D)

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## 8. Segmental Revenue & Results (Continued)

	<b>Manufacturing And Trading of Steel Billets RM'000</b>	<b>Training And Education RM'000</b>	<b>Investment Holdings RM'000</b>	<b>Group RM'000</b>
6 Months ended 31.12.15				
<u>Revenue</u>				
External revenue	-	308	-	308
Inter-segment revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	308	-	308
Consolidation adjustments and eliminations				-
Consolidated Revenue			<hr/>	<hr/>
				308
 <u>Result</u>				
Result before following adjustments	(132,274)	(189)	(584)	(133,047)
Depreciation of property, plant and equipment	(39,342)	(32)	-	(39,374)
	<hr/>	<hr/>	<hr/>	<hr/>
Segment results	(171,616)	(221)	(584)	(172,421)
Finance cost				(54,621)
Consolidated loss after taxation			<hr/>	<hr/>
				(227,042)

## 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 11 January 2016, Bursa Malaysia Securities Berhad approved the Company's application for an extension of time up to 31 March 2016 to submit its regularisation plan to the relevant regulatory authorities.

## 12. Changes in the Composition of the Group

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

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## 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:	<b>RM'000</b>
- 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 case management on 26 May 2016.

### 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.

## 14. Related Party Transaction

The Group's related party transaction in the current quarter and the 6 months ended 31 December 2015 are as follows:

	<b>Current Quarter ended 31.12.2015 RM'000</b>	<b>6 months ended 31.12.2015 RM'000</b>
Interest charged by related parties	1,648	4,674
	<hr/>	<hr/>

# PERWAJA HOLDINGS BERHAD (798513-D)

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

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

For the current quarter under review, the Group reported a revenue of RM0.16 million and a pre-tax loss of RM165 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 fair value adjustment of trade payables amounted to RM126.4 million and depreciation charges for the quarter amounted to RM19.7 million.

### 16. 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 RM165 million as compared to the preceding quarter's pre-tax loss of RM62.1 million. The higher pre-tax loss in the current quarter were mainly due to the fair value adjustment of trade payables amounted to RM126.4 million.

### 17. 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 had on 15 July 2015 announced its proposed Regularisation Plan and on 30 November 2015 the Company submitted an application for extension of time to Bursa Malaysia Securities Berhad ("Bursa Securities") to submit the Company's regularisation plan to the regulatory authorities. On 11 January 2016, Bursa Securities approved the Company's application for an extension of time up to 31 March 2016.

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

# PERWAJA HOLDINGS BERHAD (798513-D)

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## 17. Prospects for the financial year ending 30 June 2016 (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, 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.

## 18. Variance between Actual Profit and Forecast Profit

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

## 19. Taxation

The Group's effective tax rate for the current quarter and financial period is lower than the prevailing statutory tax rate of 25%, mainly due to tax losses in the current quarter and financial period.

## 20. Loss Before Taxation

Included in the loss before taxation are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	6 months ended
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	19,685	19,666	39,374	39,332
Directors' fee	68	38	69	76
Fair value adjustment	126,390	-	126,390	-
Interest expense	13,535	42,078	54,621	60,987
Rental of premises	91	131	202	234
Rental of lease	5	-	10	-
Staff costs	382	5,395	713	13,742
Unrealised gain on foreign exchange	(207)	-	(207)	-

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## 21. 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, Petroliam 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. Zhiyuan has on 30 November 2015 notified the Company that it has completed its due diligence on PHB group. Certain findings which need to be addressed and the parties are currently discussing the terms to be incorporated into the Supplemental MFA.

### Submission of Proposed Regularisation Plan

The Company had on 15 July 2015 announced its proposed Regularisation Plan and on 30 November 2015 the Company submitted an application for extension of time to Bursa Malaysia to submit the Company’s regularisation plan to the regulatory authorities. On 11 January 2016, Bursa Malaysia approved the Company’s application for an extension of time up to 31 March 2016.

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### 22. Group borrowings and debt securities

The Group's borrowings as at 31 December 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	-	41,278	41,278
ICULS	-	4,864	4,864
Hire purchase payables	-	2,072	2,072
	<u>844,119</u>	<u>273,785</u>	<u>1,117,904</u>
<u>Long term borrowing:-</u>			
Hire Purchase payables	-	86	86
RCULS	-	276,270	276,270
Total	-	<u>276,356</u>	<u>276,356</u>
	<u>844,119</u>	<u>550,141</u>	<u>1,394,260</u>

### 23. Derivative Financial Instruments

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

### 24. Material Litigation

As at **29 February 2016**, 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.

### 25. Proposed Dividend

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

## PERWAJA HOLDINGS BERHAD (798513-D)

(Incorporated in Malaysia)

### 26. 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 31.12.2015 RM'000</b>	<b>Cumulative period 6 months ended 31.12.2015 RM'000</b>
Net loss attributable to ordinary shareholders of the company	(164,958)	(227,042)
Weighted average number of ordinary shares in issue	560,000	560,000
Basic LPS (sen)	(29.46)	(40.54)

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

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

The accumulated losses as at 31 December 2015 and 30 June 2015 is analysed as follows:

	<b>As at 31.12.2015 RM'000</b>	<b>As at 30.06.2015 RM'000</b>
Total accumulated losses :		
- Realised	(3,643,023)	(3,412,498)
- Unrealised	207	(3,276)
	<hr/>	<hr/>
	(3,642,816)	(3,415,774)
Less : Consolidation adjustments	944,410	944,410
Total Accumulated Losses	<hr/> <b>(2,698,406)</b>	<hr/> <b>(2,471,364)</b>

### 28. Comparatives

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

### 29. Review by External Auditors

The Board had engaged the external auditors to review and report on the interim condensed consolidated financial statements for the three-month period ended 31 December 2015. Accordingly, the interim condensed consolidated financial report for the financial period under review has been reviewed by the Company's external auditors in accordance with International Standard on Review Engagement 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.