



LION DIVERSIFIED HOLDINGS BERHAD

(Incorporated in Malaysia)

(9428-T)

Interim Report for the Third Quarter Ended 31 March 2011

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LION DIVERSIFIED HOLDINGS BERHAD (9428-T)

(Incorporated in Malaysia)

Interim report for the third quarter ended 31 March 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010 RM'000	CURRENT YEAR TO DATE 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM'000
Revenue		368,601	403,965	852,973	1,147,189
Operating expenses		(350,337)	(333,929)	(811,628)	(987,711)
Other operating income		10,743	9,105	45,194	28,291
Unrealised foreign exchange gain		4,827	7,849	25,582	22,353
Gain on disposal of investments		-	51,318	687	100,070
Profit from operations		33,834	138,308	112,808	310,192
Finance costs		(21,546)	(22,722)	(61,697)	(70,075)
Share of results of associates		(10,483)	15,595	(127,162)	(114,219)
Share of results of jointly controlled entities		321	1,521	16,440	1,886
Gain/(Loss) on partial disposal of shares in an associate		10,812	-	14,186	(433)
Profit/(Loss) before taxation		12,938	132,702	(45,425)	127,351
Taxation	16	(8,947)	(20,117)	(20,551)	(46,218)
Profit/(Loss) for the period		3,991	112,585	(65,976)	81,133
Attributable to :					
- Owners of the parent		3,991	112,585	(65,976)	81,133
Earning/(Loss) per share attributable to owners of the parent (sen) :					
- Basic	24	0.29	8.09	(4.74)	5.83
- Diluted	24	0.29	8.09	(4.74)	5.83

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

LION DIVERSIFIED HOLDINGS BERHAD (9428-T)
(Incorporated in Malaysia)

Interim report for the third quarter ended 31 March 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010 RM'000	CURRENT YEAR TO DATE 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM'000
Profit/(Loss) for the period	3,991	112,585	(65,976)	81,133
<u>Other comprehensive income</u>				
Translation difference on net equity of foreign subsidiaries and other movements	2,271	(1,603)	10,115	(1,951)
Net gain on available-for-sale financial assets:				
- Gain on fair value changes	11,484	-	39,649	-
- Transfer to profit or loss upon disposal	-	-	(664)	-
Other comprehensive income/(loss) for the period, net of tax	13,755	(1,603)	49,100	(1,951)
Total comprehensive income/(loss) for the period	17,746	110,982	(16,876)	79,182
Attributable to :				
- Owners of the parent	17,746	110,982	(16,876)	79,182

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

LION DIVERSIFIED HOLDINGS BERHAD (9428-T)
(Incorporated in Malaysia)

Interim report for the third quarter ended 31 March 2011

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT END OF CURRENT QUARTER 31/3/2011 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2010 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,409,984	1,410,804
Investment properties		13,305	13,585
Prepaid land lease payments		7,568	7,656
Land held for property development		137,663	142,758
Investments in associates		144,796	279,278
Investments in jointly controlled entities		23,124	9,864
Long term investments		-	287,790
Available-for-sale investments		397,862	-
Held-to-maturity investments		4,327	-
Intangible assets		18,814	18,814
Deferred tax assets		8,999	11,069
		2,166,442	2,181,618
Current Assets			
Property development costs		3,946	19,544
Inventories		248,531	251,212
Short term investments		-	3,158
Trade receivables		761,333	784,690
Other receivables and tax recoverable		135,113	128,422
Deposits, cash and bank balances		204,991	203,914
		1,353,914	1,390,940
TOTAL ASSETS		3,520,356	3,572,558
EQUITY AND LIABILITIES			
Share capital		368,612	368,612
Reserves		1,516,446	1,458,286
Total equity		1,885,058	1,826,898
Non-Current Liabilities			
Long term borrowings	20	355,152	98,535
Deferred tax liabilities		104,889	99,942
		460,041	198,477
Current Liabilities			
Trade payables		412,637	334,849
Other payables and provisions		463,108	523,921
Short term borrowings	20	282,668	680,225
Tax payable		16,844	8,188
		1,175,257	1,547,183
Total Liabilities		1,635,298	1,745,660
TOTAL EQUITY AND LIABILITIES		3,520,356	3,572,558
Net assets per share attributable to owners of the parent (RM) (Excluding equity components)		2.17	2.09

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

LION DIVERSIFIED HOLDINGS BERHAD (9428-T)
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Interim report for the third quarter ended 31 March 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←	Attributable to owners of the parent				→
		Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	
<u>Note</u>						
31 March 2011						
At 1 July 2010, as reported		368,612	330,967	290,392	836,927	1,826,898
Effects arising from adoption of FRS 139 (Note 1)		-	-	82,408	-	82,408
At 1 July 2010, as restated		368,612	330,967	372,800	836,927	1,909,306
Total comprehensive income/ (loss) for the period		-	-	49,100	(65,976)	(16,876)
Equity-settled share option arrangements		-	-	(1,030)	1,030	-
Transfer to capital reserves		-	-	2,700	(2,700)	-
Dividend paid for the financial year ended 30 June 2010	6	-	-	-	(7,372)	(7,372)
At 31 March 2011		368,612	330,967	423,570	761,909	1,885,058
31 March 2010						
At 1 July 2009		368,612	330,967	290,512	651,841	1,641,932
Total comprehensive income/ (loss) for the period		-	-	(1,951)	81,133	79,182
Dividend paid for the financial year ended 30 June 2009		-	-	-	(7,372)	(7,372)
At 31 March 2010		368,612	330,967	288,561	725,602	1,713,742

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

LION DIVERSIFIED HOLDINGS BERHAD (9428-T)
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Interim report for the third quarter ended 31 March 2011
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR TO DATE 31/3/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010 RM'000
<u>OPERATING ACTIVITIES</u>		
(Loss)/Profit before taxation	(45,425)	127,351
Adjustments for :		
Non-cash items	(20,017)	(90,053)
Non-operating items	136,531	154,883
Operating profit before working capital changes	71,089	192,181
Changes in working capital :		
Net changes in assets	39,856	(302,536)
Net changes in liabilities	60,605	6,441
Others (mainly interest and tax paid)	(9,344)	(29,080)
	162,206	(132,994)
<u>INVESTING ACTIVITIES</u>		
Disposal of investments	38,618	338,659
Deferred payment for acquisition of associates	(43,000)	(102,367)
Others (mainly purchase of property, plant and equipment)	(16,113)	(13,011)
	(20,495)	223,281
<u>FINANCING ACTIVITIES</u>		
Dividend paid to shareholders	(7,372)	(7,372)
Bank borrowings	(129,169)	(91,460)
Others	(242)	(138)
	(136,783)	(98,970)
Net changes in cash and cash equivalents	4,928	(8,683)
Effects of changes in exchange rates	(3,851)	(2,056)
Cash and cash equivalents at beginning of the period	203,914	167,820
Cash and cash equivalents at end of the period	204,991	157,081

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

Interim report for the third quarter ended 31 March 2011

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

The interim financial statements have been prepared in accordance with the Financial Reporting Standard ("FRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2010. These explanatory notes 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 2010.

The significant accounting policies adopted in the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2010 except for the adoption of the following new/revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations effective for the financial period beginning 1 July 2010:

- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (Revised 2009)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and
- FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment
in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement,
FRS 7: Financial Instruments: Disclosures, and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs 'Improvements to FRSs (2009)'
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- Amendments to FRS 132: Classification of Rights Issues
- FRS 3: Business Combinations (Revised 2010)
- FRS 127: Consolidated and Separate Financial Statements (Revised 2010)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

Other than for the application of FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

1. Accounting policies and methods of computation (Cont'd)

a) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

b) FRS 139: Financial Instruments - Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dates. Outstanding derivatives at the reporting date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when the Group becomes a party to the contractual provisions of the instruments.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of the FRS 139 in the current financial period. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

• Financial instruments at fair value through profit or loss	: At fair value through profit or loss
• Held-to-maturity investments	: At amortised cost effective interest method
• Loans and receivables	: At amortised cost effective interest method
• Available-for-sale investments	: At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
• Loans and other financial liabilities	: At amortised cost effective interest method

In accordance with FRS 139, the recognition, derecognition and measurement are applied prospectively from 1 July 2010. The effects of the remeasurement on 1 July 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits.

The adoption of FRS139 has the following effects:

	<u>As at</u> <u>30/6/2010</u>	<u>Effects of</u> <u>FRS 139</u>	<u>As at</u> <u>1/7/2010</u>
	RM'000	RM'000	RM'000
Non-Current Assets			
Long term investments	287,790	(287,790)	-
Available-for-sale investments	-	364,451	364,451
Held-to-maturity investments	-	5,179	5,179
Current Assets			
Short term investments	3,158	(3,158)	-
Available-for-sale investments	-	1,410	1,410
Held-to-maturity investments	-	2,316	2,316
Equity			
Available-for-sale reserve	-	(82,408)	(82,408)
Retained profits	836,927	-	836,927
		<u>-</u>	
		<u>-</u>	

2. Comments about seasonal or cyclical factors

The Group's performance is not affected by any material seasonal or cyclical factors.

3. **Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-date.

4. **Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter and financial year-to-date results.

5. **Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date.

6. **Dividend paid**

During the financial year-to-date, a first and final dividend of 1.0 sen per ordinary share, tax exempt, amounting to RM7.4 million in respect of the previous financial year ended 30 June 2010 was paid by the Company.

7. **Segmental information**

The Group's segmental report for the financial year-to-date was as follows:

	<u>Steel</u>	<u>Computer</u>	<u>Property</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
Total sales	691,557	98,631	63,005	692	853,885
Inter-segment sales	-	-	(912)	-	(912)
External sales	<u>691,557</u>	<u>98,631</u>	<u>62,093</u>	<u>692</u>	<u>852,973</u>
<u>Results</u>					
Segment results	44,089	2,969	17,809	21,672	86,539
Foreign exchange gain					25,582
Gain on disposal of investments					687
Profit from operations					112,808
Finance costs					(61,697)
Share of results of associates					(127,162)
Share of results of jointly controlled entities					16,440
Gain on partial disposal of shares in an associate					14,186
Loss before taxation					<u>(45,425)</u>
<u>Total Assets</u>					
Segment assets	2,334,369	94,413	388,542	516,408	3,333,732
Investments in associates					144,796
Investments in jointly controlled entities					23,124
Unallocated corporate assets					18,704
Consolidated total assets					<u>3,520,356</u>

8. **Subsequent events**

Other than as disclosed in Note 19(a), there were no material events subsequent to the end of the current quarter.

9. Changes in composition of the Group

There were no material changes in the composition of the Group during the financial year-to-date except for the following:

- (i) incorporation of a wholly-owned subsidiary, LBF Enterprise (L) Limited, in Labuan by Lion Blast Furnace Sdn Bhd, a wholly-owned subsidiary of the Company;
- (ii) dissolution of Pavlova Investment Pte Ltd, Gemmo Pte Ltd and Gesto Pte Ltd, all dormant wholly-owned subsidiaries of the Company incorporated in Singapore; and
- (iii) dissolution of CPB Investment AG, a dormant wholly-owned subsidiary of the Company incorporated in Switzerland.

10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

11. Performance review

For the 9-month period ended 31 March 2011, the Group recorded a lower revenue of RM853 million compared to RM1,147 million in the preceding year corresponding period. Correspondingly, lower profit from operations of RM113 million was reported. The unfavourable performance was mainly due to the lower production volume as a result of the scheduled shutdown of the DRI plant for maintenance in the first quarter and higher raw material costs.

After accounting for the substantially higher share of losses from our associates, the Group registered a loss before taxation of RM45 million for the period under review. Higher profit before taxation of RM127 million reported in the preceding year corresponding period was mainly due to the recognition of the gain on disposal of investments of RM100 million.

12. Comment on material change in profit

	Current Year Quarter	Preceding Year Corresponding Quarter	Immediate Preceding Quarter
	31/3/2011	31/3/2010	31/12/2010
	RM'000	RM'000	RM'000
<u>Revenue</u>			
- Steel	319,294	355,018	286,791
- Computer	31,696	29,417	31,620
- Property	17,245	18,277	20,655
- Others	367	1,253	64
	368,602	403,965	339,130
<u>Segment results</u>			
- Steel	22,663	68,176	25,726
- Computer	489	2,891	729
- Property	3,627	2,925	7,192
- Others	2,228	56,467	16,901
	29,007	130,459	50,548

For the quarter under review, our DRI operations reported a higher revenue of RM319 million. However, lower operating profit of RM23 million was recorded mainly due to lower profit margin.

Computer and Property Divisions continued to report satisfactory results for the current quarter under review.

Better profit in the "Others" Division in the immediate preceding quarter ended 31 December 2010 was mainly due to distribution of dividend income from Parkson Holdings Berhad and gain on disposal of investments.

13. a) Prospects

The rising cost of iron ore, the feedstock for DRI operations, and the uncertainties in the recovery of the global economy are expected to impact the performance of the Group in the coming quarter. However, with the continuous efforts to improve its steel plant production efficiency, the Group should be in a better position to overcome the challenges ahead.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

14. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
Taxation comprises:	31/3/2011	31/3/2010	31/3/2011	31/3/2010
	RM'000	RM'000	RM'000	RM'000
Current year tax				
- Arising in Malaysia	1,034	852	5,315	2,010
- Arising outside Malaysia	3,359	3,670	8,364	6,429
Deferred tax				
- Current year	4,554	15,595	6,872	37,779
	<u>8,947</u>	<u>20,117</u>	<u>20,551</u>	<u>46,218</u>

The effective tax rate of the Group for the current quarter and financial year-to-date were higher than the Malaysian statutory tax rate mainly due to losses in certain subsidiaries which cannot be offset against the taxable income of other subsidiaries and certain expenses which are not deductible for tax purposes.

17. Sale of unquoted investments and properties

There were no material sales of unquoted investments or properties for the current quarter and financial year-to-date.

18. Quoted securities

The Group's dealing in quoted securities (excluding investments in associates) for the current quarter and financial year-to-date were as follows:

	CURRENT QUARTER	FINANCIAL YEAR-TO-DATE
	RM'000	RM'000
Total sale proceeds	-	1,529
Total gain on disposal	-	687

18. Quoted securities (Cont'd)

Details of investments in quoted securities (excluding investments in associates) as at the end of the reporting period were as follows:

	FINANCIAL YEAR-TO-DATE RM'000
At cost	<u>278,018</u>
At book value	<u>397,862</u>
At market value	<u>397,862</u>

19. Corporate proposals**a) Status of corporate proposals**

No	Date of Announcement	Subject	Status
1	23.2.2011 and 29.4.2011	Proposed disposal by Viroy Management Services Sdn Bhd, a wholly-owned subsidiary of the Company, of its entire 40% equity interest in Kairong Developments (S) Pte Ltd to Teck Chiang (International) Pte Ltd, a wholly-owned subsidiary of Lion Teck Chiang Limited, for a cash consideration of SGD1.00 (equivalent to approximately RM2.39) and a cash settlement of shareholder's advances for an amount of approximately SGD13.50 million (equivalent to approximately RM32.26 million) ("Proposed Disposal").	The Proposed Disposal has been completed on 29 April 2011.
2	3.3.2011	<p>(i) Proposed joint venture between the Company, Lion Industries Corporation Berhad ("LICB") and Lion Forest Industries Berhad ("LFIB") (collectively the "Parties") in Lion Blast Furnace Sdn Bhd ("LBF") with the shareholding of 51%, 29% and 20% respectively ("Proposed Joint Venture");</p> <p>(ii) Proposed acquisitions by LBF of various parcels of freehold lands all located in Mukim Tanjung Duabelas, Daerah Kuala Langat, Negeri Selangor Darul Ehsan measuring approximately 147.76 acres from Andalas Development Sdn Bhd, Che Kiang Realty and Amsteel Mills Sdn Bhd (a 99%-owned subsidiary of LICB) for a total cash consideration of approximately RM52.28 million ("Proposed Land Acquisitions"); and</p> <p>(iii) Proposed leasing by LBF of three parcels of contiguous freehold vacant lands all located in Mukim Tanjung Duabelas, Daerah Kuala Langat, Negeri Selangor Darul Ehsan measuring approximately 202.89 acres from Megasteel Sdn Bhd ("Megasteel") for a lease tenure of thirty (30) years ("Proposed Land Leasing").</p>	<p>Pending approvals of :</p> <p>a) the shareholders of the Company, LICB and LFIB for the Proposed Joint-Venture;</p> <p>b) the shareholders of the Company, LICB and the respective vendors for the Proposed Land Acquisitions;</p> <p>c) the shareholders of the Company and Megasteel, if required, for the Proposed Land Leasing; and</p> <p>d) any other relevant authorities, if required.</p>

b) Status of utilisation of proceeds

The disclosure requirements are not applicable.

20. Borrowings and debt securities

The Group's borrowings as at end of the reporting period were as follows:

	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured	269,072	326,663	595,735
Unsecured	13,596	28,489	42,085
	<u>282,668</u>	<u>355,152</u>	<u>637,820</u>
		Foreign Currency	
		'000	RM'000
The Group's borrowings were denominated in the following currencies:			
- Ringgit Malaysia		-	287,585
- US Dollar		115,761	350,235
			<u>637,820</u>

21. Off balance sheet financial instruments

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

22. Changes in material litigation

There were no material litigation since the last annual balance sheet date.

23. Dividend proposed

The Board does not recommend any interim dividend for the financial quarter ended 31 March 2011.

24. Earning/(Loss) per share ("EPS")**Basic**

Basic EPS is calculated by dividing the net loss for the period attributable to owners of the parent by the weighted average number of ordinary shares of the Company in issue (after conversion of mandatorily convertible instrument) during the financial period.

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 31/3/2011</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER 31/3/2010</u>	<u>CURRENT YEAR TO DATE 31/3/2011</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD 31/3/2010</u>
Net profit/(loss) attributable to owners of the parent (RM'000)	<u>3,991</u>	112,585	<u>(65,976)</u>	81,133
Weighted average number of ordinary shares in issue ('000)	<u>737,223</u>	737,223	<u>737,223</u>	737,223
Adjustment for conversion of ICULS (on the assumption that all mandatorily convertible instruments are converted into ordinary shares) ('000)	<u>654,924</u>	654,924	<u>654,924</u>	654,924
Weighted average number of ordinary shares ('000)	<u>1,392,147</u>	1,392,147	<u>1,392,147</u>	1,392,147
Basic EPS (sen)	<u>0.29</u>	8.09	<u>(4.74)</u>	5.83

24. Earning/(Loss) per share ("EPS") (Cont'd)**Diluted**

There were no dilutive event other than the conversion of ICULS which has already been taken into account in the basic EPS calculation.

25. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2010 was not qualified.

26. Disclosure of realised and unrealised profits/losses

	CURRENT YEAR QUARTER 31/3/2011 RM'000	Immediate Preceding Quarter 31/12/2010 RM'000
Total retained profits of Lion Diversified Holdings Berhad and its subsidiaries:		
- Realised	1,615,901	1,649,241
- Unrealised	14,365	2,629
	<u>1,630,266</u>	<u>1,651,870</u>
Total share of accumulated losses from associated companies and jointly controlled entities:		
- Realised	(725,321)	(746,220)
- Unrealised	(80,367)	(84,977)
	<u>(805,688)</u>	<u>(831,197)</u>
Less: Consolidation adjustments	(62,669)	(62,755)
Total Group retained profits as per consolidated accounts	<u><u>761,909</u></u>	<u><u>757,918</u></u>