



# **LION DIVERSIFIED HOLDINGS BERHAD**

(Incorporated in Malaysia)

(9428-T)

## **Interim Financial Report for the Fourth Quarter Ended 30 June 2012**

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

Interim financial report for the fourth quarter ended 30 June 2012  
(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
<b>Revenue</b>		<b>484,608</b>	<b>426,238</b>	<b>1,522,078</b>	<b>1,279,211</b>
Other operating expenses		<b>(418,004)</b>	(480,083)	<b>(1,438,355)</b>	(1,265,442)
Other operating income		<b>4,338</b>	78,205	<b>56,766</b>	123,399
<b>Profit from operations</b>		<b>70,942</b>	24,360	<b>140,489</b>	137,168
Finance costs		<b>(21,666)</b>	(19,979)	<b>(77,251)</b>	(81,676)
Share of results of associates		<b>(152,838)</b>	3,685	<b>(248,631)</b>	(123,477)
Share of results of jointly controlled entities		<b>(1,056)</b>	7,266	<b>3,095</b>	23,706
Gain on partial disposal of shares in an associate		-	5,719	-	19,905
Loss on disposal of a jointly controlled entity		-	(4,784)	-	(4,784)
Impairment of assets		<b>(45,000)</b>	-	<b>(45,000)</b>	-
<b>(Loss)/Profit before taxation</b>	23	<b>(149,618)</b>	<b>16,267</b>	<b>(227,298)</b>	<b>(29,158)</b>
Taxation	16	<b>(7,503)</b>	(2,409)	<b>(16,292)</b>	(22,960)
<b>Net (loss)/profit for the financial period</b>		<b>(157,121)</b>	<b>13,858</b>	<b>(243,590)</b>	<b>(52,118)</b>
Attributable to :					
- Owners of the Company		<b>(157,121)</b>	13,858	<b>(243,590)</b>	(52,118)
(Loss)/Earnings per share attributable to owners of the Company (sen) :					
- Basic	21	<b>(11.29)</b>	1.00	<b>(17.50)</b>	(3.74)
- Diluted	21	<b>(11.29)</b>	1.00	<b>(17.50)</b>	(3.74)

*(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

**LION DIVERSIFIED HOLDINGS BERHAD** (9428-T)  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED		
	Note	30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
<b>Net (loss)/profit for the financial period</b>		<b>(157,121)</b>	<b>13,858</b>	<b>(243,590)</b>	<b>(52,118)</b>
<u>Other comprehensive (loss)/income</u>					
Translation difference on net equity of foreign subsidiaries and other movements		<b>(5,275)</b>	(934)	<b>(7,471)</b>	9,181
Net (loss)/gain on available-for-sale financial assets:					
- (Loss)/Gain on fair value changes		<b>(37,792)</b>	20,321	<b>(83,127)</b>	59,970
- Transfer to profit or loss upon derecognition		-	(14,882)	<b>(18,433)</b>	(15,546)
Other comprehensive (loss)/income for the financial period, net of tax		<b>(43,067)</b>	4,505	<b>(109,031)</b>	53,605
<b>Total comprehensive (loss)/profit for the financial period</b>		<b>(200,188)</b>	<b>18,363</b>	<b>(352,621)</b>	<b>1,487</b>
Attributable to :					
- Owners of the Company		<b>(200,188)</b>	<b>18,363</b>	<b>(352,621)</b>	<b>1,487</b>

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

**LION DIVERSIFIED HOLDINGS BERHAD** (9428-T)  
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Interim financial report for the fourth quarter ended 30 June 2012  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	AS AT 30.6.2012 RM'000	AS AT 30.6.2011 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		1,335,685	1,404,323
Investment properties		11,398	11,945
Land held for property development		119,541	132,137
Investments in associates		255,493	148,501
Investments in jointly controlled entities		22,628	33,334
Investment securities		46,309	367,787
Intangible assets		10,484	10,484
Deferred tax assets		5,491	8,296
		<b>1,807,029</b>	<b>2,116,807</b>
<b>Current Assets</b>			
Property development costs		55,463	13,425
Inventories		176,919	150,281
Investment securities		184,005	-
Trade and other receivables		599,239	806,434
Tax recoverable		6,986	7,620
Cash and cash equivalents		197,558	201,098
		<b>1,220,170</b>	<b>1,178,858</b>
<b>TOTAL ASSETS</b>		<b>3,027,199</b>	<b>3,295,665</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		368,612	368,612
Reserves		1,135,897	1,495,890
Total equity		<b>1,504,509</b>	<b>1,864,502</b>
<b>Non-Current Liabilities</b>			
Long term borrowings	18	29,410	285,847
Deferred tax liabilities		115,017	109,646
Derivative liability		970	42,603
		<b>145,397</b>	<b>438,096</b>
<b>Current Liabilities</b>			
Trade and other payables		875,689	731,884
Short term borrowings	18	480,986	243,625
Tax payable		20,618	17,558
		<b>1,377,293</b>	<b>993,067</b>
<b>Total Liabilities</b>		<b>1,522,690</b>	<b>1,431,163</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,027,199</b>	<b>3,295,665</b>
Net assets per share attributable to owners of the Company (RM) (Excluding equity components)		<b>1.65</b>	2.14
Net assets per share (RM) (Assuming full conversion of ICULS)		<b>1.08</b>	1.34

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

**LION DIVERSIFIED HOLDINGS BERHAD** (9428-T)  
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Interim financial report for the fourth quarter ended 30 June 2012  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the Company →				Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	
<b>30 June 2012</b>					
At 1 July 2011	368,612	330,967	424,776	740,147	1,864,502
Total comprehensive loss for the financial period	-	-	(109,031)	(243,590)	(352,621)
Dividend paid for the financial year ended 30 June 2011	-	-	-	(7,372)	(7,372)
<b>At 30 June 2012</b>	<b>368,612</b>	<b>330,967</b>	<b>315,745</b>	<b>489,185</b>	<b>1,504,509</b>
<b>30 June 2011</b>					
At 1 July 2010	368,612	330,967	369,501	801,307	1,870,387
Total comprehensive income/ (loss) for the financial period	-	-	53,605	(52,118)	1,487
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	-	-	-	(7,372)	(7,372)
<b>At 30 June 2011</b>	<b>368,612</b>	<b>330,967</b>	<b>424,776</b>	<b>740,147</b>	<b>1,864,502</b>

*(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	YEAR-TO-DATE ENDED	
	30.6.2012 RM'000	30.6.2011 RM'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(227,298)	(29,158)
Adjustments for :		
Non-cash items	(57,897)	(11,797)
Non-operating items	374,644	137,117
Operating profit before working capital changes	89,449	96,162
Changes in working capital :		
Net changes in assets	(203,874)	171,792
Net changes in liabilities	123,367	(36,158)
Others (mainly interest and tax paid)	(25,327)	(8,436)
	<b>(16,385)</b>	<b>223,360</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of investments	-	79,156
Proceeds from redemption of investment	11,947	-
Deferred payment for acquisition of associates	(6,150)	(96,022)
Dividend received	11,827	9,479
Others (mainly purchase of property, plant and equipment)	(10,404)	(19,219)
	<b>7,220</b>	<b>(26,606)</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(7,372)	(7,372)
Bank borrowings	5,640	(188,833)
Others	(234)	(150)
	<b>(1,966)</b>	<b>(196,355)</b>
Net changes in cash and cash equivalents	(11,131)	399
Effects of changes in exchange rates	7,591	(3,215)
Cash and cash equivalents at beginning of the year	201,098	203,914
Cash and cash equivalents at end of the year	<b>197,558</b>	<b>201,098</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

**LION DIVERSIFIED HOLDINGS BERHAD** (9428-T)  
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**Interim financial report for the fourth quarter ended 30 June 2012**

(The figures have not been audited)

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**1. Accounting policies and methods of computation**

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2011. 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 2011.

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 2011 except for the adoption of the following FRSs and IC Interpretations effective for the financial period beginning 1 July 2011:

Amendments to FRS 1 and FRS 7	Limited Exemption from Comparative and Disclosures for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share Based Payments Transactions
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Improvements to FRSs issued in 2010	
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above mentioned FRSs and IC Interpretations did not have any significant effect on the financial performance, position or presentation of the financials of the Group.

**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**

Other than as disclosed in Note 23, 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**

During the financial year, the Group has partially redeemed its Guarantee Secured Exchangeable Bonds which are exchangeable into ordinary shares of RM1.00 each in Parkson Holdings Berhad ("Parkson Shares") ("Exchangeable Bonds") amounting to RM52.1 million upon the conversion of USD14.6 million and USD1.0 million nominal value of the Exchangeable Bonds at exchange prices of approximately RM5.76 and RM5.69 per Parkson Share respectively.

## 5. Debt and equity securities (Cont'd.)

Other than the above, 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 current quarter and 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 2011 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	1,314,173	138,367	61,308	9,781	1,523,629
Inter-segment sales	-	-	(1,551)	-	(1,551)
External sales	<u>1,314,173</u>	<u>138,367</u>	<u>59,757</u>	<u>9,781</u>	<u>1,522,078</u>
<u>Results</u>					
Segment profit/(loss)	68,400	10,269	19,146	(385)	97,430
Foreign exchange loss					(17,007)
Fair value gain on available-for-sale financial assets					18,433
Fair value gain on derivative liability					41,633
Profit from operations					140,489
Finance costs					(77,251)
Share of results of associates					(248,631)
Share of results of jointly controlled entities					3,095
Impairment of assets					(45,000)
Loss before taxation					<u>(227,298)</u>
<u>Total Assets</u>					
Segment assets	1,939,604	87,191	418,685	291,121	2,736,601
Investments in associates					255,493
Investments in jointly controlled entities					22,628
Unallocated corporate assets					12,477
Consolidated total assets					<u>3,027,199</u>

## 8. Subsequent events

Other than as disclosed in Note 17(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) winding-up of Sichuan Parkson Retail Development Co Ltd, a wholly-owned subsidiary of the Company incorporated in the People's Republic of China;
- (ii) incorporation of a wholly-owned subsidiary in Cambodia, Fortius Resources (Cambodia) Co Limited, by Pioneer Glory International Limited, a wholly-owned subsidiary of the Company;
- (iii) acquisition of two wholly-owned subsidiaries, namely Tunas Dimensi Sdn Bhd and Jernih Aktif Sdn Bhd, by Temasek Potensi Sdn Bhd, a wholly-owned subsidiary of the Company;
- (iv) acquisitions of two wholly-owned subsidiaries, namely Jana Serimas Sdn Bhd and Sharp Synergy Sdn Bhd by the Company; and
- (v) the dilution of the shareholding of the Company in Lion Corporation Berhad ("LCB") to 49.20% following the issuance and allotment of the new ordinary shares of RM1.00 each in LCB to the Scheme Creditors of Megasteel Sdn Bhd ("Megasteel"), pursuant to the Proposed Settlement Scheme of Megasteel.

## 10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2011.

## 11. Performance review

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.6.2012</u>	<u>30.6.2011</u>	<u>30.6.2012</u>	<u>30.6.2011</u>
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
- Steel	<b>430,205</b>	367,630	<b>1,314,173</b>	1,059,187
- Computer	<b>36,805</b>	31,987	<b>138,367</b>	130,618
- Property	<b>14,474</b>	17,409	<b>59,757</b>	79,502
- Others	<b>3,124</b>	9,212	<b>9,781</b>	9,904
	<b>484,608</b>	<b>426,238</b>	<b>1,522,078</b>	<b>1,279,211</b>
<u>Segment profit/(loss)</u>				
- Steel	<b>44,150</b>	10,564	<b>68,400</b>	54,653
- Computer	<b>4,133</b>	729	<b>10,269</b>	3,698
- Property	<b>1,088</b>	4,386	<b>19,146</b>	22,195
- Others	<b>14,599</b>	(12,730)	<b>(385)</b>	8,942
	<b>63,970</b>	<b>2,949</b>	<b>97,430</b>	<b>89,488</b>

The Group posted a higher revenue of RM1.5 billion and correspondingly, a higher segment profit of RM97 million for the 12-month period ended 30 June 2012 as compared to RM1.3 billion and RM89 million respectively in the preceding year corresponding period. The commendable results were mainly contributed by our direct reduced iron ("DRI") operations which recorded a higher production volume during the financial year.

Likom Computer Division continued to report favourable performance for the year-to-date and contributed positively to the Group's earnings mainly due to better performance from domestic operations. However, our Property Division recorded a lower profit on account of lower billings for its China project.

The "Others" Division registered higher profit for the current quarter mainly due to reversal of provisions no longer required. Loss of RM13 million in last year same quarter was mainly due to year-end adjustments on impairment loss on goodwill and investment.

**12. Comment on material change in profit**

	<b>Current Year Quarter</b>	<b>Immediate Preceding Quarter</b>
	<b>30.6.2012</b>	<b>31.3.2012</b>
	RM'000	RM'000
Revenue	<b>484,608</b>	184,372
Profit from operations	<b>70,942</b>	2,044
Loss before taxation	<b>(149,618)</b>	(78,918)

For the current quarter under review, the Group recorded a higher revenue of RM485 million as compared to the immediate preceding quarter of RM184 million. The favourable performance was mainly due to higher production of DRI during the quarter as our plant was shutdown for maintenance in the previous quarter.

Correspondingly, a higher profit from operations of RM71 million was recorded. After accounting for significant losses from associates and impairment of assets (blast furnace project) of RM45 million, a loss before taxation of RM150 million was reported.

**13. a) Prospects**

The operating environment for our Steel Division is expected to remain challenging in view of the uncertainties surrounding the recovery of the global economy coupled with the volatility of raw material prices. Ministry of International Trade and Industry ("MITI") has initiated an investigation to study the possibility of imposing anti-dumping duty on some steel products imports from certain countries. MITI has also accepted the recommendations of the Boston Consulting Group which was tasked by the Government to undertake an in-depth study on the current plight faced by the local steel industry. The local steel industry is now awaiting urgent and decisive action by the Government on the recommendations. Under such circumstances, the Group's Steel Division is expected to achieve a satisfactory set of results in the next financial year.

Our Computer and Property Divisions are expected to maintain their satisfactory performance in the coming year.

**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

Taxation comprises:	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	RM'000	RM'000	RM'000	RM'000
Current year tax				
- Arising in Malaysia	(55)	328	2,351	5,643
- Arising outside Malaysia	397	(3,447)	4,583	4,917
Prior year tax				
- Arising in Malaysia	-	(68)	640	(68)
Deferred tax				
- Current year	7,161	7,259	8,718	14,131
- Prior year	-	(1,663)	-	(1,663)
	<b>7,503</b>	<b>2,409</b>	<b>16,292</b>	<b>22,960</b>

After excluding share of results of associates and jointly controlled entities, 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. Corporate proposals

### a) Status of corporate proposals

No	Date of Announcement	Subject	Status
1	3.3.2011, 2.6.2011, 3.8.2011, 26.8.2011, 31.10.2011 and 2.3.2012	<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.

**18. 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	467,888	24,419	492,307
Unsecured	13,098	4,991	18,089
	<u>480,986</u>	<u>29,410</u>	<u>510,396</u>
		<b>Foreign Currency</b>	
		'000	RM'000
The Group's borrowings were denominated in the following currencies:			
- Ringgit Malaysia		-	277,873
- US Dollar		72,800	232,523
			<u>510,396</u>

**19. Changes in material litigation**

There was no material litigation since 30 June 2011.

**20. Dividend proposed**

The Board of Directors is recommending the payment of a first and final dividend of 2%, tax exempt in respect of the current financial year:

- (a) i. Amount per share : 1.0 sen, tax exempt;
- ii. Previous corresponding year : 1.0 sen per share (tax exempt) amounting to RM7.4 million; and
- iii. Total dividend for the current financial year : RM7.4 million (tax exempt).
- (b) Payment date : To be announced later.
- (c) Entitlement date : To be announced later.

**21. (Loss)/Earnings per share****Basic**

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue (after conversion of mandatorily convertible instruments) during the financial period.

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Net (loss)/profit attributable to owners of the Company (RM'000)	<u>(157,121)</u>	13,858	<u>(243,590)</u>	(52,118)
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 (loss)/earnings per share (sen)	<u>(11.29)</u>	1.00	<u>(17.50)</u>	(3.74)

**21. (Loss)/Earnings per share (Cont'd.)****Diluted**

There was no dilutive event other than the conversion of ICULS which has already been taken into account in the basic (loss)/earnings per share calculation.

**22. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2011 was not qualified.

**23. (Loss)/Profit before taxation**

(Loss)/Profit before taxation is arrived at after crediting/(charging) the following income/(expenses):

	<b>3 MONTHS ENDED 30.6.2012 RM'000</b>	<b>YEAR-TO-DATE ENDED 30.6.2012 RM'000</b>
(a) Interest income	4,209	39,737
(b) Other income including investment income	129	765
(c) Interest expense	(21,666)	(77,251)
(d) Depreciation and amortisation	(8,855)	(34,962)
(e) Provision for and write off of receivables	-	(463)
(f) Provision for and write off of inventories	-	-
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets - blast furnace projects	(45,000)	(45,000)
(i) Foreign exchange gain/(loss)	(10,857)	(17,007)
(j) Gain/(Loss) on derivatives	17,830	41,633
(k) Exceptional items:		
- Net gain on conversion of Exchangeable Bonds	-	16,264
- Reversal of interest income pursuant to debts settlement scheme	-	(24,434)
	<b>RM'000</b>	<b>RM'000</b>

**24. Disclosure of realised and unrealised profits/losses**

	<b>AS AT 30.6.2012 RM'000</b>	<b>AS AT 30.6.2011 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	1,758,780	1,612,294
- Unrealised	(188,270)	(35,301)
	<b>1,570,510</b>	<b>1,576,993</b>
Total share of accumulated losses from associated companies:		
- Realised	(948,211)	(682,449)
- Unrealised	(87,566)	(104,698)
	<b>(1,035,777)</b>	<b>(787,147)</b>
Total share of retained profits from jointly controlled entities:		
- Realised	25,523	21,327
- Unrealised	(72)	(27)
	<b>25,451</b>	<b>21,300</b>
Less: Consolidation adjustments	(70,999)	(70,999)
Total Group's retained profits as per consolidated accounts	<b>489,185</b>	<b>740,147</b>