



**LION DIVERSIFIED HOLDINGS BERHAD** (9428-T)

---

(Incorporated in Malaysia)

**Interim Financial Report**  
**for the Fourth Quarter Ended**  
**30 June 2014**

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# LION DIVERSIFIED HOLDINGS BERHAD (9428-T)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2014

(The figures have not been audited)

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.6.2014 RM'000	30.6.2013 RM'000 (Restated, Note 1)	30.6.2014 RM'000	30.6.2013 RM'000 (Restated, Note 1)
<b>Revenue</b>		<b>715,583</b>	<b>815,843</b>	<b>2,724,945</b>	<b>2,852,691</b>
Operating expenses		(762,248)	(822,605)	(2,845,551)	(2,962,896)
Other operating income		4,255	7,477	10,253	18,036
(Loss)/Profit from operations		(42,410)	715	(110,353)	(92,169)
Finance costs		(64,257)	(62,511)	(288,055)	(322,981)
Share of results of associates		(320)	2,115	2,086	3,936
Share of results of jointly controlled entities		1,029	574	3,275	2,278
Gain on disposal of investments		-	-	23,395	-
Gain on debts settlement, net of impairment and divestment losses	23(k)	(451,489)	175,174	(465,315)	175,174
<b>(Loss)/Profit before taxation</b>	23	<b>(557,447)</b>	116,067	<b>(834,967)</b>	(233,762)
Taxation	16	(7,436)	(32,250)	(17,732)	11,223
<b>Net (loss)/profit for the financial period</b>		<b>(564,883)</b>	<b>83,817</b>	<b>(852,699)</b>	<b>(222,539)</b>
Attributable to :					
- Owners of the Company		(508,461)	18,634	(685,857)	(158,456)
- Non-controlling interests		(56,422)	65,183	(166,842)	(64,083)
<b>Net (loss)/profit for the financial period</b>		<b>(564,883)</b>	<b>83,817</b>	<b>(852,699)</b>	<b>(222,539)</b>
(Loss)/Earnings per share attributable to owners of the Company (sen) :					
- Basic	21	(36.52)	1.34	(49.27)	(11.38)
- Diluted	21	(36.52)	1.34	(49.27)	(11.38)

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)

# LION DIVERSIFIED HOLDINGS BERHAD (9428-T)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2014

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED		
	Note	30.6.2014 RM'000	30.6.2013 RM'000 (Restated, Note 1)	30.6.2014 RM'000	30.6.2013 RM'000 (Restated, Note 1)
<b>Net (loss)/profit for the financial period</b>		<b>(564,883)</b>	<b>83,817</b>	<b>(852,699)</b>	<b>(222,539)</b>
<u>Other comprehensive income/(loss)</u>					
Translation difference on net equity of foreign subsidiaries and other movements		259	2,487	3,937	6,335
Net loss on available-for-sale financial assets:					
- Loss on fair value changes		(10,650)	(29,513)	(47,201)	(36,771)
- Transfer to profit or loss upon derecognition		-	(5)	-	(5)
- Loss reclassified to profit or loss		49,251	12,256	49,251	12,256
Share of other comprehensive loss of associates		(2,363)	(30,059)	(675)	(29,080)
Other comprehensive income/(loss) for the financial period, net of tax		36,497	(44,834)	5,312	(47,265)
<b>Total comprehensive (loss)/income for the financial period</b>		<b>(528,386)</b>	<b>38,983</b>	<b>(847,387)</b>	<b>(269,804)</b>
Attributable to :					
- Owners of the Company		(471,964)	(26,200)	(683,074)	(190,908)
- Non-controlling interests		(56,422)	65,183	(164,313)	(78,896)
		<b>(528,386)</b>	<b>38,983</b>	<b>(847,387)</b>	<b>(269,804)</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)

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

Interim financial report for the fourth quarter ended 30 June 2014

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	AS AT	AS AT	
		30.6.2014	30.6.2013	
		RM'000	RM'000	RM'000
			(Restated, Note 1)	(Audited)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment		3,046,929	3,621,086	1,304,762
Investment properties		11,867	11,431	11,431
Land held for property development		71,346	76,290	69,485
Investments in associates		53,707	52,610	91,413
Investments in jointly controlled entities		24,026	20,752	20,752
Investment securities		25,097	197,976	193,597
Intangible assets		10,484	10,484	10,484
Deferred tax assets		387,875	385,940	2,133
		<b>3,631,331</b>	<b>4,376,569</b>	<b>1,704,057</b>
<b>Current Assets</b>				
Property development costs		100,485	91,090	86,793
Inventories		841,347	1,073,575	231,386
Investment securities		133,056	25,225	-
Trade and other receivables		254,288	300,602	524,761
Deposits, cash and bank balances		469,867	464,699	313,164
		<b>1,799,043</b>	<b>1,955,191</b>	<b>1,156,104</b>
Non-current assets classified as held for sale		-	9,833	-
		<b>1,799,043</b>	<b>1,965,024</b>	<b>1,156,104</b>
		<b>5,430,374</b>	<b>6,341,593</b>	<b>2,860,161</b>
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES</b>				
Share capital		696,074	368,612	368,612
Reserves		(156,691)	867,767	888,359
Equity attributable to the owners of the Company		539,383	1,236,379	1,256,971
Non-controlling interests		(219,892)	(55,579)	-
Total equity		319,491	1,180,800	1,256,971
<b>Non-Current Liabilities</b>				
Long term borrowings	18	907,047	1,110,813	190,368
Deferred liabilities		255,601	2,943	-
Deferred tax liabilities		125,285	130,894	128,932
Derivative liability		-	16,389	16,389
		<b>1,287,933</b>	<b>1,261,039</b>	<b>335,689</b>
<b>Current Liabilities</b>				
Trade and other payables		2,430,985	2,755,262	994,847
Short term borrowings	18	1,382,664	1,134,364	262,630
Derivative liability		43	-	-
Tax payable		9,258	10,128	10,024
		<b>3,822,950</b>	<b>3,899,754</b>	<b>1,267,501</b>
<b>Total Liabilities</b>		<b>5,110,883</b>	<b>5,160,793</b>	<b>1,603,190</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,430,374</b>	<b>6,341,593</b>	<b>2,860,161</b>
Net assets per share attributable to owners of the Company (RM) (30.6.2013 : Excluding equity components)		<b>0.39</b>	<b>1.29</b>	1.32
Net assets per share (RM) (30.6.2013 : Assuming full conversion of ICULS)		<b>0.39</b>	<b>0.89</b>	0.90

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)*

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the Company →					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits/ (Accumulated Losses) RM'000	Total RM'000			
Note								
<b>30 June 2014</b>								
<b>At 1 July 2013 (As restated)</b>	<b>368,612</b>	<b>330,967</b>	<b>301,863</b>	<b>234,937</b>	<b>1,236,379</b>	<b>(55,579)</b>	<b>1,180,800</b>	
Total comprehensive loss for the financial year	-	-	2,783	(685,857)	<b>(683,074)</b>	(164,313)	(847,387)	
Issue of ordinary shares pursuant to conversion of ICULS	5 327,462	-	(287,182)	(40,280)	-	-	-	
Dividend paid for the financial year ended 30 June 2013	-	-	-	(13,922)	<b>(13,922)</b>	-	(13,922)	
<b>At 30 June 2014</b>	<b>696,074</b>	<b>330,967</b>	<b>17,464</b>	<b>(505,122)</b>	<b>539,383</b>	<b>(219,892)</b>	<b>319,491</b>	
<b>30 June 2013</b>								
<b>At 1 July 2012 (Audited)</b>	<b>368,612</b>	<b>330,967</b>	<b>318,728</b>	<b>483,446</b>	<b>1,501,753</b>	-	<b>1,501,753</b>	
Effects from adoption of FRS 10	1 -	-	14,463	(81,557)	<b>(67,094)</b>	23,317	(43,777)	
<b>At 1 July 2012 (As restated)</b>	<b>368,612</b>	<b>330,967</b>	<b>333,191</b>	<b>401,889</b>	<b>1,434,659</b>	<b>23,317</b>	<b>1,457,976</b>	
Total comprehensive loss for the financial year	-	-	(32,452)	(158,456)	<b>(190,908)</b>	(78,896)	(269,804)	
Transfer to capital reserve	-	-	1,124	(1,124)	-	-	-	
Dividend paid for the financial year ended 30 June 2012	-	-	-	(7,372)	<b>(7,372)</b>	-	(7,372)	
<b>At 30 June 2013</b>	<b>368,612</b>	<b>330,967</b>	<b>301,863</b>	<b>234,937</b>	<b>1,236,379</b>	<b>(55,579)</b>	<b>1,180,800</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 2013 and the accompanying explanatory notes attached to the interim financial statements)*

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(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2014  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	YEAR-TO-DATE ENDED	
	30.6.2014 RM'000	30.6.2013 RM'000 (Restated, Note 1)
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(834,967)	(233,762)
Adjustments for :		
Non-cash items	633,693	37,726
Non-operating items	272,440	298,730
Operating profit before working capital changes	71,166	102,694
Changes in working capital :		
Net changes in assets	117,283	172,743
Net changes in liabilities	(25,151)	90,426
Others (mainly interest and tax paid)	(54,956)	(70,270)
	<b>108,342</b>	<b>295,593</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from investment in bonds	7,697	5,249
Deferred payment for acquisition of associates	(12,966)	(13,519)
Dividend received	489	6,683
Net cash inflow from disposal of a subsidiary	32,996	-
Proceeds from disposal of an associate	-	79,500
Others (mainly purchase of property, plant and equipment)	(4,996)	(20,780)
	<b>23,220</b>	<b>57,133</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(13,922)	(7,372)
Bank borrowings (net)	(110,552)	(147,157)
Others (mainly interest paid)	(65,009)	(66,194)
	<b>(189,483)</b>	<b>(220,723)</b>
Net changes in cash and cash equivalents	(57,921)	132,003
Effects of changes in exchange rates	39	3,165
Cash and cash equivalents at beginning of the year	450,444	315,276
Cash and cash equivalents at end of the year	<b>392,562</b>	<b>450,444</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements)*

# LION DIVERSIFIED HOLDINGS BERHAD (9428-T)

(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2014

(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 2013. 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 2013.

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 2013 except for the adoption of the following FRSs effective for the financial period beginning 1 July 2013:

*FRS 10 Consolidated Financial Statements*

*FRS 11 Joint Arrangements*

*FRS 12 Disclosure of Interests in Other Entities*

*FRS 13 Fair Value Measurement*

*FRS 119 Employee Benefits*

*FRS 127 Separate Financial Statements*

*FRS 128 Investment in Associate and Joint Ventures*

*Amendments to FRS 1 Government Loans*

*Amendments to FRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities*

*Amendments to FRS 10 Consolidated Financial Statements - Transition Guidance*

*Amendments to FRS 11 Joint Arrangements - Transition Guidance*

*Amendments to FRS 12 Disclosure of Interests in Other Entities - Transition Guidance*

*IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*

*Improvement to FRSs Issued in 2012*

The adoption of the above mentioned FRSs and IC Interpretation did not have any significant effect on the financial performance, position or presentation of financials of the Group, except as disclosed below:

#### FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements. Under FRS 10, an investor controls an investee when:

- (a) the investor has power over an investee;
- (b) the investor has exposure, or rights, to variable returns from its investment with the investee; and
- (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns.

Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor that owns less than 50% of the voting shares in an investee has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders. The application of FRS 10 affected the accounting for the Group's equity interest in Lion Corporation Berhad ("LCB"), which was previously treated as associate of the Group and accounted for using the equity method of accounting.

Pursuant to the adoption of FRS 10, the Group is now deemed to have de-facto control on LCB even though it has less than 50% of the voting rights in view that the Group is the single largest shareholder of LCB with a 49.1% (30.6.2013: 49.2%) equity interest. Therefore, LCB is deemed to be a subsidiary of the Company in accordance with the requirements of FRS 10. Accordingly, the Group is required to consolidate the financial position and financial results of the LCB Group and adjustments have been made retrospectively.

1. **Accounting policies and methods of computation** (continued)

The adoption of the above mentioned FRSs and IC Interpretation did not have any significant effect on the financial performance, position or presentation of financials of the Group, except as disclosed below: (continued)

FRS 10 Consolidated Financial Statements

	<b>Reported Previously</b>	<b>FRS 10 Adjustments</b>	<b>Restated</b>
	RM'000	RM'000	RM'000
<b>Condensed Consolidated Income Statement</b>			
<u>Financial Year Ended 30.6.2013</u>			
Revenue	1,420,731	1,431,960	2,852,691
Share of results of associates	(163,951)	167,887	3,936
Loss before taxation	(207,602)	(26,160)	(233,762)
Net loss for the financial year	(220,865)	(1,674)	(222,539)
Net loss attributable to owners of the Company	<u>(220,865)</u>	<u>62,409</u>	<u>(158,456)</u>
<b>Condensed Consolidated Statement of Financial Position</b>			
<u>As At 30.6.2013</u>			
Total assets	2,860,161	3,481,432	6,341,593
Total liabilities	1,603,190	3,557,603	5,160,793
Total equity	<u>1,256,971</u>	<u>(76,171)</u>	<u>1,180,800</u>
<b>Condensed Consolidated Statement of Cash Flows</b>			
<u>Financial Year Ended 30.6.2013</u>			
Operating activities	173,013	122,580	295,593
Investing activities	(14,327)	71,460	57,133
Financing activities	(46,084)	(174,639)	(220,723)
Cash and cash equivalents at beginning of the year	197,394	117,882	315,276
Cash and cash equivalents at end of the year	<u>313,164</u>	<u>137,280</u>	<u>450,444</u>

For the three quarters ended 31 March 2014, the effects of the changes to the Condensed Consolidated Income Statements are disclosed in the Appendix attached.

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-to-date:

- (i) the issued and paid-up share capital of the Company ("LDHB") had been increased from RM368,611,613.50 to RM696,073,677.50 resulting from the conversion of RM327,462,064 nominal value of 5-year 4% irredeemable convertible unsecured loan stocks ("ICULS") into 654,924,128 new LDHB shares at a conversion price of RM0.50 for each new share;
- (ii) the Group has partially redeemed USD11 million Guarantee Secured Exchangeable Bonds ("Bonds"); and
- (iii) the Group has redeemed/repaid part of the bonds/debts/redeemable convertible secured loan stocks issued by LCB totalling approximately RM34 million.

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 financial year-to-date, a first and final dividend of 1.0 sen per ordinary share, tax exempt, amounting to RM13.9 million in respect of the previous financial year ended 30 June 2013 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>CMS</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	3,314,444	147,809	198,387	30,296	<b>3,690,936</b>
Inter-segment sales	(964,404)	-	(1,551)	(36)	<b>(965,991)</b>
External sales	<b>2,350,040</b>	<b>147,809</b>	<b>196,836</b>	<b>30,260</b>	<b>2,724,945</b>
<u>Results</u>					
Segment profit/(loss)	(198,875)	11,384	66,805	(4,321)	<b>(125,007)</b>
Fair value gain on derivative liability					<b>16,346</b>
Foreign exchange loss					<b>(1,692)</b>
Loss from operations					<b>(110,353)</b>
Finance costs					<b>(288,055)</b>
Share of results of associates					<b>2,086</b>
Share of results of jointly controlled entities					<b>3,275</b>
Gain on disposal of investments					<b>23,395</b>
Impairment loss on assets					<b>(465,315)</b>
Loss before taxation					<b>(834,967)</b>
<u>Total Assets</u>					
Segment assets	3,888,095	88,036	733,709	251,199	<b>4,961,039</b>
Investments in associates					<b>53,707</b>
Investments in jointly controlled entities					<b>24,026</b>
Unallocated corporate assets					<b>391,602</b>
Consolidated total assets					<b>5,430,374</b>

## 8. Subsequent events

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) the dissolution of Parkson Management Pte Ltd, a dormant wholly-owned subsidiary of the Company incorporated in Singapore; and
- (ii) the disposal of 100% equity interest in Lion Plate Mills Sdn Bhd on 31 December 2013.

## 10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2013.

## 11. Performance review

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2014 RM'000	30.6.2013 RM'000 (Restated)	30.6.2014 RM'000	30.6.2013 RM'000 (Restated)
<u>Revenue</u>				
- Steel	600,883	708,797	2,350,040	2,519,007
- CMS	35,793	36,791	147,809	133,917
- Property	70,494	60,323	196,836	163,985
- Others	8,413	9,932	30,260	35,782
	<b>715,583</b>	<b>815,843</b>	<b>2,724,945</b>	<b>2,852,691</b>
<u>Segment profit/(loss)</u>				
- Steel	(99,208)	(14,196)	(198,875)	(156,305)
- CMS	3,424	2,129	11,384	7,912
- Property	29,465	21,306	66,805	56,598
- Others	(5)	(263)	(4,321)	3,522
	<b>(66,324)</b>	<b>8,976</b>	<b>(125,007)</b>	<b>(88,273)</b>

For the financial year ended 30 June 2014, the Group posted a lower revenue of RM2.72 billion and higher loss from operations of RM125 million as compared to the revenue of RM2.85 billion and loss from operations of RM88 million a year ago. The unfavourable results were mainly due to lower sales volume for steel products in the domestic market resulting from the persistent dumping activities by the foreign exporters.

Our CMS Division recorded better performance for the year-to-date whilst the Property Division continued to deliver encouraging results.

"Others" Division represents furniture operations and investment holding. Lower performance for the current financial year was mainly due to the lower dividend income from investments.

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

	<b>Current Year Quarter</b>	<b>Immediate Preceding Quarter</b>
	<b>30.6.2014</b>	<b>31.3.2014</b>
	RM'000	RM'000 (Restated)
Revenue	<b>715,583</b>	662,510
Loss from operations	<b>(42,410)</b>	(31,414)
Loss before taxation	<b>(557,447)</b>	(110,044)

For the quarter under review, the Group registered a higher revenue of RM716 million as compared to the immediate preceding quarter. The improvement was mainly contributed by the higher progress billings from the Property Division. The performance of the Steel Division continued to be affected by the dumping activities. Coupled with additional impairment losses of about RM400 million for the blast furnace project, a higher loss before taxation was reported for the quarter under review.

**13. a) Prospects**

In June 2014, the Government initiated an investigation to study the possibility of imposing anti-dumping duty on several types of steel product imports from certain countries. The Group will continue to work closely with the Government to address the problem of excessive imports at dumping prices. In the light of uncertainties surrounding the measures to be implemented, the operating environment for the Group's steel operation is expected to remain challenging in the next financial year.

Our CMS and Property Divisions are expected to maintain their satisfactory performance in the coming financial 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	
	30.6.2014 RM'000	30.6.2013 RM'000 (Restated)	30.6.2014 RM'000	30.6.2013 RM'000 (Restated)
Current year tax				
- Arising in Malaysia	8,769	2,316	13,883	6,370
- Arising outside Malaysia	2,079	(1,796)	7,252	4,680
Prior year tax				
- Arising in Malaysia	-	(918)	-	(230)
- Arising outside Malaysia	-	(6,036)	-	(6,036)
Deferred tax				
- Current year	(3,115)	36,983	(3,106)	(21,481)
- Prior year	(297)	1,701	(297)	5,474
	<b>7,436</b>	<b>32,250</b>	<b>17,732</b>	<b>(11,223)</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**

The status of the corporate proposals of LCB, a public listed company controlled by the Company, is reported in the Interim Financial Report of LCB.

Other than the aforementioned, there were no corporate proposals pending completion at the date of this report.

**b) Status of utilisation of proceeds**

The disclosure requirements are not applicable.

**18. Borrowings and debt securities**

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

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Loans and Borrowings</u>			
Secured	1,312,972	142,156	1,455,128
Unsecured	69,692	-	69,692
	1,382,664	142,156	1,524,820
<u>Bonds and Debts</u>			
Secured	-	764,891	764,891
Total	1,382,664	907,047	2,289,711

**18. Borrowings and debt securities** (continued)

	Foreign Currency '000	RM'000
The Group's borrowings and debt securities were denominated in the following currencies:		
- Ringgit Malaysia	-	1,773,574
- US Dollar	149,567	479,961
- Chinese Renminbi	70,000	36,176
		<u>2,289,711</u>

**19. Changes in material litigation**

There was no material litigation since 30 June 2013.

**20. Dividend proposed**

The Board of Directors does not recommend any dividend for the current quarter and financial year-to-date.

**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.

	<b>3 MONTHS ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.6.2014</b>	<b>30.6.2013</b> (Restated)	<b>30.6.2014</b>	<b>30.6.2013</b> (Restated)
Net (loss)/profit attributable to owners of the Company (RM'000)	<b>(508,461)</b>	18,634	<b>(685,857)</b>	(158,456)
Weighted average number of ordinary shares in issue ('000)	<b>1,392,147</b>	737,223	<b>1,087,106</b>	737,223
Adjustment for conversion of ICULS (on the assumption that all mandatorily convertible instruments are converted into ordinary shares) ('000)	-	654,924	<b>305,041</b>	654,924
Weighted average number of ordinary shares ('000)	<b>1,392,147</b>	1,392,147	<b>1,392,147</b>	1,392,147
Basic (loss)/earnings per share (sen)	<b>(36.52)</b>	1.34	<b>(49.27)</b>	(11.38)

**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 of the financial statements for the financial year ended 30 June 2013 was qualified on the Group's blast furnace project. As at the financial year-to-date, there was no change to the status.

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

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2014 RM'000	30.6.2013 RM'000 (Restated)	30.6.2014 RM'000	30.6.2013 RM'000 (Restated)
(a) Interest income	4,239	3,893	10,078	10,232
(b) Other income including investment income	16	3,584	175	7,804
(c) Interest expense	(64,257)	(62,511)	(288,055)	(322,981)
(d) Depreciation and amortisation	(46,505)	(42,794)	(168,963)	(163,426)
(e) Provision for and write off of receivables	-	(2,321)	-	(2,321)
(f) Provision for and write off of inventories	(30,652)	(24,093)	(43,259)	(26,450)
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	23,395	-
(h) Impairment of assets	(10,419)	(546)	(10,419)	(546)
(i) Foreign exchange gain/(loss) - net	24,148	(6,880)	(1,692)	12,488
(j) Gain/(Loss) on derivatives	118	(1,386)	16,346	(16,389)
(k) Exceptional items :				
- Impairment loss on:				
- Plant and equipment (*)	(404,635)	(10,000)	(404,635)	(10,000)
- Investment securities and associate	(46,854)	(76,257)	(60,680)	(76,257)
- Gain on settlement, net of divestment loss	-	271,208	-	271,208
- Mining expenditure expensed off	-	(9,777)	-	(9,777)
	<b>(451,489)</b>	<b>175,174</b>	<b>(465,315)</b>	<b>175,174</b>

(\*) Impairment for the blast furnace project

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

	AS AT 30.6.2014 RM'000	AS AT 30.6.2013 RM'000 (Restated)
Total (accumulated losses)/retained profits of the Company and its subsidiaries: (Include companies controlled by the Company)		
- Realised	(164,278)	569,896
- Unrealised	101,362	111,509
	<b>(62,916)</b>	<b>681,405</b>
Total share of (accumulated losses)/retained profits from associates:		
- Realised	(411,264)	(412,472)
- Unrealised	2,432	2,653
	<b>(408,832)</b>	<b>(409,819)</b>
Total share of retained profits from jointly controlled entities:		
- Realised	29,295	26,020
Less: Consolidation adjustments	(62,669)	(62,669)
Total Group's (accumulated losses)/retained profits as per consolidated accounts	<b>(505,122)</b>	<b>234,937</b>

**25. Material events**

The status of the material events of LCB, a public listed company controlled by the Company, is reported in the Interim Financial Report of LCB.

(Incorporated in Malaysia)

<b>CONDENSED CONSOLIDATED INCOME STATEMENTS</b>
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**Note 1**

	CURRENT FINANCIAL YEAR (Reported Previously)				CURRENT FINANCIAL YEAR (Restated, Note 1)			
	FIRST QUARTER 30.9.2013 RM'000	SECOND QUARTER 31.12.2013 RM'000	THIRD QUARTER 31.3.2014 RM'000	YEAR- TO-DATE 31.3.2014 RM'000	FIRST QUARTER 30.9.2013 RM'000	SECOND QUARTER 31.12.2013 RM'000	THIRD QUARTER 31.3.2014 RM'000	YEAR- TO-DATE 31.3.2014 RM'000
<b>Revenue</b>	<b>88,690</b>	<b>446,561</b>	<b>326,105</b>	<b>861,356</b>	<b>544,191</b>	<b>802,661</b>	<b>662,510</b>	<b>2,009,362</b>
Operating expenses	(108,489)	(413,304)	(303,571)	<b>(825,364)</b>	(613,075)	(774,549)	(695,679)	<b>(2,083,303)</b>
Other operating income	19,408	6,649	7,755	<b>33,812</b>	1,735	2,508	1,755	<b>5,998</b>
<b>(Loss)/Profit from operations</b>	<b>(391)</b>	<b>39,906</b>	<b>30,289</b>	<b>69,804</b>	(67,149)	30,620	(31,414)	<b>(67,943)</b>
Finance costs	(14,253)	(21,433)	(22,299)	<b>(57,985)</b>	(69,788)	(78,919)	(75,091)	<b>(223,798)</b>
Share of results of associates	(48,575)	(16,303)	(26,535)	<b>(91,413)</b>	1,051	958	397	<b>2,406</b>
Share of results of jointly controlled entities	1,140	395	711	<b>2,246</b>	1,140	395	711	<b>2,246</b>
Gain on disposal of investments	95	-	25	<b>120</b>	95	23,275	25	<b>23,395</b>
Impairment loss on assets	(3,396)	(5,758)	(4,672)	<b>(13,826)</b>	(3,396)	(5,758)	(4,672)	<b>(13,826)</b>
<b>Loss before taxation</b>	<b>(65,380)</b>	<b>(3,193)</b>	<b>(22,481)</b>	<b>(91,054)</b>	<b>(138,047)</b>	<b>(29,429)</b>	<b>(110,044)</b>	<b>(277,520)</b>
Taxation	(3,485)	(3,691)	(1,651)	<b>(8,827)</b>	(4,946)	(4,193)	(1,157)	<b>(10,296)</b>
<b>Net loss for the financial period</b>	<b>(68,865)</b>	<b>(6,884)</b>	<b>(24,132)</b>	<b>(99,881)</b>	<b>(142,993)</b>	<b>(33,622)</b>	<b>(111,201)</b>	<b>(287,816)</b>
Attributable to :								
- Owners of the Company	<b>(68,865)</b>	<b>(6,884)</b>	<b>(24,132)</b>	<b>(99,881)</b>	<b>(93,939)</b>	<b>(18,096)</b>	<b>(65,361)</b>	<b>(177,396)</b>
- Non-controlling interests	-	-	-	-	(49,054)	(15,526)	(45,840)	<b>(110,420)</b>
<b>Net loss for the financial period</b>	<b>(68,865)</b>	<b>(6,884)</b>	<b>(24,132)</b>	<b>(99,881)</b>	<b>(142,993)</b>	<b>(33,622)</b>	<b>(111,201)</b>	<b>(287,816)</b>