



LION CORPORATION BERHAD

(Incorporated in Malaysia)

(12890-A)

Interim Report for the Third Quarter Ended 31 March 2009

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LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

Interim report for the third quarter ended 31 March 2009

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2008 RM'000	CURRENT YEAR TO DATE 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008 RM'000
Revenue		521,112	1,321,007	2,691,205	3,633,422
Operating expenses		(787,652)	(1,315,163)	(2,856,880)	(3,568,426)
Other operating income		7,796	71,129	40,313	158,322
(Loss)/Profit from operations		(258,744)	76,973	(125,362)	223,318
Finance costs		(125,060)	(107,976)	(355,067)	(324,362)
Share in results of associates		(89,067)	81,135	(55,933)	160,536
Provision for diminution in value of inventories	11	(78,700)	-	(198,700)	-
(Loss)/Profit before taxation		(551,571)	50,132	(735,062)	59,492
Taxation	16	8,096	1,572	23,270	3,641
(Loss)/Profit for the period		<u>(543,475)</u>	<u>51,704</u>	<u>(711,792)</u>	<u>63,133</u>
Attributable to :					
- Ordinary equity holders of the Company		(479,938)	49,252	(635,146)	59,284
- Minority interests		(63,537)	2,452	(76,646)	3,849
(Loss)/Profit for the period		<u>(543,475)</u>	<u>51,704</u>	<u>(711,792)</u>	<u>63,133</u>
(Loss)/Earnings per share attributable to ordinary equity holders of the Company:					
- Basic (sen)	24	<u>(36.00)</u>	<u>4.90</u>	<u>(57.07)</u>	<u>5.90</u>
- Diluted (sen)	24	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

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CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>Note</u>	AS AT END OF CURRENT QUARTER 31/3/2009 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2008 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		3,157,812	3,083,515
Prepaid land lease payments		15,776	15,047
Biological assets		13,897	-
Land held for property development		2,752	-
Goodwill		749,942	563,921
Investments in associates		1,299,904	1,359,033
Other investments		26,930	1,380
Long term receivable		-	241,864
Deferred receivable in relation to disposal of properties by subsidiaries		586,823	-
Deferred tax assets		157,776	134,952
		<u>6,011,612</u>	<u>5,399,712</u>
Current Assets			
Property development costs		41,006	-
Inventories		1,334,730	1,853,485
Trade receivables		188,380	291,588
Other receivables		248,661	173,312
Deferred receivable in relation to disposal of properties by subsidiaries		147,073	-
Tax recoverable		27,774	2,532
Deposits, cash and bank balances		141,105	83,426
		<u>2,128,729</u>	<u>2,404,343</u>
Non-current assets classified as held for sale		-	5,202
		<u>2,128,729</u>	<u>2,409,545</u>
TOTAL ASSETS		<u>8,140,341</u>	<u>7,809,257</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>Note</u>	AS AT END OF CURRENT QUARTER 31/3/2009 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2008 RM'000
EQUITY AND LIABILITIES			
Share capital		1,899,526	1,005,118
Reserves		(946,612)	(331,058)
Equity attributable to equity holders of the Company		952,914	674,060
Minority interests		450,574	226,843
Total equity		1,403,488	900,903
Non-Current Liabilities			
Long term borrowings	20	1,124,060	920,506
Bonds and debts	20	2,502,010	201,348
Deferred tax liabilities		21,274	10,572
Deferred liabilities		34,276	72,989
		3,681,620	1,205,415
Current Liabilities			
Trade payables		2,013,281	2,186,684
Other payables		469,302	686,224
Bank overdrafts	20	13,556	5,977
Short term borrowings	20	499,980	405,513
Bonds and debts	20	58,248	2,417,606
Tax payable		866	935
		3,055,233	5,702,939
Total Liabilities		6,736,853	6,908,354
TOTAL EQUITY AND LIABILITIES		8,140,341	7,809,257
Net assets per share attributable to ordinary equity holders of the Company (RM) (Excluding equity components)		0.49	0.67

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

LION CORPORATION BERHAD (12890-A)

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Interim report for the third quarter ended 31 March 2009

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →						Total Equity RM'000
	← Non-Distributable →			Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000				
31 March 2009							
At 1 July 2008	1,005,118	97,630	366,327	(795,015)	674,060	226,843	900,903
Translation difference on net equity of foreign subsidiaries & other movements	-	-	(37,709)	37,498	(211)	300,377	300,166
Equity accounting for share of net assets of associates	-	-	6,572	-	6,572	-	6,572
Effect of dilution of equity interest in associates	-	-	-	(15,386)	(15,386)	-	(15,386)
Equity components of Redeemable Convertible Secured Loan Stocks ("RCCLS")	-	-	28,534	-	28,534	-	28,534
Income and expense recognised directly in equity	-	-	(2,603)	22,112	19,509	300,377	319,886
Net loss for the period	-	-	-	(635,146)	(635,146)	(76,646)	(711,792)
Total recognised income and expense for the period	-	-	(2,603)	(613,034)	(615,637)	223,731	(391,906)
Share-based payment under Executive Share Option Scheme ("ESOS")	-	-	83	-	83	-	83
Share issued pursuant to the:							
- settlement of LCB Bonds	804,460	-	-	-	804,460	-	804,460
- acquisition of Mahkota Cheras Project	89,948	-	-	-	89,948	-	89,948
At 31 March 2009	<u>1,899,526</u>	<u>97,630</u>	<u>363,807</u>	<u>(1,408,049)</u>	<u>952,914</u>	<u>450,574</u>	<u>1,403,488</u>
31 March 2008							
At 1 July 2007	1,005,116	97,627	356,235	(811,075)	647,903	196,377	844,280
Translation difference on net equity of foreign subsidiaries & other movements	-	-	770	-	770	16,388	17,158
Equity accounting for share of net assets of associates	-	-	475	-	475	-	475
Effect of dilution of equity interest in associates	-	-	-	(941)	(941)	-	(941)
Realisation upon disposal of subsidiaries	-	-	(530)	530	-	(40,143)	(40,143)
Income and expense recognised directly in equity	-	-	715	(411)	304	(23,755)	(23,451)
Net profit for the period	-	-	-	59,284	59,284	3,849	63,133
Total recognised income and expense for the period	-	-	715	58,873	59,588	(19,906)	39,682
Share-based payment under ESOS	-	-	264	-	264	-	264
At 31 March 2008	<u>1,005,116</u>	<u>97,627</u>	<u>357,214</u>	<u>(752,202)</u>	<u>707,755</u>	<u>176,471</u>	<u>884,226</u>

(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CURRENT YEAR TO DATE 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008 RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(735,062)	59,492
Adjustments for:		
Non-cash items	387,593	(130,659)
Non-operating items	351,291	320,173
Operating profit before changes in working capital	3,822	249,006
Changes in working capital :		
Net changes in current assets	562,025	97,575
Net changes in current liabilities	(487,614)	31,248
Others	(42,596)	(67,153)
	35,637	310,676
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(81,585)	(69,056)
Proceeds from disposal of properties	31,648	14,421
Proceeds from partial disposal of shares in a subsidiary	50,000	-
Net cash inflow from acquisition of subsidiaries	108,965	-
Others	2,010	26,469
	111,038	(28,166)
FINANCING ACTIVITIES		
Issue of Redeemable Cumulative Convertible Preference Shares	100,000	-
Bank borrowings	(158,561)	(233,474)
Redemption/repayment of Bonds and USD Debts	(35,855)	-
Others	(2,159)	(981)
	(96,575)	(234,455)
Net changes in cash & cash equivalents	50,100	48,055
Cash & cash equivalents at beginning of the period	76,180	45,444
Cash & cash equivalents at end of the period	126,280	93,499

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

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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 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 2008. 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 year ended 30 June 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2008.

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 except as disclosed in Note 11.

4. Changes in estimates

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

5. Debt and equity securities

During the financial year-to-date, the issued and paid-up share capital of the Company was increased from RM1,005,117,831 to RM1,899,525,831 by:

- a) the conversion of RM900,000,000 nominal value of LCB Class B(b) Bonds with a present value of RM804,460,000 into 804,460,000 new ordinary shares of RM1.00 each; and
- b) the issuance of 89,948,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per share as the consideration for the acquisition of the Mahkota Cheras Project.

5. Debt and equity securities (continued)

During the financial year-to-date, the Company has fully redeemed/repaid its LCB Class A Bonds amounting to RM35.9 million and converted a portion of its LCB Class B Bonds and LCB USD Debts into LCB Redeemable Convertible Secured Loan Stocks ("RCCLS") as follows:

- a) RM294,747,299 nominal value of LCB Class B(a) Bonds with present value of RM286,834,000 into RM286,834,000 nominal value of LCB Class B(a) RCCLS;
- b) RM200,000,000 nominal value of LCB Class B(b) Bonds with present value of RM178,769,000 into RM178,769,000 nominal value of LCB Class B(b) RCCLS; and
- c) RM5,252,701 nominal value of LCB USD Debts with present value of RM5,130,000 into RM5,130,000 nominal value of LCB Class B(c) RCCLS.

Other than the above, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial year-to-date.

6. Dividends paid

There were no dividends paid during the current quarter and financial year-to-date.

7. Segmental information

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

	REVENUE			Segment results RM'000
	Total RM'000	Inter - Segment RM'000	External RM'000	
Steel	2,658,736	9,637	2,649,099	(177,105)
Steel Furniture	36,773	-	36,773	1,665
Motor	3,846	-	3,846	20,648
Investment & Others	1,507	20	1,487	29,430
	<u>2,700,862</u>	<u>9,657</u>	<u>2,691,205</u>	
Loss from operations				(125,362)
Finance costs				(355,067)
Share in results of associates				(55,933)
Provision for diminution in value of inventories				(198,700)
Loss before taxation				<u>(735,062)</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 for the financial year-to-date except for the following: (refer to Note 19(a) for more information) :

- a) A wholly-owned subsidiary of the Company, Limpahjaya Sdn Bhd, has disposed of 66,666,667 ordinary shares of RM1.00 each in Megasteel Sdn Bhd ("Megasteel"), representing approximately 11.1% of the existing issued and paid-up share capital of Megasteel to Lion Diversified Holdings Berhad for a cash consideration of RM100,000,000.
- b) The acquisition of the Mahkota Cheras Project by Pancar Tulin Sdn Bhd, a wholly-owned subsidiary of the Company.
- c) The acquisition of an additional 27.6% equity interest in Amsteel Corporation Berhad.

The effects of the above acquisitions on the financial results of the Group are as follows :

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008 RM'000
Revenue	1,282	-
Profit before taxation	193	-
Net profit for the period	193	-

The effects of the above acquisitions on the financial position of the Group are as follows :

	AS AT END OF CURRENT QUARTER 31/3/2009 RM'000	AS AT DATE OF ACQUISITION RM'000
Non-current assets	1,609,035	1,609,036
Current assets	497,200	496,466
Current and deferred liabilities	(2,240,147)	(2,239,607)
	(133,912)	(134,105)
Minority interests	(23,080)	(23,080)
Total net assets	(156,992)	(157,185)

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

The negative impact of the global economic turmoil has continued to adversely affect the performance of the Group. Sharp contraction in demand, especially in the steel industry, has resulted in the Group recording a lower revenue of RM2.7 billion against RM3.6 billion achieved in the preceding year corresponding period.

After accounting for the provision for diminution in value of inventories of RM198.7 million and coupled with lower contribution from associates, a higher loss was recorded for the current financial period.

12. Comment on material change in profit

	Current Year Quarter 31/3/2009 RM'000	Immediate Preceding Quarter 31/12/2008 RM'000
Revenue	521,112	712,826
Loss before taxation	(551,571)	(216,326)

Lower revenue in current quarter was mainly attributable to lower selling price despite higher sales volume achieved by our steel division.

Our associate also recorded a lower performance mainly affected by the global economic slowdown and steep plunge in global steel prices. Accordingly, a higher loss before taxation of RM551.6 million was reported in the current quarter.

13. a) Prospects

The operating environment for the Group's steel operation remains challenging due to the persistent weak demand in the international steel market. However, local demand is expected to stabilize in the second half of the calendar year boosted by the two stimulus packages announced by the Government.

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 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2008 RM'000	CURRENT YEAR TO DATE 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008 RM'000
Taxation comprises :				
Income tax	68	364	540	861
Deferred tax	(8,164)	(1,238)	(22,991)	(3,713)
Recovery of tax deducted at source on dividend income from subsidiaries and associates	-	(698)	(819)	(789)
	<u>(8,096)</u>	<u>(1,572)</u>	<u>(23,270)</u>	<u>(3,641)</u>

The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilised to set off against losses of other companies within the Group. Deferred tax is mainly in respect of the pioneer status benefits enjoyed by a major subsidiary.

17. Sale of unquoted investments and properties

	CURRENT YEAR QUARTER 31/3/2009 RM'000	CURRENT YEAR TO DATE 31/3/2009 RM'000
Gain on disposal of properties	-	<u>26,585</u>

18. Quoted securities

The Group's dealings in quoted securities for the current quarter and financial year-to-date are as follows :

	CURRENT YEAR QUARTER 31/3/2009 RM'000	CURRENT YEAR TO DATE 31/3/2009 RM'000
Total sale proceeds	-	<u>11</u>
Total loss on disposal	-	<u>35</u>

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

	RM'000
At cost	85,106
At book value	26,679
At market value	<u>29,824</u>

19. Corporate proposals(a) Status of corporate proposals

No	Date of Announcement	Subject	Status
1	21.5.2008, 18.6.2008, 4.7.2008, 10.7.2008, 24.7.2008, 29.7.2008, 17.10.2008, 7.11.2008, 3.12.2008, 5.12.2008, 23.12.2008, 24.12.2008, 7.1.2009, 19.1.2009, 22.1.2009, 3.2.2009, 4.2.2009, 5.2.2009, 6.2.2009, 16.2.2009 25.2.2009, 27.2.2009, 17.3.2009, 31.3.2009, 20.4.2009, 21.4.2009 and 8.5.2009	<p>Proposed Corporate and Debt Restructuring Scheme ("Proposed LCB Scheme") involving <i>inter alia</i> the following:</p> <p>(i) proposed conversion of RM900,000,000 nominal value ("NV") with a present value as at 28 February 2009 ("PV") of RM805,007,000 Zero-Coupon Redeemable Secured Class B(b) RM denominated Bonds ("LCB Class B(b) Bonds") into 805,007,000 new ordinary shares of RM1.00 each in the Company issued at par ("LCB Shares") ("Proposed Shares Conversion");</p> <p>(ii) Proposed conversion of the following:-</p> <p>(a) RM286,975,000 PV of Zero Coupon Redeemable Secured Class B(a) RM denominated Bonds (NV RM294,747,299) into RM286,975,000 NV of LCB Class B(a) Redeemable Convertible Secure Loan Stock ("RCSLS");</p> <p>(b) RM178,891,000 PV of LCB Class B(b) Bonds (NV RM200,000,000) into RM178,891,000 NV of LCB Class B(b) RCSLS; and</p> <p>(c) RM5,133,000 PV of Zero Coupon Redeemable Unsecured Class B USD denominated consolidated and rescheduled debts ("LCB USD Debts") (NV of RM5,252,701) into RM5,133,000 NV of LCB Class B(c) RCSLS;</p> <p>(iii) Proposed acquisition by Pancar Tulin Sdn Bhd, a wholly-owned subsidiary of the Company, of part of an on-going property development project known as Bandar Mahkota Cheras together with four parcels of undeveloped lands in the District of Hulu Langat, Selangor ("Mahkota Cheras Project") (inclusive of assets and liabilities related to Mahkota Cheras Project) from LDH Management Sdn Bhd, a wholly-owned subsidiary of Lion Diversified Holdings Berhad ("LDHB"), for a purchase consideration of RM89,948,000 to be satisfied by the issuance of 89,948,000 new LCB Shares issued at par ("Proposed Acquisition of Mahkota Cheras Project");</p>	<p>Approvals obtained from:-</p> <p>(i) the Securities Commission ("SC");</p> <p>(ii) the SC's Equity Compliance Unit;</p> <p>(iii) the Ministry of International Trade and Industry;</p> <p>(iv) Bursa Malaysia Securities Berhad;</p> <p>(v) the Controller of Housing;</p> <p>(vi) The Labuan Offshore Financial Services Authority;</p> <p>(vii) Bank Negara Malaysia;</p> <p>(viii) the shareholders of the Company, ACB and LDHB;</p> <p>(ix) the lenders of the Company.</p> <p>The Proposed Acquisition of ACB Class C SPV Debts was not approved by the foreign lenders of ACB Class C SPV Debts.</p> <p>The authorised share capital of the Company was increased from RM2.0 billion to RM3.0 billion on 22 January 2009.</p> <p>The Proposed Issuance of Megasteel RCCPS was completed on 5 February 2009.</p>

19. Corporate proposals (continued)(a) Status of corporate proposals (continued)

No	Date of Announcement	Subject	Status
		<p>(iv) Proposed acquisition by LCB Harta (L) Limited, a wholly-owned subsidiary of the Company, of RM110,000,000 NV of (a) Zero Coupon Redeemable Secured Class B USD denominated consolidated and rescheduled debts; and (b) Zero Coupon Redeemable Secured Class C USD denominated consolidated and rescheduled debts issued by the Amsteel Corporation Berhad Group ("Proposed Acquisition of ACB Class C SPV Debts") to be satisfied by the issuance of USD equivalent of RM110,000,000 NV of LCB SPV Debts;</p> <p>(v) Proposed issuance by Megasteel Sdn Bhd ("Megasteel"), a 90%-owned subsidiary of the Company, of 100,000,000 redeemable cumulative convertible preference shares of RM0.01 each ("Megasteel RCCPS") at an issue price of RM1.00 per Megasteel RCCPS to LDHB for cash of RM100,000,000 ("Proposed Issuance of Megasteel RCCPS");</p> <p>(vi) Proposed disposal by Limpahjaya Sdn Bhd, a wholly-owned subsidiary of the Company, of approximately 11.1% of the issued and paid-up share capital of Megasteel for a total cash consideration of RM100,000,000 to LDHB ("Proposed Disposal of Megasteel Shares");</p> <p>(vii) Proposed issuance of warrants to existing shareholders of the Company on a rights basis of one warrant for every four ordinary shares in the Company held prior to the Proposed Shares Conversion and the Proposed Acquisition of Mahkota Cheras Project;</p> <p>(viii) Proposed acquisition of all the remaining ordinary shares of ACB of up to 798 million not already held by the Group in exchange for up to 79.8 million warrants in LCB on the basis of 1 LCB Warrant for every 10 ACB Shares held ("Proposed ACB Offer");</p> <p>(ix) Proposed increase in authorised share capital of the Company from RM2.0 billion to RM3.0 billion.</p>	<p>The Proposed Disposal of Megasteel Shares was completed on 25 February 2009.</p> <p>The Proposed LCB Scheme was completed for implementation on 27 February 2009.</p> <p>The Proposed ACB Offer was completed on 21 April 2009. Upon completion of the Proposed ACB Offer, the Company issued 36,734,534 LCB B Warrants in consideration for the 367,345,482 ACB Shares acquired. ACB therefore became a 67.7% owned subsidiary of LCB on 21 April 2009.</p> <p>The Company had on 8 May 2009 submitted an application to the SC for an extension of time to 26 November 2009, to complete the Proposed Rights Issue of Warrants.</p>

(b) Status of utilisation of proceeds from corporate proposals

Not applicable.

20. Borrowings and debt securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Borrowings</u>			
Secured	423,718	1,124,060	1,547,778
Unsecured	89,818	-	89,818
	513,536	1,124,060	1,637,596
<u>Bonds and Debts</u>			
Secured	58,248	2,502,010	2,560,258
Total	571,784	3,626,070	4,197,854

The Group's borrowings and debt securities were denominated in the following currencies :

	Foreign Currency '000	RM'000
<u>Borrowings</u>		
- Ringgit Malaysia	-	1,058,951
- US Dollar	152,028	555,968
- Chinese Renminbi	42,522	22,677
		1,637,596
<u>Bonds and Debts</u>		
- Ringgit Malaysia	-	1,033,517
- US Dollar	417,485	1,526,741
		2,560,258
Total		4,197,854

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

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

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in the Company in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2009	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2008	CURRENT YEAR TO DATE 31/3/2009	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	<u>(479,938)</u>	<u>49,252</u>	<u>(635,146)</u>	<u>59,284</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,333,067</u>	<u>1,005,116</u>	<u>1,112,839</u>	<u>1,005,116</u>
Basic (loss)/earnings per share (sen)	<u><u>(36.00)</u></u>	<u><u>4.90</u></u>	<u><u>(57.07)</u></u>	<u><u>5.90</u></u>

Diluted

Fully diluted (loss)/earnings per share is not disclosed as there are anti-dilutive effect for the current quarter and financial year-to-date.

25. Auditors' report on preceding annual financial statements

There were no qualifications on the audit report of the preceding year's financial statement. However, the auditors drew attention to the financial position of the Group concerning the Group's current liabilities which exceeded its current assets by RM3,293.4 million. In addition, the auditors also highlighted that the Company has not met its scheduled bonds and debts repayment obligations and had on 21 May 2008 proposed to undertake a corporate and debt restructuring exercise to address its debt obligations.

LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

Interim report for the third quarter ended 31 March 2009

(The figures have not been audited)

PROPOSED DIVESTMENT PROGRAMME ("PDP")

(i) Status of the assets to be divested

Stages of the Assets to be divested	PDP (Per GWRS)	Divestment concluded Total	Amount received (Jan - Dec 2009)		
			Current quarter	Year-to-date	Projected full year
	RM'million	RM'million	RM'million	RM'million	RM'million
By December 2003 Shares in listed and unlisted companies	33.30	2.70	-	-	-
By December 2004 Shares in unlisted company	38.60	-	-	-	-
	71.90	2.70	-	-	-

(ii) Transactions completed during the quarter

There were no transactions completed during the quarter.

(iii) Utilisation of the divestment proceeds received

This note is not applicable.

(iv) Plans to overcome any projected shortfall

The Group is actively looking for potential buyers for its assets/companies under the PDP. Where necessary, the Group will divest other assets which are not under the PDP to redeem/repay the LCB Bonds/LCB Debts as scheduled.