



# **LION CORPORATION BERHAD**

(Incorporated in Malaysia)

(12890-A)

## **Interim Financial Report for the Third Quarter Ended 31 March 2012**

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**LION CORPORATION BERHAD** (12890-A)  
(Incorporated in Malaysia)

**Interim financial report for the third quarter ended 31 March 2012**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.3.2012 RM'000	31.3.2011 RM'000	31.3.2012 RM'000	31.3.2011 RM'000
<b>Revenue</b>		<b>696,947</b>	<b>831,202</b>	<b>2,286,308</b>	<b>2,084,832</b>
Operating expenses		<b>(754,621)</b>	(859,881)	<b>(2,433,586)</b>	(2,309,173)
Other operating income		<b>17,017</b>	35,147	<b>25,027</b>	102,131
<b>(Loss)/Profit from operations</b>		<b>(40,657)</b>	<b>6,468</b>	<b>(122,251)</b>	<b>(122,210)</b>
Finance costs		<b>(67,942)</b>	(75,380)	<b>(221,762)</b>	(237,779)
Share in results of associates		<b>634</b>	18,944	<b>21,320</b>	53,376
<b>Loss before taxation</b>	23	<b>(107,965)</b>	<b>(49,968)</b>	<b>(322,693)</b>	<b>(306,613)</b>
Taxation	16	<b>17,724</b>	7,930	<b>49,595</b>	72,788
<b>Net loss for the financial period</b>		<b>(90,241)</b>	(42,038)	<b>(273,098)</b>	(233,825)
Attributable to:					
- Owners of the Company		<b>(76,132)</b>	(34,346)	<b>(225,934)</b>	(189,311)
- Non-controlling interests		<b>(14,109)</b>	(7,692)	<b>(47,164)</b>	(44,514)
<b>Net loss for the financial period</b>		<b>(90,241)</b>	(42,038)	<b>(273,098)</b>	(233,825)
Loss per share attributable to owners of the Company:					
- Basic (sen)	21	<b>(11.57)</b>	(9.03)	<b>(47.86)</b>	(49.79)
- Diluted (sen)	21	<b>N/A</b>	N/A	<b>N/A</b>	N/A

*(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 CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the third quarter ended 31 March 2012

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2012 RM'000	31.3.2011 RM'000	31.3.2012 RM'000	31.3.2011 RM'000
<b>Net loss for the financial period</b>	<b>(90,241)</b>	<b>(42,038)</b>	<b>(273,098)</b>	<b>(233,825)</b>
<u>Other Comprehensive Income/(Loss)</u>				
- Translation difference on net equity of foreign subsidiaries and other movements	1,171	(2,587)	(4,060)	(1,637)
- Net (loss)/gain on fair value changes on available-for-sale financial assets	(29)	44	(69)	46
- Share of other comprehensive loss of associates	(28,307)	(1,345)	(30,675)	(7,409)
Other comprehensive loss for the financial period, net of tax	(27,165)	(3,888)	(34,804)	(9,000)
<b>Total comprehensive loss for the financial period</b>	<b>(117,406)</b>	<b>(45,926)</b>	<b>(307,902)</b>	<b>(242,825)</b>
Attributable to:				
- Owners of the Company	(103,297)	(38,234)	(260,738)	(198,311)
- Non-controlling interests	(14,109)	(7,692)	(47,164)	(44,514)
	<b>(117,406)</b>	<b>(45,926)</b>	<b>(307,902)</b>	<b>(242,825)</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 CORPORATION BERHAD** (12890-A)  
(Incorporated in Malaysia)

**Interim financial report for the third quarter ended 31 March 2012**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<b>AS AT 31.3.2012</b>	<b>AS AT 30.6.2011</b>
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		2,691,890	2,789,104
Land held for property development		4,912	11,769
Goodwill		438,978	438,978
Investment in associates		955,426	972,446
Investment securities		10,015	20,078
Deferred tax assets		279,547	227,984
		<b>4,380,768</b>	<b>4,460,359</b>
<b>Current Assets</b>			
Property development costs		3,817	740
Inventories		933,948	865,336
Investment securities		53,417	41,823
Receivables and tax recoverable		260,625	256,278
Deposits, cash and bank balances		149,698	121,777
		<b>1,401,505</b>	<b>1,285,954</b>
<b>TOTAL ASSETS</b>		<b>5,782,273</b>	<b>5,746,313</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,316,199	1,900,950
Reserves		(623,784)	(1,696,604)
Equity attributable to owners of the Company		<b>692,415</b>	<b>204,346</b>
Non-controlling interests		58,323	105,616
Total equity		<b>750,738</b>	<b>309,962</b>
<b>Non-Current Liabilities</b>			
Preference shares		111,000	111,000
Loans and borrowings	18	404,808	620,453
Bonds and debts	18	1,154,044	1,199,584
Deferred tax liabilities		4,112	5,606
Deferred liabilities		2,361	5,963
		<b>1,676,325</b>	<b>1,942,606</b>
<b>Current Liabilities</b>			
Payables		2,139,904	2,505,986
Loans and borrowings	18	907,696	765,810
Bonds and debts	18	306,125	221,315
Tax payable		1,485	634
		<b>3,355,210</b>	<b>3,493,745</b>
<b>Total Liabilities</b>		<b>5,031,535</b>	<b>5,436,351</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,782,273</b>	<b>5,746,313</b>
Net assets per share attributable to owners of the Company (RM) (Excluding equity component and warrants reserve)		<b>0.50</b>	<b>0.09</b>

*(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 CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the third quarter ended 31 March 2012

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	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	Accumulated Losses RM'000			
<b>31 March 2012</b>							
<b>At 1 July 2011</b>	<b>1,900,950</b>	<b>97,685</b>	<b>374,719</b>	<b>(2,169,008)</b>	<b>204,346</b>	<b>105,616</b>	<b>309,962</b>
Total comprehensive loss for the financial period	-	-	(30,072)	(230,666)	<b>(260,738)</b>	(47,164)	<b>(307,902)</b>
Capital reconstruction	5(iv)(a) (1,520,760)	-	-	1,520,760	-	-	-
Shares issued pursuant to settlement of Scheme Creditors	5(iv)(b) 936,009	-	(187,202) <sup>*1</sup>	-	<b>748,807</b>	-	<b>748,807</b>
Dividend paid to non-controlling interest	-	-	-	-	-	(129)	<b>(129)</b>
<b>At 31 March 2012</b>	<b>1,316,199</b>	<b>97,685</b>	<b>157,445</b>	<b>(878,914)</b>	<b>692,415</b>	<b>58,323</b>	<b>750,738</b>

\*1: Represents the difference arising from the extinguishment of debt via the issuance of ordinary shares.

<b>31 March 2011</b>							
<b>At 1 July 2010</b>	<b>1,900,950</b>	<b>97,685</b>	<b>381,967</b>	<b>(1,933,843)</b>	<b>446,759</b>	<b>155,512</b>	<b>602,271</b>
Total comprehensive loss for the financial period	-	-	(6,639)	(191,672)	<b>(198,311)</b>	(44,514)	<b>(242,825)</b>
Share-based payment under Executive Share Option Scheme	-	-	7	-	<b>7</b>	-	<b>7</b>
Dividend paid to non-controlling interest	-	-	-	-	-	(193)	<b>(193)</b>
<b>At 31 March 2011</b>	<b>1,900,950</b>	<b>97,685</b>	<b>375,335</b>	<b>(2,125,515)</b>	<b>248,455</b>	<b>110,805</b>	<b>359,260</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)

# LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the third quarter ended 31 March 2012

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.3.2012	31.3.2011
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(322,693)	(306,613)
Adjustments for:		
Non-cash items	114,298	80,994
Non-operating items	196,078	178,150
Operating loss before working capital changes	(12,317)	(47,469)
Changes in working capital :		
Net changes in assets	(72,075)	895,952
Net changes in liabilities	276,490	(666,941)
Tax paid and others	(1,101)	(1,984)
	<b>190,997</b>	<b>179,558</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,894)	(6,036)
Proceeds from redemption of investment	1,017	3,923
Dividend received	7,666	29,742
Others	(54)	2,720
	<b>3,735</b>	<b>30,349</b>
<b>FINANCING ACTIVITIES</b>		
Redemption of bonds and debts	(27,451)	(17,848)
Loans and borrowings	(101,211)	(145,182)
Others (mainly interest paid)	(36,449)	(39,541)
	<b>(165,111)</b>	<b>(202,571)</b>
Net changes in cash & cash equivalents	29,621	7,336
Effects of changes in exchange rates	51	(97)
Cash & cash equivalents at beginning of the financial period	109,834	128,390
Cash & cash equivalents at end of the financial period	<b>139,506</b>	<b>135,629</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 CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the third quarter ended 31 March 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 Payment Transactions
Amendments to FRS 3	Business Combination
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	Transfer 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 financials of the Group.

#### 2. Comments about seasonal or cyclical factors

Apart from the steel industry, which may be subject to severe fluctuation in steel prices, the Group's performance is generally not materially affected by any 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 on the current quarter and financial year-to-date results.

**5. Debt and equity securities**

During the financial year-to-date,

- (i) part of the LCB Bonds amounting to RM8.6 million have been redeemed;
- (ii) part of the LCB Debt amounting to USD0.02 million has been repaid;
- (iii) part of the LCB SPV Debts amounting to USD6.1 million have been repaid;
- (iv) the issued and paid-up capital of LCB has been increased from RM1,900,949,631 divided into 1,900,949,631 ordinary shares of RM1.00 each to RM1,316,198,949 divided into 1,316,198,949 ordinary shares of RM1.00 each pursuant to the Capital Reduction and Settlement Scheme of Megasteel Sdn Bhd ("Megasteel") as follows:
  - (a) the reduction of the par value of the existing ordinary shares of RM1.00 each in the Company ("LCB Shares") to RM0.20 each by the cancellation of RM0.80 each and thereafter, the consolidation of every five LCB Shares of RM0.20 each into one LCB Share of RM1.00; and
  - (b) the issuance of 936,009,129 new LCB Shares to the Scheme Creditors of Megasteel pursuant to the Proposed Settlement Scheme as disclosed in Note 17(a) below;
- (v) the exercise price of the LCB Warrants has been adjusted from RM1.00 per share to RM5.00 per share; and
- (vi) the conversion price of the LCB Redeemable Convertible Secured Loan Stocks has been adjusted from RM1.00 per share to RM5.00 per share.

Other than as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the 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:

	<u>Steel</u>	<u>Property</u>	<u>Furniture</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
Total sales	2,233,266	34,758	24,877	207	<b>2,293,108</b>
Inter-segment sales	(6,663)	-	(128)	(9)	<b>(6,800)</b>
External sales	<u>2,226,603</u>	<u>34,758</u>	<u>24,749</u>	<u>198</u>	<u><b>2,286,308</b></u>
<u>Results</u>					
Segment (loss)/profit	(143,817)	15,354	441	1,407	<b>(126,615)</b>
Interest and investment income					<b>4,364</b>
Loss from operations					<b>(122,251)</b>
Finance costs					<b>(221,762)</b>
Share in results of associates					<b>21,320</b>
Loss before taxation					<u><b>(322,693)</b></u>
<u>Total Assets</u>					
Segment assets	4,333,626	99,230	28,195	80,934	<b>4,541,985</b>
Investment in associates					<b>955,426</b>
Unallocated corporate assets					<b>284,862</b>
Consolidated total assets					<u><b>5,782,273</b></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.

**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**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2012 RM'000	31.3.2011 RM'000	31.3.2012 RM'000	31.3.2011 RM'000
<u>Revenue</u>				
Steel	681,080	807,063	2,226,603	2,019,067
Property	7,570	15,123	34,758	39,718
Furniture	8,195	8,403	24,749	23,842
Others	102	613	198	2,205
	<b>696,947</b>	<b>831,202</b>	<b>2,286,308</b>	<b>2,084,832</b>
<u>Segment Profit/(Loss)</u>				
Steel	(44,859)	595	(143,817)	(139,689)
Property	3,422	5,808	15,354	14,738
Furniture	(320)	568	441	594
Others	(528)	(1,528)	1,407	(4,122)
	<b>(42,285)</b>	<b>5,443</b>	<b>(126,615)</b>	<b>(128,479)</b>

For the 9 months of the financial period under review, the Group posted a 10% higher revenue of RM2,286 million compared to RM2,085 million recorded in the same period last year. This was mainly contributed by the **Steel** Division resulting from the short recovery in the steel demand in October 2011. Overall, the Group's core flat steel operations continued to be affected not only by the weak international steel demand but also the drastic drop in local orders due to the surge in dumping activities. Coupled with the slow take-off rate for the domestic infrastructure-related projects, the Group registered a loss of RM127 million for the period under review.

The **Property** Division continued to report satisfactory results for the period under review whilst the contribution of the **Furniture** Division remains negligible to the Group.

For the "**Others**" Division, a lower revenue was recorded after the disposal of the loss-making motor operation towards the end of the last financial year. The loss recorded in the current quarter mainly arose from foreign exchange losses.

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

	<b>Current Year Quarter</b>	<b>Immediate Preceding Quarter</b>
	<b>31.3.2012</b>	<b>31.12.2011</b>
	RM'000	RM'000
Revenue	<b>696,947</b>	913,734
Loss from operations	<b>(40,657)</b>	(10,001)
Loss before taxation	<b>(107,965)</b>	(75,688)

For the quarter under review, the Group reported a lower revenue of RM697 million against RM914 million in the preceding quarter. The unfavourable performance was mainly attributable to the reasons mentioned in Note 11 above. Together with the seasonally low demand due to the long holidays during the Chinese New Year season, a higher loss before taxation of RM108 million was posted for the current quarter.

**13. a) Prospects**

The steel industry is facing a period of great challenges, with significant excess capacity in the world and little prospect of increased demand in the short term. Demand is likely to stay sluggish in the next one or two quarters. However, with the potential pick-up in the domestic construction activities resulting from the Economic Transformation Programme ("ETP") projects, coupled with the appointment of a consultant by the Government to undertake a comprehensive study on the current plight faced by the local steel players, the Group is cautiously optimistic that the operating environment will improve.

The Property and Furniture Divisions are expected to sustain their satisfactory performance.

**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**

	<b>3 MONTHS ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.3.2012</b>	<b>31.3.2011</b>
	RM'000	RM'000	RM'000	RM'000
Taxation comprises :				
Income tax	<b>103</b>	(2,780)	<b>(3,470)</b>	(4,287)
Deferred tax	<b>17,621</b>	10,710	<b>53,065</b>	77,075
	<b>17,724</b>	<b>7,930</b>	<b>49,595</b>	<b>72,788</b>

After excluding the share in results of associates, the effective tax rate of the Group for the current quarter and financial year-to-date were lower than the Malaysian statutory tax rate mainly due to certain expenses which are not deductible for tax purposes.

**17. Corporate proposals**(a) Status of corporate proposals

No	Date of Announcement	Subject	Status
1	2.12.2011, 14.12.2011, 16.12.2011, 19.12.2011, 5.1.2012, 30.1.2012, 3.2.2012, 14.2.2012, 17.2.2012, 2.3.2012, 5.3.2012 and 6.3.2012	(i) Proposed Share Issuance pursuant to the Proposed Settlement Scheme; (ii) Proposed LCB Capital Reconstruction; (iii) Proposed Provision of Financial Assistance; and (iv) Proposed Amendment to the Articles of Association of the Company	(i) The Proposed LCB Capital Reconstruction was completed on 2 March 2012. (ii) The Proposed Share Issuance pursuant to the Proposed Settlement Scheme and the Proposed Provision of Financial Assistance were completed on 6 March 2012 following the allotment of 936,009,129 new ordinary shares of RM1.00 each in the capital of the Company to Megasteel's Scheme Creditors on 5 March 2012 and the listing of and quotation for the said shares thereof on 6 March 2012.  The Proposed Cash Settlement pursuant to the Proposed Settlement Scheme of Megasteel shall be completed upon payment by Megasteel to the Scheme Creditors within five market days from the completion date of the Proposed Investment by New Investor(s) or 31 December 2012, whichever is the earlier.

(b) Status of utilisation of proceeds from corporate proposals

Please refer to Appendix 1.

**18. 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>Loans and Borrowings</u>			
Secured	834,863	404,808	1,239,671
Unsecured	72,833	-	72,833
	<u>907,696</u>	<u>404,808</u>	<u>1,312,504</u>
<u>Bonds and Debts</u>			
Secured	306,125	1,154,044	1,460,169
Total	<u>1,213,821</u>	<u>1,558,852</u>	<u>2,772,673</u>

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

	Foreign Currency '000	RM'000
- Ringgit Malaysia	-	2,467,882
- US Dollar	99,410	304,791
		<u>2,772,673</u>

**19. Changes in material litigation**

There was no material litigation since 30 June 2011.

**20. Dividend proposed**

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

**21. Loss per share**Basic

Basic loss per share is calculated by dividing the net loss for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in the Company in issue during the financial period.

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Net loss attributable to owners of the Company (RM'000)	<b>(76,132)</b>	(34,346)	<b>(225,934)</b>	(189,311)
Weighted average number of ordinary shares in issue: ('000)				
Issued shares at beginning of the period	<b>1,900,950</b>	1,900,950	<b>1,900,950</b>	1,900,950
Effect of capital consolidation (Note 5(iv))	<b>(1,520,760)</b>	(1,520,760)	<b>(1,520,760)</b>	(1,520,760)
	<b>380,190</b>	380,190	<b>380,190</b>	380,190
Effect of shares issued pursuant to settlement of creditors (Note 5(iv))	<b>277,717</b>	-	<b>91,899</b>	-
	<b>657,907</b>	380,190	<b>472,089</b>	380,190
Basic loss per share (sen)	<b>(11.57)</b>	(9.03)	<b>(47.86)</b>	(49.79)

The loss per share for 2011 has been restated to take into account the effect of the capital consolidation on weighted average number of ordinary shares in issue.

Diluted

The diluted loss per share is not presented as the unexercised warrants and redeemable convertible secured loan stocks have no dilutive effect as the exercise and conversion prices are above the average market value of the Company's shares.

**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 before taxation**

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

	<b>3 MONTHS ENDED 31.3.2012</b>	<b>YEAR-TO-DATE ENDED 31.3.2012</b>
	RM'000	RM'000
(a) Interest income	1,628	4,364
(b) Other income including investment income, but excluding foreign exchange gain	5,994	11,268
(c) Interest expense	(67,942)	(221,762)
(d) Depreciation and amortisation	(35,485)	(106,400)
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain	20,819	9,395
(j) Gain/(Loss) on derivatives	-	-
(k) Exceptional items	-	-
	<b>=====</b>	<b>=====</b>

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

	<b>AS AT 31.3.2012</b>	<b>AS AT 30.6.2011</b>
	RM'000	RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
- Realised	<b>(844,228)</b>	(2,101,872)
- Unrealised	<b>332,451</b>	308,929
	<b>(511,777)</b>	(1,792,943)
Total share of retained profits from associates:		
- Realised	<b>277,857</b>	248,520
- Unrealised	<b>(9,647)</b>	10,762
	<b>(243,567)</b>	(1,533,661)
Less: Consolidation adjustments (Mostly goodwill amortised & impaired)	<b>(635,347)</b>	(635,347)
	<b>(878,914)</b>	(2,169,008)
Total Group accumulated losses	<b>=====</b>	<b>=====</b>

**LION CORPORATION BERHAD** (12890-A)  
(Incorporated in Malaysia)

**Interim financial report for the third quarter ended 31 March 2012**  
(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 2012)		
			Current Quarter	Year- to-date	Projected Full Year
	RM'million	RM'million	RM'million	RM'million	RM'million
<b>By December 2003</b> Shares in listed and unlisted companies	33.3	2.7	-	-	-
<b>By December 2004</b> Shares in unlisted company	38.6	13.0	-	-	-
	71.9	15.7	-	-	-

(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 Debt.