



# **LION CORPORATION BERHAD** (12890-A)

(Incorporated in Malaysia)

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## **Interim Financial Report for the Fourth Quarter Ended 30 June 2015**

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# LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the fourth quarter ended 30 June 2015

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
<b>Revenue</b>		<b>436,485</b>	<b>657,418</b>	<b>2,087,508</b>	<b>2,481,954</b>
Operating expenses		<b>(560,613)</b>	(757,411)	<b>(2,435,690)</b>	(2,733,678)
Other operating income		<b>12,005</b>	14,410	<b>22,799</b>	32,398
<b>Loss from operations</b>		<b>(112,123)</b>	<b>(85,583)</b>	<b>(325,383)</b>	<b>(219,326)</b>
Impairment losses	23(k)	<b>(2,264)</b>	(189,008)	<b>(2,264)</b>	(189,008)
Gain on disposal of a subsidiary		-	-	-	23,275
Finance costs		<b>(77,265)</b>	(57,263)	<b>(267,062)</b>	(242,878)
Share in results of associates		<b>(40,712)</b>	(320)	<b>(39,290)</b>	2,086
<b>Loss before taxation</b>	23	<b>(232,364)</b>	<b>(332,174)</b>	<b>(633,999)</b>	<b>(625,851)</b>
Taxation	16	<b>(6,669)</b>	25,695	<b>(8,202)</b>	27,017
<b>Net loss for the financial period</b>		<b>(239,033)</b>	(306,479)	<b>(642,201)</b>	(598,834)
Attributable to:					
- Owners of the Company		<b>(195,674)</b>	(282,170)	<b>(510,845)</b>	(507,071)
- Non-controlling interests		<b>(43,359)</b>	(24,309)	<b>(131,356)</b>	(91,763)
<b>Net loss for the financial period</b>		<b>(239,033)</b>	(306,479)	<b>(642,201)</b>	(598,834)
Loss per share attributable to owners of the Company:					
- Basic (sen)	21	<b>(14.87)</b>	(21.44)	<b>(38.81)</b>	(38.53)
- Diluted (sen)	21	<b>N/A</b>	N/A	<b>N/A</b>	N/A

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

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

**Interim financial report for the fourth quarter ended 30 June 2015**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	<b>3 MONTHS ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.6.2015</b> RM'000	<b>30.6.2014</b> RM'000	<b>30.6.2015</b> RM'000	<b>30.6.2014</b> RM'000
<b>Net loss for the financial period</b>	<b>(239,033)</b>	<b>(306,479)</b>	<b>(642,201)</b>	<b>(598,834)</b>
<u>Other Comprehensive Income/(Loss)</u>				
- Translation difference on net equity of foreign subsidiaries and other movements	1,806	1,717	1,078	6,039
- Net (loss)/gain on fair value changes on available-for-sale financial assets	(154)	2	(311)	(391)
- Share of other comprehensive income/(loss) of associates	1,969	(2,363)	10,005	(675)
Other comprehensive income/(loss) for the financial period, net of tax, representing items that may be reclassified subsequently to profit or loss	<b>3,621</b>	<b>(644)</b>	<b>10,772</b>	<b>4,973</b>
<b>Total comprehensive loss for the financial period</b>	<b>(235,412)</b>	<b>(307,123)</b>	<b>(631,429)</b>	<b>(593,861)</b>
Attributable to:				
- Owners of the Company	(192,053)	(282,814)	(500,073)	(502,098)
- Non-controlling interests	(43,359)	(24,309)	(131,356)	(91,763)
	<b>(235,412)</b>	<b>(307,123)</b>	<b>(631,429)</b>	<b>(593,861)</b>

*(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)*

# LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the fourth quarter ended 30 June 2015

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 30.6.2015	AS AT 30.6.2014
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		2,233,345	2,370,751
Land held for property development		755	2,528
Investment in associates		22,959	53,707
Investment securities		567	886
Deferred tax assets		373,914	369,345
		<b>2,631,540</b>	<b>2,797,217</b>
<b>Current Assets</b>			
Property development costs		26,727	598
Inventories		290,210	681,478
Investment securities		20,418	23,199
Receivables and tax recoverable		111,879	159,783
Deposits, cash and bank balances		133,370	177,833
		<b>582,604</b>	<b>1,042,891</b>
<b>TOTAL ASSETS</b>		<b>3,214,144</b>	<b>3,840,108</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		1,316,199	1,316,199
Reserves		(2,102,338)	(1,602,265)
Equity attributable to owners of the Company		(786,139)	(286,066)
Non-controlling interests		(263,771)	(132,415)
Total equity		(1,049,910)	(418,481)
<b>Non-Current Liabilities</b>			
Preference shares		111,000	111,000
Loans and borrowings	18	278,626	90,288
Bonds and debts	18	779,376	764,891
Deferred tax liabilities		1,870	836
Deferred liabilities		275,458	255,600
		<b>1,446,330</b>	<b>1,222,615</b>
<b>Current Liabilities</b>			
Payables		1,917,076	2,021,178
Loans and borrowings	18	898,800	1,011,620
Tax liabilities		1,848	3,176
		<b>2,817,724</b>	<b>3,035,974</b>
<b>Total Liabilities</b>		<b>4,264,054</b>	<b>4,258,589</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,214,144</b>	<b>3,840,108</b>
Net liabilities per share attributable to owners of the Company (RM) (Excluding equity component and warrants reserve)		<b>(0.61)</b>	<b>(0.23)</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

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

**Interim financial report for the fourth quarter ended 30 June 2015**  
(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	Accumulated Losses RM'000			
<b>30 June 2015</b>							
At 1 July 2014	1,316,199	97,685	332,653	(2,032,603)	(286,066)	(132,415)	(418,481)
Total comprehensive income/(loss) for the financial year	-	-	10,772	(510,845)	(500,073)	(131,356)	(631,429)
<b>At 30 June 2015</b>	<b>1,316,199</b>	<b>97,685</b>	<b>343,425</b>	<b>(2,543,448)</b>	<b>(786,139)</b>	<b>(263,771)</b>	<b>(1,049,910)</b>
<b>30 June 2014</b>							
At 1 July 2013	1,316,199	97,685	327,680	(1,525,532)	216,032	(40,652)	175,380
Total comprehensive income/(loss) for the financial year	-	-	4,973	(507,071)	(502,098)	(91,763)	(593,861)
<b>At 30 June 2014</b>	<b>1,316,199</b>	<b>97,685</b>	<b>332,653</b>	<b>(2,032,603)</b>	<b>(286,066)</b>	<b>(132,415)</b>	<b>(418,481)</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 2014 and the accompanying explanatory notes attached to the interim financial statements)*

# LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the fourth quarter ended 30 June 2015

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	30.6.2015	30.6.2014
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(633,999)	(625,851)
Adjustments for:		
Non-cash items	248,434	347,636
Non-operating items	301,359	235,361
Operating loss before working capital changes	(84,206)	(42,854)
Changes in working capital:		
Net changes in assets	388,781	168,846
Net changes in liabilities	(230,082)	(52,051)
Tax paid and others	(11,166)	(2,516)
	<b>63,327</b>	<b>71,425</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(10,730)	(2,849)
Proceeds from disposal/redemption of investments	5,742	6,372
Net cash inflow from disposal of a subsidiary	-	32,996
Dividend received	1,463	321
Others	3,299	3,919
	<b>(226)</b>	<b>40,759</b>
<b>FINANCING ACTIVITIES</b>		
Redemption of bonds and debts	(35,170)	(25,914)
Loans and borrowings	(30,324)	13,549
Others (mainly interest paid)	(45,807)	(74,826)
	<b>(111,301)</b>	<b>(87,191)</b>
Net changes in cash & cash equivalents	(48,200)	24,993
Effects of changes in exchange rates	2,020	52
Cash & cash equivalents at beginning of the financial year	162,325	137,280
Cash & cash equivalents at end of the financial year	<b>116,145</b>	<b>162,325</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

# LION CORPORATION BERHAD (12890-A)

(Incorporated in Malaysia)

## Interim financial report for the fourth quarter ended 30 June 2015

(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 2014. 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 2014.

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 2014 except for the adoption of the following FRSs, Amendments to FRSs and IC Interpretation effective for the financial period beginning 1 July 2014:

Amendments to FRS 10 *Consolidated Financial Statements: Investment Entities*

Amendments to FRS 12 *Joint Arrangements: Investment Entities*

Amendments to FRS 127 *Separate Financial Statements: Investment Entities*

Amendments to FRS 132 *Financial Instruments: Presentations - Offsetting Financial Assets and Financial Liabilities*

Amendments to FRS 136 *Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets*

Amendments to FRS 139 *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*

IC Interpretation 21 *Levies*

Amendments to FRS 2 *Share-based Payments*

Amendments to FRS 3 *Business Combinations*

Amendments to FRS 8 *Operating Segments*

Amendments to FRS 13 *Fair Value Measurement*

Amendments to FRS 116 *Property, Plant and Equipment*

Amendments to FRS 119 *Defined Benefit Plans: Employee Contributions*

Amendments to FRS 124 *Related Party Disclosures*

Amendments to FRS 138 *Intangible Assets*

Amendments to FRS 140 *Investment Property*

Annual Improvements to FRSs 2010-2012 Cycle

Annual Improvements to FRSs 2011-2013 Cycle

The adoption of the above mentioned FRSs, Amendments to FRSs and IC Interpretation 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, the Company has:

- (i) redeemed part of its LCB Bonds amounting to RM35.0 million;
- (ii) repaid part of its LCB Debt amounting to USD0.06 million; and
- (iii) repaid part of its LCB RCCLS amounting to RM11.4 million.

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	2,004,724	61,781	27,552	236	<b>2,094,293</b>
Inter-segment sales	(6,770)	-	-	(15)	<b>(6,785)</b>
External sales	<u>1,997,954</u>	<u>61,781</u>	<u>27,552</u>	<u>221</u>	<u><b>2,087,508</b></u>
<u>Results</u>					
Segment (loss)/profit	(373,231)	35,812	1,964	5,079	<b>(330,376)</b>
Interest and investment income					<b>4,993</b>
Loss from operations					<b>(325,383)</b>
Impairment losses					<b>(2,264)</b>
Finance costs					<b>(267,062)</b>
Share in results of associates					<b>(39,290)</b>
Loss before taxation					<u><b>(633,999)</b></u>
<u>Total Assets</u>					
Segment assets	2,598,167	158,921	25,946	34,155	<b>2,817,189</b>
Investment in associates					<b>22,959</b>
Unallocated corporate assets					<b>373,996</b>
Consolidated total assets					<u><b>3,214,144</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 2014.

**11. Performance review**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
<u>Revenue</u>				
Steel	406,476	600,883	1,997,954	2,350,040
Property	22,175	48,205	61,781	102,259
Furniture	7,716	8,254	27,552	29,480
Others	118	76	221	175
	<b>436,485</b>	<b>657,418</b>	<b>2,087,508</b>	<b>2,481,954</b>
<u>Segment Profit/(Loss)</u>				
Steel	(137,528)	(106,898)	(373,231)	(258,047)
Property	21,940	19,135	35,812	35,982
Furniture	2,055	(333)	1,964	(1,522)
Others	331	656	5,079	(1,178)
	<b>(113,202)</b>	<b>(87,440)</b>	<b>(330,376)</b>	<b>(224,765)</b>

For the financial year under review, the Group posted a lower revenue of RM2.09 billion as compared to RM2.48 billion in the last financial year. The unfavourable performance was mainly due to the weak international **steel** market and selling prices. The domestic steel market continued to be affected by the rampant dumping activities by foreign steel producers as the measures imposed by the authorities are generally seen as ineffective. Coupled with the RM67 million foreign exchange loss (2014: RM6 million) resulting from the weakening of Ringgit Malaysia against the United States Dollar, a higher operating loss of RM330 million was registered by the Group.

The **Property** Division posted lower progress billings for the period under review whilst the contribution of the **Furniture** Division remains negligible to the Group.

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

	Current Year Quarter	Immediate Preceding Quarter
	30.6.2015 RM'000	31.3.2015 RM'000
Revenue	436,485	571,473
Loss from operations	(112,123)	(73,097)
Loss before taxation	<b>(232,364)</b>	<b>(136,022)</b>

For the quarter under review, the Group registered a lower revenue of RM436 million and a higher loss before taxation of RM232 million as compared to the immediate preceding quarter. Included in the losses for the quarter were inventories written down of RM18 million and foreign exchange loss of RM19 million. Coupled with the higher loss from our associates of RM41 million, mainly due to losses arising from their property and steel divisions, higher loss before taxation was reported.

13. a) **Prospects**

There is no improvement in the performance of our steel operation since the implementation of the anti-dumping measures effective 14 February 2015. As a result, the operating environment of the Group would remain tough in the next financial year pending a more effective measure to be implemented. The Group will continue to work with the authorities with the view to enabling the local steel industry to grow and expand in an orderly manner.

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**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
Taxation comprises :				
Income tax	(6,159)	(8,087)	(11,737)	(11,211)
Deferred tax	(510)	33,782	3,535	38,228
	<b>(6,669)</b>	<b>25,695</b>	<b>(8,202)</b>	<b>27,017</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 were not deductible for tax purposes and deferred tax not recognised in respect of the losses.

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

There were no corporate proposals pending completion for the current quarter and financial year-to-date.

(b) **Status of utilisation of proceeds from corporate proposals**

Please refer to Appendix 1.

**18. Borrowings and debt securities**

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

	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
	RM'000	RM'000	RM'000
<u>Loans and Borrowings</u>			
Secured	841,278	278,626	<b>1,119,904</b>
Unsecured	<u>57,522</u>	<u>-</u>	<b>57,522</b>
	898,800	278,626	<b>1,177,426</b>
<u>Bonds and Debts</u>			
Secured	-	779,376	<b>779,376</b>
Total	<u>898,800</u>	<u>1,058,002</u>	<b><u>1,956,802</u></b>

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

	<b>Foreign Currency</b>	
	'000	RM'000
- Ringgit Malaysia	-	1,557,255
- US Dollar	105,868	<u>399,547</u>
		<b><u>1,956,802</u></b>

**19. Changes in material litigation**

There was no material litigation since 30 June 2014.

**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.

	<b>3 MONTHS ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
Net loss attributable to owners of the Company (RM'000)	<u>(195,674)</u>	<u>(282,170)</u>	<u>(510,845)</u>	<u>(507,071)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,316,199</u>	1,316,199	<u>1,316,199</u>	1,316,199
Basic loss per share (sen)	<u>(14.87)</u>	<u>(21.44)</u>	<u>(38.81)</u>	<u>(38.53)</u>

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 2014 was qualified on the Group's recognition of deferred tax assets and the quantum of the provision for onerous contract to be recognised. As at the financial year-to-date, there was no change to the status.

**23. Loss before taxation**

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 RM'000
(a) Interest income	1,079	1,849	4,993	5,431
(b) Other income including investment income but excluding foreign exchange gain	9,636	5,136	16,516	19,542
(c) Interest expense	(77,265)	(57,263)	(267,062)	(242,878)
(d) Depreciation and amortisation	(35,588)	(36,961)	(142,519)	(143,807)
(e) Provision for and write off of receivables	(3,063)	(497)	(3,063)	(497)
(f) Provision for and write off of inventories	(17,685)	(21,217)	(26,627)	(33,824)
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	-	23,275
(h) Impairment of asset	(5,914)	(10,419)	(5,914)	(10,419)
(i) Foreign exchange gain/(loss)	(19,365)	16,919	(66,514)	(6,375)
(j) Gain/(Loss) on derivatives	-	-	-	-
(k) Exceptional items:				
- Impairment loss on goodwill	-	(188,978)	-	(188,978)
- Impairment loss on investments	(2,264)	(30)	(2,264)	(30)
	(2,264)	(189,008)	(2,264)	(189,008)

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

	AS AT 30.6.2015	AS AT 30.6.2014
	RM'000	RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
- Realised	(1,310,041)	(864,755)
- Unrealised	329,197	355,152
	(980,844)	(509,603)
Total share of (accumulated losses) / retained profits from associates:		
- Realised	(449,153)	(411,264)
- Unrealised	717	2,432
	(1,429,280)	(918,435)
Less: Consolidation adjustments (Mostly goodwill amortised & impaired)	(1,114,168)	(1,114,168)
Total Group accumulated losses	(2,543,448)	(2,032,603)

**25. Material events****(a) Practice Note 17 ("PN 17")**

The Company had on 1 October 2014 submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") for an extension of time from 25 October 2014 to 30 June 2015 for the Company to make the submission of the Regularisation Plan to the relevant authorities.

Bursa Securities had vide its letter dated 19 December 2014 granted the Company an extension of time of 4 months up to 28 February 2015 to submit a regularisation plan ("Regularisation Plan") to the regulatory authorities.

SJ Securities Sdn Bhd had on 16 February 2015, submitted an application to Bursa Securities on behalf of the Company for a further extension of time to 30 June 2015 for the Company to make the submission of the Regularisation Plan to the relevant authorities which was approved by Bursa Securities vide its letter dated 10 April 2015.

The Company had on 21 May 2015 announced that the Company is reviewing its position in relation to the Regularisation Plan and in view of the continued challenging situation affecting the steel industry, the Company plans to submit an application to Bursa Securities for an extension of time for the Company to make the submission of the Regularisation Plan to the relevant authorities.

SJ Securities Sdn Bhd had on 19 June 2015, submitted an application to Bursa Securities on behalf of the Company for a further extension of time to 31 March 2016 for the Company to make the submission of the Regularisation Plan to the relevant authorities. The Company is now awaiting the approval from Bursa Securities.

**(b) Malaysia Competition Commission ("MyCC")**

On 1 November 2013, the Malaysia Competition Commission ("MyCC") had issued its Proposed Decision on Megasteel Sdn Bhd ("Megasteel"), a 79% owned subsidiary of the Company. In its Proposed Decision, MyCC is of the view that Megasteel had breached the provision of Section 10(1) of the Competition Act, 2010 in that it had abused its dominant position by charging or imposing a price for its hot rolled coil that amounts to a margin squeeze that produces anti-competitive effects in the cold rolled coil market. A financial penalty of RM4.5 million is imposed by MyCC on Megasteel. Megasteel had on 12 December 2013 filed a written representation to MyCC and presented its oral representation on 21 July 2014.

The MyCC had requested a further oral representation to be held on 5 March 2015 for the purpose of seeking clarification on several issues from the representatives of Malaysian Investment Development Authority, the Ministry of International Trade and Industry and the Malaysian Steel Institute. The MyCC had subsequently cancelled their request for further oral representation.

On 29 June 2015, MyCC conducted a case management in which MyCC issued directions to both Megasteel and the complainant ("Directions"). On 30 June 2015, Megasteel had raised objections to the Directions ("Objections").

Megasteel is currently awaiting the decision of MyCC on the Objections. Megasteel has been advised that there are strong grounds to oppose the Proposed Decision.

**LION CORPORATION BERHAD** (12890-A)

(Incorporated in Malaysia)

**Interim financial report for the fourth quarter ended 30 June 2015**

(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 2015)		
			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 companies	38.6	13.0	-	-	-
	<b>71.9</b>	<b>15.7</b>	-	-	-

(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/LCB RCSLS.