



LION INDUSTRIES CORPORATION BERHAD

(Incorporated in Malaysia)

(415-D)

Interim Financial Report for the Third Quarter Ended 31 March 2012

Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Financial Statements	6 - 12

LION INDUSTRIES CORPORATION BERHAD (415-D)
(Incorporated in Malaysia)

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

CONDENSED CONSOLIDATED INCOME STATEMENT

	<u>Note</u>	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.3.2012	31.3.2011	31.3.2012	31.3.2011
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue		1,302,121	1,416,431	4,088,714	3,467,418
Operating expenses		(1,319,453)	(1,366,834)	(4,159,822)	(3,468,453)
Other operating income		5,449	15,854	62,405	44,805
Profit/(Loss) from operations		(11,883)	65,451	(8,703)	43,770
Finance costs		(17,822)	(20,391)	(53,862)	(69,607)
Share in results of associated companies and jointly controlled entity		31,641	20,525	100,320	51,807
Investment income		8,538	7,113	26,091	20,345
Profit before tax	22	10,474	72,698	63,846	46,315
Tax (expense)/credit	16	(7,591)	(4,947)	(15,042)	13,819
Profit for the period from continuing operations		2,883	67,751	48,804	60,134
Discontinued operations					
Profit/(Loss) for the period from discontinued operations	9	-	(5,596)	-	174,442
Profit for the period		<u>2,883</u>	<u>62,155</u>	<u>48,804</u>	<u>234,576</u>
Profit/(Loss) attributable to:					
- Owners of the Company		1,727	63,099	36,392	187,101
- Non-controlling interests		1,156	(944)	12,412	47,475
Profit for the period		<u>2,883</u>	<u>62,155</u>	<u>48,804</u>	<u>234,576</u>
Earnings/(Loss) per share attributable to owners of the Company (sen):	21				
Basic:					
Continuing operations		0.24	9.35	5.07	11.10
Discontinued operations		-	(0.56)	-	14.98
		<u>0.24</u>	<u>8.79</u>	<u>5.07</u>	<u>26.08</u>
Diluted:					
Continuing operations		0.24	N/A	5.07	N/A
Discontinued operations		-	N/A	-	N/A
		<u>0.24</u>	<u>N/A</u>	<u>5.07</u>	<u>N/A</u>

(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 INDUSTRIES CORPORATION BERHAD (415-D)
(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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	2,883	62,155	48,804	234,576
<u>Other comprehensive income/(loss)</u>				
Exchange differences on translation of foreign operations	(3,395)	4,364	(775)	(17,957)
Net gain/(loss) on fair value changes on available-for-sale financial assets	(85,082)	13	(89,066)	45
Other comprehensive income/(loss) for the period, net of tax	(88,477)	4,377	(89,841)	(17,912)
Total comprehensive income for the period	<u>(85,594)</u>	<u>66,532</u>	<u>(41,037)</u>	<u>216,664</u>
Profit/(Loss) attributable to :				
Owners of the Company	(99,406)	53,907	(55,366)	169,332
Non-controlling interests	13,812	12,625	14,329	47,332
	<u>(85,594)</u>	<u>66,532</u>	<u>(41,037)</u>	<u>216,664</u>

(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 INDUSTRIES CORPORATION BERHAD (415-D)
(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>	AS AT 31.3.2012 RM'000	AS AT 30.6.2011 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,285,483	1,316,699
Investment properties		45,688	44,226
Prepaid land lease payments		52,012	53,389
Land held for property development		35,052	34,839
Investment in associated companies		806,001	789,431
Investment in jointly controlled entity		46,091	20,321
Long-term investments		202,274	84,767
Deferred tax assets		38,387	46,603
Goodwill		130,443	130,443
Total Non-Current Assets		<u>2,641,431</u>	<u>2,520,718</u>
Current Assets			
Property development costs		53,262	20,536
Inventories		870,136	1,153,575
Short-term investments		15,243	20,726
Trade receivables		1,019,677	846,271
Other receivables, deposits and prepayments		357,385	395,631
Amount owing by jointly controlled entity		26,968	24,383
Deposits, cash and bank balances		744,391	1,030,016
		<u>3,087,062</u>	<u>3,491,138</u>
Assets classified as held for sale		404	14,264
Total Current Assets		<u>3,087,466</u>	<u>3,505,402</u>
Total Assets		<u>5,728,897</u>	<u>6,026,120</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		717,909	717,909
Reserves		2,455,915	2,540,013
Equity attributable to owners of the Company		<u>3,173,824</u>	<u>3,257,922</u>
Non-controlling interests		392,633	382,582
Total equity		<u>3,566,457</u>	<u>3,640,504</u>
Non-Current and Deferred Liabilities			
Redeemable cumulative convertible preference shares		12,388	12,833
Long-term borrowings	18	448,264	527,831
Hire-purchase and finance lease payables		129,099	139,293
Deferred tax liabilities		18,633	20,467
Total Non-Current and Deferred Liabilities		<u>608,384</u>	<u>700,424</u>
Current Liabilities			
Trade payables		562,100	748,832
Other payables, deposit and accrued expenses		476,216	553,996
Provisions		15,000	15,000
Short-term borrowings	18	451,142	331,827
Hire-purchase and finance lease payables		17,388	15,158
Tax liabilities		32,210	20,379
Total Current Liabilities		<u>1,554,056</u>	<u>1,685,192</u>
Total Liabilities		<u>2,162,440</u>	<u>2,385,616</u>
Total Equity and Liabilities		<u>5,728,897</u>	<u>6,026,120</u>
Net assets per share attributable to owners of the Company (RM)		<u>4.42</u>	<u>4.54</u>

(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 INDUSTRIES CORPORATION BERHAD (415-D)

(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

	← 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	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000			
31 March 2012								
At 1 July 2011	717,909	532,627	(239)	(1,939)	2,009,564	3,257,922	382,582	3,640,504
Total comprehensive income for the period	-	-	-	(91,758)	36,392	(55,366)	14,329	(41,037)
Dividend paid for the financial year ended 30 June 2011	-	-	-	-	(23,326)	(23,326)	(1,407)	(24,733)
Purchase of treasury shares	-	-	(103)	-	-	(103)	-	(103)
Disposal of associated companies	-	-	-	12,804	(19,209)	(6,405)	6,405	-
Acquisition of non-controlling interests	-	-	-	-	1,102	1,102	(9,276)	(8,174)
At 31 March 2012	717,909	532,627	(342)	(80,893)	2,004,523	3,173,824	392,633	3,566,457
31 March 2011								
At 1 July 2010	715,344	529,706	(147)	17,778	1,775,722	3,038,403	382,016	3,420,419
Dividends	-	-	-	-	(5,383)	(5,383)	(27,732)	(33,115)
Total comprehensive income for the period	-	-	-	(17,769)	187,101	169,332	47,332	216,664
Share-based payments	-	2,123	-	(2,123)	-	-	-	-
Issue of shares	2,565	798	-	-	-	3,363	-	3,363
Purchase of treasury shares	-	-	(92)	-	-	(92)	-	(92)
Disposal of subsidiary companies	-	-	-	(220)	-	(220)	(42)	(262)
Acquisition of non-controlling interests	-	-	-	-	-	-	(13,146)	(13,146)
At 31 March 2011	717,909	532,627	(239)	(2,334)	1,957,440	3,205,403	388,428	3,593,831

(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 INDUSTRIES CORPORATION BERHAD (415-D)

(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 RM'000	31.3.2011 RM'000
OPERATING ACTIVITIES		
Profit before tax		
- Continuing operations	63,846	46,315
- Discontinued operations	-	181,655
	<u>63,846</u>	<u>227,970</u>
Adjustments for:		
Non-cash items	66,723	(98,206)
Non-operating items	(87,653)	(8,903)
	<u>42,916</u>	<u>120,861</u>
Operating profit before changes in working capital		
Changes in working capital:		
Net changes in current assets	(108,155)	131,251
Net changes in current liabilities	(318,741)	(426,432)
Others	-	18,643
	<u>(383,980)</u>	<u>(155,677)</u>
INVESTING ACTIVITIES		
Dividends received	30,363	65,795
Proceeds from disposal of associated companies	88,415	-
Proceeds from redemption of investments	744	4,599
Purchase of property, plant and equipment	(54,786)	(67,930)
Proceeds from disposal of property, plant and equipment	1,249	15,553
Net cash inflow from disposal of subsidiary companies	54,623	390,081
Purchase of investment in associated company	(19,455)	(2,042)
Settlement arising from litigation claim against a former subsidiary company	(40,000)	-
Interest received	24,381	18,147
Acquisition of non-controlling interests	(8,421)	(20,341)
Others	(214)	(54)
	<u>76,899</u>	<u>403,808</u>
FINANCING ACTIVITIES		
Issue of shares	-	3,363
Repayment of BaIDS	-	(110,000)
Interest paid	(29,297)	(27,647)
Borrowings	(51,092)	(50,067)
Redemption/Repayment of Bonds and USD Debts	-	(51,740)
Increase/(Decrease) in cash and cash equivalents - restricted	207,299	(4,547)
Dividends paid to shareholders of the Company	(23,326)	(5,383)
Dividends paid to minority shareholders of a subsidiary company	(1,450)	(27,732)
Purchase of treasury shares	(103)	(92)
Others	-	258
	<u>102,031</u>	<u>(273,587)</u>
Net changes in cash and cash equivalents	(205,050)	(25,456)
Effects of changes in exchange rate	(6)	(475)
Cash and cash equivalents at beginning of the period	457,383	295,540
Cash and cash equivalents at end of the period	<u>252,327</u>	<u>269,609</u>

(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 INDUSTRIES CORPORATION BERHAD (415-D)

(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 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 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 financial period beginning 1 July 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments)
FRS 2	Share-based Payment (Amendment)
FRS 7	Financial Instruments: Disclosures (Amendments)
Improvements to FRSs (2010)	
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendment)
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

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

2. Comments about seasonal or cyclical factors

The Group's performance is not affected by any material seasonal or cyclical factors.

3. Unusual items due to their nature, size or incidence

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, the Company repurchased a total of 69,900 ordinary shares of its issued ordinary shares from the open market at an average price of RM1.48 per share. The total consideration paid for the repurchase including transaction costs amounting to RM103,800 was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. As at 31 March 2012, the number of treasury shares held were 219,900 shares.

Other than as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year-to-date.

6. Dividends paid

During the current quarter and financial year-to-date, a first and final dividend of 3%, less tax, and a single-tier dividend of 1% amounting to RM23.3 million in respect of the previous financial year ended 30 June 2011 was paid by the Company.

7. Segmental information

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

	Steel RM'000	Building materials RM'000	Property development RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue	3,471,516	541,711	8,608	66,879	-	4,088,714
Inter-segment revenue	75,870	33,126	-	-	(108,996)	-
Total revenue	<u>3,547,386</u>	<u>574,837</u>	<u>8,608</u>	<u>66,879</u>	<u>(108,996)</u>	<u>4,088,714</u>
Results						
Segment results	(11,761)	12,063	(4,283)	821	-	(3,160)
Unallocated costs						(5,543)
Finance costs						(53,862)
Share in results of associated companies and jointly controlled entity	7,790	-	25,770	66,760	-	100,320
Investment income						26,091
Profit before tax						63,846
Tax expense						(15,042)
Profit for the period						<u>48,804</u>
Assets						
Segment assets	3,496,030	650,860	255,896	169,664	-	4,572,451
Investment in associated companies and jointly controlled entity	45,844	-	46,091	760,157	-	852,092
Unallocated corporation assets						304,355
Consolidated total assets						<u>5,728,897</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

The contingent liabilities are as follows:

	AS AT 31.3.2012 RM'000	AS AT 30.6.2011 RM'000
Litigation claims in respect of the termination of contracts for the extraction and sale of timber	128,874	313,331
Less: Provisions	(15,000)	(15,000)
	<u>113,874</u>	<u>298,331</u>
Back pay labour claims from SFI's employees	23,427	23,427
	<u>137,301</u>	<u>321,758</u>

Harapan Permai Sdn Bhd had on 24 February 2012 completely withdrawn and discontinued the claim against Sabah Forest Industries Sdn Bhd ("SFI"), a former subsidiary company for RM184,456,769 for alleged wrongful termination of the Timber Sale Agreement without liberty to file afresh.

11. Performance review

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
Revenue				
Steel	1,142,514	1,150,947	3,547,386	3,035,072
Building materials	195,956	373,318	574,837	492,561
Property development	2,862	1,712	8,608	33,596
Others	22,909	19,531	66,879	60,274
Eliminations	(62,120)	(129,077)	(108,996)	(154,085)
	<u>1,302,121</u>	<u>1,416,431</u>	<u>4,088,714</u>	<u>3,467,418</u>
Segment Results				
Steel	(14,492)	60,923	(11,761)	26,665
Building materials	3,165	6,128	12,063	8,434
Property development	(760)	(1,878)	(4,283)	6,126
Others	2,704	1,780	821	6,092
Unallocated costs	(2,500)	(1,502)	(5,543)	(3,547)
Profit/(Loss) from operations	(11,883)	65,451	(8,703)	43,770
Finance costs	(17,822)	(20,391)	(53,862)	(69,607)
Share in results of associated companies and jointly controlled entity	31,641	20,525	100,320	51,807
Investment income	8,538	7,113	26,091	20,345
Profit before tax	<u>10,474</u>	<u>72,698</u>	<u>63,846</u>	<u>46,315</u>

For the nine months of the financial year under review, the Group posted an 18% higher revenue of RM4,089 million compared to RM3,467 million recorded in the same period last year. This was mainly due to the higher sales recorded by our steel and building materials divisions. Together with higher share of profit of associated companies and a jointly controlled entity, the Group recorded a profit before tax of RM63.8 million compared with RM46.3 million in the same period last year.

Steel

Steel division recorded a 17% higher revenue of RM3,547 million compared to RM3,035 million in the same period last year. The higher revenue was mainly due to higher sales tonnage and selling price of our steel products. However, the higher raw material costs and lower margins resulted in the division recording a loss from operations of RM11.8 million against a profit of RM26.7 million a year ago.

Building materials

Building materials division achieved a 17% higher revenue of RM574.8 million compared to RM492.6 million recorded in the same period last year, mainly due to higher sales of steel related products. Correspondingly, the division's profit increased to RM12.1 million from RM8.4 million recorded a year ago.

Property development

Property development division registered lower revenue and a loss from operations of RM8.6 million and RM4.3 million respectively as most of the Group's major property projects were completed last year.

Others

Others comprising the petroleum, lubricants and automotive products businesses recorded a higher revenue of RM66.8 million as compared to RM60.3 million. The higher revenue was mainly attributable to higher sales volume and selling prices. Included in the results of Others segment was a gain of RM41.3 million on the disposal of associated companies and a settlement of RM40.0 million arising from the litigation claim by Harapan Permai Sdn Bhd against Sabah Forest Industries Sdn Bhd, a former subsidiary company.

The higher share in profit of the associated companies was largely attributable to higher profit from Parkson Holdings Berhad and a tax refund on capital gains tax paid on a disposal of an investment received by Lion Asiapac Limited, while the profit from jointly controlled entity was contributed by the St Mary Residences project.

12. Comment on material change in profit

	Revenue RM'000	Profit before tax RM'000
Current quarter (31 March 2012)	1,302,121	10,474
Immediate preceding quarter (31 December 2011)	<u>1,459,594</u>	<u>16,374</u>

Revenue of the Group for the quarter under review was RM1,302 million, representing a decrease of 11% against RM1,460 million in the immediate preceding quarter. The decrease was mainly due to lower sales of steel products. The Group recorded a loss from operations of RM11.8 million as compared with RM18.3 million in the immediate preceding quarter mainly due to higher raw material costs and lower margins.

After accounting for lower profit from associated companies and a jointly controlled entity of RM31.6 million, the Group posted a lower profit before tax of RM10.5 million compared with RM16.4 million in the immediate preceding quarter.

13. a) Prospects

The operating environment for the Group's businesses is expected to remain challenging due to uncertainties surrounding the recovery of the global economy, particularly the slow pace in resolving the European debt crisis and the slowdown in economic growth in China. International steel prices remain soft while raw material prices continue to be volatile. On the domestic front, steel demand is expected to gradually gain momentum with the roll out of infrastructure projects under the Economic Transformation Programme which should benefit the steel and building materials businesses. Under such circumstances, the Group's steel and building materials businesses are expected to achieve a satisfactory set of results in the last quarter of the current 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. Tax expense/(credit)

	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
Continuing operations				
Estimated tax payable				
Current provision	5,527	4,267	15,104	11,383
Overprovision in prior years	-	-	(5,000)	-
Deferred taxation				
Current provision	2,064	765	4,938	(23,410)
Overprovision in prior years	-	(85)	-	(1,792)
	<u>7,591</u>	<u>4,947</u>	<u>15,042</u>	<u>(13,819)</u>

Excluding the share in results of the associated companies and the jointly controlled entity, the effective tax rate of the Group for the current quarter is higher than the statutory tax rate principally due to certain expenses not deductible for tax purposes.

17. Corporate proposalsa) Status of corporate proposals

No	Date of Announcements	Subjects	Status
1.	3.3.2011 2.6.2011 3.8.2011 26.8.2011 31.10.2011 2.3.2012	<p>i) Proposed joint venture between Lion Industries Corporation Berhad ("LICB"), Lion Diversified Holdings Berhad ("LDHB") and Lion Forest Industries Berhad ("LFIB") in Lion Blast Furnace Sdn Bhd ("LBF") in the shareholding of 29%, 51% and 20% respectively;</p> <p>ii) Proposed disposal by Amsteel Mills Sdn Bhd (a 99% owned subsidiary of LICB) to LBF of a parcel of freehold land located in Mukim Tanjung Duabelas, Daerah Kuala Langat, Negeri Selangor Darul Ehsan measuring approximately 41.36 acres, for a cash consideration of approximately RM16.22 million; and</p> <p>iii) Proposed provision of financial assistance by LICB in the form of a corporate guarantee and pledge of securities proportionate to its shareholding in LBF for the latter and its subsidiary company to secure a loan facility in relation to the Blast Furnace Project.</p>	<p>Pending approvals of:</p> <p>i) Shareholders of LICB, LDHB and LFIB; and</p> <p>ii) Any other relevant authorities.</p>

The status of the corporate proposals of LFIB, a subsidiary of the Company, is reported in the Interim Financial Report of LFIB.

18. Borrowings and debt securities

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

	Short-Term RM'000	Long-Term RM'000	Total RM'000
Bank borrowings			
Secured	447,899	151,663	599,562
Unsecured	3,243	-	3,243
Sukuk			
Secured	-	296,601	296,601
	<u>451,142</u>	<u>448,264</u>	<u>899,406</u>

	Foreign Currency	
The Group's borrowings were denominated in the following currencies :		
	'000	RM'000
- Ringgit Malaysia	-	774,274
- US Dollar	40,813	<u>125,132</u>
		<u>899,406</u>

19. Changes in material litigation

There were no changes in 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. Earnings/(Loss) per share ("EPS")**Basic**

Basic EPS is calculated by dividing the profit/(loss) for the period attributable to owners of the Company by the weighted average number of ordinary shares of 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
Profit attributable to owners of the Company (RM'000)				
- Continuing operations	1,727	67,086	36,392	79,655
- Discontinued operations	-	(3,987)	-	107,446
	<u>1,727</u>	<u>63,099</u>	<u>36,392</u>	<u>187,101</u>
Weighted average number of ordinary shares in issue ('000)	<u>717,741</u>	<u>717,759</u>	<u>717,742</u>	<u>717,344</u>
Basic EPS (sen)				
- Continuing operations	0.24	9.35	5.07	11.10
- Discontinued operations	-	(0.56)	-	14.98
	<u>0.24</u>	<u>8.79</u>	<u>5.07</u>	<u>26.08</u>

The basic EPS and diluted EPS are the same for the period as the Company has no dilutive potential ordinary shares as of the end of the reporting period.

22. Profit before tax

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

	3 MONTHS ENDED 31.3.2012	YEAR-TO-DATE ENDED 31.3.2012
	RM'000	RM'000
(a) Interest income	8,538	26,091
(b) Other income including investment income	629	1,972
(c) Interest expense	(17,822)	(53,862)
(d) Depreciation and amortisation	(28,217)	(84,791)
(e) Provision for and write off of receivables	(858)	(2,402)
(f) Provision for and write off of inventories	(3,034)	(18,727)
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	102	1,106
(h) Impairment of assets	-	-
(i) Foreign exchange gain/(loss)	4,718	18,011
(j) Gain/(Loss) on derivatives	-	-
(k) Exceptional items	-	(2,069)
- gain on disposal of associated companies	-	41,316
- Settlement arising from litigation claim against a former subsidiary company	-	(40,000)
- log extraction premium paid to State Government of Sabah	-	(3,385)

23. Realised and Unrealised Profits/Losses Disclosure

	AS AT 31.3.2012	AS AT 30.6.2011
	RM'000	RM'000
Total retained earnings of the Company and subsidiary companies		
- Realised	1,680,931	1,717,397
- Unrealised	(45,520)	23,375
	<u>1,635,411</u>	<u>1,740,772</u>
Total share of retained earnings from associated companies and a jointly controlled entity		
- Realised	366,244	267,893
- Unrealised	(1,447)	(3,416)
Consolidated adjustments	4,315	4,315
Total retained earnings	<u>2,004,523</u>	<u>2,009,564</u>

24. 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.