



LION INDUSTRIES CORPORATION BERHAD

(Incorporated in Malaysia)

(415-D)

Interim Financial Report for the Fourth Quarter Ended 30 June 2012

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

Interim financial report for the fourth quarter ended 30 June 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
Continuing operations					
Revenue		1,406,993	1,481,716	5,495,707	4,949,134
Operating expenses		(1,390,456)	(1,445,662)	(5,546,209)	(4,914,115)
Other operating income		18,347	14,280	80,752	59,752
Profit from operations		34,884	50,334	30,250	94,771
Finance costs		(17,596)	(19,110)	(73,458)	(88,717)
Share in results of associated companies and jointly controlled entity		20,297	16,860	120,617	68,667
Investment income		7,287	11,577	33,378	31,255
Exceptional items	22(k)	(121,366)	-	(123,435)	-
(Loss)/Profit before tax	22	(76,494)	59,661	(12,648)	105,976
Tax (expense)/credit	16	(2,846)	(11,485)	(17,888)	2,334
(Loss)/Profit for the year from continuing operations		(79,340)	48,176	(30,536)	108,310
Discontinued operations					
Profit/(Loss) for the year from discontinued operations	9	-	(680)	-	173,762
(Loss)/Profit for the year		(79,340)	47,496	(30,536)	282,072
(Loss)/Profit attributable to:					
- Owners of the Company		(74,847)	44,989	(38,455)	232,090
- Non-controlling interests		(4,493)	2,507	7,919	49,982
(Loss)/Profit for the year		(79,340)	47,496	(30,536)	282,072
(Loss)/Earnings per share attributable to owners of the Company (sen):	21				
Basic:					
Continuing operations		(10.43)	6.12	(5.36)	17.38
Discontinued operations		-	0.16	-	14.97
		(10.43)	6.28	(5.36)	32.35
Diluted:					
Continuing operations		(10.43)	6.12	(5.36)	17.38
Discontinued operations		-	0.16	-	14.97
		(10.43)	6.28	(5.36)	32.35

(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 fourth quarter ended 30 June 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the year	(79,340)	47,496	(30,536)	282,072
<u>Other comprehensive income/(loss)</u>				
Exchange differences on translation of foreign operations	14,838	1,146	14,063	(16,811)
Net gain/(loss) on fair value changes on available-for-sale financial assets	89,591	(7,718)	525	(7,673)
Other comprehensive income/(loss) for the year, net of tax	104,429	(6,572)	14,588	(24,484)
Total comprehensive income/(loss) for the year	<u>25,089</u>	<u>40,924</u>	<u>(15,948)</u>	<u>257,588</u>
Profit/(Loss) attributable to :				
Owners of the Company	23,380	41,417	(31,986)	210,749
Non-controlling interests	1,709	(493)	16,038	46,839
	<u>25,089</u>	<u>40,924</u>	<u>(15,948)</u>	<u>257,588</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 fourth quarter ended 30 June 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 30.6.2012 RM'000	AS AT 30.6.2011 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,263,674	1,316,699
Investment properties		4,626	44,226
Prepaid land lease payments		51,552	53,389
Land held for property development		35,052	34,839
Investment in associated companies		824,628	789,431
Investment in jointly controlled entity		56,741	20,321
Long-term investments		135,821	84,767
Deferred tax assets		44,696	46,603
Goodwill		130,443	130,443
Total Non-Current Assets		<u>2,547,233</u>	<u>2,520,718</u>
Current Assets			
Property development costs		54,018	20,536
Inventories		942,671	1,153,575
Short-term investments		21,631	20,726
Trade receivables		1,036,839	846,271
Other receivables, deposits and prepayments		358,009	395,631
Amount owing by jointly controlled entity		28,847	24,383
Deposits, cash and bank balances		569,116	1,030,016
		<u>3,011,131</u>	<u>3,491,138</u>
Assets classified as held for sale		22,393	14,264
Total Current Assets		<u>3,033,524</u>	<u>3,505,402</u>
Total Assets		<u>5,580,757</u>	<u>6,026,120</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		717,909	717,909
Reserves		2,480,290	2,540,013
Equity attributable to owners of the Company		<u>3,198,199</u>	<u>3,257,922</u>
Non-controlling interests		386,638	382,582
Total equity		<u>3,584,837</u>	<u>3,640,504</u>
Non-Current and Deferred Liabilities			
Redeemable cumulative convertible preference shares		12,388	12,833
Long-term borrowings	18	297,763	527,831
Hire-purchase and finance lease payables		125,372	139,293
Deferred tax liabilities		23,065	20,467
Total Non-Current and Deferred Liabilities		<u>458,588</u>	<u>700,424</u>
Current Liabilities			
Trade payables		513,407	748,832
Other payables, deposit and accrued expenses		438,821	553,996
Provisions		15,000	15,000
Short-term borrowings	18	522,872	331,827
Hire-purchase and finance lease payables		17,466	15,158
Tax liabilities		29,766	20,379
Total Current Liabilities		<u>1,537,332</u>	<u>1,685,192</u>
Total Liabilities		<u>1,995,920</u>	<u>2,385,616</u>
Total Equity and Liabilities		<u>5,580,757</u>	<u>6,026,120</u>
Net assets per share attributable to owners of the Company (RM)		<u>4.45</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 fourth quarter ended 30 June 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			
30 June 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 year	-	-	-	6,469	(38,455)	(31,986)	16,038	(15,948)
Dividends paid	-	-	-	-	(23,326)	(23,326)	(7,659)	(30,985)
Purchase of treasury shares	-	-	(103)	-	-	(103)	-	(103)
Disposal of associated companies	-	-	-	12,806	(17,848)	(5,042)	5,042	-
Acquisition of non-controlling interests	-	-	-	-	734	734	(9,365)	(8,631)
At 30 June 2012	717,909	532,627	(342)	17,336	1,930,669	3,198,199	386,638	3,584,837
30 June 2011								
At 1 July 2010	715,344	529,706	(147)	17,778	1,775,722	3,038,403	382,016	3,420,419
Effect from adoption of FRS 139	-	-	-	6,176	2,012	8,188	-	8,188
As restated	715,344	529,706	(147)	23,954	1,777,734	3,046,591	382,016	3,428,607
Total comprehensive income for the year	-	-	-	(21,341)	232,090	210,749	46,839	257,588
Issue of shares	2,565	798	-	-	-	3,363	-	3,363
Purchase of treasury shares	-	-	(92)	-	-	(92)	-	(92)
Effect of discontinued operations	-	-	-	(2,608)	3,452	844	(42)	802
Acquisition of non-controlling interests	-	-	-	-	1,671	1,671	(18,986)	(17,315)
Share-based payments	-	2,123	-	(1,944)	-	179	(86)	93
Effect of dilution on equity interest in a subsidiary company	-	-	-	-	-	-	573	573
Dividends paid	-	-	-	-	(5,383)	(5,383)	(27,732)	(33,115)
At 30 June 2011	717,909	532,627	(239)	(1,939)	2,009,564	3,257,922	382,582	3,640,504

(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)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	30.6.2012	30.6.2011
	RM'000	RM'000
<u>OPERATING ACTIVITIES</u>		
(Loss)/Profit before tax		
- Continuing operations	(12,648)	105,976
- Discontinued operations	-	177,629
	(12,648)	283,605
Adjustments for:		
Non-cash items	48,126	75,425
Non-operating items	(101,963)	(123,463)
Operating (loss)/profit before changes in working capital	(66,485)	235,567
Changes in working capital:		
Net changes in current assets	(113,570)	(377,682)
Net changes in current liabilities	(301,935)	21,366
	(481,990)	(120,749)
<u>INVESTING ACTIVITIES</u>		
Dividends received	40,691	64,560
Proceeds from disposal of associated companies	86,834	-
Proceeds from redemption/disposal of investments properties	36,382	8,642
Proceeds from disposal of asset held for sale	14,500	-
Purchase of property, plant and equipment	(65,157)	(8,981)
Proceeds from disposal of property, plant and equipment	8,329	14,692
Net cash inflow from disposal of subsidiary companies	54,623	483,167
Purchase of investment in associated company	(27,855)	(20,599)
Settlement arising from litigation claim against a former subsidiary company	(40,000)	-
Interest received	31,292	20,753
Acquisition of non-controlling interests	(8,537)	(24,510)
Others	(214)	(100)
	130,888	537,624
<u>FINANCING ACTIVITIES</u>		
Issue of shares	-	3,363
Repayment of BalDS	-	(240,000)
Interest paid	(37,130)	(12,858)
Borrowings	(92,205)	(160,866)
Redemption/Repayment of Bonds and USD Debts	-	(51,751)
Proceeds from borrowings	-	393,238
Decrease in security deposits received from customers	-	(119,923)
Increase/(Decrease) in cash and cash equivalents - restricted	207,299	(32,555)
Dividends paid to shareholders of the Company	(23,326)	(5,383)
Dividends paid to non-controlling interest of the Group	(7,378)	(27,732)
Purchase of treasury shares	(103)	(92)
Others	(432)	-
	46,725	(254,559)
Net changes in cash and cash equivalents	(304,377)	162,316
Effects of changes in exchange rate	(144)	(473)
Cash and cash equivalents at beginning of the year	457,383	295,540
Cash and cash equivalents at end of the year	152,862	457,383

(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)

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(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 30 June 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 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	4,596,628	792,498	15,168	91,413	-	5,495,707
Inter-segment revenue	97,570	162,554	-	-	(260,124)	-
Total revenue	<u>4,694,198</u>	<u>955,052</u>	<u>15,168</u>	<u>91,413</u>	<u>(260,124)</u>	<u>5,495,707</u>
Results						
Segment results	14,197	24,415	(2,101)	1,390	-	37,901
Unallocated costs						(7,651)
Finance costs						(73,458)
Share in results of associated companies and jointly controlled entity	9,886	-	36,420	74,311	-	120,617
Investment income						33,378
Exceptional items						(123,435)
Loss before tax						(12,648)
Tax expense						(17,888)
Loss for the year						<u>(30,536)</u>
Assets						
Segment assets	3,367,432	618,605	232,024	169,873	-	4,387,934
Investment in associated companies and jointly controlled entity	58,340	-	56,741	766,288	-	881,369
Unallocated corporation assets						311,454
Consolidated total assets						<u>5,580,757</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 30.6.2012 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	
	30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
Revenue				
Steel	1,146,812	1,167,025	4,694,198	4,202,097
Building materials	380,215	355,449	955,052	848,010
Property development	6,560	3,412	15,168	37,008
Others	24,534	24,648	91,413	84,922
Eliminations	(151,128)	(68,818)	(260,124)	(222,903)
	<u>1,406,993</u>	<u>1,481,716</u>	<u>5,495,707</u>	<u>4,949,134</u>
Segment Results				
Steel	23,958	52,960	14,197	79,625
Building materials	12,352	9,334	24,415	17,768
Property development	2,182	(11,251)	(2,101)	(5,125)
Others	(1,500)	1,008	1,390	7,767
Unallocated costs	(2,108)	(1,717)	(7,651)	(5,264)
Profit from operations	<u>34,884</u>	<u>50,334</u>	<u>30,250</u>	<u>94,771</u>
Finance costs	(17,596)	(19,110)	(73,458)	(88,717)
Share in results of associated companies and jointly controlled entity	20,297	16,860	120,617	68,667
Investment income	7,287	11,577	33,378	31,255
Impairment loss on investment in quoted shares	(121,366)	-	(123,435)	-
(Loss)/Profit before tax	<u>(76,494)</u>	<u>59,661</u>	<u>(12,648)</u>	<u>105,976</u>

For the financial year under review, the Group posted an 11% higher revenue of RM5,496 million compared to RM4,949 million recorded in the same period last year. This was mainly due to the higher sales achieved by our steel and building materials divisions. The cost of raw materials remained relatively high and resulted in lower profit from operations of RM30.3 million compared to RM94.8 million last year. The associated companies and a jointly controlled entity contributed a higher profit to the Group of RM120.6 million compared to RM68.7 million last year. However, after accounting for loss on exceptional items of RM123.4 million, the Group recorded a loss before tax of RM12.6 million as against a profit of RM106.0 million in the same period last year.

Steel

Steel division recorded a 12% higher revenue of RM4,694 million compared to RM4,202 million in the same period last year. The higher revenue was mainly due to higher sales tonnage and selling prices. However, the cost of raw materials remained relatively high and had resulted in the division recording a lower profit from operations of RM14.2 million against RM79.6 million a year ago.

Building materials

Building materials division achieved a 13% higher revenue of RM955.1 million compared to RM848.0 million recorded in the same period last year, mainly due to higher sales of steel related products. Correspondingly, the division's profit increased to RM24.4 million from RM17.8 million recorded a year ago.

Property development

Property development division registered lower revenue and a loss from operations of RM15.2 million and RM2.1 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 RM91.4 million as compared to RM84.9 million last year. The higher revenue was mainly attributable to higher sales volume and selling prices.

Associated companies and jointly controlled entity

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

Exceptional items

Exceptional items comprised a gain of RM41.3 million on the disposal of associated companies, 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, and an impairment loss of RM123.4 million on investment in quoted shares.

12. Comment on material change in profit

	Revenue	(Loss)/Profit
	RM'000	before tax RM'000
Current quarter (30 June 2012)	1,406,993	(76,494)
Immediate preceding quarter (31 March 2012)	<u>1,302,121</u>	<u>10,474</u>

Revenue of the Group for the quarter under review was RM1,407 million, representing an increase of 8% against RM1,302 million in the immediate preceding quarter. All the divisions recorded higher sales, particularly the building materials division. The Group recorded a profit from operations of RM34.9 million as against a loss of RM11.9 million in the immediate preceding quarter mainly due to higher sales volume and margins.

After accounting for profit from associated companies and a jointly controlled entity of RM20.3 million, the Group posted a higher profit before tax before exceptional items of RM44.9 million compared with RM10.5 million in the immediate preceding quarter. During the quarter, the Group provided an impairment loss of RM121.4 million on its investment in quoted shares. Consequently, the Group registered a loss before tax of RM76.5 million.

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, the rampant competition from imported steel products, has adversely affected the local steel industry. In view of this, a petition from domestic producers was submitted to the Ministry of International Trade and Industry ("MITI"). MITI has initiated an investigation to study the possibility of imposing anti-dumping duty on steel wire rod imports from certain countries. MITI has also accepted the recommendations of Boston Consulting Group which was tasked by the Government to undertake an in-depth study on the current plight faced by the local steel industry. The local steel industry is now awaiting urgent and decisive action by the Government on the recommendations. Conditional upon such action by the Government, the Group's steel and building materials businesses are expected to achieve a satisfactory set of results in the next 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	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Estimated tax payable				
Current provision	8,277	5,101	23,381	16,484
Overprovision in prior years	878	652	(4,122)	652
Deferred taxation				
Current provision	(6,309)	5,406	(1,371)	(18,004)
Overprovision in prior years	-	326	-	(1,466)
	<u>2,846</u>	<u>11,485</u>	<u>17,888</u>	<u>(2,334)</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	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; 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 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.	Pending approvals of: i) Shareholders of LICB, LDHB and LFIB; and ii) Any other relevant authorities.

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	518,918	-	518,918
Unsecured	3,954	-	3,954
Sukuk			
Secured	-	297,763	297,763
	<u>522,872</u>	<u>297,763</u>	<u>820,635</u>

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

	Foreign Currency	'000	RM'000
- Ringgit Malaysia		-	707,933
- US Dollar		35,286	112,702
			<u>820,635</u>

19. Changes in material litigation

There was no material litigation since 30 June 2011.

20. Dividend proposed

The Board of Directors is recommending a first and final dividend in respect of the current financial year:

- a)
 - i. Amount per share: Single-tier dividend of 1 sen per share;
 - ii. Previous corresponding year: 3 sen per share less 25% taxation and single-tier dividend of 1 sen per share amounting to RM23.3 million; and
 - iii. Payment date: To be announced later
 - iv. Entitlement date: To be announced later.
- b) Total dividend payable for the current financial year: RM7.2 million.

21. (Loss)/Earnings 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.

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Profit attributable to owners of the Company (RM'000)				
- Continuing operations	(74,847)	44,691	(38,455)	124,670
- Discontinued operations	-	298	-	107,420
	<u>(74,847)</u>	<u>44,989</u>	<u>(38,455)</u>	<u>232,090</u>
Weighted average number of ordinary shares in issue ('000)	<u>717,729</u>	<u>717,759</u>	<u>717,742</u>	<u>717,448</u>
Basic EPS (sen)				
- Continuing operations	(10.43)	6.23	(5.36)	17.38
- Discontinued operations	-	0.04	-	14.97
	<u>(10.43)</u>	<u>6.27</u>	<u>(5.36)</u>	<u>32.35</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. (Loss)/Profit before tax

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

	3 MONTHS YEAR-TO-DATE	
	ENDED	ENDED
	30.6.2012	30.6.2012
	RM'000	RM'000
(a) Interest income	7,321	33,412
(b) Other income including investment income	10,653	12,625
(c) Interest expense	(17,596)	(73,458)
(d) Depreciation and amortisation	(29,592)	(114,383)
(e) Provision for and write off of receivables	(1,486)	(3,888)
(f) Provision for and write off of inventories	(11,712)	(30,439)
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	7,090	8,196
(h) Impairment of assets (refer to item (k))	-	-
(i) Foreign exchange gain/(loss)	604	18,615
(j) Gain/(Loss) on derivatives	-	-
(k) Exceptional items	(121,366)	(123,435)
- impairment loss on investment in quoted shares	(121,366)	(121,366)
- 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	AS AT
	30.6.2012	30.6.2011
	RM'000	RM'000
Total retained earnings of the Company and subsidiary companies		
- Realised	1,554,004	1,717,397
- Unrealised	(12,221)	23,375
	1,541,783	1,740,772
Total share of retained earnings from associated companies and a jointly controlled entity		
- Realised	385,335	267,893
- Unrealised	(764)	(3,416)
Consolidated adjustments	4,315	4,315
Total retained earnings	1,930,669	2,009,564

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.