



LION INDUSTRIES CORPORATION BERHAD

(Incorporated in Malaysia)

(415-D)

Interim Financial Report for the Second Quarter Ended 31 December 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 - 13

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

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

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue		1,151,859	1,459,594	2,276,802	2,786,593
Operating expenses		(1,195,105)	(1,528,557)	(2,342,583)	(2,838,300)
Other operating income		10,941	52,725	17,149	56,956
(Loss)/Profit from operations		(32,305)	(16,238)	(48,632)	5,249
Finance costs		(16,561)	(18,427)	(33,662)	(36,040)
Share in results of associated companies and jointly controlled entity		25,703	43,359	46,379	68,679
Investment income		10,823	9,749	19,088	17,553
Exceptional items	22(k)	-	(2,069)	(22,561)	(2,069)
(Loss)/Profit before tax	22	(12,340)	16,374	(39,388)	53,372
Tax credit/(expense)	16	9,342	(677)	11,791	(7,451)
(Loss)/Profit for the period		<u>(2,998)</u>	<u>15,697</u>	<u>(27,597)</u>	<u>45,921</u>
(Loss)/Profit attributable to:					
- Owners of the Company		(6,778)	7,027	(32,700)	34,665
- Non-controlling interests		3,780	8,670	5,103	11,256
(Loss)/Profit for the period		<u>(2,998)</u>	<u>15,697</u>	<u>(27,597)</u>	<u>45,921</u>
(Loss)/Earnings per share attributable to owners of the Company (sen):	21				
- Basic		<u>(0.94)</u>	<u>0.98</u>	<u>(4.56)</u>	<u>4.83</u>
- Diluted		<u>(0.94)</u>	<u>0.98</u>	<u>(4.56)</u>	<u>4.83</u>

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 second quarter ended 31 December 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(2,998)	15,697	(27,597)	45,921
<u>Other comprehensive income/(loss)</u>				
Exchange differences on translation of foreign operations	(5,259)	(2,129)	(6,346)	2,620
Net gain/(loss) on fair value changes on available-for-sale financial assets and assets classified as held for sale	438	(423)	723	(3,984)
Change in fair value on disposal of assets classified as held for sale	(1,220)	-	(1,220)	-
Other comprehensive (loss)/income for the period, net of tax	(6,041)	(2,552)	(6,843)	(1,364)
Total comprehensive (loss)/income for the period	<u>(9,039)</u>	<u>13,145</u>	<u>(34,440)</u>	<u>44,557</u>
(Loss)/Profit attributable to:				
Owners of the Company	(11,034)	15,175	(36,765)	44,040
Non-controlling interests	1,995	(2,030)	2,325	517
	<u>(9,039)</u>	<u>13,145</u>	<u>(34,440)</u>	<u>44,557</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 second quarter ended 31 December 2012
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.12.2012 RM'000	AS AT 30.6.2012 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,248,853	1,288,871
Investment properties		4,612	4,627
Prepaid land lease payments		50,634	51,551
Land held for property development		36,141	79,001
Investment in associated companies		829,937	822,845
Investment in jointly controlled entity		70,664	56,741
Long-term investments		109,340	133,641
Deferred tax assets		80,436	56,367
Goodwill		130,443	130,443
Total Non-Current Assets		<u>2,561,060</u>	<u>2,624,087</u>
Current Assets			
Property development costs		58,956	14,426
Inventories		815,323	1,030,604
Short-term investments		21,099	20,063
Trade receivables		898,803	849,609
Other receivables, deposits and prepayments		531,433	480,943
Amount owing by jointly controlled entity		31,237	27,247
Deposits, cash and bank balances		653,849	584,838
		<u>3,010,700</u>	<u>3,007,730</u>
Assets classified as held for sale		-	22,393
Total Current Assets		<u>3,010,700</u>	<u>3,030,123</u>
Total Assets		<u>5,571,760</u>	<u>5,654,210</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		717,909	717,909
Reserves		2,436,531	2,480,511
Equity attributable to owners of the Company		<u>3,154,440</u>	<u>3,198,420</u>
Non-controlling interests		387,870	386,828
Total equity		<u>3,542,310</u>	<u>3,585,248</u>
Non-Current and Deferred Liabilities			
Long-term borrowings	18	297,936	297,762
Hire-purchase and finance lease payables		119,258	124,894
Deferred tax liabilities		18,498	16,268
Total Non-Current and Deferred Liabilities		<u>435,692</u>	<u>438,924</u>
Current Liabilities			
Trade payables		544,260	548,663
Other payables, deposit and accrued expenses		470,181	543,216
Provisions		15,000	15,000
Hire-purchase and finance lease payables		16,038	16,600
Short-term borrowings	18	484,567	468,754
RCCPS		12,388	12,388
Tax liabilities		51,324	25,417
Total Current Liabilities		<u>1,593,758</u>	<u>1,630,038</u>
Total Liabilities		<u>2,029,450</u>	<u>2,068,962</u>
Total Equity and Liabilities		<u>5,571,760</u>	<u>5,654,210</u>
Net assets per share attributable to owners of the Company (RM)		<u>4.39</u>	<u>4.46</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 second quarter ended 31 December 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 December 2012								
At 1 July 2012	717,909	532,627	(342)	17,323	1,930,903	3,198,420	386,828	3,585,248
Total comprehensive income for the period	-	-	-	(4,065)	(32,700)	(36,765)	2,325	(34,440)
Dividend payable for the financial year ended 30 June 2012	-	-	-	-	(7,179)	(7,179)	(1,256)	(8,435)
Acquisition of non-controlling interests	-	-	-	-	22	22	(27)	(5)
Purchase of treasury shares	-	-	(58)	-	-	(58)	-	(58)
At 31 December 2012	717,909	532,627	(400)	13,258	1,891,046	3,154,440	387,870	3,542,310
31 December 2011								
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	-	-	-	9,375	34,665	44,040	517	44,557
Dividend payable for the financial year ended 30 June 2011	-	-	-	-	(23,326)	(23,326)	(1,407)	(24,733)
Purchase of treasury shares	-	-	(32)	-	-	(32)	-	(32)
Disposal of associated companies	-	-	-	12,804	(19,209)	(6,405)	6,405	-
Acquisition of non-controlling interests	-	-	-	-	323	323	(795)	(472)
At 31 December 2011	717,909	532,627	(271)	20,240	2,002,017	3,272,522	387,302	3,659,824

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 second quarter ended 31 December 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.12.2012	31.12.2011
	RM'000	RM'000
<u>OPERATING ACTIVITIES</u>		
(Loss)/Profit before tax	(39,388)	53,372
Adjustments for:		
Non-cash items	76,731	47,536
Non-operating items	(31,805)	(55,851)
Operating profit before changes in working capital	5,538	45,057
Changes in working capital:		
Net changes in current assets	144,882	(149,500)
Net changes in current liabilities	(83,689)	(202,314)
Others	-	(684)
	66,731	(307,441)
<u>INVESTING ACTIVITIES</u>		
Dividends received	24,075	23,377
Proceeds from disposal of a subsidiary company	-	27,942
Proceeds from redemption of investments	760	1,835
Proceeds from disposal of asset held for sale	404	-
Purchase of property, plant and equipment	(19,049)	(45,066)
Proceeds from disposal of property, plant and equipment	304	511
Net cash inflow from disposal of subsidiary companies	-	54,623
Purchase of investment	-	(431)
Acquisition of non-controlling interests	(5)	(958)
Others	16,636	16,152
	23,125	77,985
<u>FINANCING ACTIVITIES</u>		
Borrowings and interest paid	(76,628)	(56,496)
Increase/(Decrease) in cash and cash equivalents - restricted	1,881	144,159
Purchase of treasury shares	(58)	(32)
Dividend paid to minority shareholders of subsidiary companies	(2,042)	-
	(76,847)	87,631
Net changes in cash and cash equivalents	13,009	(141,825)
Effects of changes in exchange rate	39	(6)
Cash and cash equivalents at beginning of the period	317,741	457,383
Cash and cash equivalents at end of the period	330,789	315,552

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 second quarter ended 31 December 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 2012. 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 2012.

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 2012 except for the adoption of the following FRSs effective for the financial period beginning 1 July 2012:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments)
FRS 7	Financial Instruments: Disclosures (Amendments)
FRS 101	Presentation of Financial Statements (Amendments)
FRS 112	Income Taxes (Amendments)
FRS 124	Related Party Disclosure (Revised)

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

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012. However, on 30 June 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after 1 January 2014.

Accordingly, the Group, being a Transitioning Entity, has availed itself of this transitional arrangement and will continue to apply FRSs in its next two sets of financial statements. Therefore, the Group will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in its financial statements for the financial year ending 30 June 2015, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

2. Comments about seasonal or cyclical factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-date, except as disclosed in the Interim Financial Report.

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 50,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM1.155 per share. The total consideration paid for the repurchase including transaction costs amounting to RM58,172 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 December 2012, the number of treasury shares held were 269,900 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

There was no dividend paid during the quarter and financial year-to-date.

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	1,953,407	267,432	7,884	48,079	-	2,276,802
Inter-segment revenue	51,974	237,614	-	-	(289,588)	-
Total revenue	<u>2,005,381</u>	<u>505,046</u>	<u>7,884</u>	<u>48,079</u>	<u>(289,588)</u>	<u>2,276,802</u>
Results						
Segment results	(56,556)	16,353	(3,151)	(2,456)	-	(45,810)
Unallocated costs						(2,822)
Finance costs						(33,662)
Share in results of associated companies and jointly controlled entity	7,451	-	13,923	25,005	-	46,379
Investment income						19,088
Exceptional items	(19,356)	(666)	(31)	(2,508)	-	(22,561)
Loss before tax						(39,388)
Tax credit						11,791
Loss for the year						<u>(27,597)</u>
Assets						
Segment assets	3,287,595	629,987	242,150	162,503	-	4,322,235
Investment in associated companies and jointly controlled entity	62,681	-	70,664	767,256	-	900,601
Unallocated corporation assets						348,924
Consolidated total assets						<u>5,571,760</u>

8. Subsequent events

Other than as disclosed in Note 17, 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 2012.

11. Performance review

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue				
Steel	1,040,245	1,260,606	2,005,381	2,404,872
Building materials	218,801	194,931	505,046	378,881
Property development	2,745	3,664	7,884	5,746
Others	23,888	21,618	48,079	43,970
Eliminations	(133,820)	(21,225)	(289,588)	(46,876)
	<u>1,151,859</u>	<u>1,459,594</u>	<u>2,276,802</u>	<u>2,786,593</u>
Segment Results				
Steel	(35,885)	(17,082)	(56,556)	2,731
Building materials	8,354	4,280	16,353	8,898
Property development	(3,284)	(2,195)	(3,151)	(3,522)
Others	(151)	424	(2,456)	186
Unallocated costs	(1,339)	(1,665)	(2,822)	(3,044)
(Loss)/Profit from operations	<u>(32,305)</u>	<u>(16,238)</u>	<u>(48,632)</u>	<u>5,249</u>
Finance costs	(16,561)	(18,427)	(33,662)	(36,040)
Share in results of associated companies and jointly controlled entity	25,703	43,359	46,379	68,679
Investment income	10,823	9,749	19,088	17,553
Exceptional items	-	(2,069)	(22,561)	(2,069)
(Loss)/Profit before tax	<u>(12,340)</u>	<u>16,374</u>	<u>(39,388)</u>	<u>53,372</u>

For the six months of the financial year under review, the Group posted an 18% lower revenue of RM2,277 million compared to RM2,787 million recorded in the same period last year. This was mainly due to the lower sales tonnage and selling prices of our steel products. The cost of raw materials remained relatively high and resulted in the Group recording a loss from operations of RM48.6 million against a profit of RM5.2 million last year. The associated companies and a jointly controlled entity contributed a lower profit to the Group of RM46.4 million compared to RM68.7 million last year. After accounting for loss on exceptional items of RM22.6 million, the Group recorded a loss before tax of RM39.4 million as against a profit of RM53.4 million in the same period last year.

Steel

Steel division recorded a 17% lower revenue of RM2,005 million compared to RM2,405 million in the same period last year. The lower revenue was mainly due to the lower selling prices and sales tonnage. In addition, the cost of raw materials remained relatively high and had resulted in the division recording a loss from operations of RM56.6 million against a profit of RM2.7 million a year ago.

Building materials

Building materials division achieved a 33% higher revenue of RM505.0 million compared to RM378.9 million recorded in the same period last year, mainly attributable to the higher sales of steel related products. Correspondingly, the division's profit increased to RM16.4 million from RM8.9 million recorded a year ago.

Property development

Property development division registered a higher revenue of RM7.9 million and a lower loss from operations of RM3.2 million as compared to that of the same period last year.

Others

Others comprising the petroleum, lubricants and automotive products businesses, recorded a higher revenue of RM48.1 million as compared to RM44.0 million last year. The higher revenue was mainly attributable to higher sales volume from increase in demand and number of customers.

Associated companies and jointly controlled entity

The lower share in profit of the associated companies and jointly controlled entity was largely attributable to the lower profit from Parkson Holdings Berhad, the St Mary Residences project and Lion Asiapac Limited.

Exceptional item

Exceptional item comprised an impairment loss of RM22.6 million on investment in quoted shares due to the decline in share price.

12. Comment on material change in profit

	Current Year Quarter 31.12.2012	Immediate Preceding Quarter 30.9.2012
	RM'000	RM'000
Revenue	1,151,859	1,124,943
Loss from operations	(32,305)	(16,327)
Loss before tax	(12,340)	(27,048)

Revenue of the Group for the quarter under review was RM1,152 million, representing an increase of 2% against RM1,125 million in the immediate preceding quarter. This was mainly attributable to the higher sales tonnage recorded by the Steel division. The Group recorded a loss from operations of RM32.3 million compared with RM16.3 million in the immediate preceding quarter mainly due to lower profit margins.

After accounting for a higher profit from associated companies and a jointly controlled entity of RM25.7 million, the Group posted a lower loss before tax of RM12.3 million compared with RM27.0 million in the immediate preceding quarter. An impairment loss of RM22.6 million was recognised in the immediate preceding quarter.

13. a) Prospects

With the Government's decision to impose the anti-dumping duties on steel wire rods imported from certain countries recently, the Group's steel and building materials businesses are expected to improve in the coming quarters.

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	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Continuing operations				
Estimated tax payable				
Current provision	5,932	6,093	12,342	9,577
Overprovision in prior years	-	-	-	(5,000)
Deferred taxation				
Current provision	(15,274)	(5,416)	(24,133)	2,874
Overprovision in prior years	-	-	-	-
	<u>(9,342)</u>	<u>677</u>	<u>(11,791)</u>	<u>7,451</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 lower than the statutory tax rate principally due to utilisation of tax credit and non-taxable income.

17. Corporate proposalsStatus 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 28.8.2012 30.8.2012	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.

Other than the aforementioned, there were no corporate proposals pending completion at the date of this report.

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	482,923	-	482,923
Unsecured	1,644	-	1,644
Sukuk			
Secured	-	297,936	297,936
	<u>484,567</u>	<u>297,936</u>	<u>782,503</u>

The Group's borrowings were denominated in the following currencies

	Foreign Currency	Total RM'000
	'000	RM'000
- Ringgit Malaysia	-	685,018
- US Dollar	31,858	97,485
		<u>782,503</u>

19. Changes in material litigation

There was no material litigation since 30 June 2012.

20. Dividend proposed

The Board does not recommend any interim dividend for the financial quarter ended 31 December 2012.

21. (Loss)/Earnings per share ("EPS")**Basic**

Basic EPS is calculated by dividing the (loss)/profit 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	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
(Loss)/Profit attributable to owners of the Company (RM'000)	<u>(6,778)</u>	<u>7,027</u>	<u>(32,700)</u>	<u>34,665</u>
Weighted average number of ordinary shares in issue ('000)	<u>717,672</u>	<u>717,744</u>	<u>717,672</u>	<u>717,752</u>
Basic EPS (sen)	<u>(0.94)</u>	<u>0.98</u>	<u>(4.56)</u>	<u>4.83</u>

The basic EPS and the 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 ENDED		YEAR-TO-DATE ENDED	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	10,823	9,749	19,088	17,553
(b) Other income including investment income	1,035	672	2,958	1,343
(c) Interest expense	(16,561)	(18,427)	(33,662)	(36,040)
(d) Depreciation and amortisation	(29,793)	(24,255)	(59,755)	(52,918)
(e) Provision for and write off of receivables	-	(772)	(879)	(1,544)
(f) Provision for and write off of inventories	-	(7,419)	-	(15,693)
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	2,860	874	2,646	1,004
(h) Impairment of assets (refer to item (k))	-	-	-	-
(i) Foreign exchange gain/(loss)	9,906	9,863	14,191	13,293
(j) Gain/(Loss) on derivatives	-	-	-	-
(k) Exceptional items	-	(2,069)	(22,561)	(2,069)
- impairment loss on investment in quoted shares	-	-	(22,561)	-
- gain on disposal of associated companies	-	41,316	-	41,316
- provision for damages arising from litigation claim	-	(40,000)	-	(40,000)
- log extraction premium paid to State Government of Sabah	-	(3,385)	-	(3,385)

23. Realised and Unrealised Profits/Losses Disclosure

	AS AT 31.12.2012 RM'000	AS AT 30.6.2012 RM'000
Total retained earnings of the Company and subsidiary companies		
- Realised	1,416,351	1,535,419
- Unrealised	40,413	7,581
	1,456,764	1,543,000
Total share of retained earnings from associated companies and a jointly controlled entity		
- Realised	430,592	384,724
- Unrealised	(625)	(1,136)
Consolidated adjustments	4,315	4,315
Total retained earnings	1,891,046	1,930,903

24. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2012 was not qualified.