



LION INDUSTRIES CORPORATION BERHAD

(Incorporated in Malaysia)

(415-D)

Interim Financial Report for the Third Quarter Ended 31 March 2013

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

Interim financial report for the third quarter ended 31 March 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Revenue		1,232,868	1,302,121	3,509,670	4,088,714
Operating expenses		(1,209,850)	(1,319,453)	(3,552,434)	(4,157,753)
Other operating income		10,475	5,449	27,625	62,405
Profit/(Loss) from operations		33,493	(11,883)	(15,139)	(6,634)
Finance costs		(15,918)	(17,822)	(49,580)	(53,862)
Share in results of associated companies and jointly controlled entity		35,666	31,641	82,045	100,320
Investment income		9,251	8,538	28,339	26,091
Exceptional items	22(k)	(8,760)	-	(31,321)	(2,069)
Profit before tax	22	53,732	10,474	14,344	63,846
Tax (expense)/credit	16	(11,540)	(7,591)	251	(15,042)
Profit for the period		<u>42,192</u>	<u>2,883</u>	<u>14,595</u>	<u>48,804</u>
Profit attributable to:					
- Owners of the Company		40,716	1,727	8,016	36,392
- Non-controlling interests		1,476	1,156	6,579	12,412
Profit for the period		<u>42,192</u>	<u>2,883</u>	<u>14,595</u>	<u>48,804</u>
Earnings per share attributable to owners of the Company (sen):	21				
- Basic		<u>5.67</u>	<u>0.24</u>	<u>1.12</u>	<u>5.07</u>
- Diluted		<u>5.67</u>	<u>0.24</u>	<u>1.12</u>	<u>5.07</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 third quarter ended 31 March 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	42,192	2,883	14,595	48,804
<u>Other comprehensive income/(loss)</u>				
Exchange differences on translation of foreign operations	313	(3,395)	(6,033)	(775)
Net gain/(loss) on fair value changes on available-for-sale financial assets and assets classified as held for sale	1,019	(85,082)	1,742	(89,066)
Change in fair value on disposal of assets classified as held for sale	-	-	(1,220)	-
Other comprehensive income/(loss) for the period, net of tax	1,332	(88,477)	(5,511)	(89,841)
Total comprehensive income/(loss) for the period	<u>43,524</u>	<u>(85,594)</u>	<u>9,084</u>	<u>(41,037)</u>
Profit/(Loss) attributable to:				
Owners of the Company	41,175	(99,406)	4,410	(55,366)
Non-controlling interests	2,349	13,812	4,674	14,329
	<u>43,524</u>	<u>(85,594)</u>	<u>9,084</u>	<u>(41,037)</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 third quarter ended 31 March 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.3.2013 RM'000	AS AT 30.6.2012 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,265,233	1,288,871
Investment properties		4,604	4,627
Prepaid land lease payments		50,174	51,551
Land held for property development		36,791	79,001
Investment in associated companies		847,387	822,845
Investment in jointly controlled entity		88,238	56,741
Long-term investments		97,986	133,641
Deferred tax assets		75,726	56,367
Goodwill		130,443	130,443
Total Non-Current Assets		<u>2,596,582</u>	<u>2,624,087</u>
Current Assets			
Property development costs		60,033	14,426
Inventories		728,709	1,030,604
Short-term investments		22,666	20,063
Trade receivables		978,411	849,609
Other receivables, deposits and prepayments		419,548	480,943
Amount owing by jointly controlled entity		13,385	27,247
Deposits, cash and bank balances		706,685	584,838
		<u>2,929,437</u>	<u>3,007,730</u>
Assets classified as held for sale		-	22,393
Total Current Assets		<u>2,929,437</u>	<u>3,030,123</u>
Total Assets		<u>5,526,019</u>	<u>5,654,210</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		717,909	717,909
Reserves		2,477,614	2,480,511
Equity attributable to owners of the Company		<u>3,195,523</u>	<u>3,198,420</u>
Non-controlling interests		390,219	386,828
Total equity		<u>3,585,742</u>	<u>3,585,248</u>
Non-Current and Deferred Liabilities			
Long-term borrowings	18	307,759	297,762
Hire-purchase and finance lease payables		115,905	124,894
Deferred tax liabilities		18,889	16,268
Total Non-Current and Deferred Liabilities		<u>442,553</u>	<u>438,924</u>
Current Liabilities			
Trade payables		469,648	548,663
Other payables, deposit and accrued expenses		508,335	543,216
Provisions		15,000	15,000
Hire-purchase and finance lease payables		15,336	16,600
Short-term borrowings	18	452,636	468,754
RCCPS		-	12,388
Tax liabilities		36,769	25,417
Total Current Liabilities		<u>1,497,724</u>	<u>1,630,038</u>
Total Liabilities		<u>1,940,277</u>	<u>2,068,962</u>
Total Equity and Liabilities		<u>5,526,019</u>	<u>5,654,210</u>
Net assets per share attributable to owners of the Company (RM)		<u>4.45</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 third quarter ended 31 March 2013

(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 2013								
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	-	-	-	(3,606)	8,016	4,410	4,674	9,084
Dividend payable for the financial year ended 30 June 2012	-	-	-	-	(7,177)	(7,177)	(1,256)	(8,433)
Acquisition of non-controlling interests	-	-	-	-	22	22	(27)	(5)
Purchase of treasury shares	-	-	(152)	-	-	(152)	-	(152)
At 31 March 2013	717,909	532,627	(494)	13,717	1,931,764	3,195,523	390,219	3,585,742
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 payable 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

(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)

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Interim financial report for the third quarter ended 31 March 2013

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.3.2013 RM'000	31.3.2012 RM'000
OPERATING ACTIVITIES		
Profit before tax	14,344	63,846
Adjustments for:		
Non-cash items	114,858	66,723
Non-operating items	(67,471)	(87,653)
Operating profit before changes in working capital	61,731	42,916
Changes in working capital:		
Net changes in current assets	238,700	(108,155)
Net changes in current liabilities	(113,818)	(318,741)
	186,613	(383,980)
INVESTING ACTIVITIES		
Dividends received	24,075	30,363
Proceeds from disposal of associated companies	-	88,415
Proceeds from disposal of other investments	20,709	-
Proceeds from redemption of investments	1,761	744
Proceeds from disposal of assets held for sale	404	-
Purchase of property, plant and equipment	(65,427)	(54,786)
Proceeds from disposal of property, plant and equipment	363	1,249
Net cash inflow from disposal of subsidiary companies	-	54,623
Purchase of investment in an associated company	-	(19,455)
Settlement arising from litigation claim against a former subsidiary company	-	(40,000)
Acquisition of non-controlling interests	(5)	(8,421)
Others	14,959	24,167
	(3,161)	76,899
FINANCING ACTIVITIES		
Borrowings and interest paid	(84,119)	(80,389)
Increase in cash and cash equivalents - restricted	2,817	207,299
Purchase of treasury shares	(152)	(103)
Redemption of RCCPS by a subsidiary company	(8,611)	-
Dividend paid to shareholders of the Company	(7,177)	(23,326)
Dividend paid to minority shareholders of subsidiary companies	(2,042)	(1,450)
	(99,284)	102,031
Net changes in cash and cash equivalents	84,168	(205,050)
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	401,948	252,327

(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)
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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:

(a) the Company repurchased a total of 150,000 ordinary shares of its issued ordinary shares from the open market at an average price of RM1.017 per share. The total consideration paid for the repurchase including transaction costs amounting to RM152,506 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 2013, the number of treasury shares held were 369,900 shares.

(b) 30,575,044 redeemable cumulative convertible preference shares ("RCCPS") of RM0.01 each issued at a premium of RM0.99 each by a subsidiary company matured and were redeemed on 14 March 2013 at RM1.00 per RCCPS. As at the redemption date, approximately 59.48% of the RCCPS had been acquired by the Group.

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 single-tier dividend of 1% amounting to RM7.2 million in respect of the previous financial year ended 30 June 2012 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	3,004,338	420,455	11,870	73,007	-	3,509,670
Inter-segment revenue	77,191	250,578	-	-	(327,769)	-
Total revenue	<u>3,081,529</u>	<u>671,033</u>	<u>11,870</u>	<u>73,007</u>	<u>(327,769)</u>	<u>3,509,670</u>
Results						
Segment results	(26,607)	23,010	(2,928)	(3,114)	-	(9,639)
Unallocated costs						(5,500)
Finance costs						(49,580)
Share in results of associated companies and jointly controlled entity	11,195	-	31,497	39,353	-	82,045
Investment income						28,339
Exceptional items	(19,356)	(666)	(3,388)	(7,911)	-	(31,321)
Profit before tax						14,344
Tax credit						251
Profit for the year						<u>14,595</u>
Assets						
Segment assets	3,233,393	638,738	239,064	141,190	-	4,252,385
Investment in associated companies and jointly controlled entity	66,425	-	88,238	780,962	-	935,625
Unallocated corporation assets						338,009
Consolidated total assets						<u>5,526,019</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 except for the acquisition of the entire 100% equity interest in Lion Metal Industries Sdn Bhd on 31 January 2013.

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	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
Revenue				
Steel	1,076,149	1,142,514	3,081,529	3,547,386
Building materials	165,987	195,956	671,033	574,837
Property development	3,986	2,862	11,870	8,608
Others	24,928	22,909	73,007	66,879
Eliminations	(38,181)	(62,120)	(327,769)	(108,996)
	<u>1,232,869</u>	<u>1,302,121</u>	<u>3,509,670</u>	<u>4,088,714</u>
Segment Results				
Steel	29,948	(14,492)	(26,607)	(11,761)
Building materials	6,657	3,165	23,010	12,063
Property development	223	(760)	(2,928)	(4,283)
Others	(657)	2,704	(3,114)	2,890
Unallocated costs	(2,678)	(2,500)	(5,500)	(5,543)
Profit/(Loss) from operations	<u>33,493</u>	<u>(11,883)</u>	<u>(15,139)</u>	<u>(6,634)</u>
Finance costs	(15,918)	(17,822)	(49,580)	(53,862)
Share in results of associated companies and jointly controlled entity	35,666	31,641	82,045	100,320
Investment income	9,251	8,538	28,339	26,091
Exceptional items	(8,760)	-	(31,321)	(2,069)
Profit before tax	<u>53,732</u>	<u>10,474</u>	<u>14,344</u>	<u>63,846</u>

For the nine months of the financial year under review, the Group posted a 14% lower revenue of RM3,510 million compared to RM4,089 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 higher loss from operations of RM15.1 million compared to RM8.7 million last year. The associated companies and a jointly controlled entity contributed a lower profit to the Group of RM82.0 million compared to RM100.3 million last year. After accounting for loss on exceptional items of RM31.3 million, the Group recorded a lower profit before tax of RM14.3 million as compared to RM63.8 million in the same period last year.

Steel

Steel division recorded a 13% lower revenue of RM3,082 million compared to RM3,547 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 higher loss from operations of RM26.6 million compared to RM11.8 million a year ago.

Building materials

Building materials division achieved a 17% higher revenue of RM671.0 million compared to RM574.8 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 RM23.0 million from RM12.1 million recorded a year ago.

Property development

Property development division registered a higher revenue of RM11.9 million and a lower loss from operations of RM2.9 million as compared to those of the same period last year.

Others

Others comprising the petroleum, lubricants and automotive products businesses, recorded a higher revenue of RM73.0 million as compared to RM66.9 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 and Lion Asiapac Limited.

Exceptional item

Exceptional item comprised an impairment loss of RM31.3 million on quoted and unquoted investments.

12. Comment on material change in profit

	Current Year Quarter 31.3.2013	Immediate Preceding Quarter 31.12.2012
	RM'000	RM'000
Revenue	1,232,868	1,151,859
Profit/(Loss) from operations	33,493	(32,305)
Profit/(Loss) before tax	53,732	(12,340)

Revenue of the Group for the quarter under review was RM1,233 million, representing an increase of 7% against RM1,152 million in the immediate preceding quarter. This was mainly attributable to the higher selling prices of the steel products. The Group recorded a profit from operations of RM33.5 million as against a loss of RM32.3 million in the immediate preceding quarter mainly due to higher profit margins.

After accounting for a higher profit from associated companies and a jointly controlled entity of RM35.7 million, the Group posted a profit before tax of RM53.7 million as against a loss of RM12.3 million in the immediate preceding quarter.

13. a) Prospects

The global economic conditions remain challenging. International steel prices are expected to remain soft and raw material prices continue to be volatile. On the domestic front, the rolling out of the infrastructure projects under the Economic Transformation Program and the recent anti-dumping duties imposed on steel wire rods imported from certain countries are expected to increase the demand for local steel products and building materials. Under such circumstances, the Group's steel and building material businesses are expected to record satisfactory results in the next quarter.

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	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Estimated tax payable				
Current provision	6,830	5,527	19,172	15,104
Overprovision in prior years	-	-	-	(5,000)
Deferred taxation				
Current provision	4,710	2,064	(19,423)	4,938
Overprovision in prior years	-	-	-	-
	<u>11,540</u>	<u>7,591</u>	<u>(251)</u>	<u>15,042</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 purpose.

17. Corporate proposalsStatus of corporate proposals

No	Date of Announcements	Subjects	Status
a)	3.3.2011 2.6.2011 3.8.2011 26.8.2011 31.10.2011 2.3.2012 28.8.2012 30.8.2012 1.3.2013	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	449,260	9,730	458,990
Unsecured	3,376	-	3,376
Sukuk			
Secured	-	298,029	298,029
	<u>452,636</u>	<u>307,759</u>	<u>760,395</u>

	Foreign Currency '000	RM'000
The Group's borrowings were denominated in the following currencies		
- Ringgit Malaysia	-	662,034
- US Dollar	31,858	98,361
		<u>760,395</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 March 2013.

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

Basic EPS is calculated by dividing the 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.

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>31.3.2013</u>	<u>31.3.2012</u>	<u>31.3.2013</u>	<u>31.3.2012</u>
Profit attributable to owners of the Company (RM'000)	40,716	1,727	8,016	36,392
Weighted average number of ordinary shares in issue ('000)	717,653	717,741	717,651	717,742
Basic EPS (sen)	<u>5.67</u>	<u>0.24</u>	<u>1.12</u>	<u>5.07</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	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	9,251	8,538	28,339	26,091
(b) Other income including investment income	1,943	629	4,901	1,972
(c) Interest expense	(15,918)	(17,822)	(49,580)	(53,862)
(d) Depreciation and amortisation	(30,492)	(28,217)	(90,247)	(84,791)
(e) Provision for and write off of receivables	-	(858)	(879)	(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	120	102	323	1,106
(h) Impairment of assets (refer to item (k))	-	-	-	-
(i) Foreign exchange gain/(loss)	8,532	4,718	22,724	18,011
(j) Gain/(Loss) on derivatives	-	-	-	-
(k) Exceptional items	(8,760)	-	(31,321)	(2,069)
- impairment loss on quoted and unquoted investments	(8,760)	-	(31,321)	-
- 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
	31.3.2013	30.6.2012
	RM'000	RM'000
Total retained earnings of the Company and subsidiary companies		
- Realised	1,418,564	1,535,419
- Unrealised	43,252	7,581
	1,461,816	1,543,000
Total share of retained earnings from associated companies and a jointly controlled entity		
- Realised	468,064	384,724
- Unrealised	(2,431)	(1,136)
Consolidated adjustments	4,315	4,315
Total retained earnings	1,931,764	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.