



**LION INDUSTRIES CORPORATION BERHAD** (415-D)

---

(Incorporated in Malaysia)

**Interim Financial Report for the  
Second Quarter Ended  
31 December 2014**

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

Interim financial report for the second quarter ended 31 December 2014  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue		805,544	1,045,793	1,584,699	2,096,380
Operating expenses		(816,856)	(1,050,405)	(1,618,306)	(2,157,224)
Other operating income		1,350	809	2,989	1,717
Loss from operations		(9,962)	(3,803)	(30,618)	(59,127)
Finance costs		(17,352)	(17,709)	(32,565)	(32,399)
Share in results of associated companies and joint venture		23,588	13,259	29,083	27,990
Investment income		5,023	9,602	8,701	18,543
Exceptional items	23(k)	(74,634)	(43,926)	(75,979)	(54,033)
Loss before tax	23	(73,337)	(42,577)	(101,378)	(99,026)
Tax (expense)/credit	16	(11,800)	952	(14,608)	2,786
Loss for the period		<u>(85,137)</u>	<u>(41,625)</u>	<u>(115,986)</u>	<u>(96,240)</u>
(Loss)/Profit attributable to:					
- Owners of the Company		(66,795)	(41,177)	(98,806)	(95,507)
- Non-controlling interests		(18,342)	(448)	(17,180)	(733)
Loss for the period		<u>(85,137)</u>	<u>(41,625)</u>	<u>(115,986)</u>	<u>(96,240)</u>
Loss per share attributable to owners of the Company (sen):	21				
- Basic		<u>(9.33)</u>	<u>(5.74)</u>	<u>(13.80)</u>	<u>(13.31)</u>
- Diluted		<u>(9.33)</u>	<u>(5.74)</u>	<u>(13.80)</u>	<u>(13.31)</u>

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

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

Interim financial report for the second quarter ended 31 December 2014  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Loss for the period	(85,137)	(41,625)	(115,986)	(96,240)
<u>Other comprehensive income/(loss)</u>				
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>				
Exchange differences on translation of foreign operations	1,312	(103)	7,400	2,627
Net (loss)/gain on fair value changes on available-for-sale financial assets and assets classified as held for sale	(2)	3,101	(15)	3,328
Other comprehensive income for the period, net of tax	1,310	2,998	7,385	5,955
Total comprehensive loss for the period	<u>(83,827)</u>	<u>(38,627)</u>	<u>(108,601)</u>	<u>(90,285)</u>
(Loss)/Profit attributable to:				
Owners of the Company	(65,566)	(37,636)	(93,542)	(91,347)
Non-controlling interests	(18,261)	(991)	(15,059)	1,062
	<u>(83,827)</u>	<u>(38,627)</u>	<u>(108,601)</u>	<u>(90,285)</u>

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

**LION INDUSTRIES CORPORATION BERHAD (415-D)**  
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Interim financial report for the second quarter ended 31 December 2014

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<b>AS AT 31.12.2014 RM'000</b>	<b>AS AT 30.6.2014 RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		1,126,582	1,169,134
Investment properties		4,235	4,244
Prepaid land lease payments		47,150	47,875
Land held for property development		34,437	34,306
Investment in associated companies		900,597	874,085
Investment in joint venture		60,122	56,974
Long-term investments		14,408	20,996
Receivables		532,834	532,834
Deferred tax assets		102,578	105,986
Goodwill		130,443	130,443
Total Non-Current Assets		<u>2,953,386</u>	<u>2,976,877</u>
<b>Current Assets</b>			
Property development costs		53,097	58,893
Inventories		782,947	817,855
Short-term investments		3,795	3,795
Receivables		595,520	591,413
Amount owing by associated company		12,118	10,751
Amount owing by joint venture		1,490	1,485
Deposits, cash and bank balances		409,725	462,374
		<u>1,858,692</u>	<u>1,946,566</u>
Assets classified as held for sale		3,467	-
Total Current Assets		<u>1,862,159</u>	<u>1,946,566</u>
<b>Total Assets</b>		<b><u>4,815,545</u></b>	<b><u>4,923,443</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital		717,909	717,909
Reserves		1,832,739	1,926,759
Equity attributable to owners of the Company		<u>2,550,648</u>	<u>2,644,668</u>
Non-controlling interests		300,206	315,265
Total equity		<u>2,850,854</u>	<u>2,959,933</u>
<b>Non-Current and Deferred Liabilities</b>			
Long-term borrowings	18	179,060	183,275
Hire-purchase and finance lease payables		83,780	92,606
Deferred tax liabilities		26,042	25,127
Total Non-Current and Deferred Liabilities		<u>288,882</u>	<u>301,008</u>
<b>Current Liabilities</b>			
Payables	#	1,251,270	1,208,676
Provisions		-	15,000
Hire-purchase and finance lease payables		18,230	17,452
Short-term borrowings	18	374,273	389,161
Tax liabilities		32,036	32,213
Total Current Liabilities		<u>1,675,809</u>	<u>1,662,502</u>
<b>Total Liabilities</b>		<u>1,964,691</u>	<u>1,963,510</u>
<b>Total Equity and Liabilities</b>		<b><u>4,815,545</u></b>	<b><u>4,923,443</u></b>
Net assets per share attributable to owners of the Company (RM)		<u>3.57</u>	<u>3.69</u>

(#) Includes RM85 million (30.06.2014: Nil) payable for the litigation claim by UNP Plywood Sdn Bhd against Sabah Forest Industries Sdn Bhd, a former subsidiary company

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

**LION INDUSTRIES CORPORATION BERHAD (415-D)**

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2014

(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			
<b>31 December 2014</b>								
<b>At 1 July 2014</b>	717,909	532,627	(1,221)	19,474	1,375,879	2,644,668	315,265	2,959,933
Total comprehensive income/(loss) for the period	-	-	-	5,264	(98,806)	(93,542)	(15,059)	(108,601)
Share based payments	-	-	-	276	-	276	-	276
Purchase of treasury shares	-	-	(754)	-	-	(754)	-	(754)
<b>At 31 December 2014</b>	<b>717,909</b>	<b>532,627</b>	<b>(1,975)</b>	<b>25,014</b>	<b>1,277,073</b>	<b>2,550,648</b>	<b>300,206</b>	<b>2,850,854</b>
<b>31 December 2013</b>								
<b>At 1 July 2013</b>	717,909	532,627	(494)	14,188	1,888,978	3,153,208	388,309	3,541,517
Total comprehensive income/(loss) for the period	-	-	-	4,160	(95,507)	(91,347)	1,062	(90,285)
Dividends payable/paid for the financial year ended 30 June 2013	-	-	-	-	(7,170)	(7,170)	(942)	(8,112)
Purchase of treasury shares	-	-	(430)	-	-	(430)	-	(430)
<b>At 31 December 2013</b>	<b>717,909</b>	<b>532,627</b>	<b>(924)</b>	<b>18,348</b>	<b>1,786,301</b>	<b>3,054,261</b>	<b>388,429</b>	<b>3,442,690</b>

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

# LION INDUSTRIES CORPORATION BERHAD (415-D)

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Interim financial report for the second quarter ended 31 December 2014

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.12.2014	31.12.2013
	RM'000	RM'000
<u>OPERATING ACTIVITIES</u>		
Loss before tax	(101,378)	(99,026)
Adjustments for:		
Non-cash items	119,527	117,107
Non-operating items	9,389	(25,027)
Operating profit/(loss) before changes in working capital	27,538	(6,946)
Changes in working capital:		
Net changes in current assets	(6,531)	(113,480)
Net changes in current liabilities	(52,114)	(8,194)
	<u>(31,107)</u>	<u>(128,620)</u>
<u>INVESTING ACTIVITIES</u>		
Dividends received	1,289	16,981
Interest received	8,701	8,941
Proceeds from disposal/redemption of investments	593	2,615
Proceeds from disposal of assets held for sale	-	470
Proceeds from disposal of property, plant and equipment	3,749	440
Purchase of property, plant and equipment	(17,490)	(22,817)
Others	(131)	(1,173)
	<u>(3,289)</u>	<u>5,457</u>
<u>FINANCING ACTIVITIES</u>		
Borrowings and interest paid	(41,917)	(28,742)
Increase in cash and cash equivalents - restricted	(2,505)	(21,597)
Purchase of treasury shares	(754)	(430)
Dividend paid to minority shareholders of subsidiary companies	-	(942)
	<u>(45,176)</u>	<u>(51,711)</u>
Net changes in cash and cash equivalents	(79,572)	(174,874)
Effects of changes in exchange rate	561	641
Cash and cash equivalents at beginning of the period	269,481	385,620
Cash and cash equivalents at end of the period	<u>190,470</u>	<u>211,387</u>

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

**LION INDUSTRIES CORPORATION BERHAD** (415-D)  
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Interim financial report for the second quarter ended 31 December 2014  
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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 2014. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2014.

The significant accounting policies adopted in the interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2014 except for the adoption of the following FRSs effective for the financial period beginning 1 July 2014:

IC Interpretation 21	Levies
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Amendments to FRS 132	Financial Instruments: Presentation (Amendments to Offsetting Financial Assets and Financial Liabilities)
Amendments to FRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)
Amendments to FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
Annual Improvements to FRSs 2010 - 2012 cycle	
Annual Improvements to FRSs 2011 - 2013 cycle	

The adoption of the above mentioned FRSs and IC Interpretations did not have material impact on the financial statements of the Group on initial application.

**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

**5. Debt and equity securities**

During the financial year-to-date, the Company repurchased a total of 1,372,400 ordinary shares of its issued ordinary shares from the open market at an average price of RM0.55 per share. The total consideration paid for the repurchase including transaction costs amounting to RM754,265 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 2014, the number of treasury shares held were 2,686,400 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
<b>Revenue</b>						
External revenue	1,333,224	165,824	31,350	54,301	-	1,584,699
Inter-segment revenue	54,463	108,530	-	468	(163,461)	-
Total revenue	<u>1,387,687</u>	<u>274,354</u>	<u>31,350</u>	<u>54,769</u>	<u>(163,461)</u>	<u>1,584,699</u>
<b>Results</b>						
Segment results	(43,889)	4,768	11,606	(286)	-	(27,801)
Unallocated costs						(2,817)
Finance costs						(32,565)
Share in results of associated companies and joint venture	(843)	-	3,148	26,778	-	29,083
Investment income						8,701
Exceptional items	(4,825)	(185)	(28)	(70,941)	-	(75,979)
Loss before tax						(101,378)
Tax expense						(14,608)
Loss for the period						<u>(115,986)</u>
<b>Assets</b>						
Segment assets	2,708,185	385,369	245,759	142,824	-	3,482,137
Investment in associated companies and joint venture	73,318	-	60,122	827,279	-	960,719
Unallocated corporate assets						372,689
Consolidated total assets						<u>4,815,545</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**

The Group's contingent liabilities:

	<b>AS AT 23.2.2015 RM'000</b>	<b>AS AT 30.6.2014 RM'000</b>
Indemnity for:		
Litigation claims in respect of the termination of contracts for the extraction and sale of timber	-	138,855
Less: Provisions	-	(15,000)
	<hr/>	<hr/>
Back pay labour claims from SFI's employees	23,427	23,427
	<hr/>	<hr/>
	<b>23,427</b>	<b>147,282</b>

As at 23 February 2015, the Group's contingent liabilities were reduced to RM23.43 million subsequent to the settlement of the litigation claim by UNP Plywood Sdn Bhd against Sabah Forest Industries Sdn Bhd, a former subsidiary company, vide a settlement agreement dated 6 February 2015.

**11. Performance review**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
<b>Revenue</b>				
Steel	701,685	946,664	1,387,687	1,911,968
Building materials	134,579	187,825	274,354	338,269
Property development	20,928	3,971	31,350	10,300
Others	25,444	25,481	54,769	51,977
Eliminations	(77,092)	(118,148)	(163,461)	(216,134)
	<u>805,544</u>	<u>1,045,793</u>	<u>1,584,699</u>	<u>2,096,380</u>
<b>Segment Results</b>				
Steel	(15,931)	(5,856)	(43,889)	(61,513)
Building materials	2,467	2,938	4,768	5,261
Property development	5,934	(346)	11,606	(333)
Others	(1,112)	1,209	(286)	684
Unallocated costs	(1,320)	(1,748)	(2,817)	(3,226)
Loss from operations	(9,962)	(3,803)	(30,618)	(59,127)
Finance costs	(17,352)	(17,709)	(32,565)	(32,399)
Share in results of associated companies and joint venture	23,588	13,259	29,083	27,990
Investment income	5,023	9,602	8,701	18,543
Exceptional items	(74,634)	(43,926)	(75,979)	(54,033)
Loss before tax	<u>(73,337)</u>	<u>(42,577)</u>	<u>(101,378)</u>	<u>(99,026)</u>

For the first six months of the financial year under review, the Group posted a 24% lower revenue of RM1,585 million compared to RM2,096 million recorded in the same period last year. This was mainly due to the lower sales registered by our steel and building materials divisions. The Group registered a lower operating loss of RM30.6 million largely due to the lower loss recorded by the steel division and the profit from the property division. The associated companies and a joint venture contributed a higher profit of RM29.1 million to the Group compared to RM28.0 million last year. After accounting for a higher loss on exceptional items of RM76.0 million, the Group recorded a higher loss before tax of RM101.4 million as compared with RM99.0 million in the same period last year.

**Steel**

Steel division recorded a lower revenue of RM1,388 million compared to RM1,912 million in the same period last year. The lower revenue was mainly due to lower selling prices and sales tonnage. The division recorded a lower loss of RM43.9 million. The higher loss in the previous year was mainly attributable to the temporary shut down of our plant at Labuan due to an incident where a capesize vessel collided with our jetty during berthing which damaged our shiploader system.

**Building materials**

Building materials division recorded a 19% lower revenue of RM274.4 million compared to RM338.3 million recorded in the same period last year. As such, the division posted a lower profit from operations of RM4.8 million as compared to RM5.3 million recorded a year ago.

**Property development**

Property development division registered a higher revenue of RM31.4 million compared to RM10.3 million registered in the same period last year. The division posted a profit from operations of RM11.6 million against a loss of RM0.3 million recorded a year ago. The better results were mainly contributed by the development project in Penang.

**Others**

The revenue of RM54.8 million was mainly from petroleum, lubricants, automotive products and transportation businesses. The division recorded a loss of RM0.3 million for the financial year under review.

**Associated companies and joint venture**

The higher share in profit of the associated companies and a joint venture was largely attributable to the higher profit from the retail business and the gain on disposal of a property.

**Exceptional items**

Exceptional items comprised RM70.0 million which arose from the settlement of the litigation claim by UNP Plywood Sdn Bhd against Sabah Forest Industries Sdn Bhd, a former subsidiary company, and impairment losses of RM6.0 million on quoted and unquoted investments for the period under review.

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

	<b>Current Year Quarter 31.12.2014</b>	<b>Immediate Preceding Quarter 30.9.2014</b>
	RM'000	RM'000
Revenue	805,544	779,155
Loss from operations	(9,962)	(20,656)
Loss before tax	(73,337)	(28,041)

Revenue of the Group for the quarter under review was higher at RM805.5 million compared with RM779.2 million in the immediate preceding quarter. This was mainly attributable to the higher sales recorded by the steel and property development divisions. The Group registered a lower loss from operations of RM10.0 million compared with RM20.7 million in the immediate preceding quarter mainly due to the lower loss recorded by the steel division.

Despite the improved operating results and the higher share of profit from associated companies and a joint venture, the Group recorded a higher loss before tax of RM73.3 million after accounting for exceptional losses totalling RM74.6 million for the quarter under review. The exceptional losses comprised a loss on settlement of a litigation claim of RM70.0 million and an impairment loss on investments of RM4.6 million.

**13. a) Prospects**

The operating environment for the steel industry is expected to remain challenging as global overcapacity and oversupply continue to weigh on the steel market leading to the rampant dumping activities of steel products in the local market by foreign steel producers. Local steel producers are severely affected unless effective measures by the Government to curb the dumping activities are introduced and strictly enforced.

Under such circumstances, the Group's performance would remain challenging 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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable				
Current provision	6,567	3,327	11,322	7,693
Deferred taxation				
Current provision	5,233	(4,279)	3,286	(10,479)
	<u>11,800</u>	<u>(952)</u>	<u>14,608</u>	<u>(2,786)</u>

Excluding the share in results of the associated companies and the joint venture, the effective tax rate of the Group for the current quarter and year-to-date is higher than the statutory tax rate principally due to certain expenses not deductible for tax purpose.

**17. Corporate proposals**

The status of the corporate proposals of Lion Forest Industries Berhad ("LFIB"), a subsidiary company 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	Long-Term	Total
	RM'000	RM'000	RM'000
<u>Bank borrowings</u>			
Secured	313,660	-	313,660
Unsecured	989	-	989
	<u>314,649</u>	<u>-</u>	<u>314,649</u>
<u>Sukuk</u>			
Secured	59,624	179,060	238,684
	<u>374,273</u>	<u>179,060</u>	<u>553,333</u>

	Foreign Currency	
	'000	RM'000
The Group's borrowings were denominated in the following currencies		
- Ringgit Malaysia	-	450,753
- US Dollar	29,376	102,580
		<u>553,333</u>

**19. Changes in material litigation**

There was no material litigation since 30 June 2014.

**20. Dividend proposed**

The Board does not recommend any interim dividend for the current quarter and financial year-to-date.

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

Basic EPS is calculated by dividing the 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/year.

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>31.12.2014</u>	<u>31.12.2013</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Loss attributable to owners of the Company (RM'000)	<u>(66,795)</u>	<u>(41,177)</u>	<u>(98,806)</u>	<u>(95,507)</u>
Weighted average number of ordinary shares in issue ('000)	<u>716,226</u>	<u>717,476</u>	<u>716,161</u>	<u>717,422</u>
Basic EPS (sen)	<u>(9.33)</u>	<u>(5.74)</u>	<u>(13.80)</u>	<u>(13.31)</u>

**Diluted**

For the purpose of calculating diluted loss per share, the loss attributable to owners of the Company for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. shares granted under the Executive Share Option Scheme.

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>31.12.2014</u>	<u>31.12.2013</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
Loss attributable to owners of the Company (RM'000)	<u>(66,795)</u>	<u>(41,177)</u>	<u>(98,806)</u>	<u>(95,507)</u>
Weighted average number of ordinary shares in issue ('000)	<u>716,226</u>	<u>717,476</u>	<u>716,161</u>	<u>717,422</u>
Effect of dilution ('000)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>716,406</u>	<u>717,476</u>	<u>716,161</u>	<u>717,422</u>
Diluted EPS (sen)	<u>(9.33)</u>	<u>(5.74)</u>	<u>(13.80)</u>	<u>(13.31)</u>

**22. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2014 was not qualified.

**23. Loss before tax**

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	5,023	9,602	8,701	18,543
(b) Other income including investment income	1,350	809	2,989	1,717
(c) Interest expense	(17,352)	(17,709)	(32,565)	(32,399)
(d) Depreciation and amortisation	(29,099)	(29,731)	(58,000)	(58,879)
(e) Provision for and write off of receivables	-	(829)	(2,594)	(1,677)
(f) Provision for and write off of inventories	(16,000)	-	(16,000)	-
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	364	(2,156)	(3)	(2,008)
(h) Impairment of assets (refer to item (k))	-	-	-	-
(i) Foreign exchange gain/(loss)	6,499	(251)	5,234	690
(j) Gain/(Loss) on derivatives	-	-	-	-
(k) Exceptional items	(74,634)	(43,926)	(75,979)	(54,033)
- settlement arising from litigation claim against a former subsidiary company	(70,000)	-	(70,000)	-
- impairment loss on quoted and unquoted investments	(4,634)	(43,926)	(5,979)	(54,033)

**24. Realised and Unrealised Profits/Losses Disclosure**

	AS AT	AS AT
	31.12.2014	30.6.2014
	RM'000	RM'000
Total retained earnings of the Company and subsidiary companies		
- Realised	661,093	797,014
- Unrealised	60,772	52,740
	721,865	849,754
Total share of retained earnings from associated companies and a joint venture		
- Realised	551,966	519,833
- Unrealised	(1,073)	1,977
Consolidated adjustments	4,315	4,315
Total retained earnings	1,277,073	1,375,879