



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

---

(Incorporated in Malaysia)

**Interim Financial Report for the  
Third Quarter Ended  
31 March 2015**

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

(Incorporated in Malaysia)

## Interim financial report for the third quarter ended 31 March 2015

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Revenue		672,728	1,172,911	2,257,427	3,269,291
Operating expenses		(705,248)	(1,168,127)	(2,323,553)	(3,325,351)
Other operating income		2,556	954	5,544	2,671
(Loss)/Profit from operations		(29,964)	5,738	(60,582)	(53,389)
Finance costs		(12,476)	(18,308)	(45,041)	(50,707)
Share in results of associated companies and joint venture		5,584	13,940	34,667	41,930
Investment income		3,740	11,051	12,441	29,594
Exceptional items	23(k)	(158)	(2,425)	(76,137)	(56,458)
(Loss)/Profit before tax	23	(33,274)	9,996	(134,652)	(89,030)
Tax (expense)/credit	16	(6,694)	(1,471)	(21,302)	1,315
(Loss)/Profit for the period		<u>(39,968)</u>	<u>8,525</u>	<u>(155,954)</u>	<u>(87,715)</u>
(Loss)/Profit attributable to:					
- Owners of the Company		(40,945)	8,681	(139,751)	(86,826)
- Non-controlling interests		977	(156)	(16,203)	(889)
(Loss)/Profit for the period		<u>(39,968)</u>	<u>8,525</u>	<u>(155,954)</u>	<u>(87,715)</u>
(Loss)/Earnings per share attributable to owners of the Company (sen):	21				
- Basic		<u>(5.72)</u>	<u>1.21</u>	<u>(19.52)</u>	<u>(12.11)</u>
- Diluted		<u>(5.72)</u>	<u>1.21</u>	<u>(19.52)</u>	<u>(12.11)</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 third quarter ended 31 March 2015  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>3 MONTHS ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>31.3.2015</b>	<b>31.3.2014</b>	<b>31.3.2015</b>	<b>31.3.2014</b>
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(39,968)	8,525	(155,954)	(87,715)
<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	10,330	(767)	17,730	1,860
Net (loss)/gain on fair value changes on available-for-sale financial assets and assets classified as held for sale	(132)	1,247	(147)	4,575
Other comprehensive income for the period, net of tax	10,198	480	17,583	6,435
Total comprehensive (loss)/income for the period	<u>(29,770)</u>	<u>9,005</u>	<u>(138,371)</u>	<u>(81,280)</u>
(Loss)/Profit attributable to:				
Owners of the Company	(36,048)	9,687	(129,590)	(81,660)
Non-controlling interests	6,278	(682)	(8,781)	380
	<u>(29,770)</u>	<u>9,005</u>	<u>(138,371)</u>	<u>(81,280)</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)  
(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2015

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<b>AS AT 31.3.2015 RM'000</b>	<b>AS AT 30.6.2014 RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		1,107,245	1,169,134
Investment properties		4,230	4,244
Prepaid land lease payments		46,499	47,875
Land held for property development		32,973	34,306
Investment in associated companies		906,395	874,085
Investment in joint venture		65,415	56,974
Long-term investments		14,285	20,996
Receivables		532,834	532,834
Deferred tax assets		99,698	105,986
Goodwill		130,443	130,443
Total Non-Current Assets		<u>2,940,017</u>	<u>2,976,877</u>
<b>Current Assets</b>			
Property development costs		50,328	58,893
Inventories		741,039	817,855
Short-term investments		-	3,795
Receivables		581,248	591,413
Amount owing by associated company		6,810	10,751
Amount owing by joint venture		1,480	1,485
Deposits, cash and bank balances		393,574	462,374
Total Current Assets		<u>1,774,479</u>	<u>1,946,566</u>
<b>Total Assets</b>		<b><u>4,714,496</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		1,798,195	1,926,759
Equity attributable to owners of the Company		<u>2,516,104</u>	<u>2,644,668</u>
Non-controlling interests		303,292	315,265
Total equity		<u>2,819,396</u>	<u>2,959,933</u>
<b>Non-Current and Deferred Liabilities</b>			
Long-term borrowings	18	179,153	183,275
Hire-purchase and finance lease payables		78,277	92,606
Deferred tax liabilities		26,619	25,127
Total Non-Current and Deferred Liabilities		<u>284,049</u>	<u>301,008</u>
<b>Current Liabilities</b>			
Payables		1,190,555	1,208,676
Provisions		-	15,000
Hire-purchase and finance lease payables		19,943	17,452
Short-term borrowings	18	368,639	389,161
Tax liabilities		31,914	32,213
Total Current Liabilities		<u>1,611,051</u>	<u>1,662,502</u>
<b>Total Liabilities</b>		<u>1,895,100</u>	<u>1,963,510</u>
<b>Total Equity and Liabilities</b>		<b><u>4,714,496</u></b>	<b><u>4,923,443</u></b>
Net assets per share attributable to owners of the Company (RM)		<u>3.52</u>	<u>3.69</u>

*(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 third quarter ended 31 March 2015

(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 March 2015</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	-	-	-	10,161	(139,751)	(129,590)	(8,781)	(138,371)
Share-based payments	-	-	-	276	-	276	-	276
Acquisition of non-controlling interests	-	-	-	-	1,600	1,600	(3,192)	(1,592)
Purchase of treasury shares	-	-	(850)	-	-	(850)	-	(850)
<b>At 31 March 2015</b>	<b>717,909</b>	<b>532,627</b>	<b>(2,071)</b>	<b>29,911</b>	<b>1,237,728</b>	<b>2,516,104</b>	<b>303,292</b>	<b>2,819,396</b>
<b>31 March 2014</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	-	-	-	5,166	(86,826)	(81,660)	380	(81,280)
Dividends payable/paid for the financial year ended 30 June 2013	-	-	-	-	(7,167)	(7,167)	(942)	(8,109)
Purchase of treasury shares	-	-	(727)	-	-	(727)	-	(727)
<b>At 31 March 2014</b>	<b>717,909</b>	<b>532,627</b>	<b>(1,221)</b>	<b>19,354</b>	<b>1,794,985</b>	<b>3,063,654</b>	<b>387,747</b>	<b>3,451,401</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)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2015

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.3.2015 RM'000	31.3.2014 RM'000
<u>OPERATING ACTIVITIES</u>		
Loss before tax	(134,652)	(89,030)
Adjustments for:		
Non-cash items	150,101	153,731
Non-operating items	11,940	(22,132)
Operating profit before changes in working capital	27,389	42,569
Changes in working capital:		
Net changes in current assets	61,217	60,907
Net changes in current liabilities	(110,940)	(15,386)
	(22,334)	88,090
<u>INVESTING ACTIVITIES</u>		
Dividends received	1,671	18,748
Interest received	12,441	29,594
Proceeds from disposal/redemption of investments	118	3,983
Proceeds from disposal of property, plant and equipment	3,938	1,147
Purchase of property, plant and equipment	(29,925)	(42,832)
Others	1,333	(883)
	(10,424)	9,757
<u>FINANCING ACTIVITIES</u>		
Borrowings and interest paid	(60,027)	(111,783)
Decrease/(Increase) in cash and cash equivalents - restricted	134,266	(20,616)
Purchase of treasury shares	(850)	(727)
Dividend paid to shareholders of the Company	-	(7,167)
Dividend paid to minority shareholders of subsidiary companies	-	(942)
	73,389	(141,235)
Net changes in cash and cash equivalents	40,631	(43,388)
Effects of changes in exchange rate	975	248
Cash and cash equivalents at beginning of the period	269,481	385,620
Cash and cash equivalents at end of the period	311,087	342,480

*(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 third quarter ended 31 March 2015  
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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 Amount 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 Interpretation 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 1,572,400 ordinary shares of its issued ordinary shares from the open market at an average price of RM0.54 per share. The total consideration paid for the repurchase including transaction costs amounting to RM849,770 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 2015, the number of treasury shares held were 2,886,400 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	1,857,935	269,511	47,950	82,031	-	2,257,427
Inter-segment revenue	85,623	181,680	-	610	(267,913)	-
Total revenue	<u>1,943,558</u>	<u>451,191</u>	<u>47,950</u>	<u>82,641</u>	<u>(267,913)</u>	<u>2,257,427</u>
<b>Results</b>						
Segment results	(69,320)	8,008	11,577	(6,124)	-	(55,859)
Unallocated costs						(4,723)
Finance costs						(45,041)
Share in results of associated companies and joint venture	(752)	-	8,441	26,978	-	34,667
Investment income						12,441
Exceptional items	(4,883)	(185)	(144)	(70,925)	-	(76,137)
Loss before tax						(134,652)
Tax expense						(21,302)
Loss for the period						<u>(155,954)</u>
<b>Assets</b>						
Segment assets	2,653,079	448,516	249,085	144,438	-	3,495,118
Investment in associated companies and joint venture	73,409	-	65,415	832,986	-	971,810
Unallocated corporate assets						247,568
Consolidated total assets						<u>4,714,496</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 31.3.2015 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>

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 ("SFI"), a former subsidiary company, vide a settlement agreement dated 6 February 2015.

**11. Performance review**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
<b>Revenue</b>				
Steel	555,871	1,073,482	1,943,558	2,985,450
Building materials	176,837	157,469	451,191	495,738
Property development	16,600	3,942	47,950	14,242
Others	27,872	23,338	82,641	75,315
Eliminations	(104,452)	(85,320)	(267,913)	(301,454)
	<u>672,728</u>	<u>1,172,911</u>	<u>2,257,427</u>	<u>3,269,291</u>
<b>Segment Results</b>				
Steel	(25,431)	7,972	(69,320)	(53,541)
Building materials	3,240	2,100	8,008	7,361
Property development	(30)	(2,166)	11,577	(2,499)
Others	(5,837)	(117)	(6,124)	567
Unallocated costs	(1,906)	(2,051)	(4,723)	(5,277)
(Loss)/Profit from operations	<u>(29,964)</u>	<u>5,738</u>	<u>(60,582)</u>	<u>(53,389)</u>
Finance costs	(12,476)	(18,308)	(45,041)	(50,707)
Share in results of associated companies and joint venture	5,584	13,940	34,667	41,930
Investment income	3,740	11,051	12,441	29,594
Exceptional items	(158)	(2,425)	(76,137)	(56,458)
(Loss)/Profit before tax	<u>(33,274)</u>	<u>9,996</u>	<u>(134,652)</u>	<u>(89,030)</u>

For the first nine months of the financial year under review, the Group posted a 31% lower revenue of RM2,257 million compared to RM3,269 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 higher operating loss of RM60.6 million largely due to the higher loss from the steel division. The associated companies and a joint venture contributed a lower profit of RM34.7 million to the Group compared to RM41.9 million last year. After accounting for a higher loss on exceptional items of RM76.1 million, the Group recorded a higher loss before tax of RM134.7 million as compared with RM89.0 million in the same period last year.

**Steel**

Steel division recorded a lower revenue of RM1,944 million compared to RM2,985 million in the same period last year. The lower revenue was mainly due to lower selling prices and sales tonnage. Accordingly, the division recorded a higher loss of RM69.3 million.

**Building materials**

Building materials division recorded a 9% lower revenue of RM451.2 million compared to RM495.7 million recorded in the same period last year. However, the division posted a higher profit from operations of RM8.0 million as compared to RM7.4 million recorded a year ago largely due to increase in sales of higher profit margin products.

**Property development**

Property development division registered a higher revenue of RM48.0 million compared to RM14.2 million registered in the same period last year. The division posted a profit from operations of RM11.6 million against a loss of RM2.5 million recorded a year ago. The better results were mainly contributed by the development project in Penang.

**Others**

The revenue of RM82.6 million was mainly from petroleum, lubricants, automotive products and transportation businesses. The division recorded a loss of RM6.1 million for the financial year under review mainly due to unrealised foreign exchange loss of RM6.9 million.

**Associated companies and joint venture**

The lower share in profit of the associated companies and a joint venture was largely attributable to the lower profit from the steel and property development businesses.

**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 RM6.1 million on quoted and unquoted investments for the period under review.

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

	<b>Current Year Quarter 31.3.2015</b>	<b>Immediate Preceding Quarter 31.12.2014</b>
	RM'000	RM'000
Revenue	672,728	805,544
Loss from operations	(29,964)	(9,962)
Loss before tax	(33,274)	(73,337)

Revenue of the Group for the quarter under review was lower at RM672.7 million compared with RM805.5 million in the immediate preceding quarter. This was mainly attributable to the lower sales recorded by the steel and property development divisions. The Group registered a higher loss from operations of RM30.0 million compared with RM10.0 million in the immediate preceding quarter mainly due to the losses recorded by the steel and property development divisions.

Despite the lower operating results, the Group recorded a lower loss before tax of RM33.3 million for the quarter under review. The higher loss in the last quarter was mainly due to a loss on settlement of a litigation claim of RM70.0 million.

**13. a) Prospects**

The operating environment for the local steel industry is expected to be tough 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. The dumping activities continue to deteriorate the demand and price for local steel products. The 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	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Estimated tax payable				
Current provision	3,814	4,849	15,136	12,542
Deferred taxation				
Current provision	2,880	(3,378)	6,166	(13,857)
	<u>6,694</u>	<u>1,471</u>	<u>21,302</u>	<u>(1,315)</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 financial 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 RM'000	Long-Term RM'000	Total RM'000
<u>Bank borrowings</u>			
Secured	309,015	-	309,015
Unsecured	-	-	-
	<u>309,015</u>	<u>-</u>	<u>309,015</u>
<u>Sukuk</u>			
Secured	59,624	179,153	238,777
	<u>368,639</u>	<u>179,153</u>	<u>547,792</u>

The Group's borrowings were denominated in the following currencies

	Foreign Currency	
		'000 RM'000
- Ringgit Malaysia	-	450,083
- US Dollar	26,333	97,709
		<u>547,792</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)/Earnings per share ("EPS")****Basic**

Basic EPS is calculated by dividing the (loss)/earnings 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>31.3.2015</u>	<u>31.3.2014</u>	<u>31.3.2015</u>	<u>31.3.2014</u>
(Loss)/Profit attributable to owners of the Company (RM'000)	<u>(40,945)</u>	<u>8,681</u>	<u>(139,751)</u>	<u>(86,826)</u>
Weighted average number of ordinary shares in issue ('000)	<u>715,479</u>	<u>717,352</u>	<u>715,832</u>	<u>717,248</u>
Basic EPS (sen)	<u>(5.72)</u>	<u>1.21</u>	<u>(19.52)</u>	<u>(12.11)</u>

**Diluted**

For the purpose of calculating diluted (loss)/earnings per share, the (loss)/profit 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>31.3.2015</u>	<u>31.3.2014</u>	<u>31.3.2015</u>	<u>31.3.2014</u>
(Loss)/Earnings attributable to owners of the Company (RM'000)	<u>(40,945)</u>	<u>8,681</u>	<u>(139,751)</u>	<u>(86,826)</u>
Weighted average number of ordinary shares in issue ('000)	<u>715,479</u>	<u>717,352</u>	<u>715,832</u>	<u>717,248</u>
Effect of dilution ('000)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>715,479</u>	<u>717,352</u>	<u>715,832</u>	<u>717,248</u>
Diluted EPS (sen)	<u>(5.72)</u>	<u>1.21</u>	<u>(19.52)</u>	<u>(12.11)</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)/Profit before tax**

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	3,740	11,051	12,441	29,594
(b) Other income including investment income	2,556	954	5,544	2,671
(c) Interest expense	(12,476)	(18,308)	(45,041)	(50,707)
(d) Depreciation and amortisation	(29,173)	(29,635)	(87,173)	(88,514)
(e) Provision for and write off of receivables	(399)	(917)	(2,993)	(2,594)
(f) Provision for and write off of inventories	(8,716)	-	(24,716)	-
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	18	(88)	15	(2,096)
(h) Impairment of assets (refer to item (k))	-	-	-	-
(i) Foreign exchange gain/(loss)	(1,342)	2,192	3,893	2,882
(j) Gain/(Loss) on derivatives	-	-	-	-
(k) Exceptional items	(158)	(2,425)	(76,137)	(56,458)
- settlement arising from litigation claim against a former subsidiary company	-	-	(70,000)	-
- impairment loss on quoted and unquoted investments	(158)	(2,425)	(6,137)	(56,458)

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

	AS AT 31.3.2015 RM'000	AS AT 30.6.2014 RM'000
Total retained earnings of the Company and subsidiary companies		
- Realised	621,125	797,014
- Unrealised	55,811	52,740
	676,936	849,754
Total share of retained earnings from associated companies and a joint venture		
- Realised	551,125	519,833
- Unrealised	5,352	1,977
Consolidated adjustments	4,315	4,315
Total retained earnings	1,237,728	1,375,879