



LION INDUSTRIES CORPORATION BERHAD (415-D)

(Incorporated in Malaysia)

**Interim Financial Report for the
Second Quarter Ended
31 December 2018**

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

Interim financial report for the second quarter ended 31 December 2018

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Revenue		798,118	886,425	(10)	1,724,425	1,523,737	13
Operating expenses		(807,094)	(825,330)		(1,704,523)	(1,434,573)	
Other operating income		3,074	3,884		9,543	9,669	
(Loss)/Profit from operations		(5,902)	64,979	>(100)	29,445	98,833	(70)
Finance costs		(5,289)	(5,285)		(9,466)	(10,214)	
Share in results of associated companies and joint venture		(9,878)	(2,296)		(21,652)	(8,879)	
Investment income		2,467	3,626		4,037	4,975	
Exceptional item	23(k)	(28,465)	-		(28,465)	10,348	
(Loss)/Profit before tax	23	(47,067)	61,024	>(100)	(26,101)	95,063	>(100)
Tax credit/(expense)	16	3,893	(2,104)		2,032	(3,544)	
(Loss)/Profit for the period		<u>(43,174)</u>	<u>58,920</u>	>(100)	<u>(24,069)</u>	<u>91,519</u>	>(100)
(Loss)/Profit attributable to:							
- Owners of the Company		(43,409)	55,792		(24,401)	83,582	
- Non-controlling interests		235	3,128		332	7,937	
(Loss)/Profit for the period		<u>(43,174)</u>	<u>58,920</u>		<u>(24,069)</u>	<u>91,519</u>	
(Loss)/Earnings per share attributable to owners of the Company (sen):	21						
- Basic		<u>(6.38)</u>	<u>8.20</u>		<u>(3.58)</u>	<u>12.28</u>	
- Diluted		<u>(6.38)</u>	<u>8.20</u>		<u>(3.58)</u>	<u>12.28</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 2018 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 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(43,174)	58,920	(24,069)	91,519
<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	(329)	(5,770)	(53)	(11,034)
Share of other comprehensive income/(loss) of associated companies	29,414	(9,231)	9,698	(4,140)
Net gain on fair value changes on available-for-sale financial assets and assets classified as held for sale	-	(4,280)	-	(3,191)
Other comprehensive income/(loss) for the period, net of tax	29,085	(19,281)	9,645	(18,365)
Total comprehensive (loss)/income for the period	<u>(14,089)</u>	<u>39,639</u>	<u>(14,424)</u>	<u>73,154</u>
(Loss)/Profit attributable to:				
Owners of the Company	(14,300)	37,921	(15,651)	66,690
Non-controlling interests	211	1,718	1,227	6,464
	<u>(14,089)</u>	<u>39,639</u>	<u>(14,424)</u>	<u>73,154</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2018 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 2018
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.12.2018 RM'000	AS AT 30.6.2018 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		497,595	539,181
Investment properties		109,410	106,812
Prepaid land lease payments		56,403	57,544
Land held for property development		50,476	50,286
Investment in associated companies		766,226	777,753
Long-term investments		1,228	1,228
Deferred tax assets		78,802	73,762
Goodwill		130,443	130,443
Total Non-Current Assets		<u>1,690,583</u>	<u>1,737,009</u>
Current Assets			
Property development costs		11,915	11,903
Inventories		716,500	623,806
Receivables		399,975	377,424
Amount owing by associated company		336	336
Amount owing by joint venture		1,458	1,458
Deposits, cash and bank balances		272,066	319,395
		<u>1,402,250</u>	<u>1,334,322</u>
Total Assets		<u>3,092,833</u>	<u>3,071,331</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		1,250,536	1,250,536
Reserves		583,554	599,205
Equity attributable to owners of the Company		<u>1,834,090</u>	<u>1,849,741</u>
Non-controlling interests		171,804	170,577
Total equity		<u>2,005,894</u>	<u>2,020,318</u>
Non-Current and Deferred Liabilities			
Hire-purchase and finance lease payables	18	41,150	41,978
Deferred tax liabilities		8,005	8,005
Total Non-Current and Deferred Liabilities		<u>49,155</u>	<u>49,983</u>
Current Liabilities			
Payables		871,388	866,749
Hire-purchase and finance lease payables	18	35,721	49,064
Short-term borrowings	18	126,563	80,637
Tax liabilities		4,112	4,580
Total Current Liabilities		<u>1,037,784</u>	<u>1,001,030</u>
Total Liabilities		<u>1,086,939</u>	<u>1,051,013</u>
Total Equity and Liabilities		<u>3,092,833</u>	<u>3,071,331</u>
Net assets per share attributable to owners of the Company (RM)		<u>2.69</u>	<u>2.72</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2018 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 2018
(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	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000			
31 December 2018							
At 1 July 2018	1,250,536	(13,193)	(6,922)	619,320	1,849,741	170,577	2,020,318
Total comprehensive (loss)/income for the period	-	-	8,750	(24,401)	(15,651)	1,227	(14,424)
At 31 December 2018	1,250,536	(13,193)	1,828	594,919	1,834,090	171,804	2,005,894
31 December 2017							
At 1 July 2017	1,250,536	(13,193)	24,646	446,691	1,708,680	164,814	1,873,494
Total comprehensive (loss)/income for the period	-	-	(16,892)	83,582	66,690	6,464	73,154
At 31 December 2017	1,250,536	(13,193)	7,754	530,273	1,775,370	171,278	1,946,648

*(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements
for the year ended 30 June 2018 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 2018

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.12.2018	31.12.2017
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(26,101)	95,063
Adjustments for:		
Non-cash items	38,167	38,405
Non-operating items	20,462	13,202
Operating profit before changes in working capital	32,528	146,670
Changes in working capital:		
Net changes in current assets	(123,651)	(297,349)
Net changes in current liabilities	15,781	143,449
	<u>(75,342)</u>	<u>(7,230)</u>
INVESTING ACTIVITIES		
Dividends received	-	3,996
Interest received	4,037	5,599
Proceeds from disposal of property, plant and equipment	7,556	5,622
Purchase of property, plant and equipment	(5,092)	(2,806)
Proceeds from disposal of asset classified as held for sale	-	17,173
Others	(190)	(33)
	<u>6,311</u>	<u>29,551</u>
FINANCING ACTIVITIES		
Borrowings and interest paid	(27,868)	(35,439)
Proceeds from borrowings	25,000	-
(Increase)/Decrease in cash and cash equivalents - restricted	(36)	1,849
	<u>(2,904)</u>	<u>(33,590)</u>
Net changes in cash and cash equivalents	(71,935)	(11,269)
Effects of changes in exchange rate	(586)	(507)
Cash and cash equivalents at beginning of the period	305,743	296,979
Cash and cash equivalents at end of the period	<u>233,222</u>	<u>285,203</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements)

LION INDUSTRIES CORPORATION BERHAD (415-D)

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

The condensed consolidated financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The condensed consolidated financial statements also comply with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The condensed consolidated financial statements of the Group for the period ended 30 September 2018 have been prepared in accordance with MFRSs for the first time and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied. The Group prepared its financial statements for the financial year ended 30 June 2018 in accordance with Financial Reporting Standards ("FRS").

The condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2018. The 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 2018.

The significant accounting policies adopted in the condensed consolidated financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2018 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for the financial period beginning 1 July 2018:

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications)
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 Cycle

The adoption of MFRSs has no significant effect on the financial performance or position of the Group.

2. Comments about seasonal or cyclical factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-date, 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

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

The shares repurchased to date are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 31 December 2018, the number of treasury shares held were 37,105,300 shares.

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	1,498,547	167,779	-	58,099	-	1,724,425
Inter-segment revenue	-	-	-	8,907	(8,907)	-
Total revenue	<u>1,498,547</u>	<u>167,779</u>	<u>-</u>	<u>67,006</u>	<u>(8,907)</u>	<u>1,724,425</u>
Results						
Segment results	27,924	691	(2,240)	3,070	-	29,445
Finance costs						(9,466)
Share in results of associated companies and joint venture	1,102	-	-	(22,754)	-	(21,652)
Investment income						4,037
Exceptional item						(28,465)
Loss before tax						(26,101)
Tax credit						2,032
Loss for the year						<u>(24,069)</u>
Assets						
Segment assets	1,696,078	112,466	171,148	254,302	-	2,233,994
Investment in associated companies and joint venture	121,129	-	-	645,097	-	766,226
Unallocated corporate assets						92,613
Consolidated total assets						<u>3,092,833</u>

8. Subsequent events

There were no material events subsequent to the end of the current quarter other than as mentioned in Note 17.

9. Changes in composition of the Group

There were no material changes in the composition of the Group during the current quarter and financial year-to-date.

10. Changes in contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets since 30 June 2018.

11. Performance review

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Revenue							
Steel		679,719	814,260	(17)	1,498,547	1,381,213	8
Building materials		94,075	89,088	6	167,779	167,766	0
Property development		-	3,087	(100)	-	8,386	(100)
Others		29,241	34,229	(15)	67,006	64,762	3
Eliminations		(4,917)	(54,239)		(8,907)	(98,390)	
		<u>798,118</u>	<u>886,425</u>	(10)	<u>1,724,425</u>	<u>1,523,737</u>	13
Segment Results							
Steel		(5,390)	61,113	(>100)	27,924	90,964	(69)
Building materials		615	923	(33)	691	1,106	(38)
Property development		(1,140)	54	(>100)	(2,240)	2,002	(>100)
Others		13	2,889	(100)	3,070	4,761	(36)
(Loss)/Profit from operations		<u>(5,902)</u>	<u>64,979</u>	(>100)	<u>29,445</u>	<u>98,833</u>	(70)
Finance costs		(5,289)	(5,285)		(9,466)	(10,214)	
Share in results of associated companies and joint venture		(9,878)	(2,296)		(21,652)	(8,879)	
Investment income		2,467	3,626		4,037	4,975	
Exceptional item	23(k)	(28,465)	-		(28,465)	10,348	
(Loss)/Profit before tax		<u>(47,067)</u>	<u>61,024</u>	(>100)	<u>(26,101)</u>	<u>95,063</u>	(>100)

For the first six months of the financial year under review, the Group posted a 13% higher revenue of RM1,724 million compared to RM1,524 million recorded in the same period last year. This was mainly due to the higher revenue registered by our steel division. However, the Group recorded a lower operating profit of RM29.4 million compared with RM98.8 million a year ago mainly due to the lower profit margin of steel division. The Group shared a higher loss of RM21.7 million from associated companies and a joint venture compared with RM8.9 million in the previous year. The Group wrote down its inventories by RM28.5 million due to the decrease in the prices of steel products. Accordingly, the Group posted a loss before tax of RM26.1 million against a profit of RM95.1 million in the same period last year. The Group's net assets per share as at 31 December 2018 was at RM2.69, a decrease of 3 sen from that of the last financial year.

Steel

Steel division recorded a higher revenue of RM1,499 million compared to RM1,381 million in the same period last year. The higher revenue was due to the higher sales volume. However, the division reported a lower profit from operations of RM27.9 million compared to RM91.0 million last year due to lower profit margin.

Building materials

The revenue of the Building materials division was marginally higher at RM167.8 million whilst the profit contracted by 38% as compared to a year ago, mainly due to the different sales mix of building materials.

Property development

There was no contribution to the Group's revenue by the Property development division for the quarter under review as the Group's major property projects were completed prior to the current financial year. The division posted a loss from operations of RM2.2 million against a profit of RM2.0 million a year ago.

Others

The revenue of RM67.0 million was mainly from the sales of lubricants, automotive and petroleum products, as well as the provision of management services. The division recorded a lower profit of RM3.1 million for the financial year due to different sales mix.

Associated companies and joint venture

The share in the loss of associated companies and a joint venture was largely attributable to the loss from the retail business.

Exceptional item

The exceptional item comprised a write down of inventories to its net realisable value of RM28.5 million. Included in previous year was a gain on disposal of investment in an associated company of RM10.3 million.

12. Comment on material change in profit

	Current Year Quarter 31.12.2018	Immediate Preceding Quarter 30.9.2018	Changes
	RM'000	RM'000	%
Revenue	798,118	926,307	(14)
(Loss)/Profit from operations	(5,902)	35,347	(>100)
(Loss)/Profit before tax	(47,067)	20,966	(>100)

Revenue of the Group for the quarter under review was 14% lower at RM798 million compared with RM926 million in the immediate preceding quarter mainly due to the lower sales of steel products. Coupled with the lower profit margin from steel products, the Group recorded a loss from operations of RM5.9 million against a profit of RM35.3 million in the immediate preceding quarter.

After accounting for the inventories write down to its net realisable value of RM28.5 million and a share of losses of associated companies and a joint venture of RM9.9 million, the Group posted a loss before tax of RM47.1 million for the quarter under review against a profit of RM21.0 million in the immediate preceding quarter.

13. a) Prospects

The operating environment of the steel industry is anticipated to remain challenging in the next quarter in view of the intense competition among the local steel millers, the volatile prices of steel products and raw materials, and the weak demand from the soft construction and property sectors.

The Group will stay vigilant and responsive to market changes and continue with its efforts to improve operating performance for 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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Estimated tax payable				
Current provision	1,147	1,563	3,024	3,003
Overprovision in prior years	-	-	(16)	-
Deferred taxation				
Current provision	(5,040)	541	(5,040)	541
	<u>(3,893)</u>	<u>2,104</u>	<u>(2,032)</u>	<u>3,544</u>

Excluding the share in results of 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 being deductible for tax purposes.

17. Corporate proposals

Save for the below proposed to be undertaken by LICB, there are no other corporate proposals as at the date of this report.

No	Date of Announcements	Subjects	Status
1.	3.7.2018 30.8.2018 13.9.2018 20.9.2018 1.11.2018	<p>Proposed Expansion into Flat Steel Business involving the following corporate proposals:</p> <p>(a) proposed acquisition by Cendana Aset Sdn Bhd ("Cendana Aset"), a wholly-owned subsidiary of Cendana Domain Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, of the encumbered assets and the assignment of the Secomex Debt for a total purchase consideration of approximately RM537.73 million, which are payable by Cendana Aset to the secured lenders of Megasteel Sdn Bhd ("Megasteel") ("Megasteel Secured Lenders") ;</p> <p>(b) proposed acquisition by Gelora Berkat Sdn Bhd ("Gelora Berkat"), a wholly-owned subsidiary of Tahap Berkat Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, of the MS promissory note to be issued by Megasteel to the Megasteel Secured Lenders's appointed trustee in relation to the under-secured portion debts settlement for a cash consideration of RM8.50 million, which are payable by Gelora Berkat to the Megasteel Secured Lenders ("Proposed Acquisition of MS Promissory Note");</p> <p>(c) proposed acquisition by Gelora Berkat of all the unencumbered assets of Megasteel for a cash consideration of approximately RM22.14 million, which are payable by Gelora Berkat to Megasteel ("Proposed Acquisition of unencumbered assets"); and</p> <p>(d) proposed supply of electricity by Tenaga Nasional Berhad ("TNB") to LICB and its subsidiaries ("LICB Group") for their steel mill operations located in Banting including the flat steel assets for a cash consideration of RM35.80 million ("Proposed TNB supply").</p>	<p>Pending the following:</p> <p>(a) the approval from the Megasteel Secured Lenders at the Court-Convened Meeting in relation to the scheme of arrangement and compromise to be undertaken between Megasteel and the Megasteel Secured Lenders under the Companies Act 2016 ("Megasteel Secured Scheme");</p> <p>(b) the approval from the Megasteel Unsecured Creditors (being the unsecured creditors of Megasteel) at the Court-Convened Meeting in relation to the scheme of arrangement and compromise to be undertaken between Megasteel and Megasteel Unsecured Creditors under the Act. ("Megasteel Unsecured Scheme");</p> <p>(c) the approval of the non-interested shareholders of the Company;</p> <p>(d) the approval of the shareholders of Megasteel;</p> <p>(e) the sanction of the Megasteel Secured Scheme by the High Court of Malaya under the Act;</p> <p>(f) the sanction of the Megasteel Unsecured Scheme by the High Court of Malaya under the Act;</p> <p>(g) the approval of Bank Negara Malaysia for the Megasteel Secured Scheme (if required); and</p> <p>(h) any other parties' or authorities' approval (if required).</p>

17. Corporate proposals (Continued)

Save for the below proposed to be undertaken by LICB, there are no other corporate proposals as at the date of this report.(continued)

No	Date of Announcements	Subjects	Status
2.	7.1.2019 30.1.2019 31.1.2019 15.2.2019	Proposed disposal by the Company of its entire 11,517,999 ordinary shares in Angkasa Amsteel Pte Ltd ("AAPL") representing approximately 50% of the share capital of AAPL, to Daehan Steel Co Ltd for a cash consideration of SGD26.65 million (equivalent to approximately RM80.90 million) ("Proposed Disposal").	The approval of the Shareholders of the Company on the Proposed Disposal was obtained on 15 February 2019. The Proposed Disposal is pending completion.

18. Borrowings and debt securities

The Group's borrowings as at end of the reporting period were as follows :

	AS AT 31.12.2018		AS AT 31.12.2017	
	USD'000	RM'000	USD'000	RM'000
Non-current				
<u>Secured</u>				
Hire-purchase and finance lease payables	-	40,487	-	-
<u>Unsecured</u>				
Hire-purchase and finance lease payables	-	663	-	469
	-	41,150	-	469
Current				
<u>Secured</u>				
Sukuk	-	-	-	59,981
Term loan	-	27,962	-	4,936
Hire-purchase and finance lease payables	-	35,450	-	48,447
Bankers acceptance and revolving credit	-	62,954	5,389	91,490
Bank overdraft	-	34,717	-	19,309
<u>Unsecured</u>				
Hire-purchase and finance lease payables	-	272	-	481
Bankers acceptance and revolving credit	-	929	-	399
	-	162,284	5,389	225,043
	-	203,434	5,389	225,512

The closing rate used on 31.12.2017 in translating USD into RM was USD1.00: RM4.06

19. Changes in material litigation

There was no material litigation since 30 June 2018.

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)/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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
(Loss)/Profit attributable to owners of the Company (RM'000)	(43,409)	55,792	(24,401)	83,582
Weighted average number of ordinary shares in issue ('000)	680,804	680,804	680,804	680,804
Basic EPS (sen)	(6.38)	8.20	(3.58)	12.28

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. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2018 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	2,467	3,626	4,037	4,975
(b) Other income including investment income	3,074	3,884	9,543	9,669
(c) Interest expense	(5,289)	(5,285)	(9,466)	(10,214)
(d) Depreciation and amortisation	(22,535)	(24,399)	(45,396)	(49,522)
(e) (Provision for)/Reversal of and write off of receivables	(908)	(980)	(1,690)	(1,788)
(f) Provision for and write off of inventories	-	-	-	-
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/(loss)	(74)	(130)	4,108	31
(j) Gain/(Loss) on derivatives	-	-	-	-
(k) Exceptional item				
- inventories written down	(28,465)	-	(28,465)	-
- gain on disposal of investment in an associated company	-	-	-	10,348