



LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)

(Incorporated in Malaysia)

Interim Financial Report for the Quarter Ended 30 September 2021

Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Financial Statements	6 - 13

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)
(Incorporated in Malaysia)

Interim financial report for the quarter ended 30 September 2021
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
		30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Revenue		502,282	-	3,143,887	-
Operating expenses		(539,540)	-	(3,216,061)	-
Other operating income		1,639	-	18,160	-
Loss from operations		(35,619)	-	(54,014)	-
Gain on settlement of secured debts	9	-	-	191,943	-
Finance costs		(4,437)	-	(29,519)	-
Share in results of associated companies and joint venture		(13,839)	-	(22,406)	-
Investment income		3,098	-	8,531	-
Dilution of interest in an associated company		(11,783)	-	(11,783)	-
(Loss)/Profit before tax	23	(62,580)	-	82,752	-
Tax credit/(expense)	16	2,520	-	(25,732)	-
(Loss)/Profit for the period		<u>(60,060)</u>	<u>-</u>	<u>57,020</u>	<u>-</u>
(Loss)/Profit attributable to:					
- Owners of the Company		(58,309)	-	21,234	-
- Non-controlling interests		(1,751)	-	35,786	-
(Loss)/Profit for the period		<u>(60,060)</u>	<u>-</u>	<u>57,020</u>	<u>-</u>
(Loss)/Earnings per share attributable to owners of the Company (sen):	21				
- Basic		<u>(8.56)</u>	<u>-</u>	<u>3.12</u>	<u>-</u>
- Diluted		<u>(8.56)</u>	<u>-</u>	<u>3.12</u>	<u>-</u>

The financial year end of the Group has been changed from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)
(Incorporated in Malaysia)

Interim financial report for the quarter ended 30 September 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
(Loss)/Profit for the period	(60,060)	-	57,020	-
<u>Other comprehensive income/(loss)</u>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange differences on translation of foreign operations	2,169	-	12,179	-
Share of other comprehensive income of associated companies	3,090	-	51,375	-
Other comprehensive income for the period, net of tax	5,259	-	63,554	-
Total comprehensive (loss)/income for the period	<u>(54,801)</u>	<u>-</u>	<u>120,574</u>	<u>-</u>
(Loss)/Profit attributable to:				
Owners of the Company	(53,520)	-	81,802	-
Non-controlling interests	(1,281)	-	38,772	-
	<u>(54,801)</u>	<u>-</u>	<u>120,574</u>	<u>-</u>

The financial year end of the Group has been changed from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)
(Incorporated in Malaysia)

Interim financial report for the quarter ended 30 September 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 30.9.2021 RM'000	AS AT 30.6.2020 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		834,867	399,243
Investment properties		110,363	113,001
Prepaid land lease payments		38,554	40,485
Right-of-use assets		49,539	50,027
Land held for property development		50,959	50,885
Investment in associated companies and joint venture		496,217	475,396
Long-term investments		3,611	611
Deferred tax assets		26,591	48,133
Goodwill		130,443	130,443
Total Non-Current Assets		<u>1,741,144</u>	<u>1,308,224</u>
Current Assets			
Property development costs		12,022	12,022
Inventories		557,284	375,498
Receivables		470,467	469,239
Investment in money market funds		2,396	17,469
Deposits, cash and bank balances		432,314	333,517
		<u>1,474,483</u>	<u>1,207,745</u>
Total Assets		<u>3,215,627</u>	<u>2,515,969</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		1,250,536	1,250,536
Reserves		82,851	1,049
Equity attributable to owners of the Company		<u>1,333,387</u>	<u>1,251,585</u>
Non-controlling interests		214,007	175,235
Total equity		<u>1,547,394</u>	<u>1,426,820</u>
Non-Current and Deferred Liabilities			
Loans and borrowings	18	47,636	48,001
Lease liabilities		23,454	20,123
Deferred payables		390,978	-
Deferred tax liabilities		3,920	3,919
Total Non-Current and Deferred Liabilities		<u>465,988</u>	<u>72,043</u>
Current Liabilities			
Payables		981,606	864,509
Contract liabilities		23,769	18,509
Loans and borrowings	18	122,699	115,604
Lease liabilities		9,491	13,996
Deferred payables		60,000	-
Tax liabilities		4,680	4,488
Total Current Liabilities		<u>1,202,245</u>	<u>1,017,106</u>
Total Liabilities		<u>1,668,233</u>	<u>1,089,149</u>
Total Equity and Liabilities		<u>3,215,627</u>	<u>2,515,969</u>
Net assets per share attributable to owners of the Company (RM)		<u>1.96</u>	<u>1.84</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements)

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)

(Incorporated in Malaysia)

Interim financial report for the quarter ended 30 September 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →					Non-	
	Share capital	Treasury shares	Other reserves	Retained earnings	Total	controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2021							
At 1 July 2020	1,250,536	(13,193)	(81,749)	95,991	1,251,585	175,235	1,426,820
Total comprehensive income for the period	-	-	60,568	21,234	81,802	38,772	120,574
Transfer of reserve	-	-	230	(230)	-	-	-
At 30 September 2021	1,250,536	(13,193)	(20,951)	116,995	1,333,387	214,007	1,547,394

The financial year end of the Group has been changed from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)
(Incorporated in Malaysia)

Interim financial report for the quarter ended 30 September 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	15 MONTHS ENDED	
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	82,752	-
Adjustments for:		
Non-cash items	(74,271)	-
Non-operating items	58,275	-
Operating profit before changes in working capital	66,756	-
Changes in working capital:		
Net changes in current assets	(234,737)	-
Net changes in current liabilities	171,069	-
	3,088	-
INVESTING ACTIVITIES		
Dividend received	490	-
Interest received	5,433	-
Proceeds from disposal of property, plant and equipment	647	-
Purchase of long term investment	(8,500)	-
Purchase of property, plant and equipment	(84,315)	-
Decrease in investment in money market funds	15,073	-
Net cash inflow from acquisition of subsidiary company	180,050	-
Others	(74)	-
	108,804	-
FINANCING ACTIVITIES		
Borrowings and interest paid	(38,966)	-
Proceeds from borrowings	18,000	-
Decrease in cash and cash equivalents - restricted	72,161	-
	51,195	-
Net changes in cash and cash equivalents	163,087	-
Effect of exchange differences	9,694	-
Cash and cash equivalents at beginning of the period	219,228	-
Cash and cash equivalents at end of the period	392,009	-

The financial year end of the Group has been changed from 30 June to 31 December. As such, there are no comparative figures for the preceding year corresponding periods.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

LION INDUSTRIES CORPORATION BERHAD

Registration No. 192401000008 (415-D)
(Incorporated in Malaysia)

Interim financial report for the quarter ended 30 September 2021
(The figures have not been audited)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Accounting policies and methods of computation

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 should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2020. 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 2020.

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 2020 except for the adoption of the following MFRSs, Amendments to MFRSs and IC Interpretations effective for the financial period beginning 1 July 2020:

Amendments to:

MFRS 3	Definition of a Business
MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
MFRS 16	COVID-19-Related Rent Concessions
MFRS 101 and MFRS 108	Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the abovementioned Amendments to MFRSs does not have material impact on the financial position and/or financial performance of the Group in the period of initial application.

Change in Financial Year End

The Company had on 4 June 2021, announced that it had changed the financial year end of the Company from 30 June to 31 December. Consequently, the next set of audited financial statements shall be made up from 1 July 2020 to 31 December 2021 covering a period of 18 months and subsequently, the financial year of the Company shall end on 31 December.

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 current reporting periods, 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 results for the current reporting periods.

5. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current reporting periods.

The shares repurchased to date are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. As at 30 September 2021, the number of treasury shares held were 37,105,300 shares.

6. Dividends paid

There was no dividend paid during the current reporting periods.

7. Segmental information

The Group's segmental report for the 15-month period ended 30 September 2021 was as follows:

	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External revenue	2,458,230	556,202	129,455	-	3,143,887
Inter-segment revenue	279,369	-	25,566	(304,935)	-
Total revenue	<u>2,737,599</u>	<u>556,202</u>	<u>155,021</u>	<u>(304,935)</u>	<u>3,143,887</u>
Results					
Segment results	(15,432)	1,778	(40,360)	-	(54,014)
Gain on settlement of secured debts	56,623	135,320	-	-	191,943
Finance costs					(29,519)
Share in results of associated companies and joint venture	540	-	(22,946)	-	(22,406)
Investment income					8,531
Dilution of interest in an associated company					(11,783)
Profit before tax					82,752
Tax expenses					(25,732)
Profit for the period					<u>57,020</u>
Assets					
Segment assets	1,389,516	197,548	1,094,897	-	2,681,961
Investment in associated companies and joint venture	22,112	-	474,105	-	496,217
Unallocated corporate assets					37,449
Consolidated total assets					<u>3,215,627</u>

8. Subsequent events

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

9. Changes in composition of the Group

As announced to Bursa Malaysia Securities Berhad, the Group had completed the transfer of 100% equity interest in Well Morning Limited ("Well Morning") on 30 December 2020 pursuant to the secured debts settlement agreement. Thereafter, Well Morning and its only wholly-owned subsidiary company, Changshu Lion Enterprise Co Ltd ("Changshu Lion"), became subsidiary companies of the Group.

Well Morning is an investment holding company incorporated in Hong Kong SAR and Changshu Lion is a company incorporated in the People's Republic of China ("PRC") which is principally involved in property development in Changshu, PRC.

The identifiable assets acquired and liabilities assumed in relation to the above transfer are as follows:

	RM'000
Assets	
Non-current assets	144
Current assets	
Fixed deposits, cash and bank balances	180,050
Others	<u>30,413</u>
	210,463
Liability	
Current Liabilities	(11,728)
Total identifiable assets acquired and liabilities assumed	<u>198,879</u>
Expenses accrued	(6,936)
Total consideration - gain on settlement of secured debts	<u><u>191,943</u></u>
Gain attributable to:	
- Owners of the Company	156,242
- Non-controlling interests	<u>35,701</u>
	<u><u>191,943</u></u>
	Sen
Effects on earnings per share and net assets per share of the Group	<u><u>28.19</u></u>

There were no material changes in the composition of the Group during the current reporting periods other than as disclosed above.

10. Changes in contingent liabilities and contingent assets

As part of the terms for the disposal of Sabah Forest Industries Sdn Bhd ("SFI") ("Disposal"), a former subsidiary company, Lion Posim Berhad, a 74% owned subsidiary company, agreed to indemnify SFI and the purchaser of SFI in full for all losses, damages, liabilities, claims, costs and expenses which SFI and the purchaser may incur or sustain as a result of or arising from the litigation claims where the cause of action arose prior to the completion of the Disposal.

Indemnity for back pay labour claims from SFI's employees

The Group had on 21 August 2020 paid an amount of RM3.5 million to SFI for its onward payment to SFI's employees. The payment was for the full and final settlement of Lion Posim Berhad's obligations in relation to the claim by SFI's ex-employees for alleged arrears of wages. Subsequent to the settlement, Lion Posim Berhad was released and discharged from all obligations in connection with the said claims howsoever arising and from its obligation under the letter of indemnity.

11. Performance review

	Note	INDIVIDUAL QUARTER 3 MONTHS ENDED	CUMULATIVE PERIOD 15 MONTHS ENDED
		30.9.2021 RM'000	30.9.2021 RM'000
Revenue			
Steel		434,063	2,737,599
Building materials		78,281	556,202
Others		30,507	155,021
Eliminations		(40,569)	(304,935)
		502,282	3,143,887
Segment Results			
Steel		(25,789)	(15,432)
Building materials		(366)	1,778
Others		(9,464)	(40,360)
Loss from operations		(35,619)	(54,014)
Gain on settlement of secured debts	9	-	191,943
Finance costs		(4,437)	(29,519)
Share in results of associated companies and joint venture		(13,839)	(22,406)
Investment income		3,098	8,531
Dilution of interest in an associated company		(11,783)	(11,783)
(Loss)/Profit before tax	23	(62,580)	82,752

The financial year end of the Group has been changed from 30 June to 31 December. As such, there is no comparative figures for the cumulative preceding year corresponding period and the results for last year's same quarter are referred for discussion below.

For the 15 months ended 30 September 2021, the Group posted a revenue of RM3,144 million with the Steel and Building Materials Divisions being the two main contributors to the Group's revenue. The Group recorded a RM191.9 million gain on settlement of secured debts pursuant to the debts settlement arrangement as disclosed in Note 9. The share of losses from associated companies and a joint venture was RM22.4 million for the 15-month period ended 30 September 2021. After accounting for the loss on dilution of interest in an associated company of RM11.8 million, the Group posted a profit before tax of RM82.8 million for the 15 month ended 30 September 2021. The Group's net assets per share as at 30 September 2021 was RM1.96, an increase of 12 sen from that of the last financial year.

Steel

The Division's revenue was 29% lower at RM434.1 million compared to RM607.7 million recorded in same quarter last year mainly due to lower sales volume as the business was affected by more stringent movement restrictions imposed by the Government during the current quarter. Coupled with lower profit margin, the Division accordingly posted a higher loss of RM25.8 million compared with RM1.6 million recorded in the same quarter last year. For the 15-month period, the Division recorded a revenue of RM2,737.6 million and loss of RM15.4 million.

Building materials

The revenue for the Division decreased by 41% to RM78.3 million for the quarter ended 30 September 2021 as compared with RM132.0 million recorded in the same quarter last year as the business was affected by more stringent movement restrictions imposed by the Government to curb the surge in COVID-19 cases. The Division accordingly posted a loss of RM0.4 million against a profit of RM1.5 million recorded in last year's same quarter. For the 15-month period, the Division recorded a revenue of RM556.2 million and profit of RM1.8 million.

Others

Revenue of Others Division were mainly from the sales of lubricants, automotive and petroleum products, as well as the provision of management services and property development projects. These Division collectively contributed a lower revenue of RM30.5 million for the current quarter compared with RM33.5 million recorded in the last year's same quarter. Accordingly, the Division recorded a higher loss of RM9.5 million for the current quarter against a profit of RM1.3 million recorded in the last year's same quarter. For the 15-month period under review, the Division recorded a revenue of RM155.0 million and a loss of RM40.4 million mainly due to the expenses incurred for corporate exercises and administrative expenses.

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.

12. Comment on material change in profit

	Current Year Quarter 30.9.2021	Immediate Preceding Quarter 30.6.2021	Changes
	RM'000	RM'000	%
Revenue	502,282	471,023	7
Loss from operations	(35,619)	(31,533)	-13
(Loss)/Profit before tax	(62,580)	2,348	>-100

For the quarter ended 30 September 2021, the Group registered a revenue of RM502 million, an increase of 7% from that of the last quarter mainly due to the higher sales from the Steel Division. However, the Group recorded a higher loss from operations of RM35.6 million for the quarter under review due to higher costs of raw materials and lower production due to the tighter restrictions on movement and businesses imposed by the Government to curb the rising daily COVID-19 cases.

After accounting for share of loss of associated companies and a joint venture of RM13.8 million and dilution of interest in an associated company of RM11.8 million, the Group posted a loss before tax of RM62.6 million for the quarter under review against profit of RM2.3 million in the immediate preceding quarter.

13. a) Prospects

The Malaysian economy for the next quarter is expected to gradually improve following the relaxation of movement restrictions and many business sectors having resumed operation with strict standard operating procedures in place.

Nonetheless, the Group remains cautious over the uncertainties caused by the COVID-19 pandemic and will continue to stay vigilant and responsive to market changes. The Group will also continue to focus on containing its operating costs and optimising operational efficiencies.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current reporting periods.

14. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current reporting periods.

15. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

16. Tax (credit)/expense

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable				
Current provision	448	-	4,853	-
Overprovision in prior years	-	-	(458)	-
Deferred taxation				
Current provision	(2,968)	-	21,337	-
	(2,520)	-	25,732	-

Excluding the share in results of associated companies and the joint venture, the effective tax rate of the Group for the current quarter and 15-month financial period is lower than the statutory tax rate principally due to certain income not being taxable for tax purposes.

17. Corporate proposals

Save for the below proposals to be undertaken by Lion Industries Corporation Berhad ("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 12.3.2019 11.6.2019 11.7.2019 9.8.2019 10.9.2019 20.11.2019 29.11.2019 12.12.2019 27.7.2020 30.7.2020 3.8.2020	<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 is payable by Cendana Aset to the secured lenders of Megasteel Sdn Bhd ("Megasteel") ("Megasteel Secured Lenders") ("Proposed Acquisition of Encumbered Assets");</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' appointed trustee in relation to the under-secured portion debts settlement for a cash consideration of RM8.50 million, which is 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 RM21.59 million, which is 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.</p>	<p>(a) the approval of the shareholders of Megasteel was obtained on 11 June 2019;</p> <p>(b) 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 ("Act") ("Megasteel Secured Scheme") was obtained on 10 July 2019;</p> <p>(c) the approval from the Megasteel Unsecured Creditors at the Court-Convened Meeting in relation to the scheme of arrangement and compromise to be undertaken between Megasteel and the Megasteel Unsecured Creditors under the Act ("Megasteel Unsecured Scheme") was obtained on 10 July 2019;</p> <p>(d) the sanction of the Megasteel Secured Scheme by the High Court of Malaya ("Court") under the Act was obtained on 7 August 2019;</p> <p>(e) the sanction of the Megasteel Unsecured Scheme by the Court under the Act was obtained on 10 September 2019;</p> <p>(f) the approval of the non-interested shareholders of the Company in relation to the proposals was obtained on 29 November 2019;</p> <p>(g) the Megasteel Secured Scheme had become unconditional on 29 November 2019 and completed on 30 July 2020.</p> <p>(h) the Proposed Acquisition of Encumbered Assets and the Proposed Acquisition of MS Promissory Note under the Megasteel Secured Scheme has been completed on 30 July 2020; and</p> <p>(i) the Proposed Acquisition of Unencumbered Assets under the Megasteel Unsecured Scheme is pending completion.</p>

17. Corporate proposals (continued)

No	Date of Announcements	Subjects	Status
2.	12.10.2021 28.10.2021 1.11.2021 9.11.2021	<p>Proposed disposal by Amsteel Mills Sdn Bhd ("AMSB"), a 99% owned subsidiary of the Company, of its entire 100% equity interest in Antara Steel Mills Sdn Bhd ("Antara") to Esteel Enterprise Pte Ltd ("Buyer") for a cash consideration of USD122.00 million (equivalent to RM509.96 million) ("Proposed Disposal").</p> <p>Note: Defined words used herein carry the same meaning as explained in the announcements</p>	<p>The Proposed Disposal is subject to the following approvals being obtained:</p> <p>(a) The Shareholders of the Company.</p> <p>(b) MITI</p>

18. Borrowings and debt securities

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

	YEAR-TO-DATE ENDED	
	30.9.2021 RM'000	30.9.2020 RM'000
Non-current		
<u>Secured</u>		
Hire-purchase and finance lease payables	47,250	47,250
<u>Unsecured</u>		
Hire-purchase and finance lease payables	386	694
	<u>47,636</u>	<u>47,944</u>
Current		
<u>Secured</u>		
Term loan	15,310	24,671
Hire-purchase and finance lease payables	13,887	19,409
Bankers acceptance and revolving credit	81,000	68,952
Bank overdraft	12,166	26,344
<u>Unsecured</u>		
Hire-purchase and finance lease payables	336	318
Bankers acceptance and revolving credit	-	78
	<u>122,699</u>	<u>139,772</u>
	<u>170,335</u>	<u>187,716</u>

All the Group's borrowings are denominated in Ringgit Malaysia.

19. Changes in material litigation

There was no material litigation since 30 June 2020.

20. Dividend proposed

The Board does not recommend any interim dividend for the current reporting periods.

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 reporting periods.

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
(Loss)/Profit attributable to owners of the Company (RM'000)	(58,309)	-	21,234	-
Weighted average number of ordinary shares in issue ('000)	680,804	-	680,804	-
Basic EPS (sen)	(8.56)	-	3.12	-

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 2020 was not qualified.

23. (Loss)/Profit before tax

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

	INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 15 MONTHS ENDED	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
(a) Interest income	3,098	-	8,531	-
(b) Other income including investment income	3,603	-	18,160	-
(c) Interest expense	(4,437)	-	(29,519)	-
(d) Depreciation and amortisation	(16,654)	-	(115,653)	-
(e) Provision for and write off of receivables	(747)	-	(5,357)	-
(f) Provision for and write off of inventories	-	-	-	-
(g) Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	(5,500)	-
(i) Foreign exchange gain/(loss)	283	-	5,048	-