



LION FOREST INDUSTRIES BERHAD (82056-X)

(Incorporated in Malaysia)

Interim Financial Report for the Third Quarter Ended 31 March 2015

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LION FOREST INDUSTRIES BERHAD (82056-X)

(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 | | 204,709 | 180,808 | 533,832 | 571,054 |
| Operating expenses | | (203,458) | (179,348) | (529,172) | (564,229) |
| Other operating income | | 6,682 | 9,788 | 16,302 | 26,331 |
| Profit from operations | | 7,933 | 11,248 | 20,962 | 33,156 |
| Finance costs | | (196) | (162) | (598) | (354) |
| Share in results of associated companies | | (464) | (1,885) | (50) | (178) |
| Exceptional items | 23(k) | 16 | (176) | (71,110) | (5,392) |
| Profit/(Loss) before tax | 23 | 7,289 | 9,025 | (50,796) | 27,232 |
| Income tax expense | 16 | (2,202) | (3,813) | (6,804) | (9,940) |
| Profit/(Loss) for the period | | 5,087 | 5,212 | (57,600) | 17,292 |
| Profit/(Loss) attributable to : | | | | | |
| - Owners of the Company | | 5,042 | 5,254 | (57,816) | 16,907 |
| - Non-controlling interests | | 45 | (42) | 216 | 385 |
| Profit/(Loss) for the period | | 5,087 | 5,212 | (57,600) | 17,292 |
| Earnings/(Loss) per share attributable to owners of the Company (sen) : | 21 | | | | |
| - Basic | | 2.18 | 2.27 | (24.97) | 7.30 |
| - Diluted | | 2.18 | 2.27 | (24.97) | 7.30 |

(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 FOREST INDUSTRIES BERHAD (82056-X)
(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

| | <u>3 MONTHS ENDED</u> | | <u>YEAR-TO-DATE ENDED</u> | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | <u>31.3.2015</u> RM'000 | <u>31.3.2014</u> RM'000 | <u>31.3.2015</u> RM'000 | <u>31.3.2014</u> RM'000 |
| Profit/(Loss) for the period | 5,087 | 5,212 | (57,600) | 17,292 |
| <u>Other comprehensive income/(loss)</u> | | | | |
| <u>Items that will not be reclassified subsequently to profit or loss</u> | - | - | - | - |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | | |
| Foreign currency translation differences arising from foreign operations & other movements | 11,971 | (768) | 23,352 | 6,254 |
| Net (loss)/gain on available-for-sale financial assets: | | | | |
| - Fair value changes | (4) | (6) | (17) | 31 |
| - Transfer to profit or loss upon disposal | (53) | - | (53) | - |
| Other comprehensive income/(loss) for the period | 11,914 | (774) | 23,282 | 6,285 |
| Total comprehensive income/(loss) for the period | <u>17,001</u> | <u>4,438</u> | <u>(34,318)</u> | <u>23,577</u> |
| Total comprehensive income/(loss) attributable to: | | | | |
| - Owners of the Company | 16,126 | 4,909 | (35,948) | 22,695 |
| - Non-controlling interests | 875 | (471) | 1,630 | 882 |
| | <u>17,001</u> | <u>4,438</u> | <u>(34,318)</u> | <u>23,577</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 FOREST INDUSTRIES BERHAD (82056-X)

(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> | AS AT 31.3.2015 RM'000 | AS AT 30.6.2014 RM'000 |
|---|-------------|---------------------------------------|---------------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | | 34,710 | 36,472 |
| Investment properties | | 618 | 632 |
| Investment in associated companies | | 84,543 | 77,223 |
| Other investments | | 2,873 | 3,963 |
| Trade and other receivables | | 274,644 | 274,644 |
| Deferred tax assets | | 3,970 | 3,970 |
| Total Non-Current Assets | | <u>401,358</u> | <u>396,904</u> |
| Current Assets | | | |
| Inventories | | 11,440 | 18,347 |
| Other investments | | - | 1,710 |
| Trade receivables | | 123,204 | 121,197 |
| Other receivables and prepayments | | 134,102 | 126,134 |
| Amount owing by immediate holding company | | 130,484 | 164,227 |
| Amount owing by other related companies | | 134,139 | 128,550 |
| Tax recoverable | | 3,667 | 967 |
| Fixed deposits, cash and bank balances | | 154,609 | 211,674 |
| | | <u>691,645</u> | <u>772,806</u> |
| Asset classified as held for sale | | - | - |
| Total Current Assets | | <u>691,645</u> | <u>772,806</u> |
| Total Assets | | <u>1,093,003</u> | <u>1,169,710</u> |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Share capital | | 231,572 | 231,572 |
| Reserves | | 696,347 | 730,477 |
| Equity attributable to owners of the Company | | <u>927,919</u> | <u>962,049</u> |
| Non-controlling interests | | 29,335 | 30,897 |
| Total Equity | | <u>957,254</u> | <u>992,946</u> |
| Non-Current and Deferred Liabilities | | | |
| Hire-purchase payables | | 445 | 520 |
| Deferred tax liabilities | | 1,170 | 1,281 |
| Total Non-Current and Deferred Liabilities | | <u>1,615</u> | <u>1,801</u> |
| Current Liabilities | | | |
| Trade payables | | 44,089 | 71,947 |
| Other payables and accrued expenses | | 62,182 | 54,804 |
| Provisions | | - | 15,000 |
| Amount owing to ultimate holding company | | 691 | 692 |
| Amount owing to other related companies | | 3,823 | 7,593 |
| Hire-purchase payables | | 185 | 231 |
| Bank borrowings | 18 | 22,990 | 23,023 |
| Tax liabilities | | 174 | 1,673 |
| Total Current Liabilities | | <u>134,134</u> | <u>174,963</u> |
| Total Liabilities | | <u>135,749</u> | <u>176,764</u> |
| Total Equity and Liabilities | | <u>1,093,003</u> | <u>1,169,710</u> |
| Net assets per share attributable to owners of the Company (RM) | | <u>4.01</u> | <u>4.15</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 FOREST INDUSTRIES BERHAD (82056-X)
(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 | Non- controlling interests | Total equity |
|--|---|------------------|--------------------|-------------------|--|-----------|----------------------------------|-----------------|
| | Share capital | Share premium | Treasury shares | Other reserves | Retained earnings/ (Accumulated losses) | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 31 March 2015 | | | | | | | | |
| At 1 July 2014 | 231,572 | 689,330 | - | 14,303 | 26,844 | 962,049 | 30,897 | 992,946 |
| Total comprehensive income/(loss) for the period | - | - | - | 21,868 | (57,816) | (35,948) | 1,630 | (34,318) |
| Share-based payments | - | - | - | 267 | - | 267 | - | 267 |
| Acquisition of non-controlling interests | - | - | - | - | 1,600 | 1,600 | (3,192) | (1,592) |
| Purchase of treasury shares | - | - | (49) | - | - | (49) | - | (49) |
| At 31 March 2015 | 231,572 | 689,330 | (49) | 36,438 | (29,372) | 927,919 | 29,335 | 957,254 |
| 31 March 2014 | | | | | | | | |
| At 1 July 2013 | 231,572 | 689,330 | - | 11,481 | 279,640 | 1,212,023 | 32,024 | 1,244,047 |
| Total comprehensive income for the period | - | - | - | 5,788 | 16,907 | 22,695 | 882 | 23,577 |
| Dividends paid | - | - | - | - | (3,474) | (3,474) | (786) | (4,260) |
| At 31 March 2014 | 231,572 | 689,330 | - | 17,269 | 293,073 | 1,231,244 | 32,120 | 1,263,364 |

(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 FOREST INDUSTRIES BERHAD (82056-X)
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Interim financial report for the third quarter ended 31 March 2015
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | YEAR-TO-DATE ENDED | |
|--|---------------------------|----------------------|
| | 31.3.2015 | 31.3.2014 |
| | RM'000 | RM'000 |
| OPERATING ACTIVITIES | | |
| (Loss)/Profit before tax | (50,796) | 27,232 |
| Adjustments for: | | |
| Non-cash items | 75,169 | 10,736 |
| Non-operating items | (11,063) | (24,868) |
| Operating profit before changes in working capital | <u>13,310</u> | <u>13,100</u> |
| Changes in working capital: | | |
| Net changes in current assets | 29,808 | (15,308) |
| Net changes in current liabilities | (8,367) | (14,391) |
| Others | (10,273) | 2,675 |
| | <u>24,478</u> | <u>(13,924)</u> |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (4,846) | (8,081) |
| Proceeds from disposal of asset classified as held for sale | - | 470 |
| Proceeds from disposal of property, plant and equipment | 4,816 | 471 |
| Increase in amount owing by other related companies | (3,757) | (1,504) |
| Dividend received from an associated company | 384 | 385 |
| Settlement arising from litigation claim against a former subsidiary company | (85,000) | - |
| Acquisition of non-controlling interests | (1,592) | - |
| Cash at banks held under Escrow Account and fixed deposits pledged | 134,266 | (20,616) |
| Interest received | 4,802 | 4,316 |
| Others | 577 | 989 |
| | <u>49,650</u> | <u>(23,570)</u> |
| FINANCING ACTIVITIES | | |
| (Decrease)/Increase in bank borrowings excluding bank overdrafts | (154) | 15,510 |
| Dividends paid | - | (3,474) |
| Dividends paid to non-controlling interests of a subsidiary company | - | (786) |
| Purchase of treasury shares | (49) | - |
| Others | (598) | (1,215) |
| | <u>(801)</u> | <u>10,035</u> |
| Net changes in cash and cash equivalents | 73,327 | (27,459) |
| Effect of exchange differences | 975 | 245 |
| Cash and cash equivalents at beginning of the period | 51,727 | 97,377 |
| Cash and cash equivalents at end of the period | <u><u>126,029</u></u> | <u><u>70,163</u></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 FOREST INDUSTRIES BERHAD (82056-X)
(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2015
(The figures have not been audited)

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 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 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 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 MFRSs effective for the financial period beginning 1 July 2014:

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

The adoption of the above mentioned MFRSs and IC Interpretations did not have material impact on the financial statements of the Group in the period of 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 results.

5. Debt and equity securities

During the financial year-to-date, the Company repurchased a total of 62,500 ordinary shares of its issued ordinary shares from the open market at an average price of RM0.79 per share. The total consideration paid for the shares repurchased including transaction costs amounting to RM49,225 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 62,500 shares.

Other than as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial year-to-date.

6. Dividend paid

There were no dividends paid during the current quarter and financial year-to-date.

7. Segmental information

The Group's segmental report for the financial year-to-date was as follows :

| | Building materials and steel products | Lubricants, petroleum and automotive products | Others | Eliminations | Total |
|---|--|--|---------------|---------------------|------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | |
| External customers | 451,191 | 65,786 | 16,855 | - | 533,832 |
| Inter-segment sales | 11 | 4 | 3 | (18) | - |
| Total revenue | <u>451,202</u> | <u>65,790</u> | <u>16,858</u> | <u>(18)</u> | <u>533,832</u> |
| Results | | | | | |
| Segment results | 8,410 | 10,365 | 2,187 | - | 20,962 |
| Finance costs | | | | | (598) |
| Share in results of associated companies | - | - | (50) | - | (50) |
| Exceptional items | (185) | (255) | (70,670) | - | (71,110) |
| Loss before tax | | | | | <u>(50,796)</u> |
| Income tax expense | | | | | (6,804) |
| Loss for the period | | | | | <u>(57,600)</u> |
| Assets | | | | | |
| Segment assets | 579,000 | 84,805 | 201,333 | - | 865,138 |
| Investment in associated companies | - | - | 84,543 | - | 84,543 |
| Unallocated corporate assets | | | | | 143,322 |
| | | | | | <u>1,093,003</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 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:

| | AS AT 31.3.2015 RM'000 | AS AT 30.6.2014 RM'000 |
|---|---------------------------------------|---------------------------------------|
| Indemnity for: | | |
| Litigation claims in respect of the termination of the extraction and sale of timber | - | 138,855 |
| Less: Provisions | - | (15,000) |
| | <u>-</u> | <u>123,855</u> |
| Back pay labour claims from SFI's employees | 23,427 | 23,427 |
| | <u>23,427</u> | <u>147,282</u> |

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

| | 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 | | | | | |
| Building materials and steel products | | 176,369 | 157,472 | 451,191 | 495,738 |
| Lubricants, petroleum and automotive products | | 23,402 | 17,353 | 65,786 | 55,670 |
| Others | | 4,938 | 5,983 | 16,855 | 19,646 |
| | | <u>204,709</u> | <u>180,808</u> | <u>533,832</u> | <u>571,054</u> |
| Segment results | | | | | |
| Building materials and steel products | | 3,240 | 7,851 | 8,410 | 21,627 |
| Lubricants, petroleum and automotive products | | 3,808 | 2,455 | 10,365 | 8,344 |
| Others | | 885 | 942 | 2,187 | 3,185 |
| Profit from operations | | <u>7,933</u> | <u>11,248</u> | <u>20,962</u> | <u>33,156</u> |
| Finance costs | | (196) | (162) | (598) | (354) |
| Share in results of associated companies | | (464) | (1,885) | (50) | (178) |
| Exceptional items | 23(k) | 16 | (176) | (71,110) | (5,392) |
| Profit/(Loss) before tax | 23 | <u>7,289</u> | <u>9,025</u> | <u>(50,796)</u> | <u>27,232</u> |
| Income tax expense | 16 | (2,202) | (3,813) | (6,804) | (9,940) |
| Profit/(Loss) for the period | | <u>5,087</u> | <u>5,212</u> | <u>(57,600)</u> | <u>17,292</u> |

For the nine months of the financial year 2015, the Group registered a revenue of RM533.8 million, a decreased of 7% compared with that in the preceding year corresponding period, mainly due to the lower sales of steel related products.

The Building Materials and Steel Products Division recorded a 9% lower revenue of RM451.2 million as compared with the preceding year due to the lower demand for steel related products from the local steel producers. Coupled with lower interest income, profit was therefore lower.

Revenue and profit of the Lubricants, Petroleum and Automotive Products Division grew 18% and 24% to RM65.8 million and RM10.4 million respectively. These were largely due to the higher sales of lubricants supported by comprehensive marketing programs which increased sales volume and expanded customer base.

Others include mainly transportation business, investment holding and agriculture. These activities collectively contributed a lower profit of RM2.2 million compared with RM3.2 million in the preceding year mainly due to the lower contribution from the transportation business and lower interest income.

The Group recognised exceptional losses totalling RM71.1 million, comprising a one-time loss of RM70.0 million on the full and final settlement of the litigation claim by UNP Plywood Sdn Bhd against Sabah Forest Industries Sdn Bhd, a former subsidiary company, and an impairment loss on quoted and unquoted investments of RM1.1 million.

Correspondingly, the Group registered a loss before tax of RM50.8 million against a profit of RM27.2 million in the preceding year.

12. Material changes in the results for the current quarter compared with the immediate preceding quarter

| | Current Year Quarter | Immediate Preceding Quarter |
|--------------------------|-------------------------------------|--|
| | 31.3.2015 | 31.12.2014 |
| | RM'000 | RM'000 |
| Revenue | 204,709 | 160,023 |
| Profit from operations | 7,933 | 5,818 |
| Profit/(Loss) before tax | 7,289 | (65,246) |

Revenue of the Group for the quarter ended 31 March 2015 was 28% higher at RM204.7 million compared with RM160.0 million in the immediate preceding quarter mainly driven by higher sales of steel related products and lubricants.

The Group recorded a profit before tax of RM7.3 million against a loss of RM65.2 million in the immediate preceding quarter. The results for the immediate preceding quarter included a one-time loss of RM70.0 million on the full and final settlement of the litigation claim by UNP Plywood Sdn Bhd against Sabah Forest Industries Sdn Bhd, a former subsidiary company.

13. a) Prospects

The outlook for the next quarter will continue to be challenging due to uncertainties in the operating environment. Nonetheless, we remain focused on growing our business network and developing our product range with effective cost management and operational efficiency initiatives, and rationalising our agriculture activities to sustain profitability.

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. Income tax expense

| | 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 |
| Estimated tax payable | | | | |
| - Current provision | 2,202 | 3,813 | 6,996 | 9,940 |
| - overprovision in prior years | - | - | (136) | - |
| Deferred tax | | | | |
| - Current provision | - | - | (56) | - |
| | <u>2,202</u> | <u>3,813</u> | <u>6,804</u> | <u>9,940</u> |

After excluding the results of associated companies, the effective tax rate of the Group for the current quarter and year-to-date were higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

17. Corporate proposalsStatus of corporate proposals

| No | Date of Announcements | Subject | Status |
|----|------------------------|--|--|
| a. | 18.3.2005 20.4.2006 | Proposed joint-venture between the Company and the Pemerintah Kabupaten Malinau (the Regency Government of Malinau) for the proposed development of 40,000 hectares of oil palm plantation and the construction of 2 crude palm oil mills in Malinau Regency, Kalimantan Timur, Republic of Indonesia ("Indonesia"). | Approval was obtained from Bank Negara Malaysia. Pending approvals from: i) Ministry of Forestry, Indonesia; ii) Ministry of Agriculture, Indonesia; and iii) any other relevant authorities in Indonesia and Malaysia |

18. Borrowings

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 | 21,691 | - | 21,691 |
| Unsecured | 1,299 | - | 1,299 |
| | <u>22,990</u> | <u>-</u> | <u>22,990</u> |

Foreign Currency

The Group's borrowings were denominated in the following currencies:

| | | |
|------------------------|-------|---------------|
| | '000 | RM'000 |
| - Ringgit Malaysia | - | 1,299 |
| - United States Dollar | 5,846 | 21,691 |
| | | <u>22,990</u> |

19. Changes in material litigation

There was no material litigation since 30 June 2014.

20. Dividend proposed

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

21. Earnings/(Loss) per share**Basic**

Basic earnings/(loss) per share is calculated by dividing the Group's profit/(loss) attributable to owners of the Company for the period by the weighted average number of ordinary shares of the Company in issue during the financial period as follows:

| | 3 MONTHS ENDED | | YEAR-TO-DATE ENDED | |
|--|-----------------------|------------------|---------------------------|------------------|
| | 31.3.2015 | 31.3.2014 | 31.3.2015 | 31.3.2014 |
| Profit/(Loss) attributable to owners of the Company (RM'000) | <u>5,042</u> | <u>5,254</u> | <u>(57,816)</u> | <u>16,907</u> |
| Weighted average number of shares in issue ('000) | <u>231,549</u> | <u>231,572</u> | <u>231,564</u> | <u>231,572</u> |
| Basic earnings/(loss) per share (sen) | <u>2.18</u> | <u>2.27</u> | <u>(24.97)</u> | <u>7.30</u> |

Diluted

For the purpose of calculating diluted earnings/(loss) per share, the profit/(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.

| | 3 MONTHS ENDED | | YEAR-TO-DATE ENDED | |
|--|-----------------------|------------------|---------------------------|------------------|
| | 31.3.2015 | 31.3.2014 | 31.3.2015 | 31.3.2014 |
| Profit/(Loss) attributable to owners of the Company (RM'000) | <u>5,042</u> | <u>5,254</u> | <u>(57,816)</u> | <u>16,907</u> |
| Weighted average number of shares in issue ('000) | <u>231,549</u> | <u>231,572</u> | <u>231,564</u> | <u>231,572</u> |
| Effect of dilution ('000) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>231,549</u> | <u>231,572</u> | <u>231,564</u> | <u>231,572</u> |
| Diluted earnings/(loss) per share (sen) | <u>2.18</u> | <u>2.27</u> | <u>(24.97)</u> | <u>7.30</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. Profit/(Loss) before tax

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

| | 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 | 3,617 | 9,267 | 11,662 | 25,222 |
| b) Other income including investment income | 976 | 284 | 2,409 | 824 |
| c) Interest expense | (196) | (162) | (598) | (354) |
| d) Depreciation and amortisation | (1,581) | (1,073) | (4,414) | (3,172) |
| e) Provision for and write off of receivables | (1,143) | (917) | (2,993) | (2,594) |
| f) Provision for and write off of inventories | - | - | - | - |
| g) Gain or (loss) on disposal of - quoted or unquoted investments or properties | 54 | - | 54 | - |
| h) Impairment of assets (refer to item (k)) | - | - | - | - |
| i) Foreign exchange gain or (loss) | 2,035 | 237 | 2,177 | 285 |
| j) Gain or (loss) on derivatives | - | - | - | - |
| k) Exceptional items | 16 | (176) | (71,110) | (5,392) |
| - settlement arising from litigation claim against a former subsidiary company | - | - | (70,000) | - |
| - reversal of/(impairment) loss on quoted and unquoted investments | 16 | (176) | (1,110) | (5,392) |

24. Realised and Unrealised Earnings/Losses Disclosure

| | AS AT 31.3.2015 RM'000 | AS AT 30.6.2014 RM'000 |
|--|------------------------------|------------------------------|
| (Accumulated losses)/retained earnings of the Company and its subsidiary companies: | | |
| - Realised | (99,410) | (28,136) |
| - Unrealised | (12,037) | (27,529) |
| | (111,447) | (55,665) |
| Share of retained earnings from associated companies: | | |
| - Realised | 28,732 | 29,258 |
| - Unrealised | 2,724 | 2,632 |
| | 31,456 | 31,890 |
| Consolidation adjustments | 50,619 | 50,619 |
| Consolidated (accumulated losses)/retained earnings | (29,372) | 26,844 |