



LION INDUSTRIES CORPORATION BERHAD (415-D)

(Incorporated in Malaysia)

**Interim Financial Report for the
Third Quarter Ended
31 March 2019**

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

Interim financial report for the third quarter ended 31 March 2019
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
		31.3.2019 RM'000	31.3.2018 RM'000	Changes %	31.3.2019 RM'000	31.3.2018 RM'000	Changes %
Revenue		693,366	919,557	(25)	2,417,791	2,443,294	(1)
Operating expenses		(765,604)	(859,213)		(2,470,127)	(2,293,787)	
Other operating income		4,110	2,707		13,653	12,377	
(Loss)/Profit from operations		(68,128)	63,051	>(100)	(38,683)	161,884	>(100)
Finance costs		(5,312)	(5,303)		(14,778)	(15,517)	
Share in results of associated companies and joint venture		(762)	9,566		(22,414)	687	
Investment income		1,718	1,149		5,755	6,124	
Exceptional item	23(k)	-	-		(28,465)	10,348	
(Loss)/Profit before tax	23	(72,484)	68,463	>(100)	(98,585)	163,526	>(100)
Tax credit/(expense)	16	1,289	(6,360)		3,321	(9,904)	
(Loss)/Profit for the period		<u>(71,195)</u>	<u>62,103</u>	>(100)	<u>(95,264)</u>	<u>153,622</u>	>(100)
(Loss)/Profit attributable to:							
- Owners of the Company		(72,167)	60,675		(96,568)	144,257	
- Non-controlling interests		972	1,428		1,304	9,365	
(Loss)/Profit for the period		<u>(71,195)</u>	<u>62,103</u>		<u>(95,264)</u>	<u>153,622</u>	
(Loss)/Earnings per share attributable to owners of the Company (sen):	21						
- Basic		<u>(10.60)</u>	<u>8.91</u>		<u>(14.18)</u>	<u>21.19</u>	
- Diluted		<u>(10.60)</u>	<u>8.91</u>		<u>(14.18)</u>	<u>21.19</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 third quarter ended 31 March 2019
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(71,195)	62,103	(95,264)	153,622
<u>Other comprehensive income/(loss)</u>				
<u>Items that may be reclassified</u> <u>subsequently to profit or loss</u>				
Exchange differences on translation of foreign operations	(1,167)	(7,915)	(1,220)	(18,949)
Share of other comprehensive income of associated companies	6,369	8,332	16,067	4,193
Net loss on fair value changes on available-for-sale financial assets and assets classified as held for sale	-	(7,406)	-	(10,597)
Other comprehensive income/(loss) for the period, net of tax	5,202	(6,989)	14,847	(25,353)
Total comprehensive (loss)/income for the period	<u>(65,993)</u>	<u>55,114</u>	<u>(80,417)</u>	<u>128,269</u>
(Loss)/Profit attributable to:				
Owners of the Company	(66,512)	56,322	(82,163)	123,013
Non-controlling interests	519	(1,208)	1,746	5,256
	<u>(65,993)</u>	<u>55,114</u>	<u>(80,417)</u>	<u>128,269</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 third quarter ended 31 March 2019
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	AS AT 31.3.2019 RM'000	AS AT 30.6.2018 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		481,678	539,181
Investment properties		107,733	106,812
Prepaid land lease payments		55,833	57,544
Land held for property development		50,572	50,286
Investment in associated companies		669,325	777,753
Long-term investments		1,228	1,228
Deferred tax assets		81,136	73,762
Goodwill		130,443	130,443
Total Non-Current Assets		<u>1,577,948</u>	<u>1,737,009</u>
Current Assets			
Property development costs		11,915	11,903
Inventories		665,733	623,806
Receivables		458,084	377,424
Amount owing by associated company		336	336
Amount owing by joint venture		1,458	1,458
Deposits, cash and bank balances		247,399	319,395
		<u>1,384,925</u>	<u>1,334,322</u>
Assets classified as held for sale		98,881	-
Total Current Assets		<u>1,483,806</u>	<u>1,334,322</u>
Total Assets		<u>3,061,754</u>	<u>3,071,331</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		1,250,536	1,250,536
Reserves		517,042	599,205
Equity attributable to owners of the Company		<u>1,767,578</u>	<u>1,849,741</u>
Non-controlling interests		172,323	170,577
Total equity		<u>1,939,901</u>	<u>2,020,318</u>
Non-Current and Deferred Liabilities			
Hire-purchase and finance lease payables	18	40,266	41,978
Deferred tax liabilities		7,839	8,005
Total Non-Current and Deferred Liabilities		<u>48,105</u>	<u>49,983</u>
Current Liabilities			
Payables		935,740	866,749
Hire-purchase and finance lease payables	18	34,802	49,064
Short-term borrowings	18	99,303	80,637
Tax liabilities		3,903	4,580
Total Current Liabilities		<u>1,073,748</u>	<u>1,001,030</u>
Total Liabilities		<u>1,121,853</u>	<u>1,051,013</u>
Total Equity and Liabilities		<u>3,061,754</u>	<u>3,071,331</u>
Net assets per share attributable to owners of the Company (RM)		<u>2.60</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)
(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2019
(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			
<u>31 March 2019</u>							
At 1 July 2018	1,250,536	(13,193)	(6,922)	619,320	1,849,741	170,577	2,020,318
Total comprehensive income/(loss) for the period	-	-	14,405	(96,568)	(82,163)	1,746	(80,417)
At 31 March 2019	1,250,536	(13,193)	7,483	522,752	1,767,578	172,323	1,939,901
<u>31 March 2018</u>							
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	-	-	(21,244)	144,257	123,013	5,256	128,269
At 31 March 2018	1,250,536	(13,193)	3,402	590,948	1,831,693	170,070	2,001,763

(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 third quarter ended 31 March 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR-TO-DATE ENDED	
	31.3.2019	31.3.2018
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(98,585)	163,526
Adjustments for:		
Non-cash items	97,358	59,507
Non-operating items	28,116	13,068
Operating profit before changes in working capital	26,889	236,101
Changes in working capital:		
Net changes in current assets	(172,734)	(359,133)
Net changes in current liabilities	51,858	83,132
	<u>(93,987)</u>	<u>(39,900)</u>
INVESTING ACTIVITIES		
Dividends received	3,761	3,996
Interest received	5,755	6,124
Proceeds from disposal of property, plant and equipment	7,800	10,221
Purchase of property, plant and equipment	(11,190)	(8,759)
Proceeds from disposal of asset classified as held for sale	-	17,173
Others	(286)	(677)
	<u>5,840</u>	<u>28,078</u>
FINANCING ACTIVITIES		
Borrowings and interest paid	(8,190)	(16,767)
Proceeds from borrowings	25,000	-
(Increase)/Decrease in cash and cash equivalents - restricted	(35)	27,466
	<u>16,775</u>	<u>10,699</u>
Net changes in cash and cash equivalents	(71,372)	(1,123)
Effects of changes in exchange rate	(374)	(818)
Cash and cash equivalents at beginning of the period	305,743	296,979
Cash and cash equivalents at end of the period	<u>233,997</u>	<u>295,038</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)

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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 31 March 2019 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 March 2019, 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	2,057,026	276,683	-	84,082	-	2,417,791
Inter-segment revenue	91,557	-	-	14,544	(106,101)	-
Total revenue	<u>2,148,583</u>	<u>276,683</u>	<u>-</u>	<u>98,626</u>	<u>(106,101)</u>	<u>2,417,791</u>
Results						
Segment results	(36,005)	901	(5,858)	2,279	-	(38,683)
Finance costs						(14,778)
Share in results of associated companies and joint venture	1,407	-	-	(23,821)	-	(22,414)
Investment income						5,755
Exceptional item						(28,465)
Loss before tax						(98,585)
Tax credit						3,321
Loss for the year						<u>(95,264)</u>
Assets						
Segment assets	1,653,525	112,466	163,602	267,455	-	2,197,048
Investment in associated companies and joint venture	20,917	-	-	648,408	-	669,325
Assets classified as held for sale						98,881
Unallocated corporate assets						96,500
Consolidated total assets						<u>3,061,754</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		
		31.3.2019 RM'000	31.3.2018 RM'000	Changes %	31.3.2019 RM'000	31.3.2018 RM'000	Changes %
Revenue							
Steel		650,036	856,800	(24)	2,148,583	2,238,013	(4)
Building materials		108,904	65,942	65	276,683	233,708	18
Property development		-	-	-	-	8,386	(100)
Others		31,620	31,439	1	98,626	96,201	3
Eliminations		(97,194)	(34,624)		(106,101)	(133,014)	
		<u>693,366</u>	<u>919,557</u>	(25)	<u>2,417,791</u>	<u>2,443,294</u>	(1)
Segment Results							
Steel		(63,929)	67,467	(>100)	(36,005)	158,430	(>100)
Building materials		210	(338)	>100	901	768	17
Property development		(3,618)	(3,959)	9	(5,858)	(1,956)	(>100)
Others		(791)	(119)	(>100)	2,279	4,642	(51)
(Loss)/Profit from operations		<u>(68,128)</u>	<u>63,051</u>	(>100)	<u>(38,683)</u>	<u>161,884</u>	(>100)
Finance costs		(5,312)	(5,303)		(14,778)	(15,517)	
Share in results of associated companies and joint venture		(762)	9,566		(22,414)	687	
Investment income		1,718	1,149		5,755	6,124	
Exceptional item	23(k)	-	-		(28,465)	10,348	
(Loss)/Profit before tax		<u>(72,484)</u>	<u>68,463</u>	(>100)	<u>(98,585)</u>	<u>163,526</u>	(>100)

For the first nine months of the financial year under review, the Group posted a 1% lower revenue of RM2,418 million compared to RM2,443 million recorded in the same period last year. This was mainly due to the lower revenue registered by our steel division. Accordingly, the Group reported an operating loss of RM38.7 million against an operating profit of RM161.9 million a year ago mainly due to the lower profit margin of the steel division. The Group shared a higher loss of RM22.4 million from associated companies and a joint venture against a profit of RM0.7 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 RM98.6 million against a profit of RM163.5 million in the same period last year. The Group's net assets per share as at 31 March 2019 was at RM2.60, a decrease of 12 sen from that of the last financial year.

Steel

Steel division recorded a lower revenue of RM2,149 million compared to RM2,238 million in the same period last year. The lower revenue was due to the lower selling price. Accordingly, the division reported a loss from operations of RM36.0 million against a profit of RM158.4 million last year due to lower profit margin.

Building materials

Building materials division recorded an 18% higher revenue of RM276.7 million compared with RM233.7 million in the same period last year due to the higher demand for building materials from the property sector. Accordingly, the division posted a higher profit of RM0.9 million compared with RM0.8 million a year ago.

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 RM5.9 million compared with RM2.0 million a year ago.

Others

The revenue of RM98.6 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 RM2.3 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 their 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 31.3.2019	Immediate Preceding Quarter 31.12.2018	Changes
	RM'000	RM'000	%
Revenue	693,366	798,118	(13)
Loss from operations	(68,128)	(5,902)	(>100)
Loss before tax	(72,484)	(47,067)	(54)

Revenue of the Group for the quarter under review was 13% lower at RM693 million compared with RM798 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 RM68.1 million compared with RM5.9 million in the immediate preceding quarter.

After accounting for the share of loss of associated companies and a joint venture of RM0.8 million, the Group posted a loss before tax of RM72.5 million for the quarter under review compared with RM47.1 million in the immediate preceding quarter.

13. a) Prospects

The operating environment of the steel industry is anticipated to be very challenging in the next quarter. Prices of steel products and raw materials continue to be volatile and the demand from the construction and property sectors remain low.

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 (credit)/expense

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Estimated tax payable				
Current provision	1,019	1,360	4,043	4,363
Overprovision in prior years	(39)	3,000	(55)	3,000
Deferred taxation				
Current provision	(2,269)	2,000	(7,309)	2,541
	<u>(1,289)</u>	<u>6,360</u>	<u>(3,321)</u>	<u>9,904</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 lower than the statutory tax rate principally due to tax credit.

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 12.3.2019	<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 1.4.2019	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 was completed on 1 April 2019.

18. Borrowings and debt securities

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

	AS AT 31.3.2019		AS AT 31.3.2018	
	USD'000	RM'000	USD'000	RM'000
Non-current				
<u>Secured</u>				
Hire-purchase and finance lease payables	-	40,266	-	44,802
	-	40,266	-	44,802
Current				
<u>Secured</u>				
Sukuk	-	-	-	59,991
Term loan	-	21,928	-	4,996
Hire-purchase and finance lease payables	-	34,802	-	48,899
Bankers acceptance and revolving credit	-	67,408	-	73,105
Bank overdraft	-	9,310	-	15,990
<u>Unsecured</u>				
Bankers acceptance and revolving credit	-	657	-	572
	-	134,105	-	203,553
	-	174,371	-	248,355

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	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
(Loss)/Profit attributable to owners of the Company (RM'000)	(72,167)	60,675	(96,568)	144,257
Weighted average number of ordinary shares in issue ('000)	680,804	680,804	680,804	680,804
Basic EPS (sen)	(10.60)	8.91	(14.18)	21.19

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	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	1,718	1,149	5,755	6,124
(b) Other income including investment income	4,110	2,707	13,652	12,377
(c) Interest expense	(5,312)	(5,303)	(14,778)	(15,517)
(d) Depreciation and amortisation	(22,516)	(23,908)	(67,912)	(73,430)
(e) (Provision for)/Reversal of and write off of receivables	(1,123)	(768)	(2,813)	(2,556)
(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)	3,224	1,322	7,332	1,352
(j) Gain/(Loss) on derivatives	-	-	-	-
(k) Exceptional item				
- inventories written down	-	-	(28,465)	-
- gain on disposal of investment in an associated company	-	-	-	10,348