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**SAMLING GLOBAL LIMITED**

三林環球有限公司\*

(a company incorporated in Bermuda with limited liability)

(Stock Code: 3938)

## **OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

Please refer to the attached announcement in relation to Lingui Developments Berhad (“Lingui”) for the second quarterly financial results for the financial quarter ended 31 December 2011 which has been prepared in accordance with the generally accepted accounting principles in Malaysia. Lingui, a subsidiary of Samling Global Limited (“the Company”) by virtue of the Company’s holding of 67.23%, is listed on the Bursa Malaysia Securities Berhad.

In accordance with the intention expressed by the Company in the prospectus dated 23 February 2007, no reconciliation of the second quarterly financial results of Lingui with the International Financial Reporting Standards will be published.

Dated this 19<sup>th</sup> day of February 2012

At the date of this announcement, the board of directors of Samling Global Limited comprises the following directors:

*Executive Directors*

Yaw Chee Ming

*Non-Independent Non-Executive Director*

Chan Hua Eng

*Independent Non-Executive Directors*

Fung Ka Pun

David William Oskin

Tan Li Pin, Richard

Amirsham A Aziz

*\* for identification purposes only*



## Financial Results

Form Version 8 (Enhanced)

Submitted by CS\_SECFIN on 18/02/2012 07:32:02 PM

Reference No CC-120214-57746

### Submitting Investment

Bank/Advisor  
(if applicable)

Submitting Secretarial Firm (if applicable) SECFIN SDN BHD

Company name \* LINGUI DEVELOPMENTS BERHAD

Stock name \* LINGUI

Stock code \* 2011

Contact person \* CHEN KEOW CHING

Designation \* COMPANY SECRETARY

### Part A1 : QUARTERLY REPORT

Financial Year End \* 30-06-2012

Quarter \*  1 Qtr  2 Qtr  3 Qtr  4 Qtr  Other

Quarterly report for the financial period ended \* 31-12-2011

The figures \*  have been audited  have not been audited

Please attach the full Quarterly Report here:



KLSE-LDB\_2Q12.pdf

Remarks:

Currency Malaysian Ringgit (MYR)

### Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended  
\* 31-12-2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD
	31-12-2011 [dd/mm/yyyy]	31-12-2010 [dd/mm/yyyy]	31-12-2011 [dd/mm/yyyy]	31-12-2010 [dd/mm/yyyy]
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	496,889	424,082	931,901	789,137

2 Profit/(loss) before tax	50,879	67,000	20,876	112,000
3 Profit/(loss) for the period	45,003	55,873	16,937	94,881
4 Profit/(loss) attributable to ordinary equity holders of the parent	45,003	55,873	16,937	94,881
5 Basic earnings/(loss) per share (Subunit)	6.82	8.47	2.57	14.38
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00

	AS AT END OF CURRENT QUARTER*	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	2.5200	2.5200

Remarks :

**Definition of Subunit:**

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

**Part A3 : ADDITIONAL INFORMATION**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER*	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE*	PRECEDING YEAR CORRESPONDING PERIOD
	31-12-2011 [dd/mm/yyyy] \$\$'000	31-12-2010 [dd/mm/yyyy] \$\$'000	31-12-2011 [dd/mm/yyyy] \$\$'000	31-12-2010 [dd/mm/yyyy] \$\$'000
1 Gross interest income	233	81	405	129
2 Gross interest expense	5,222	5,265	10,287	10,411

Remarks :

Other Currency

**LINGUI DEVELOPMENTS BERHAD**  
Company No: 7574-D

**QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Current Year To Date 31/12/2011 RM'000	Preceding Year Corresponding Period To Date 31/12/2010 RM'000
Revenue	496,889	424,082	931,901	789,137
Cost of sales	(457,802)	(392,515)	(858,784)	(736,115)
<b>Gross profit</b>	39,087	31,567	73,117	53,022
Other operating income	4,123	2,766	6,344	4,368
Other operating expenses	(17,297)	(19,428)	(34,088)	(32,890)
Operating profit before changes in fair value of biological assets less estimated point-of-sale costs	25,913	14,905	45,373	24,500
Gain/(Loss) from changes in fair value of biological assets less estimated point-of-sale costs	7,915	19,407	(17,992)	35,362
<b>Profit from operations</b>	33,828	34,312	27,381	59,862
Interest income	233	81	405	129
Finance costs	(5,222)	(5,265)	(10,287)	(10,411)
Changes in fair value of financial instruments	5,577	(621)	(3,249)	3,715
Net interest income on receivables and payables	-	3,500	-	3,500
Net finance income/(costs)	588	(2,305)	(13,131)	(3,067)
Foreign exchange differences	1,893	8,181	632	14,032
Share of profit after tax of associates and jointly-controlled entities	14,570	26,812	5,994	41,173
<b>Profit before taxation</b>	50,879	67,000	20,876	112,000
Taxation	(5,876)	(11,127)	(3,939)	(17,119)
<b>Profit for the period</b>	45,003	55,873	16,937	94,881
<b>Attributable to:</b>				
Owners of the Company	45,003	55,873	16,937	94,881
<b>Earnings per share:</b>				
(a) Basic earnings per share (sen)	6.82	8.47	2.57	14.38
(b) Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statement should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.

**LINGUI DEVELOPMENTS BERHAD**  
**Company No: 7574-D**

**QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER  
 ENDED 31 DECEMBER 2011**

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**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 31 DECEMBER 2011**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31/12/2011 RM'000</b>	<b>Preceding Year Corresponding Quarter 31/12/2010 RM'000</b>	<b>Current Year To Date 31/12/2011 RM'000</b>	<b>Preceding Year Corresponding Period To Date 31/12/2010 RM'000</b>
Profit for the period	45,003	55,873	16,937	94,881
Other comprehensive income for the period:				
Foreign currency translation differences for foreign operations	(672)	22,478	(7,540)	24,634
Share of other comprehensive income of associates and jointly-controlled entities	(347)	-	127	-
<b>Total comprehensive income for the period</b>	<u>43,984</u>	<u>78,351</u>	<u>9,524</u>	<u>119,515</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<u>43,984</u>	<u>78,351</u>	<u>9,524</u>	<u>119,515</u>

Note: The component of other comprehensive income does not have any significant tax effect.

**The condensed consolidated statement of comprehensive income should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.**

**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011**

	As at end of current quarter 31/12/2011 RM'000	As at preceding financial year end 30/06/2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	696,137	696,002
Biological assets	750,213	786,984
Timber concession	20,726	23,994
Prepaid lease payments	45,129	45,770
Investment properties	37,147	37,804
Investments in associates and jointly-controlled entities	448,302	447,101
Deferred tax assets	151	137
	<u>1,997,805</u>	<u>2,037,792</u>
<b>Current assets</b>		
Inventories	238,161	217,149
Receivables, deposits and prepayments	311,614	295,055
Dividend receivable	1,425	1,425
Current tax assets	5,915	11,651
Cash and cash equivalents	109,649	104,280
	<u>666,764</u>	<u>629,560</u>
<b>TOTAL ASSETS</b>	<u><u>2,664,569</u></u>	<u><u>2,667,352</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	329,815	329,815
Share premium	130,089	130,089
Reserves	1,200,182	1,200,552
<b>Total equity</b>	<u>1,660,086</u>	<u>1,660,456</u>

**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (CONT'D)**

	As at end of current quarter 31/12/2011 RM'000	As at preceding financial year end 30/06/2011 RM'000
<b>Non-current liabilities</b>		
Borrowings	480,801	442,925
Deferred tax liabilities	127,071	133,721
	-----	-----
<b>Total non-current liabilities</b>	607,872	576,646
	-----	-----
<b>Current liabilities</b>		
Payables and accruals	222,293	225,758
Derivative financial instruments	20,238	16,989
Borrowings	141,361	180,620
Current tax liabilities	12,719	6,883
	-----	-----
<b>Total current liabilities</b>	396,611	430,250
	-----	-----
<b>Total liabilities</b>	1,004,483	1,006,896
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	2,664,569	2,667,352
	=====	=====
Net asset per share attributable to owners of the Company (RM)	2.52	2.52

The condensed consolidated statement of financial position should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.

**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011**

	<----- <i>Attributable to owners of the Company</i> ----->					
	<----- <i>Non-distributable</i> ----->			<i>Distributable</i>		
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
<b>At 1 July 2010</b>	329,815	130,089	110,870	14,224	837,156	1,422,154
Profit for the period	-	-	-	-	94,881	94,881
Foreign currency translation differences for foreign operation	-	-	24,634	-	-	24,634
Total comprehensive income for the period	-	-	24,634	-	94,881	119,515
Dividends paid during the period	-	-	-	-	(4,947)	(4,947)
<b>At 31 December 2010</b>	<u>329,815</u>	<u>130,089</u>	<u>135,504</u>	<u>14,224</u>	<u>927,090</u>	<u>1,536,722</u>

	<----- <i>Attributable to owners of the Company</i> ----->					
	<----- <i>Non-distributable</i> ----->			<i>Distributable</i>		
	Share Capital RM'000	Share premium RM'000	Translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
<b>At 1 July 2011</b>	329,815	130,089	162,406	14,224	1,023,922	1,660,456
Profit for the period	-	-	-	-	16,937	16,937
Foreign currency translation differences for foreign operation	-	-	(7,540)	-	-	(7,540)
Share of other comprehensive income of associated companies	-	-	193	(66)	-	127
Total comprehensive income for the period	-	-	(7,347)	(66)	16,937	9,524
Dividends paid during the period	-	-	-	-	(9,894)	(9,894)
<b>At 31 December 2011</b>	<u>329,815</u>	<u>130,089</u>	<u>155,059</u>	<u>14,158</u>	<u>1,030,965</u>	<u>1,660,086</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.



**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011****The figures have not been audited****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2011**

	Current period ended 31/12/2011 RM'000	Corresponding period ended 31/12/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,876	112,000
Adjustments for:-		
Depreciation and amortisation	42,342	43,511
Harvested timber transferred to inventories	27,798	22,730
Loss/(Gain) from changes in fair value of biological assets less estimated point-of-sale costs	17,992	(35,362)
Interest expense	10,287	10,411
Net loss/(gain) on changes in fair value of financial instruments	3,249	(3,715)
Interest income	(405)	(129)
Net interest income recognised on receivables and payables carried at amortised cost	-	(3,500)
Unrealised foreign exchange differences	6,191	(13,662)
Share of profit after tax of associates and jointly-controlled entities	(5,994)	(41,173)
Other non-cash items	(105)	(337)
Operating cash flow before working capital changes	122,231	90,774
Change in inventories	(21,072)	6,357
Change in receivables, deposits and prepayments	(14,625)	(14,273)
Change in payables and accruals	(4,364)	(34,627)
Cash generated from operations	82,170	48,231
Income tax refunded/(paid)	2,671	(2,444)
<b>Net cash generated from operating activities</b>	84,841	45,787
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and biological assets	(29,416)	(32,475)
Proceeds from disposal of property, plant and equipment	111	839
Interest received	405	129
Dividends received	4,920	5,016
Pledged deposits received/(paid)	3,043	(1,229)
<b>Net cash used in investing activities</b>	(20,937)	(27,720)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(9,894)	(4,947)
Interest paid	(19,779)	(19,348)
Proceeds from borrowings	89,313	21,580
Repayment of borrowings	(111,616)	(35,186)
<b>Net cash used in financing activities</b>	(51,976)	(37,901)

**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

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**The figures have not been audited****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE PERIOD ENDED 31 DECEMBER 2011 (CONT'D)**

	<b>Current period ended 31/12/2011 RM'000</b>	<b>Corresponding period ended 31/12/2010 RM'000</b>
Net increase/(decrease) in cash and cash equivalents	11,928	(19,834)
Cash and cash equivalents at beginning of the year	90,215	19,372
Foreign exchange difference on opening balances	(288)	1,242
<b>Cash and cash equivalents at end of the period</b>	<u>101,855</u>	<u>780</u>
Cash and cash equivalents as at 31 December is represented by:		
Cash and bank balances	24,595	39,424
Deposits with licensed banks	85,054	25,235
Bank overdraft	(7,763)	(38,775)
	<u>101,886</u>	<u>25,884</u>
Less: Fixed deposits and bank balances held as security	(31)	(25,104)
	<u>101,855</u>	<u>780</u>

The condensed consolidated cash flow statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.

# LINGUI DEVELOPMENTS BERHAD

Company No: 7574-D

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011

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**The figures have not been audited**

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011

#### 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134, *Interim Financial Reporting* and the applicable disclosure provisions of the 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 2011. These explanatory notes attached to the interim financial statements 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 2011.

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group’s audited financial statements for the financial year ended 30 June 2011 except for the adoption of the following new and revised standards, amendments and interpretations that are effective for financial period from 1 July 2011:

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
  - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- *Improvements to FRSs (2010)*
- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

The adoption of above standards, amendments and interpretations has no material impact on the financial statements to the Group.

#### 2. Preceding annual financial statements

The audit report of the preceding annual financial statements for the year ended 30 June 2011 was unqualified.

#### 3. Seasonality of cyclical factors

The timber operations results are affected by weather conditions especially at logging areas. Extracting logs during heavy rainfall seasons is made more difficult thereby causing shortage of log supply for both export and processing while a drier season will be more conducive to higher log extraction.

## LINGUI DEVELOPMENTS BERHAD

Company No: 7574-D

### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011

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#### The figures have not been audited

#### 4. Exceptional item

There were no items for which by nature or amount affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence during the quarter under review.

#### 5. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

#### 6. Changes in debt and equity securities

There were no other issuances, cancellations, repurchases, resale, and repayment of debt and equity securities in the quarter under review.

#### 7. Dividends paid

The Company paid a final ordinary dividend of 2.00 sen per ordinary share less tax of 25% totalling RM9,894,457 (1.50 sen net per ordinary share).

#### 8. Segment information

The Group manages its business by divisions, which are organised by business line. The Group has identified the following five reportable segments in a manner consistent with the way in which information is reported internally to the chief operating decision maker for the purposes of resource allocation and performance assessment:

Logs	The sale of timber logs from concession and forest plantation area.
Plywood and veneer	The manufacture and sale of plywood and veneer.
Upstream support	The provision of supporting services such as tree-falling and barging.
Other timber operations	The manufacture and sale of timber related products such as doorskin, housing products and kitchen retail.
Other operations	Other operations include the manufacture and sale of granite aggregates, rubber compound and glue, logistic services, power generating facilities, property investment and investment companies.

**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

The figures have not been audited

**8. Segment information (continued)**

The segment information in respect of the Group's operating segments for the quarter ended 31 December 2011 and 2010 are as follows:-

*For the period ended 31 December 2011*

	<b>Logs RM'000</b>	<b>Plywood and veneer RM'000</b>	<b>Upstream support RM'000</b>	<b>Other timber operations RM'000</b>	<b>Other operations RM'000</b>	<b>Total RM'000</b>
Revenue from external customers	305,920	307,745	294,596	5,695	17,945	931,901
Inter –segment revenue	18,504	17,379	92,871	-	6,899	135,653
Reportable segment revenue	324,424	325,124	387,467	5,695	24,844	1,067,554
Reportable segment profit/(loss)	15,965*	8,335	4,758	(2,842)	1,165	27,381
Reportable segment assets	984,869	699,846	340,145	23,161	106,657	2,154,678

\* included in reportable segment profit of logs segment is a loss from changes in fair value of biological assets less estimated point-of-sale costs of RM17,992,000.

*For the period ended 31 December 2010*

	<b>Logs RM'000</b>	<b>Plywood and veneer RM'000</b>	<b>Upstream support RM'000</b>	<b>Other timber operations RM'000</b>	<b>Other operations RM'000</b>	<b>Total RM'000</b>
Revenue from external customers	275,000	282,378	203,219	8,893	19,647	789,137
Inter –segment revenue	26,136	17,007	82,539	-	7,115	132,797
Reportable segment revenue	301,136	299,385	285,758	8,893	26,762	921,934
Reportable segment profit/(loss)	78,116^	(8,814)	(13,301)	(716)	4,577	59,862
Reportable segment assets	1,042,514	675,071	347,472	9,392	108,324	2,182,773

^ included in reportable segment profit of logs segment is a gain from changes in fair value of biological assets less estimated point-of-sale costs of RM35,362,000.

**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

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The figures have not been audited

**8. Segment information (continued)**

*Reconciliations of reportable segment revenue and profit or loss*

	Current period ended 31/12/2011 RM'000	Corresponding period ended 31/12/2010 RM'000
<b>(a) Revenue</b>		
Reportable segment revenue	1,067,554	921,934
Elimination of inter-segment revenue	(135,653)	(132,797)
	931,901	789,137
	931,901	789,137
<b>(b) Profit</b>		
Reportable segment profit	27,381	59,862
Share of profit after tax of associates and jointly-controlled entities	5,994	41,173
Net financing costs	(13,131)	(3,067)
Foreign exchange differences	632	14,032
	20,876	112,000
	20,876	112,000
<b>(c) Assets</b>		
Reportable segment assets	2,154,678	2,182,773
Investments in associates and jointly-controlled entities	448,302	378,405
Deferred tax assets	151	430
Current tax assets	5,915	15,971
Unallocated head office and corporate assets	55,523	6,244
	2,664,569	2,583,823
	2,664,569	2,583,823

**9. Valuations of property, plant and equipment**

The Group does not have a policy on revaluing its property, plant and equipment.

**10. Material events subsequent to the end of the reporting quarter**

There have been no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements.

**LINGUI DEVELOPMENTS BERHAD**

Company No: 7574-D

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2011**

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**The figures have not been audited**

**11. Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter which were previously not announced.

**12. Contingent liabilities or contingent assets**

No contingent liabilities or contingent assets have arisen since the last annual reporting period.

**13. Profit before taxation**

Profit before taxation is derived after taking into consideration of the following:

	<b>Current period ended 31/12/2011 RM'000</b>	<b>Cumulative year to date 31/12/2011 RM'000</b>
Interest income	233	405
Other income	4,123	6,344
Interest expenses	5,222	10,287
Depreciation and amortisation	20,992	42,342
Allowance for doubtful debt	1,442	1,442
Inventories written down to net realisable value	7,595	14,595
Loss/(Gain) on foreign exchange:		
- realised	1,051	6,823
- unrealised	842	(6,191)
Changes in fair value of financial instruments	5,577	(3,249)
	=====	=====

**14. Taxation**

	<b>Individual quarter 3 months ended 31 December</b>		<b>Cumulative year to date 6 months ended 31 December</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense	5,629	9,010	8,901	12,163
Deferred tax expense	247	2,117	(4,962)	4,956
	=====	=====	=====	=====
	5,876	11,127	3,939	17,119

The Group's taxation charge for the quarter under review was lower than the statutory tax rate due to the effect of double deduction available for certain expenses.

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The figures have not been audited

### 15. Status of corporate proposals

The Board of Directors of Lingui Developments Berhad (“Board”) had on 20 January 2012 received a letter dated 20 January 2012 from Samling Strategic Corporation Sdn. Bhd. (“SSC”) (“Approach Letter”) which was addressed to Samling Global Limited (“SGL”). The Approach Letter sets out SSC’s interest to pursue a proposed privatisation of SGL (“SGL Privatisation”) by SSC and in turn, a proposed privatisation of Lingui (“Lingui Privatisation”) and Glenealy Plantations (Malaya) Berhad (“Glenealy Privatisation”) by SGL (to be collectively referred to as “Proposal”).

The Proposal is subject to a number of matters being satisfied and there is no guarantee that the Approach Letter will lead to a formal offer being made by SSC for SGL. If proposed and implemented, the Lingui Privatisation and the Glenealy Privatisation will be conditional upon the completion of the SGL Privatisation.

Once further information received the Board will inform the market in compliance with all applicable rules and regulations as and when appropriate or required.

### 16. Group borrowings and debt securities

Total Group borrowings as at 31 December 2011 were as follows:

	Long term borrowings RM’000	Long term borrowings in foreign currency	Short term borrowings RM’000	Short term borrowings in foreign currency
Secured – Foreign currency – USD’000	154,488	48,706	2,740	864
– Foreign currency – NZD’000	61,505	25,054	-	-
– Local currency	56,041	-	19,547	-
Unsecured – Foreign currency – USD’000	749	238	2,994	951
– Local currency	208,018	-	116,080	-
Total	480,801		141,361	



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#### **17. Material litigation**

Two of the Group's subsidiaries, Samling Plywood (Lawas) Sdn Bhd ("Samling Plywood Lawas") and Samling Plywood (Miri) Sdn Bhd ("Samling Plywood Miri") together with the Director of Forests, Sarawak and State of Government of Sarawak were being jointly sued by certain inhabitants of longhouses and settlements situated on timber concessions held by Samling Plywood Lawas and Samling Plywood Miri. The plaintiffs are claiming various orders, reliefs and damages including declarations that issuance of the forest timber licences by the Director of Forests, Sarawak to Samling Plywood Lawas and Samling Plywood Miri which overlap the plaintiffs' claimed areas are unlawful, unconstitutional, null and void.

As at 31 December 2011, the above proceedings remained pending before the court.

#### **18. Material changes in the quarterly results compared to the results of the immediate preceding quarter**

For the financial quarter under review, the Group achieved an operating profit before gain from changes in fair value of biological assets less estimated point-of-sale costs of RM25.9 million as compared to RM19.5 million for the immediate preceding financial quarter. This improvement in financial performance was achieved largely attributable to an increase in volume of timber products sold.

As a result of favourable softwood log prices during the financial quarter under review, the Group recognised a gain from changes in fair value of biological assets of RM7.9 million as compared to a loss of RM25.9 million for the immediate preceding financial quarter. Similarly, due to higher crude palm oil price during the financial quarter under review, the Group's share of the gains from changes in fair value of biological assets of an associate involved in oil palm plantation was RM9.5 million compared to a loss of RM16.3 million recognised in the immediate preceding financial quarter.

After accounting for net finance income of RM0.6 million which included the recognition of net gain from changes in fair value of financial instruments amounting to RM5.6 million, the Group recorded a profit before taxation of RM50.9 million for the financial quarter under review, an increase of RM80.9 million as compared to immediate preceding financial quarter

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**The figures have not been audited**

#### **19. Review of performance of the Group for the quarter and financial year-to-date**

For the financial quarter under review, the Group achieved revenue of RM496.9 million and an operating profit before changes in fair value of biological assets less estimated point-of-sale costs of RM25.9 million. On a year-to-date basis, the Group recorded revenue and operating profit before changes in fair value of biological assets less estimated point-of-sale costs of RM931.9 million and RM45.4 million respectively.

The log segment achieved an operating profit (before changes in fair value of biological assets less estimated point-of-sale costs) of RM19.9 million and RM34.0 million during the financial quarter under review and financial year-to-date respectively. For the financial year-to-date, the Group sold 454,704 m<sup>3</sup> hardwood logs and 299,833 m<sup>3</sup> of softwood logs with average prices achieved were RM469/m<sup>3</sup> and RM310/m<sup>3</sup> respectively. The logs segment continued to be the key contributor to the Group's profits, supported by demand from China and India. Although demand from these two countries remained generally robust, there were signs of a gradual slowdown during the financial quarter under review and as such, average selling prices achieved for hardwood logs was 5.1% lower compared to the immediate preceding financial quarter.

Plywood and veneer contributed 33.6% and 33.0% to the Group's total revenue for the financial quarter under review and financial year-to-date respectively. Total plywood and veneer volumes sold for the financial year-to-date were 125,583 m<sup>3</sup> and 69,655 m<sup>3</sup> with average prices achieved of RM1,858/m<sup>3</sup> and RM1,069/m<sup>3</sup> respectively. The lacklustre housing starts coupled with the slow commencement of reconstruction activities in areas affected by the Japanese earthquake and tsunami resulted in selling prices of plywood and veneer gradually easing off during the financial quarter under review.

Generally, the total revenue recorded by upstream support from external sales dropped during the financial quarter under review attributable to lower level of extraction activities. Consequently, upstream support recorded a lower operating profit during the financial quarter under review as semi-fixed and fixed operating cost being allocated over the lower volumes extracted.

For the financial year-to-date, the Group recorded an operating profit of RM45.4 million. After accounting for losses from changes in fair value of biological assets less estimated point-of-sale costs of RM18.0 million, net finance costs and foreign exchange differences of RM12.5 million and share of profit after tax of associates and jointly-controlled entities of RM6.0 million, the Group recorded a profit before taxation of RM20.9 million.

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**The figures have not been audited**

#### **20. Commentary on the outlook of the Group**

The performance of the Group in the second half of the financial year is expected to be under much pressure unless demand of logs from China and India improves and post-earthquake reconstruction activities in Japan accelerate.

The timing of Japan's major reconstruction activities in areas affected by the earthquake and tsunami will be a key impetus for an increase in plywood demand and hopefully selling prices. China's large population with its rapid urbanisation and rising level of affluence is expected to provide the foundation for the Chinese economy to remain relatively robust. In spite of a slowdown in economic activities, China will remain a large importer of wood products globally. However, there will likely be more competition amongst producer countries to supply to this important market. India, even with its economy possibly growing at a slower pace, will continue to be a key market for the harder log species, the natural specifications of which meet Indian consumers' requirements.

Operating under a challenging environment with uncertain outlook and likely greater competition, as various producers strive to increase or at least maintain market share in a likely lower demand base, the Group recognises the continuing need to be lean and efficient.

#### **21. Variation of actual profit from forecast profit and shortfall in profit guarantee**

The Group did not issue any profit forecast for this quarter and therefore comments on variances with forecast profit are not applicable.

#### **22. Earnings per share**

- (a) The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the period and 659,630,441 (2010: 659,630,441) ordinary shares in issue during the period.
- (b) The Company does not have any diluted earnings per share.

#### **23. Dividends**

The Board does not propose to declare or recommend any interim dividend for the current quarter and financial year to date.

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**The figures have not been audited****24. Supplementary information disclosed pursuant to Bursa Malaysia Securities Listing Requirement**

The determination of realised and unrealised profits is based on the Guidance of special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

	As at 31/12/2011 RM'000	As at 30/06/2011 RM'000
Total retained earnings of the Group		
Realised	917,085	920,681
Unrealised	<u>(11,545)</u>	<u>(11,609)</u>
	<u>905,540</u>	<u>909,072</u>
Total share of retained earnings from associates and jointly-controlled entities:		
Realised	113,428	96,137
Unrealised	<u>127,192</u>	<u>133,908</u>
	<u>240,620</u>	<u>230,045</u>
	-----	-----
	1,146,160	1,139,117
Less: Consolidated adjustments	<u>(115,195)</u>	<u>(115,195)</u>
Total retained earnings	<u>1,030,965</u>	<u>1,023,922</u>
	=====	=====

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

BY ORDER OF THE BOARD

CHEN KEOW CHING (MAICSA 7001905)  
PHANG SWEE CHEW (MAICSA 7020805)

Company Secretaries

Kuala Lumpur  
18 February 2012