



**Interim Financial Report  
for the Third Quarter Ended  
31 March 2013**

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**LION FOREST INDUSTRIES BERHAD** (82056-X)  
(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2013  
(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Revenue		190,915	218,865	744,040	641,716
Operating expenses		(185,822)	(215,579)	(727,831)	(631,326)
Other operating income		7,774	5,083	25,126	18,070
Profit from operations		12,867	8,369	41,335	28,460
Finance costs		(73)	(121)	(280)	(406)
Share in results of associated companies		1,444	827	3,077	14,616
Exceptional items	22(k)	(5,403)	-	(8,577)	(11,056)
Profit before tax	22	8,835	9,075	35,555	31,614
Income tax expense	16	(2,323)	(3,801)	(10,546)	(9,274)
Profit for the period		<u>6,512</u>	<u>5,274</u>	<u>25,009</u>	<u>22,340</u>
Profit attributable to :					
- Owners of the Company		7,331	5,459	25,232	13,717
- Non-controlling interests		(819)	(185)	(223)	8,623
Profit for the period		<u>6,512</u>	<u>5,274</u>	<u>25,009</u>	<u>22,340</u>
Earnings per share attributable to owners of the Company (sen) :	21				
- Basic		<u>3.17</u>	<u>2.36</u>	<u>10.90</u>	<u>5.92</u>
- Diluted		<u>3.17</u>	<u>2.36</u>	<u>10.90</u>	<u>5.92</u>

*(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 2013  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Profit for the period	6,512	5,274	25,009	22,340
<u>Other comprehensive income/(loss)</u>				
Foreign currency translation differences arising from foreign operations & other movements	654	(3,646)	(4,818)	(2,176)
Changes in fair value of available-for-sale financial assets and asset classified as held for sale	14	(11,976)	(895)	(12,171)
Changes in fair value on disposal of asset classified as held for sale	-	-	(1,220)	-
Other comprehensive income/(loss) for the period	668	(15,622)	(6,933)	(14,347)
Total comprehensive income/(loss) for the period	<u>7,180</u>	<u>(10,348)</u>	<u>18,076</u>	<u>7,993</u>
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	7,968	(9,818)	18,182	(960)
- Non-controlling interests	(788)	(530)	(106)	8,953
	<u>7,180</u>	<u>(10,348)</u>	<u>18,076</u>	<u>7,993</u>

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 2013

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<u>Note</u>	<b>AS AT 31.3.2013 RM'000</b>	<b>AS AT 30.6.2012 RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		27,688	26,456
Investment properties		1,224	1,247
Investment in associated companies		74,109	74,816
Other investments		12,789	24,990
Deferred tax assets		766	766
Total Non-Current Assets		<u>116,576</u>	<u>128,275</u>
<b>Current Assets</b>			
Inventories		29,726	39,516
Other investments		14,407	10,573
Trade receivables		540,350	530,409
Other receivables and prepayments		352,627	336,562
Tax recoverable		4,204	2,353
Fixed deposits, cash and bank balances		304,225	296,755
		<u>1,245,539</u>	<u>1,216,168</u>
Asset classified as held for sale		-	21,989
Total Current Assets		<u>1,245,539</u>	<u>1,238,157</u>
<b>Total Assets</b>		<b><u>1,362,115</u></b>	<b><u>1,366,432</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital		231,572	231,572
Reserves		989,204	975,631
Equity attributable to owners of the Company		<u>1,220,776</u>	<u>1,207,203</u>
Non-controlling interests		31,504	32,423
Total Equity		<u>1,252,280</u>	<u>1,239,626</u>
<b>Non-Current and Deferred Liabilities</b>			
Hire-purchase payables		727	1,468
Deferred tax liabilities		1,018	1,082
Total Non-Current and Deferred Liabilities		<u>1,745</u>	<u>2,550</u>
<b>Current Liabilities</b>			
Trade payables		32,332	41,576
Other payables and accrued expenses		49,909	43,728
Provisions		15,000	15,000
Redeemable cumulative convertible preference shares ("RCCPS")		-	12,388
Hire-purchase payables		1,330	2,364
Bank borrowings	18	3,376	3,954
Tax liabilities		6,143	5,246
Total Current Liabilities		<u>108,090</u>	<u>124,256</u>
<b>Total Liabilities</b>		<b><u>109,835</u></b>	<b><u>126,806</u></b>
<b>Total Equity and Liabilities</b>		<b><u>1,362,115</u></b>	<b><u>1,366,432</u></b>
Net assets per share attributable to owners of the Company (RM)		<u>5.27</u>	<u>5.21</u>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 2013  
(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	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000			
<b>31 March 2013</b>							
At 1 July 2012	231,572	689,330	12,645	273,656	1,207,203	32,423	1,239,626
Total comprehensive (loss)/ income for the period	-	-	(7,050)	25,232	18,182	(106)	18,076
Dividend paid	-	-	-	(4,631)	(4,631)	(786)	(5,417)
Acquisition of non-controlling interests	-	-	-	22	22	(27)	(5)
At 31 March 2013	231,572	689,330	5,595	294,279	1,220,776	31,504	1,252,280
<b>31 March 2012</b>							
At 1 July 2011	231,572	689,330	(16,796)	315,512	1,219,618	29,121	1,248,739
Total comprehensive (loss)/ income for the period	-	-	(14,677)	13,717	(960)	8,953	7,993
Dividend paid	-	-	-	(5,210)	(5,210)	-	(5,210)
Disposal of an associated company	-	-	12,806	(17,848)	(5,042)	5,042	-
Acquisition of non-controlling interests	-	-	-	1,510	1,510	(9,684)	(8,174)
At 31 March 2012	231,572	689,330	(18,667)	307,681	1,209,916	33,432	1,243,348

*(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 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 2013

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>YEAR-TO-DATE ENDED</b>	
	<b>31.3.2013</b>	<b>31.3.2012</b>
	RM'000	RM'000
<b><u>OPERATING ACTIVITIES</u></b>		
Profit before tax	35,555	31,614
Adjustments for:		
Non-cash items	9,572	(41,956)
Non-operating items	(22,683)	(15,680)
Operating profit before changes in working capital	22,444	(26,022)
Changes in working capital:		
Net changes in current assets	(4,781)	(187,353)
Net changes in current liabilities	(11,623)	(37,361)
Others	(9,067)	(11,012)
	<u>(3,027)</u>	<u>(261,748)</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of property, plant and equipment	(4,246)	(1,884)
Additions of other investments	-	(431)
Acquisition of non-controlling interests	(5)	(8,174)
Proceeds from disposal of other investments	20,709	-
Proceeds from disposal of property, plant and equipment	465	953
Proceeds from disposal of an associated company	-	57,840
Dividend received from an associated company	1,853	1,778
Net cash inflow from disposal of a subsidiary company	-	54,623
Settlement arising from litigation claim against a former subsidiary company	-	(40,000)
Decrease in amount owing by other related companies	-	6,494
Cash at banks held under Escrow Account and fixed deposits pledged	(6,594)	207,299
Others	10,115	13,821
	<u>22,297</u>	<u>292,319</u>
<b><u>FINANCING ACTIVITIES</u></b>		
Decrease in bank borrowings excluding bank overdrafts	(578)	(1,298)
Redemption of RCCPS issued by a subsidiary company	(8,611)	-
Dividends paid	(4,631)	(5,210)
Dividends paid to non-controlling interests of a subsidiary company	(786)	-
Others	(2,054)	(409)
	<u>(16,660)</u>	<u>(6,917)</u>
Net changes in cash and cash equivalents	2,610	23,654
Effect of exchange differences	(134)	(98)
Cash and cash equivalents at beginning of the period	131,224	158,314
Cash and cash equivalents at end of the period	<u>133,700</u>	<u>181,870</u>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements)*

**LION FOREST INDUSTRIES BERHAD (82056-X)**  
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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**1. Accounting policies and methods of computation**

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

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 also comply with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the financial year ended 30 June 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial statements are the Group's first MFRS compliant interim financial statements for part of the periods covered by the Group's first MFRS annual financial statements for the financial year ending 30 June 2013 and hence MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2012. 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 2012.

The MFRS is effective for the Group from 1 July 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant interim financial statements is 1 July 2011. As at the date of transition, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1.

**Significant accounting policies and application of MFRS 1**

The audited financial statements of the Group for the financial year ended 30 June 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, 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 2012.

**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**

30,575,044 redeemable cumulative convertible preference shares ("RCCPS") of RM0.01 each issued at a premium of RM0.99 each by a subsidiary company matured and were redeemed on 14 March 2013 at RM1.00 per RCCPS. As at the redemption date, approximately 59.48% of the RCCPS had been acquired by the Group.

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

**6. Dividend paid**

During the financial year, a final dividend of 2.0 sen per ordinary share, tax exempt, amounting to RM4.6 million in respect of the previous financial year ended 30 June 2012 was paid by the Company.

**7. Segmental information**

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

	<b>Building materials and steel products</b>	<b>Petroleum, lubricants and automotive products</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External customers	671,033	57,470	15,537	-	744,040
Inter-segment sales	295	8	-	(303)	-
Total revenue	<u>671,328</u>	<u>57,478</u>	<u>15,537</u>	<u>(303)</u>	<u>744,040</u>
<b>Results</b>					
Segment results	23,010	8,845	9,480	-	41,335
Finance costs					(280)
Share in results of associated companies	-	-	3,077	-	3,077
Exceptional items	(666)	(917)	(6,994)	-	(8,577)
Profit before tax					35,555
Income tax expense					(10,546)
Profit for the period					<u>25,009</u>
<b>Assets</b>					
Segment assets	769,273	74,040	190,818	-	1,034,131
Investment in associated companies	-	-	74,109	-	74,109
Unallocated corporate assets					253,875
					<u>1,362,115</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 except for the disposal of the 100% equity interest in LFIB Plantations Sdn Bhd as disclosed in Note 17(c).

**10. Changes in contingent liabilities and contingent assets**

There were no changes in contingent liabilities or contingent assets since 30 June 2012.

**11. Performance review**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
<b>Revenue</b>					
Building materials and steel products		165,987	195,956	671,033	574,837
Petroleum, lubricants and automotive products		18,794	18,833	57,470	54,023
Others		6,134	4,076	15,537	12,856
		<u>190,915</u>	<u>218,865</u>	<u>744,040</u>	<u>641,716</u>
<b>Segment results</b>					
Building materials and steel products		6,657	3,165	23,010	12,063
Petroleum, lubricants and automotive products		3,001	2,040	8,845	7,011
Others		3,209	3,164	9,480	9,386
Profit from operations		<u>12,867</u>	<u>8,369</u>	<u>41,335</u>	<u>28,460</u>
Finance costs		(73)	(121)	(280)	(406)
Share in results of associated companies		1,444	827	3,077	14,616
Exceptional items	22(k)	(5,403)	-	(8,577)	(11,056)
Profit before tax		<u>8,835</u>	<u>9,075</u>	<u>35,555</u>	<u>31,614</u>
Income tax expense		(2,323)	(3,801)	(10,546)	(9,274)
Profit for the period		<u>6,512</u>	<u>5,274</u>	<u>25,009</u>	<u>22,340</u>

For the nine months of the financial year 2013, the Group posted a revenue of RM744.0 million, representing a growth of 16% over RM641.7 million in the preceding year corresponding period. Operating profit was higher at RM41.3 million compared to RM28.5 million mainly due to higher sales of building materials and steel related products.

The Building Materials and Steel Products Division recorded a revenue of RM671.0 million, a growth of 17% from RM574.8 million a year ago, and profit increased to RM23.0 million from RM12.1 million.

Revenue for the Petroleum, Lubricants and Automotive Products Division increased by 6% to RM57.5 million largely due to the higher sales volume from the increase in demand and number of customers. Accordingly, the Division's profit was higher at RM8.8 million compared to RM7.0 million a year ago.

Associated companies contributed a profit of RM3.1 million. Higher profit of RM14.6 million recorded in the preceding year corresponding period was largely attributable to a capital gains tax refunded to Lion Asiapac Limited, a 36.7% owned associated company.

There was no other material impairment except for the impairment loss of RM8.6 million on quoted and unquoted investments due to the decline in share price and recoverable amount.

The Group posted a higher profit for the period of RM25.0 million compared with RM22.3 million in the preceding year corresponding period.

**12. Comment on material change in profit**

	<u>Current Year Quarter</u>	<u>Immediate Preceding Quarter</u>
	<b>31.3.2013</b>	<b>31.12.2012</b>
	RM'000	RM'000
Revenue	190,915	242,687
Profit from operations	12,867	15,882
Profit before tax	<u>8,835</u>	<u>16,530</u>

For the quarter under review, Group revenue was 21% lower at RM190.9 million compared to RM242.7 million in the immediate preceding quarter. The decrease was mainly attributable to the lower sales of building materials and steel related products. Profit from operations was accordingly lower at RM12.9 million.

The Group recorded a lower profit before tax of RM8.8 million after an impairment loss of RM5.4 million on unquoted investments.

**13. a) Prospects**

Amidst the challenging operating environment, the Group will continue to make efforts to strengthen and expand its business network and increase its product range. Both the Building Materials and the Petroleum Products Divisions are expected to contribute positively to the results of the Group in 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. Income tax expense**

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<b>31.3.2013</b>	<b>31.3.2012</b>	<b>31.3.2013</b>	<b>31.3.2012</b>
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- estimated tax payable	2,323	3,801	10,610	9,613
In respect of prior year:				
- deferred tax	-	-	(64)	(339)
	<u>2,323</u>	<u>3,801</u>	<u>10,546</u>	<u>9,274</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 proposals

### Status of corporate proposals

No	Date of Announcements	Subjects	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").	Pending approvals from: i) Ministry of Forestry, Indonesia; ii) Ministry of Agriculture, Indonesia; and iii) any other relevant authorities in Indonesia and Malaysia.  Approval was obtained from Bank Negara Malaysia.
b.	3.3.2011 2.6.2011 3.8.2011 26.8.2011 31.10.2011 2.3.2012 28.8.2012 30.8.2012 1.3.2013	(i) Proposed joint venture between the Company, Lion Diversified Holdings Berhad ("LDHB") and Lion Industries Corporation Berhad ("LICB") in Lion Blast Furnace Sdn Bhd ("LBF") in the shareholding of 20%, 51% and 29% respectively; and  (ii) Proposed provision of financial assistance by the Company in the form of a corporate guarantee and pledge of security proportionate to its shareholding in LBF for the latter and its subsidiary company to secure a loan facility in relation to the Blast Furnace Project.	Pending approvals of: i) Shareholders of the Company, LDHB and LICB; and  ii) any other relevant authorities.
c.	5.10.2012 27.12.2012 11.1.2013 18.2.2013 26.2.2013 27.2.2013	Proposed acquisition by LFIB Plantations Sdn Bhd ("LFIB Plantations"), a wholly-owned subsidiary company of the Company, the entire 100% equity interest in PT Varita Majutama ("PT Varita"), a company incorporated in Indonesia, for a cash consideration of USD63.75 million (equivalent to approximately RM197.63 million); and the subsequent disposal to an Indonesian investor of 5% of the issued capital of PT Varita ("Proposed Acquisition of Varita").  The Company had on 26 February 2013 entered into a share sale agreement with Akurjaya Sdn Bhd ("Akurjaya") to dispose of its 100% equity interest in LFIB Plantations for a consideration of RM2.00. Akurjaya undertakes to reimburse the Company amount incurred and paid by the Group in connection with the Proposed Acquisition of Varita.	Consequently, LFIB Plantations ceased to be a subsidiary company of the Company and the Group discharged its contractual obligation to proceed with the Proposed Acquisition of Varita.

**18. Borrowings**

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

	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
	RM'000	RM'000	RM'000
<u>Bank borrowings</u>			
Unsecured	3,376	-	3,376
	<u>3,376</u>	<u>-</u>	<u>3,376</u>

**19. Changes in material litigation**

There was no material litigation since 30 June 2012.

**20. Dividend proposed**

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

**21. Earnings per share ("EPS")****Basic**

Basic EPS is calculated by dividing the Group's profit 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:

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>31.3.2013</u>	<u>31.3.2012</u>	<u>31.3.2013</u>	<u>31.3.2012</u>
Profit attributable to owners of the Company (RM'000)	<u>7,331</u>	<u>5,459</u>	<u>25,232</u>	<u>13,717</u>
Weighted average number of shares in issue ('000)	<u>231,572</u>	<u>231,572</u>	<u>231,572</u>	<u>231,572</u>
Basic EPS (sen)	<u>3.17</u>	<u>2.36</u>	<u>10.90</u>	<u>5.92</u>

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. Profit before tax**

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

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
	RM'000	RM'000	RM'000	RM'000
a) Interest income	7,235	5,211	22,963	16,086
b) Other income including investment income	94	102	223	378
c) Interest expense	(73)	(121)	(280)	(406)
d) Depreciation and amortisation	(1,015)	(930)	(2,892)	(2,773)
e) Provision for and write off of receivables	(798)	(858)	(2,478)	(2,402)
f) Provision for and write off of inventories	-	-	-	-
g) Gain or loss on disposal of				
- quoted or unquoted investments or properties	120	119	323	559
- asset classified as held for sale	-	-	1,220	-
h) Impairment of assets (refer to item (k))	-	-	-	-
i) Foreign exchange gain or (loss)	325	(349)	397	1,047
j) Gain or (loss) on derivatives	-	-	-	-
k) Exceptional items	(5,403)	-	(8,577)	(11,056)
- impairment loss on quoted and unquoted investments	(5,403)	-	(8,577)	-
- settlement arising from litigation claim against a former subsidiary company	-	-	-	(40,000)
- gain on disposal of an associated company	-	-	-	32,329
- log extraction premium paid to State Government of Sabah	-	-	-	(3,385)

**23. Realised and Unrealised Earnings/Losses Disclosure**

	AS AT 31.3.2013 RM'000	AS AT 30.6.2012 RM'000
Retained earnings/(accumulated losses) of the Company and its subsidiary companies:		
- Realised	238,096	218,001
- Unrealised	(26,669)	(25,973)
	211,427	192,028
Share of retained earnings from associated companies:		
- Realised	29,464	28,154
- Unrealised	2,769	2,855
	32,233	31,009
Consolidation adjustments	50,619	50,619
Consolidated retained earnings	294,279	273,656

**24. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 30 June 2012 was not qualified.