

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012. (UNAUDITED)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2012 (RM'000)	Preceding Year Corresponding Quarter 31/12/2011 (RM'000)	Current Year to date 31/12/2012 (RM'000)	Preceding Period Ended 31/12/2011 (RM'000)
Continuing Operations:				
Revenue	62,108	70,930	271,318	243,537
Cost of sales	(62,486)	(71,964)	(259,979)	(241,642)
Gross profit	(378)	(1,034)	11,339	1,895
Other operating income	1,607	8,161	6,904	10,194
Finance cost	(754)	(1,124)	(3,238)	(3,097)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	475	6,003	15,005	8,992
Income tax expense	6,356	5,038	2,454	2,530
Profit for the period from continuing operations	6,831	11,041	17,459	11,522
Loss from discontinued operation	-	-	-	-
Profit for the period	6,831	11,041	17,459	11,522
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	6,831	11,041	17,459	11,522
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	6,578	10,357	13,437	9,362
- loss from discontinued operations				
Non-Controlling Interest	253	684	4,022	2,160
Profit for the period	6,831	11,041	17,459	11,522
Total comprehensive income attributable to:				
Owners of the Parent	6,578	10,357	13,437	9,362
Non-Controlling Interest	253	684	4,022	2,160
	6,831	11,041	17,459	11,522
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	5.99	9.43	12.23	8.52
Fully diluted EPS (in sen)	N/A	N/A	N/A	N/A

Note:-N/A – Not applicable**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)**



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012.

	Unaudited As at 31/12/2012 RM'000	Audited As at 31/12/2011 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	225,968	229,630
Investment properties	44,215	45,129
Investment in associated company	0	0
Other Investment	725	500
	270,908	275,259
Current Assets		
Inventories	105,978	92,268
Property Development Cost	6,417	20,626
Trade receivables	43,474	46,529
Other receivables	8,115	16,556
Tax recoverable	1,092	1,761
Deposit with licensed banks	18,724	10,882
Cash and bank balances	6,350	5,103
	190,150	193,725
TOTAL ASSETS	461,058	468,984
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Other reserves	123,539	124,710
Retained earnings-profit/(loss)	(26,280)	(40,847)
	299,541	286,145
Non-Controlling Interest	26,263	22,971
Total Equity	325,804	309,116
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	16,804	24,111
Hire Purchase obligations	1,111	838
Bank borrowings	15,995	23,416
	33,910	48,365
Current Liabilities		
Trade payables	9,969	10,673
Other payables	49,986	60,885
Provision for liabilities	2,280	3,037
Hire purchase obligations	1,066	520
Bank borrowings	34,860	29,279
Tax Payable	3,183	7,109
	101,344	111,503
Total Liabilities	135,254	159,868
TOTAL EQUITY AND LIABILITIES	461,058	468,984
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.73	-
	2.60	

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



MINHO (M) BERHAD (200930 – H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012.

	← Attributable to equity holders of the company →					Retained Losses	Total	Non-Controlling Interest	Total Equity
	← Non-distributable →			Distributable					
	Share Capital	Share Premium	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants				
RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	
Period ended 31 December 2012									
Balance as at 01.01.2012	109,851	92,431	13,464	109,748	1,498	(40,847)	286,145	22,971	309,116
Prior years adjustments	-	-	-	-	-	-	-	-	-
Opening balance adjustments in a subsidiary						(40)	(40)	-	(40)
As restated	109,851	92,431	13,464	109,748	1,498	(40,887)	286,105	22,971	309,076
Total comprehensive income for the period						13,437	13,437	4,022	17,459
Impairment of property plant and equipment, motorvehicles and forklifts in subsidiaries for 2012				(1,171)		1,171	-		-
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest								(730)	(730)
Balance as at 31.12.2012	109,851	92,431	13,464	108,577	1,498	(26,279)	299,542	26,263	325,805
Period ended 31 December 2011									
Balance as at 01.01.2011	109,851	92,431	13,464	115,507	1,498	(51,442)	281,309	23,479	304,788
Prior years adjustments							-		-
Total comprehensive income for the period						9,362	9,362	2,160	11,522
Reversal due disposal of asset				(1,233)		1,233	-		-
Impairment of property plant and equipment, motorvehicles and forklifts in subsidiaries				(4,526)			(4,526)		(4,526)
Acquisition of additional equity in a subsidiary							-	-	-
Dividend distributed to Non-Controlling Interest								(2,668)	(2,668)
Balance as at 31.12.2011	109,851	92,431	13,464	109,748	1,498	(40,847)	286,145	22,971	309,116

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012.

	Cumulative Period	
	Current Year to date 31/12/2012 RM'000	Preceding Period Ended 31/12/2011 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	15,005	8,992
Adjustments for :		
Depreciation, amortisation and impairment losses	8,612	8,178
Interest income	(718)	(310)
Interest expenses	3,304	3,097
Deposit Forfeited	-	(3)
Fair value gain of financial instruments measured at fair		
Provision:		
Impairment loss on trade receivables		475
Reversal of Impairment loss on trade receivables	(160)	(6)
Bad Debts written off		56
Write down of inventories	-	-
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(334)	(5,026)
Impairment of property, plant and equipment		4,526
Asset written off	22	737
Operating profit before changes in working capital	25,731	20,716
Net change in current assets	11,995	(22,021)
Net change in current liabilities	(12,360)	15,258
Cash flow from operation	25,366	13,953
Taxes paid	(9,154)	(5,585)
Interest received	718	310
Interest paid	(3,304)	(3,097)
Net Cash Flows From Operating Activities	16,212	5,581
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(1,788)	(4,338)
Purchase of freehold land		(4,635)
Purchase of freehold land for property development		(13,378)
Decrease/(Increase) in deposits with license banks-pledge	-	-
Acquisition of additional investment in a subsidiary company		(840)
Proceeds from sale of non-current assets	1,251	12,852
Reclass other investment to deposit with licensed bank	-	-
Dividend received	(225)	-
Net Cash Used in Investing Activities	(762)	(10,339)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	
Bank borrowings and other liabilities (Net)	(5,735)	4,172
Dividends paid to non controlling interest in subsidiary company	(1,336)	(2,670)
Net Cash Flows From Financing Activities	(7,071)	1,502
Net Increase in Cash and Cash Equivalents	8,379	(3,256)
Cash and Cash Equivalents at the beginning of the year	15,985	18,942
Effects of changes in foreign exchange rates	710	299
Cash and Cash Equivalents at end of the period	25,074	15,985
Cash and cash equivalent comprise the following:-		
Bank and cash balances	6,350	5,103
Deposit with license bank	18,724	10,882
	25,074	15,985

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL STATEMENT.

1. Basis of preparation and Accounting Policies.

The Interim Financial Report of the Group is unaudited and has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa) Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011. It contains unaudited condensed consolidated financial statements and selected explanatory notes. 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 31 December 2011. The condensed consolidated interim financial report and notes thereon do not include all of the information requires for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRS).

1.1. Significant Accounting Policies

The significant accounting policies and method of computation adopted by the Group are consistent with those of the audited financial statements for the financial year ended 31 December 2011, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group. The significant accounting policies adopted in the preparation of this interim financial report are consistent with those in the audited financial statements for the year ended 31 December 2011.

The following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012.

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Share-based Payment- Vesting Conditions and Cancellations
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives Improvement to FRS issued in 2009
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions



IC Interpretation 12	Service concession Arrangements
IC Interpretation 13	Customer Loyalty Programmers
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
IC Interpretation 16	Hedges of a Net Investment in Foreign Operations
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	
TR 3	Guidance on Disclosures of Transition to IFRSs

The above FRSs, Amendments to FRSs and Interpretations have no significant impact on the financial statements of the Group upon their initial application.

1.2. Malaysian Financial Reporting Standards.

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”) in conjunction with the MASB’s plan to converge with International Financial Reporting Standards (“IFRS”) in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board (“IASB”) that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parents, significant investor and venture (herein referred as “Transitioning Entities”). The adoption of the MFRS Framework by Transitioning Entities is deferred by another year and hence, will be mandatory only for annual financial period beginning on or after 1 January 2014.

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group are generally affected negatively by the monsoon seasons and the major festive seasons namely Hari Raya Aidilfitri and Chinese New Year holidays. Such occasions not only undoubtedly limit our ability to undertake certain operational activities at our end; they do also, by and large, curtail demand from our customers, who are themselves also negatively impacted by these factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows.

5. Changes In Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years which may have a material effect on the current interim period.



9. Property, Plant, and Equipment.

Carrying Amount of Revalued Assets

The valuations of property, plant, and equipment have been brought forward without amendment from the financial statements for year ended 31 December 2011.

10. Material events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 31 December 2012 that have not been reflected in the related financial statements.

11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 31 December 2012.

12. Contingent Liabilities – Unsecured

As at 31 December 2012, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM118,424,576.71, of which an amount of RM44,241,282.00 were utilized.

13. Capital Commitments

There are no material capital commitments as at the date of this announcement.



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14. Related Party Transactions.

The summary of related party transactions for current quarter and cumulative period to date is as follows:-

Related Party	Relationship with Minho Group	Nature of Recurrent Transaction	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction) 01/07/2012 to 9/30/2012 (RM ' 000) Q3 2012		Total Value (Transaction) 01/10/2012 to 12/31/2012 (RM ' 000) Q4 2012		Total Value (Transaction) 01/07/2012 to 6/29/2013 (RM ' 000)		Approved Value 01/07/2012 to 29/06/2013 (RM ' 000)		Balance of the approved amount as at 31/12/2012 (RM ' 000)		Balance due to / from the companies 12/31/2012 (RM ' 000)		Creditors Ageing as at 31/12/2012 (RM'000) Payables		
					Receivable	Payables	receivable	Payables	receivable	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	30days	60days	90days
D.M. Timber Sdn Bhd	Dato' Loo Keng An, a director and major shareholder of Minho is also a director of D.M. Timber Sdn Bhd.	Purchase of timber.	Lionvest Timber Industries Sdn Bhd	Monthly		1,430		65		1,495		15,000		13,505		582	582		
Syarikat Minho Kilning (Klang) Sdn Bhd	Sykt. Minho Kilning (Klang) Sdn Bhd is wholly-owned subsidiary of Minho Holdings Sdn Bhd, a major shareholder of Minho	® Rental & Storage Charges.	Syarikat Minho Kilning S/B ®	Monthly		677		676		1,353		4,500		3,147		777	226	226	325
Oak Three Sdn Bhd (formerly known as QR Printing S/B)	Mr Loo Say Leng and Mr Ng Hoe Chang are directors of QR Printing Sdn Bhd and also directors of Minho which owned 100% shares in Syt Minho Kilning Sdn Bhd.	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd	Yearly		-		9		9		800		791		104			104
Sri Temerloh Timber Industries Sdn Bhd	Mr Eng Kin Hong and Mr Ng Chee Min are directors and major	Purchase of logs.	Lionvest Timber Industries Sdn Bhd.	Monthly		425		986		1,411		5,000		3,589		5	5		
Mahawangsa Timber Industries Sdn Bhd	shareholders of Lionvest Timber Industries Sdn Bhd and Mahawangsa Timber Industries Sdn Bhd and Sri Temerloh Industries Sdn Bhd.	Sales of sawntimber logs	Lionvest Timber Industries Sdn Bhd. Industries Sdn Bhd.	Monthly	191		191		382		800		418						
Pembinaan Infra E&J Sdn Bhd (EJ)	Mr Yap Nam Fee is major shareholder of Pembinaan Infra E&J S/B and also major shareholder of MS. Mr Yap Nam Fee is a director of EJ and MS	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd (MS)	Monthly		15,075		10,865		25,940		38,000		12,060		4,852	4,852		
Total					191	17,607	191	12,601	382	30,208	800	63,300	418	33,092	-	6,320	5,665	226	429

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS****15. Review of Performance of the Company and its Principal Subsidiaries**

	3 MONTHS ENDED			YEAR-TO-DATE ENDED		
	31/12/2012	31/12/2011	%	31/12/2012	31/12/2011	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
- Timber Extraction	-	1	-100%	3,715	2,403	55%
- Timber Trading	26,320	30,151	-13%	113,342	139,180	-19%
- Manufacturing	13,465	18,373	-27%	54,846	64,130	-14%
- Services & Treatment	6,641	5,894	13%	26,454	21,241	25%
- Property Development	15,658	16,184	-3%	72,705	16,184	100%
- Others	24	328	-93%	256	400	-36%
	<u>62,108</u>	<u>70,931</u>	<u>-12%</u>	<u>271,318</u>	<u>243,538</u>	<u>11%</u>
Segment Profit						
- Timber Extraction	(68)	(64)	6%	2,535	289	777%
- Timber Trading	(597)	(154)	-288%	(324)	1,949	-117%
- Manufacturing	(632)	(1,008)	37%	2,866	4,361	-34%
- Services & Treatment	476	(5,134)	109%	2,044	2,428	-16%
- Property Development	1,502	1,767	-15%	7,721	1,739	-344%
- Others	(136)	(2,526)	-95%	743	10	7330%
	<u>545</u>	<u>(7,119)</u>	<u>-108%</u>	<u>15,585</u>	<u>10,776</u>	<u>45%</u>
Elimination	(70)	13,122	-101%	(580)	(1,784)	-67%
Profit before taxation	<u>475</u>	<u>6,003</u>	<u>-92%</u>	<u>15,005</u>	<u>8,992</u>	<u>67%</u>
Taxation	<u>6,356</u>	<u>5,038</u>	<u>26%</u>	<u>2,454</u>	<u>2,530</u>	<u>-3%</u>
Profit after taxation	<u>6,831</u>	<u>11,041</u>	<u>-38%</u>	<u>17,459</u>	<u>11,522</u>	<u>52%</u>
Minority interest	<u>(253)</u>	<u>(684)</u>	<u>-63%</u>	<u>(4,022)</u>	<u>(2,160)</u>	<u>86%</u>
Net profit for the year	<u>6,578</u>	<u>10,357</u>	<u>-36%</u>	<u>13,437</u>	<u>9,362</u>	<u>44%</u>

(a). Three months period-Q4 2012 against Q4 2011.

The Group's turnover for Q4 2012 was RM62.11 million compared to RM70.93 million for Q4 2011, down RM8.82 million or 12%. Five of the group's market segments recorded the combined total reduction of RM9.57 million in their turnover but was offset by the slight improvement of RM747 thousand in the turnover for Services & Treatment segment. The decline in demand for timber products was the major cause for the deterioration in turnover for the group.

Despite lower turnover, the group's pre-tax profit before elimination improved from a pre-tax loss of RM7.12 million to a pre-tax profit of RM545 thousand, i.e. a RM7.66 million turnaround for the better. The Manufacturing, Services & Treatment and Others segment registered the combined improvement of RM8.38 million in their pre-tax profit. This was, however, partially offset by the decline of RM712 thousand in the combined pre-tax profit for Timber Extraction, Timber Trading and Property Development segments.

(b). Year to date.

The Group registered total revenue of RM271 million for the twelve months ending 31 December 2012, i.e. RM27 million or 11% more than the RM244 million recorded in the previous corresponding period. The turnover recorded by three of the group's market segments viz. Timber Extraction, Services & Treatment and the new Property Development segment improved by RM63.05 million. The revenue for Property Development segment was based on additional 60% of the Gross Development Value for units sold. In line with improved selling price for kiln drying services and aided by better incoming timber volume for kiln drying process. Services & Treatment segment



reported a respectable 25% improvement in turnover. As for the Timber Extraction segment, the better turnover was due to the larger area logged coupled with a slight increase in logs price.

However the increase in turnover by the three abovementioned segments was partially offset by the RM35.12 million decline in the combined turnover of our Manufacturing and Timber Trading segment which experienced difficulties in obtaining supply of raw materials (i.e. logs) due to the continuous raining season and lower demand from the European buyers as some nations within the E.U. continue to encounter economic difficulties.

It should be noted that of the RM63.05 million improvement recorded by the three major revenue contributing segments, RM56.52 million came from our new Property Development segment. Hence, the increase recorded by our long established Timber Extraction and Services & Treatment segments combined was only RM6.53 million for the period under review which, under prevailing economic conditions, was considered acceptable.

The Group registered a pre-tax profit of RM15.01 million for the twelve months ending 31 December 2012. This was an improvement of RM6.02 million when compared to the pre-tax profit of RM8.99 million achieved in the preceding year corresponding period. However, had the RM7.72 million profit contributed by the new Property Development segment and RM2.25 million improvement in profit from the Timber Extraction segment not being taken into account, the picture would not be as attractive. This notwithstanding, operations for the period under review remained profitable.

16. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	THREE MONTHS		%
	Q4 2012	Q3 2012	
	RM000	RM000	
Revenue			
- Timber Extraction	-	847	-100%
- Timber Trading	26,320	27,682	-5%
- Manufacturing	13,465	11,217	20%
- Services & Treatment	6,641	7,150	-7%
- Property Development	15,658	25,286	-38%
- Others	24	25	-4%
	<u>62,108</u>	<u>72,207</u>	<u>-14%</u>
Segment Profit			
- Timber Extraction	(68)	570	-112%
- Timber Trading	(597)	(664)	10%
- Manufacturing	(632)	877	-172%
- Services & Treatment	476	1,015	-53%
- Property Development	1,502	2,727	-45%
- Others	(136)	174	-178%
	<u>545</u>	<u>4,699</u>	<u>-88%</u>
Elimination	(70)	-	
Profit before taxation	<u>475</u>	<u>4,699</u>	<u>-90%</u>
Taxation	6,356	(1,104)	-676%
Profit after taxation	<u>6,831</u>	<u>3,595</u>	<u>90%</u>
Minority interest	(253)	(1,217)	-79%
Net profit for the year	<u>6,578</u>	<u>2,378</u>	<u>177%</u>

The Group's turnover for Q4 2012 was RM62 million, RM10 million lower than the RM72 million achieved in Q3 2012. Five of the group's market segments recorded a fall of RM12.35 million in their combined turnover. This was partially offset by an increase of RM2.25 million in the turnover of the Manufacturing segment. The Property Development segment recorded a significant RM9.63 million decrease in turnover as the progress in the construction slowed in the last quarter due to ongoing inclement weather.



In tandem with lower turnover, the Group's pre-tax profit weakened by RM4.22 million, i.e. from RM4.70 million for third quarter 2012 to RM475 thousand. Mainly as a results of overall rising costs, most of the group's market segments recorded pre-tax losses with the exception of the Timber Trading segment which registered an improvement in pre-tax profit of RM67 thousand.

17. Prospects for Current Financial Year

For reasons alluded to previously, group performance for the first quarter of year 2013 is projected to be lower than the fourth quarter of year 2012 as logs will be in short supply due to the onset of the monsoon season which is expected to impact negatively into the next quarter. In addition, demand is likely to be lower as overseas buyers, especially from the Euro-Zone countries are unfortunately continuing to experience economic difficulties, some of them quite severely. The EU Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) Timber Legality Assurance System (TLAS) which will be enforced in the Euro-Zone in March 2013, will also influence demand negatively.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	652	930	4,581	3,240
(Over)/Under provision in respect of prior years	6	257	272	455
Foreign Taxation	-	-	-	-
Deferred Taxation	(7,014)	(6,225)	(7,307)	(6,225)
	<u>(6,356)</u>	<u>(5,038)</u>	<u>(2,454)</u>	<u>(2,530)</u>
Our share of results of associated companies	-	-	-	-
	<u>(6,356)</u>	<u>(5,038)</u>	<u>(2,454)</u>	<u>(2,530)</u>

The effective tax rates for the periods presented above are higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and also to certain expenses which are not deductible for tax purposes.

20. Disposal of Unquoted Investments and Properties

There were no disposals of investments and/or properties for the financial period under review.

21. Quoted Securities

There were no purchases and/or disposals of quoted securities of the Group for the financial period ended 31 December 2012.

22. Status of Corporate Proposals



There were no corporate proposals announced but not completed as at 20 February 2013.

23. Group Borrowings

Total Group borrowings as at 31 December 2012 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	15,995
Unsecured	0
	<u>15,995</u>
Short Term Borrowings	
Secured	34,860
Unsecured	0
	<u>34,860</u>
Total Borrowings	<u>57,113</u>

24. Off Balance Sheet Financial Instruments

There are no material financial instruments with off balance sheet risk as at the date of this report.

25. Material Litigation

As at 20 February 2013, the latest practicable date that is not earlier than 7 days from the issue of this quarterly report, the Group is not engaged in any material litigation.

26. Dividend

No dividend has been recommended by the Board for the period ended 31 December 2012 (2011: Nil).

27. Earning/ (Loss) Per Share

(a) Basic earnings/ (loss) per share

Basic earnings/ (loss) per share of the Group is calculated by dividing the net earnings/ (loss) attributable to shareholders for the financial periods under review by the number of ordinary shares on issue during the said financial periods.

(b) Diluted earnings per share

Not applicable

28. Realised and Unrealised Profit/Loss Disclosures



	As at 31/12/2012	As at 31/12/2011
	RM'000	RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(22,959)	(29,839)
- Unrealised	<u>(3,320)</u>	<u>(11,008)</u>
	(26,279)	(40,847)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(26,279)</u>	<u>(40,847)</u>

29. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 27 February 2013.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 27 February 2013.