

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2013. (UNAUDITED)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/03/2013 (RM'000)	Preceding Year Corresponding Quarter 31/03/2012 (RM'000)	Current Year to date 31/03/2013 (RM'000)	Preceding Period Ended 31/03/2012 (RM'000)
<b>Continuing Operations:</b>				
<b>Revenue</b>	62,102	65,002	62,102	65,002
Cost of sales	(61,071)	(63,401)	(61,071)	(63,401)
Gross profit	1,031	1,601	1,031	1,601
Other operating income	1,413	1,882	1,413	1,882
Finance cost	(754)	(859)	(754)	(859)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	1,690	2,624	1,690	2,624
Income tax expense	(1,088)	(704)	(1,088)	(704)
<b>Profit for the period from continuing operations</b>	602	1,920	602	1,920
<b>Loss from discontinued operation</b>	-	-	-	-
<b>Profit for the period</b>	602	1,920	602	1,920
<b>Other Comprehensive Income:</b>				
Gain on revaluation of property, plant and equipment	-	-	-	-
<b>Other Comprehensive Income net of tax</b>	-	-	-	-
<b>Total Comprehensive Income for the period</b>	602	1,920	602	1,920
<b>Net Profit/(loss) attributable to:</b>				
Owners of the Parent				
- income from continuing operations	(37)	669	(37)	669
- loss from discontinued operations				
Non-Controlling Interest	639	1,251	639	1,251
Profit for the period	602	1,920	602	1,920
Total comprehensive income attributable to:				
Owners of the Parent	(37)	669	(37)	669
Non-Controlling Interest	639	1,251	639	1,251
	602	1,920	602	1,920
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	(0.03)	0.61	(0.03)	0.61
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 2012)**



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013.**

	Unaudited As at 31/03/2013 RM'000	Audited As at 31/12/2012 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	224,251	225,968
Investment properties	44,149	44,215
Investment in associated company	0	0
Other Investment	725	725
	269,125	270,908
<b>Current Assets</b>		
Inventories	100,421	105,978
Property Development Cost	2,015	6,417
Trade receivables	47,895	43,474
Other receivables	8,018	8,076
Tax recoverable	1,241	1,104
Deposit with licensed banks	16,482	18,724
Cash and bank balances	6,027	6,350
	182,099	190,123
<b>TOTAL ASSETS</b>	<b>451,224</b>	<b>461,031</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owner of the parents</b>		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Other reserves	123,539	123,539
Retained earnings-profit/(loss)	(26,316)	(26,280)
	299,505	299,541
<b>Non-Controlling Interest</b>	26,510	26,263
<b>Total Equity</b>	326,015	325,804
<b>Non-current liabilities</b>		
Amount due to directors	0	0
Deferred Taxation	16,804	16,804
Hire Purchase obligations	999	1,111
Bank borrowings	15,186	19,323
	32,989	37,238
<b>Current Liabilities</b>		
Trade payables	8,646	9,969
Other payables	43,453	49,947
Provision for liabilities	2,280	2,280
Hire purchase obligations	1,184	1,066
Bank borrowings	34,342	31,532
Tax Payable	2,315	3,195
	92,220	97,989
<b>Total Liabilities</b>	125,209	135,227
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>451,224</b>	<b>461,031</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<b>2.73</b>	-

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)



**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 →								
	← Non-distributable →					Distributable			
	Share Capital	Share Premium	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Losses	Total	Non-Controlling Interest	
RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	
<b>Period ended 31 March 2013</b>									
<b>Balance as at 01.01.2013</b>	109,851	92,431	13,464	108,577	1,498	(26,280)	299,541	26,263	325,804
Prior years adjustments	-	-	-	-	-	-	-	-	-
As restated	109,851	92,431	13,464	108,577	1,498	(26,280)	299,541	26,263	325,804
Total comprehensive income for the period				-		(37)	(37)	639	602
Reversal due disposal of asset				-			-		-
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest								(392)	(392)
<b>Balance as at 31.03.2013</b>	109,851	92,431	13,464	108,577	1,498	(26,317)	299,504	26,510	326,014
<b>Period ended 31 March 2012</b>									
<b>Balance as at 01.01.2012</b>	109,851	92,431	13,464	109,748	1,498	(40,847)	286,145	22,971	309,116
Prior years adjustments						(40)	(40)		(40)
Total comprehensive income for the period						669	669	1,251	1,920
Acquisition of additional equity in a subsidiary							-	-	-
Dividend distributed to Non-Controlling Interest								(730)	(730)
<b>Balance as at 31.03.2012</b>	109,851	92,431	13,464	109,748	1,498	(40,218)	286,774	23,492	310,266

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013.**

	Cumulative Period	
	Current Year to date 31/03/2013 RM'000	Preceding Period Ended 31/03/2012 RM'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	1,690	2,624
Adjustments for :		
Depreciation, amortisation and impairment losses	2,433	2,037
Interest income	(59)	(104)
Interest expenses	769	812
Share of profit in associates		
Fair value gain of financial instruments measured at fair		
Provision:		
Provision for doubtful debts		
Write back of provision for doubtful debts		(4)
Write down of inventories		1,098
Write back of stock value	230	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	-	-
Asset written off	-	-
Operating profit before changes in working capital	5,063	6,463
Net change in current assets	1,194	9,197
Net change in current liabilities	(7,817)	(12,973)
Cash flow from operation	(1,560)	2,687
Taxes paid	(2,186)	(2,033)
<b>Net Cash Flows From Operating Activities</b>	<b>(3,746)</b>	<b>654</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of PPE and investment property	(385)	(456)
Purchase of freehold land		
Purchased freehold land for property development		
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary company		
Proceeds from sale of non-current assets	270	
Reclass other investment to deposit with licensed bank	-	-
Dividend received	(408)	-
<b>Net Cash Used in Investing Activities</b>	<b>(523)</b>	<b>(456)</b>
<b>Cash Flows From Financing Activities:</b>		
Issue of ordinary shares	-	
Bank borrowings and other liabilities (Net)	1,986	3,372
Dividends paid to non controlling interest in subsidiary company	(392)	(730)
<b>Net Cash Flows From Financing Activities</b>	<b>1,594</b>	<b>2,642</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(2,675)</b>	<b>2,840</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>25,074</b>	<b>15,985</b>
<b>Effects of changes in foreign exchange rates</b>	<b>110</b>	<b>218</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>22,509</b>	<b>19,043</b>
<b>Cash and cash equivalent comprise the following:-</b>		
Bank and cash balances	6,027	6,013
Deposit with license bank	16,482	9,634
	<b>22,509</b>	<b>15,647</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

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 2012.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. 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 2012. 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 (FRSs).

### 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 2012, 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 2012.

The following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 101: Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3: Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10: Consolidated Financial Statements	1 January 2013
MFRS 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosure of interests in Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	1 January 2013
MFRS 119: Employee Benefits	1 January 2013
MFRS 127: Separate Financial Statements	1 January 2013
MFRS 128: Investment in Associate and Joint Ventures	1 January 2013
MFRS 127: Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendment to IC Interpretation 2 Members’ Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013



Description	Effective for annual periods beginning on or after
Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS12 and MFRS 127: Investment Entities	1 January 2014
MFRS 9 Financial Instruments	1 January 2015

The above MFRSs, Amendments to MFRSs 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.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.



## 2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2012 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.

## 6. Issuances and Repayments of Debt and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 31 March 2013.

## 7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 March 2013.

## 8. Segment Information

The Group's segment information for the financial period ended 31 March 2013 is as follows:-

	<b>Timber Extraction</b>	<b>Timber Trading</b>	<b>Manufacturing</b>	<b>Services &amp; Treatment</b>	<b>Property Development</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2013</b>							
<b>Revenue</b>							
<i>External Sales</i>	-	30,859	11,561	6,088	13,568	27	62,103
<i>Inter segmental sales</i>	-	1,318	1,934	1,421	-	-	4,673
Total Revenue	-	32,177	13,495	7,509	13,568	27	66,776
Segments Profits	(61)	(329)	(217)	822	1,444	439	2,098
Elimination							(408)
Taxation							(1,088)
Profit after taxation							602
Minority interest							(639)
Net profit for the year							(37)
Segments Assets	7,277	107,417	150,202	163,148	17,593	4,862	450,499
Other Investment						725	725
							451,224
Segment Liabilities	3,333	46,997	29,505	35,857	8,336	1,181	125,209



2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
<i>External Sales</i>	-	37,305	13,243	6,230	8,201	24	65,002
<i>Inter segmental sales</i>	-	1,620	620	1,219	-	-	3,459
Total Revenue	-	38,925	13,863	7,449	8,201	24	68,461
Segments Profits	-62	769	902	106	897	522	3,133
Elimination							(510)
Taxation							(704)
Profit after taxation							1,919
Minority interest							(1,251)
Net profit for the year							<u>668</u>
Segments Assets	8,496	111,596	144,719	166,113	25,267	3,758	459,949
Other Investment							500
							460,449
Segment Liabilities	3,284	61,964	27,917	44,566	11,796	657	150,184

**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 2012.

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

There are no material events subsequent to the financial period ended 31 March 2013 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 March 2013.

**12. Contingent Liabilities – Unsecured**

As at 31 March 2013, 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 RM42,262,158.00 were utilized.

**13. Capital Commitments**

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





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

**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) 01/01/2013 to 3/31/2013 (RM ' 000) Q1 2013		Approved Value 01/07/2012 to 29/06/2013 (RM ' 000)		Balance of the approved amount as at 31/03/2013 (RM ' 000)		Balance due to / from the companies 3/31/2013 (RM ' 000)		Debtors Ageing as at 31/03/2013 (RM ' 000) Receivables	Creditors Ageing as at 31/03/2013 (RM'000) Payables		
					Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	30days	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		54		15,000		13,451	1,428		1,428			
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	<sup>(i)</sup> Rental & Storage Charges.	Syarikat Minho Kilning S/B <sup>(i)</sup>	Monthly		676		4,500		2,471	461			226	225	10
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				800		791	115					115
Mahawangsa Timber Industries Sdn Bhd	Mr Eng Kin Hong and Mr Ng Chee Min are directors and major shareholders of Lionvest Timber Industries Sdn Bhd and Mahawangsa Timber Industries Sdn Bhd and Sri Temerloh Industries Sdn Bhd.	Purchase of logs.	Lionvest Timber Industries Sdn Bhd.	Monthly		1,266		5,000		-	2,324			120		
		Sales of sawntimber logs	Lionvest Timber Industries Sdn Bhd.	Monthly	50			800		368		114		114		
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		4,909		38,000		7,150	3,249			3,249		
<b>Total</b>					<b>50</b>	<b>6,905</b>	<b>800</b>	<b>63,300</b>	<b>368</b>	<b>26,187</b>	<b>1,542</b>	<b>3,945</b>	<b>1,542</b>	<b>3,595</b>	<b>225</b>	<b>125</b>

**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**

	<b>3 MONTHS ENDED</b>			<b>YEAR-TO-DATE ENDED</b>		
	<b>Q1 2013</b>	<b>Q1 2012</b>	<b>%</b>	<b>31/03/2013</b>	<b>31/03/2012</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>						
- Timber Extraction	-	-	0%	-	-	0%
- Timber Trading	30,859	37,305	-17%	30,859	37,305	-17%
- Manufacturing	11,561	13,243	-13%	11,561	13,243	-13%
- Services & Treatment	6,088	6,230	-2%	6,088	6,230	-2%
- Property Development	13,568	8,201	65%	13,568	8,201	65%
- Others	27	24	13%	27	24	13%
	<u>62,103</u>	<u>65,002</u>	<u>-4%</u>	<u>62,103</u>	<u>65,002</u>	<u>-4%</u>
<b>Segment Profit</b>						
- Timber Extraction	(61)	(62)	-2%	(61)	(62)	-2%
- Timber Trading	(329)	769	-143%	(329)	769	-143%
- Manufacturing	(217)	902	-124%	(217)	902	-124%
- Services & Treatment	822	106	678%	822	106	678%
- Property Development	1,444	897	61%	1,444	897	61%
- Others	439	12	3620%	439	12	3620%
	<u>2,098</u>	<u>2,623</u>	<u>-20%</u>	<u>2,098</u>	<u>2,623</u>	<u>-20%</u>
Elimination	<u>(408)</u>	<u>-</u>	<u>0%</u>	<u>(408)</u>	<u>-</u>	<u>0%</u>
Profit before taxation	<u>1,690</u>	<u>2,623</u>	<u>-36%</u>	<u>1,690</u>	<u>2,623</u>	<u>-36%</u>
Taxation	<u>(1,088)</u>	<u>(704)</u>	<u>55%</u>	<u>(1,088)</u>	<u>(704)</u>	<u>55%</u>
Profit after taxation	<u>602</u>	<u>1,919</u>	<u>-69%</u>	<u>602</u>	<u>1,919</u>	<u>-69%</u>
Minority interest	<u>(639)</u>	<u>(1,251)</u>	<u>-49%</u>	<u>(639)</u>	<u>(1,251)</u>	<u>-49%</u>
Net profit for the year	<u>(37)</u>	<u>668</u>	<u>-106%</u>	<u>(37)</u>	<u>668</u>	<u>-106%</u>

**(a). Three months period and Year to date.**

The Group registered total revenue of RM62 million for Q1 2013, RM3 million or 4% less than the RM65 million recorded in Q1 2012. In tandem with lower turnover and also due to high operation cost, the Group posted a pre-tax profit of RM1.69 million for the current quarter against previous corresponding quarter of RM2.62 million.

**Timber Extraction**

There was no logging activities carried out in the current quarter pending approval of logging license from the authorities.

**Timber Trading**

The turnover for this segment shrunk by RM6.45 million mainly attributed to lower demand from the Group's main market i.e. the E.U. as most of nations are still experiencing economic difficulties. Despite decline in turnover, the operating cost remains unchanged, thus resulted in pre-tax loss for this market segment.

**Manufacturing**

The turnover for the manufacturing of timber and wood based products fell in line with lower demand from customers mainly from the E.U. nations. The manufacturing of industrial paper bags decline slightly by RM605 thousand, the factory had to decline orders from customer because it is in the midst of upgrading their production machinery. Similar to the trading segment, operating cost



remain unchanged especially labour and fixed overhead cost, thus, this market segment registered a pre-tax loss of RM217 thousand.

#### Services & Treatment

The incoming timber for kiln drying of timber remains stable, however, shortage of labour to processed the timber resulted in lower turnover, which drop slightly by RM142 thousand. With stringent cost control, this segment able to reduced their operating cost and disclosed a higher pre-tax profit of RM822 thousand for the current quarter as compared to RM106 thousand for the previous corresponding quarter.

#### Property Development

The total turnover of RM13.57 million for the current quarter represents additional 11% of the GDV for units sold as compared to RM8.20 million for the previous corresponding quarter which was only 6% of the GDV. Corresponding to RM5.37 million or 65% in turnover, this segment posted a pre-tax profit of RM1.44 million, increase by RM547 thousand or 61%.

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

	THREE MONTHS		%
	Q1 2013	Q4 2012	
	<u>RM'000</u>	<u>RM'000</u>	
<b>Revenue</b>			
- Timber Extraction	-	-	
- Timber Trading	30,859	26,320	17%
- Manufacturing	11,561	13,465	-14%
- Services & Treatment	6,088	6,641	-8%
- Property Development	13,568	15,658	-13%
- Others	27	24	13%
	<u>62,103</u>	<u>62,108</u>	0%
<b>Segment Profit</b>			
- Timber Extraction	(61)	(68)	-10%
- Timber Trading	(329)	(597)	-45%
- Manufacturing	(217)	(632)	-66%
- Services & Treatment	822	476	73%
- Property Development	1,444	1,502	-4%
- Others	439	(136)	-423%
	<u>2,098</u>	<u>545</u>	285%
Elimination	<u>(408)</u>	<u>(70)</u>	483%
Profit before taxation	<u>1,690</u>	<u>475</u>	256%
Taxation	<u>(1,088)</u>	<u>6,356</u>	-117%
Profit after taxation	<u>602</u>	<u>6,831</u>	-91%
Minority interest	<u>(639)</u>	<u>(253)</u>	153%
Net profit for the year	<u>(37)</u>	<u>6,578</u>	-101%

The Group's turnover for Q1 2013 was RM62 million, similar to Q4 2012. Three of the group's market segments recorded a fall of RM4.55 million in their combined turnover. This was offset by an increase of RM4.54 million in the turnover for the Timber Trading segment. The Property Development segment recorded a significant RM2.09 million decrease in turnover as the progress in the construction slowed due to ongoing inclement weather.

The Group's pre-tax profit strengthened by RM1.22 million, i.e. from RM475 thousand for fourth quarter 2012 to RM1.69 million. Mainly as a results of lower costs, three of the group's market segments i.e. Timber Extraction, Timber Trading and Manufacturing segments recorded lower pre-tax losses. The



losses was offset by higher combined pre-tax profit registered by the Services & Treatment, Property Development and Others segments.

**17. Prospects for Current Financial Year**

For reasons alluded to previously, group performance for the second quarter of year 2013 is projected to be similar to the first 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 E.U. countries are unfortunately continuing to experience economic difficulties, some of them quite severely. The EU Trade Regulations (“EUTR”) enforced 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	Preceding year	Current year	Preceding year
	quarter	corresponding	to date	corresponding
	31/03/2013	quarter	31/03/2013	period
	RM'000	31/03/2012	RM'000	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,088	704	1,088	704
(Over)/Under provision in respect of prior years	-	-	-	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	<b>1,088</b>	<b>704</b>	<b>1,088</b>	<b>704</b>
Our share of results of associated companies	-	-	-	-
	<b>1,088</b>	<b>704</b>	<b>1,088</b>	<b>704</b>

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 March 2013.

**22. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at 23 May 2013.

**23. Group Borrowings**



Total Group borrowings as at 31 March 2013 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	15,186
Unsecured	0
	<u>15,186</u>
Short Term Borrowings	
Secured	34,342
Unsecured	0
	<u>34,342</u>
<b>Total Borrowings</b>	<b><u>49,528</u></b>

#### 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 23 May 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 March 2013 (2012: 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

	<u>As at</u> <u>31/03/2013</u> <u>RM'000</u>	<u>As at</u> <u>31/03/2012</u> <u>RM'000</u>
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(22,995)	(23,451)
- Unrealised	(3,320)	(16,767)
	<u>(26,315)</u>	<u>(40,218)</u>
Add: Consolidated adjustments	0	0
Total group retained losses as per consolidated accounts	<u>(26,316)</u>	<u>(40,218)</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 30 May 2013.

**By order of the Board**

Klang, Selangor Darul Ehsan.

Dated: 30 May 2013.