

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2013. (UNAUDITED)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/06/2013 (RM'000)	Preceding Year Corresponding Quarter 30/06/2012 (RM'000)	Current Year to date 30/06/2013 (RM'000)	Preceding Period Ended 30/06/2012 (RM'000)
<b>Continuing Operations:</b>				
<b>Revenue</b>	55,215	72,001	117,317	137,003
Cost of sales	(52,903)	(65,653)	(113,974)	(129,054)
Gross profit	2,312	6,348	3,343	7,949
Other operating income	1,645	1,682	3,058	3,564
Finance cost	(733)	(823)	(1,487)	(1,682)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	3,224	7,207	4,914	9,831
Income tax expense	(998)	(2,094)	(2,086)	(2,798)
<b>Profit for the period from continuing operations</b>	<b>2,226</b>	<b>5,113</b>	<b>2,828</b>	<b>7,033</b>
<b>Loss from discontinued operation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the period</b>	<b>2,226</b>	<b>5,113</b>	<b>2,828</b>	<b>7,033</b>
<b>Other Comprehensive Income:</b>				
Gain on revaluation of property, plant and equipment	-	-	-	-
<b>Other Comprehensive Income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>	<b>2,226</b>	<b>5,113</b>	<b>2,828</b>	<b>7,033</b>
<b>Net Profit/(loss) attributable to:</b>				
Owners of the Parent				
- income from continuing operations	1,532	3,812	1,495	4,481
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	694	1,301	1,333	2,552
Profit for the period	2,226	5,113	2,828	7,033
Total comprehensive income attributable to:				
Owners of the Parent	1,532	3,812	1,495	4,481
Non-Controlling Interest	694	1,301	1,333	2,552
	2,226	5,113	2,828	7,033
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	1.39	3.47	1.36	4.08
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 30 JUNE 2013.**

	Unaudited As at 30/06/2013	Audited As at 31/12/2012
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	222,553	225,968
Investment properties	44,084	44,215
Investment in associated company	0	0
Other Investment	725	725
	<b>267,362</b>	<b>270,908</b>
<b>Current Assets</b>		
Inventories	105,366	105,978
Property Development Cost	2,015	6,417
Trade receivables	36,207	43,474
Other receivables	9,442	8,076
Tax recoverable	1,312	1,104
Deposit with licensed banks	20,663	18,724
Cash and bank balances	8,835	6,350
	<b>183,840</b>	<b>190,123</b>
<b>TOTAL ASSETS</b>	<b>451,202</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)	(24,785)	(26,280)
	301,036	299,541
<b>Non-Controlling Interest</b>	27,204	26,263
<b>Total Equity</b>	328,240	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	14,297	19,323
	32,100	37,238
<b>Current Liabilities</b>		
Trade payables	9,796	9,969
Other payables	40,420	49,947
Provision for liabilities	2,280	2,280
Hire purchase obligations	850	1,066
Bank borrowings	36,226	31,532
Tax Payable	1,290	3,195
	90,862	97,989
<b>Total Liabilities</b>	<b>122,962</b>	<b>135,227</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>451,202</b>	<b>461,031</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.74	2.73

(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 SECOND QUARTER ENDED 30 JUNE 2013.**

	← Attributable to equity holders of the company →									
	← Non-distributable →					Distributable			Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Losses	Total	Total		
RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000			
<b>Period ended 30 June 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				-		1,495	1,495	1,333	2,828	
Reversal due disposal of asset				-			-		-	
Acquisition of additional equity in a subsidiary						-	-	-	-	
Dividend distributed to Non-Controlling Interest								(392)	(392)	
<b>Balance as at 30.06.2013</b>	<b>109,851</b>	<b>92,431</b>	<b>13,464</b>	<b>108,577</b>	<b>1,498</b>	<b>(24,785)</b>	<b>301,036</b>	<b>27,204</b>	<b>328,240</b>	
<b>Period ended 30 June 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				(634)		4,481	3,847	2,552	6,399	
Acquisition of additional equity in a subsidiary							-	-	-	
Dividend distributed to Non-Controlling Interest								(730)	(730)	
<b>Balance as at 30.06.2012</b>	<b>109,851</b>	<b>92,431</b>	<b>13,464</b>	<b>109,114</b>	<b>1,498</b>	<b>(36,406)</b>	<b>289,952</b>	<b>24,793</b>	<b>314,745</b>	

(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 SECOND QUARTER ENDED 30 JUNE 2013.**

	Cumulative Period	
	Current Year to date 30/06/2013 <u>RM'000</u>	Preceding Period Ended 30/06/2012 <u>RM'000</u>
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	4,914	9,831
Adjustments for :		
Depreciation, amortisation and impairment losses	4,435	3,318
Interest income	(119)	(371)
Interest expenses	1,518	1,603
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		(8)
Write down of inventories	250	871
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(91)	(199)
Asset written off	261	-
Operating profit before changes in working capital	11,168	15,045
Net change in current assets	6,513	6,834
Net change in current liabilities	(9,700)	(13,489)
Cash flow from operation	7,981	8,390
Taxes paid	(4,278)	(4,605)
<b>Net Cash Flows From Operating Activities</b>	<b>3,703</b>	<b>3,785</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of PPE and investment property	(541)	(872)
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	272	610
Reclass other investment to deposit with licensed bank	-	-
Dividend received	-	-
<b>Net Cash Used in Investing Activities</b>	<b>(269)</b>	<b>(262)</b>
<b>Cash Flows From Financing Activities:</b>		
Issue of ordinary shares	-	-
Bank borrowings and other liabilities (Net)	1,074	3,613
Dividends paid to non controlling interest in subsidiary company	(392)	(1,336)
<b>Net Cash Flows From Financing Activities</b>	<b>682</b>	<b>2,277</b>
<b>Net Increase in Cash and Cash Equivalents</b>	4,116	5,800
<b>Cash and Cash Equivalents at the beginning of the year</b>	25,074	15,985
<b>Effects of changes in foreign exchange rates</b>	308	316
<b>Cash and Cash Equivalents at end of the period</b>	<b>29,498</b>	<b>22,101</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 30 June 2013.

## 7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 June 2013.

## 8. Segment Information

The Group's segment information for the financial period ended 30 June 2013 is as follows:-

	Timber Extraction	Timber Trading	Manufacturing	Services & Treatment	Property Development	Others	Total
2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
<i>External Sales</i>	-	59,769	25,392	12,509	19,595	52	117,317
<i>Inter segmental sales</i>	-	2,098	3,773	2,627	-	-	8,498
Total Revenue	-	61,867	29,165	15,136	19,595	52	125,815
Segments Profits	(105)	(25)	637	1,693	2,645	477	5,322
Elimination							(408)
Taxation							(2,086)
Profit after taxation							2,828
Minority interest							(1,333)
Net profit for the year							1,495
Segments Assets	7,271	105,876	154,942	164,828	12,697	4,863	450,477
Other Investment						725	725
							451,202
Segment Liabilities	3,329	45,338	33,455	34,212	5,483	1,145	122,962



2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>							
<i>External Sales</i>	2,868	59,340	30,164	12,663	31,761	207	137,003
<i>Inter segmental sales</i>	-	2,753	1,488	2,629	-	-	6,870
Total Revenue	2,868	62,093	31,652	15,292	31,761	207	143,873
Segments Profits	2,034	937	2,620	553	3,492	705	10,341
Elimination							(510)
Taxation							(2,798)
Profit after taxation							7,033
Minority interest							(2,552)
Net profit for the year							4,481
Segments Assets	7,378	106,719	147,829	162,384	29,228	5,260	458,798
Other Investment							500
							459,298
Segment Liabilities	3,330	53,217	30,000	42,586	14,335	1,085	144,554

**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 30 June 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 30 June 2013.

**12. Contingent Liabilities – Unsecured**

As at 30 June 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 RM40,357,110.00 were utilized.

**13. Capital Commitments**

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





**MINHO (M) BERHAD** (200930 – H)  
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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) 01/04/2013 to 6/30/2013 (RM ' 000)		Total Value (Transaction) 01/07/2012 to 6/30/2013 (RM ' 000)		Approved Value 01/07/2012 to 30/06/2013 (RM ' 000)		Balance of the approved amount as at 30/06/2013 (RM ' 000)		Balance due to / from the companies 6/30/2013 (RM ' 000)			Debtors Ageing as at 30/06/2013 (RM ' 000)			Creditors Ageing as at 30/06/2013 (RM'000)			
					Q2 2013											Receivables			Payables			
					Receivable	Payables	Receivables	Payables	Receivables	Payables	Receivable	Payables	Receivable	Payables	30days	60days	90days	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		89		1,638		15,000		13,362	1,339		1,339							
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		2,705		4,500		1,795		601					225	225	151	
Oak Three Sdn Bhd (formerly known as QR Printing S/B)	Mr Loo Say Leng and Mr Ng Hoe Chang are directors of Indah Paper Industries Sdn Bhd and QR Printing Sdn Bhd.	Insurance brokerage fee.	Indah Paper Industries Sdn Bhd	Monthly		5		5		200		195		8					5		3	
	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		15		24		800		776		119					4		115	
Mahawangsa Timber Industries Sdn Bhd	Mr Eng Kin Hong is a 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		332		3,009		5,000		-	1,991		24				24			
		Sales of sawntimber	Lionvest Timber Industries Sdn Bhd.	Monthly	423		854		800		(54)		138		138							
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		5,147		35,997		38,000		2,003		1,909					1,909			
<b>Total</b>					<b>423</b>	<b>6,265</b>	<b>854</b>	<b>43,377</b>	<b>800</b>	<b>63,500</b>	<b>(54)</b>	<b>20,123</b>	<b>1,477</b>	<b>2,661</b>	<b>1,477</b>	<b>-</b>	<b>-</b>	<b>2,167</b>	<b>225</b>	<b>269</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>Q2 2013</b>	<b>Q2 2012</b>	<b>%</b>	<b>30/06/2013</b>	<b>30/06/2012</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>						
- Timber Extraction	-	2,868	-100%	-	2,868	-100%
- Timber Trading	28,910	22,035	31%	59,769	59,340	1%
- Manufacturing	13,831	16,921	-18%	25,392	30,164	-16%
- Services & Treatment	6,421	6,433	0%	12,509	12,663	-1%
- Property Development	6,027	23,560	-74%	19,595	31,761	-38%
- Others	25	184	-86%	52	208	-75%
	<u>55,214</u>	<u>72,001</u>	<u>-23%</u>	<u>117,317</u>	<u>137,004</u>	<u>-14%</u>
<b>Segment Profit</b>						
- Timber Extraction	(44)	2,095	-102%	(105)	2,034	-105%
- Timber Trading	304	168	81%	(25)	937	-103%
- Manufacturing	854	1,719	-50%	637	2,620	-76%
- Services & Treatment	890	447	99%	1,693	553	206%
- Property Development	1,201	2,595	-54%	2,645	3,492	-24%
- Others	19	183	-90%	477	705	-32%
	<u>3,224</u>	<u>7,207</u>	<u>-55%</u>	<u>5,322</u>	<u>10,341</u>	<u>-49%</u>
Elimination	-	-	0%	(408)	(510)	-20%
Profit before taxation	<u>3,224</u>	<u>7,207</u>	<u>-55%</u>	<u>4,914</u>	<u>9,831</u>	<u>-50%</u>
Taxation	<u>(998)</u>	<u>(2,094)</u>	<u>-52%</u>	<u>(2,086)</u>	<u>(2,798)</u>	<u>-25%</u>
Profit after taxation	<u>2,226</u>	<u>5,113</u>	<u>-56%</u>	<u>2,828</u>	<u>7,033</u>	<u>-60%</u>
Minority interest	<u>(694)</u>	<u>(1,301)</u>	<u>-47%</u>	<u>(1,333)</u>	<u>(2,552)</u>	<u>-48%</u>
Net profit for the year	<u>1,532</u>	<u>3,812</u>	<u>-60%</u>	<u>1,495</u>	<u>4,481</u>	<u>-67%</u>

**(a). Three month period-Q2 2013 against Q2 2012.**

For the three month period of Q2 2013, the Group registered a turnover of RM55.21 million as compared to RM72 million for Q2 2012, down RM16.79 million or 23%. The reduction was mainly attributed to the combined decline of RM23.66 million in the turnover recorded by all of the group's market segments except for Timber segment.

In tandem with the lower turnover, the group's pre-tax profit fell by RM3.97 million, i.e. from RM7.21 million to RM3.24 million. The major contributor to pre-tax profit was the Property Development segment which contributed RM1.20 million. The Manufacturing and Services & Treatment segments contributed RM854 thousand and RM890 thousand respectively.

**(b). Year to date.**

The Group registered total revenue of RM117 million for Q2 2013, RM20 million or 23% less than the RM137 million recorded in Q2 2012. Owing to the lower turnover and also to the high cost of sales and the related operational expenses, the Group posted a pre-tax profit of RM4.91 million for the current quarter against the previous corresponding quarter figure of RM9.83 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 declined slightly by RM429 thousand. Demand from the Group's main market i.e. the E.U. remained low as most of the E.U. nations are still experiencing economic difficulties. Despite the lower turnover, operating cost remains unchanged, resulting in a pre-tax loss of RM25 thousand compared to a pre-tax profit of RM937 thousand for Q2 2012.

**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 declined by RM1.52 million due to lower demand and increased competition from other manufacturers. Similar to the trading segment, operating cost (especially labor and fixed overheads) remained unchanged, hence the lower pre-profit of RM637 thousand.

**Services & Treatment**

The incoming timber for kiln drying services remained stable. However, shortage of labour to process the timber resulted in lower turnover, down slightly by RM154 thousand. Due to the 23% increase in average selling price which offset the 12% increase in operation cost, this segment was able to archive a higher pre-tax profit of RM1.69 million for the current quarter as compared to the RM553 thousand recorded in the previous corresponding quarter.

**Property Development**

The total turnover of RM19.59 million for the current quarter represents an additional 16% of the GDV for units sold as compared to RM31.76 million for the previous corresponding quarter which was 26% of the GDV. This segment has completed 95% of its current projects. In line with lower turnover, this segment posted a pre-tax profit of RM2.64 million, down by RM847 thousand or 24%.

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

	<b>THREE MONTHS</b>		
	<b>Q2 2013</b>	<b>Q1 2013</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>			
- Timber Extraction	-	-	
- Timber Trading	28,910	30,859	-6%
- Manufacturing	13,831	11,561	20%
- Services & Treatment	6,421	6,088	5%
- Property Development	6,027	13,568	-56%
- Others	25	27	-7%
	<u>55,214</u>	<u>62,103</u>	-11%



	<b>THREE MONTHS</b>		
	<b>Q2 2013</b>	<b>Q1 2013</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>	
<b>Segment Profit</b>			
- Timber Extraction	(44)	(61)	-28%
- Timber Trading	304	(329)	-192%
- Manufacturing	854	(217)	-494%
- Services & Treatment	890	803	11%
- Property Development	1,201	1,444	-17%
- Others	19	458	-96%
	<u>3,224</u>	<u>2,098</u>	54%
Elimination	-	(408)	-100%
Profit before taxation	<u>3,224</u>	<u>1,690</u>	91%
Taxation	<u>(998)</u>	<u>(1,088)</u>	-8%
Profit after taxation	<u>2,226</u>	<u>602</u>	270%
Minority interest	<u>(694)</u>	<u>(639)</u>	9%
Net profit for the year	<u>1,532</u>	<u>(37)</u>	-4241%

The Group's turnover for Q2 2013 was RM55.21 million, compared to RM62.10 million for Q1 2013, down by RM6.89 million or 11%. Three of the group's market segments recorded a fall of RM9.49 million in their combined turnover. This was offset by an increase of RM2.60 million in the combined turnover for the Timber Trading and Manufacturing segments. The Property Development segment recorded a significant RM7.54 million decrease in turnover as the progress in the construction has reached 95% completion.

Despite of lower turnover, the Group's pre-tax profit strengthened by RM1.53 million, i.e. from RM1.69 million for first quarter 2013 to RM3.22 million. Four of the group's market segments have shown improvement i.e. Timber Extraction segment reduced its pre-tax loss from RM61 thousand to RM44 thousand, Timber Trading and Manufacturing segments recorded a combined pre-tax profit of RM1.15 million as compared to a combined pre-tax losses of RM546 thousand and the pre-tax profit for Services & Treatment segment improved slightly by RM87 thousand. The improved profit of the four above mentioned segments was partially offset by lower combined pre-tax profit registered by the Property Development and Others segments.

#### 17. Prospects for Current Financial Year

For reasons alluded to previously, group performance for the third quarter of year 2013 is projected to be lower than the second quarter of year 2013 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. As for the Property Development segment, the current project will be completing in the third quarter, hence, no profit will be contributed by this segment in the third quarter.

#### 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
	quarter	quarter	period	period
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,052	1,828	2,140	2,532
(Over)/Under provision in respect of prior years	(54)	266	(54)	266
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	<u>998</u>	<u>2,094</u>	<u>2,086</u>	<u>2,798</u>
Our share of results of associated companies	-	-	-	-
	<u>998</u>	<u>2,094</u>	<u>2,086</u>	<u>2,798</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 30 June 2013.

## 22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 August 2013.

## 23. Group Borrowings

Total Group borrowings as at 30 June 2013 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	14,297
Unsecured	0
	<u>14,297</u>
Short Term Borrowings	
Secured	36,226
Unsecured	0
	<u>36,226</u>
<b>Total Borrowings</b>	<b><u>50,523</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 22 August 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 30 June 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>30/06/2013</u> RM'000	<u>As at</u> <u>30/06/2012</u> RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(21,464)	(25,545)
- Unrealised	<u>(3,320)</u>	<u>(10,861)</u>
	(24,784)	(36,406)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(24,785)</u>	<u>(36,406)</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 29 August 2013.

### By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 29 August 2013.