

**TIMBERWELL BERHAD**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	← INDIVIDUAL QUARTER →		← CUMULATIVE YTD →	
	Current year	Preceding year comparative	Current year	Preceding year comparative
	3 months ended 31.12.2012 (RM'000)	3 months ended 31.12.2011 (RM'000)	12 months ended 31.12.2012 (RM'000)	12 months ended 31.12.2011 (RM'000)
<b>Continuing Operations</b>				
Revenue	1,597	4,794	25,554	8,802
Operating expenses	(3,302)	(10,025)	(26,096)	(17,617)
Other income	673	5,371	1,156	5,769
Profit/(Loss) from operations	<u>(1,032)</u>	<u>140</u>	<u>614</u>	<u>(3,046)</u>
Finance costs	(529)	(402)	(1,348)	(1,312)
<b>Profit/(Loss) before tax</b>	<u>(1,561)</u>	<u>(262)</u>	<u>(734)</u>	<u>(4,358)</u>
Income tax expense	(188)	441	(188)	441
<b>Profit/(Loss) for the period from continuing operation</b>	<u>(1,749)</u>	<u>179</u>	<u>(922)</u>	<u>(3,917)</u>
<b>Discontinued Operations</b>				
Profit/(Loss) for the period from discontinued operations	<u>0</u>	<u>(338)</u>	<u>0</u>	<u>(161)</u>
<b>Profit/(Loss) for the period</b>	<u><u>(1,749)</u></u>	<u><u>(159)</u></u>	<u><u>(922)</u></u>	<u><u>(4,078)</u></u>
Total comprehensive income attributable to:				
Owners of the parent	(1,947)	469	(20)	(2,259)
Minority interest	198	(628)	(902)	(1,819)
	<u>(1,749)</u>	<u>(159)</u>	<u>(922)</u>	<u>(4,078)</u>
Earnings per share (Sen) attributable to owners of the parent :				
- Basic	<u>(2.19)</u>	<u>0.53</u>	<u>(0.02)</u>	<u>(2.54)</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The Condensed Unaudited Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**TIMBERWELL BERHAD**  
**CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	As at 31.12.2012 (RM'000)	As at 31.12.2011 (RM'000)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	32,103	25,803
Investment properties	4,190	4,565
Timber plantation development expenditure	17,001	26,129
Non-trade receivable	818	0
	<u>54,112</u>	<u>56,497</u>
<b>CURRENT ASSETS</b>		
Inventories	1,194	287
Work In Process	0	0
Trade and other receivables	1,211	2,150
Deposits, bank and cash balances	414	411
Tax recoverable	20	20
	<u>2,839</u>	<u>2,868</u>
Non-current assets classified as held for sale	0	0
	<u>2,839</u>	<u>2,868</u>
<b>TOTAL ASSETS</b>	<u>56,951</u>	<u>59,365</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	89,051	89,051
Reserves	(58,433)	(56,927)
	<u>30,618</u>	<u>32,124</u>
Equity attributable to owners of the parent	30,618	32,124
Minority Interests	627	1,524
	<u>31,245</u>	<u>33,648</u>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	6,781	3,925
Deferred tax liabilities	6,964	6,846
	<u>13,745</u>	<u>10,771</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,345	8,639
Borrowings	6,603	6,297
Tax payables	13	10
	<u>11,961</u>	<u>14,946</u>
Liabilities directly associated with assets classified as held for sale	0	0
	<u>11,961</u>	<u>14,946</u>
Total liabilities	<u>25,706</u>	<u>25,717</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>56,951</u>	<u>59,365</u>
Net assets per share attributable to ordinary owners of the parent (RM)	0.3400	0.3600

The Condensed Unaudited Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**TIMBERWELL BERHAD**  
**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Attributable to Owner of the Parent			Minority Interest	Total Equity
	Non-Distributable		Distributable		
	Share capital	Share premium	Retained Earnings/ (Accumulated losses)		
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<u>For The Period Ended 31 DECEMBER 2012</u>					
At 1 January 2012	89,051	9,626	(66,553)	1,524	33,648
Prior year adjustments	-	-	(1,486)	5	(1,481)
Net loss for the period	-	-	(20)	(902)	(922)
At 31 December 2012	<u>89,051</u>	<u>9,626</u>	<u>(68,059)</u>	<u>627</u>	<u>31,245</u>
<u>For The Period Ended 31 DECEMBER 2011</u>					
At 1 January 2011	89,051	9,626	(63,903)	3,615	38,389
Net loss for the period	-	-	(2,650)	(2,091)	(4,741)
At 31 December 2011	<u>89,051</u>	<u>9,626</u>	<u>(66,553)</u>	<u>1,524</u>	<u>33,648</u>

The Condensed Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**TIMBERWELL BERHAD**  
**CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	12 months ended	
	31.12.2012 (RM'000)	31.12.2011 (RM'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation		
Continuing operations	(922)	(4,358)
Discontinued operations	0	(161)
	<u>(922)</u>	<u>(4,519)</u>
Adjustments for :		
Non-cash Items	1,932	10,216
Non-operating Items	(7,392)	(5,553)
Operating profit / (loss) before changes in working capital	<u>(6,382)</u>	<u>144</u>
Net change in Current Assets	(29)	(185)
Net change in Current Liabilities	2,985	2,466
Cash generated from operations	<u>(3,426)</u>	<u>2,425</u>
Interest paid	(1,932)	(1,312)
Interest received	8	7
Tax paid	0	369
<b>Net cash generated from / (used in) operating activities</b>	<u>(5,350)</u>	<u>1,489</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	156	500
Purchase of property, plant and equipment	0	(99)
Timber plantation development expenditure	9,128	(467)
<b>Net cash generated from / (used in) investing activities</b>	<u>9,284</u>	<u>(66)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowing	2,094	4,952
Repayment of borrowings	(6,216)	(6,265)
<b>Net cash generated from / (used in) financing activities</b>	<u>(4,122)</u>	<u>(1,313)</u>
Net decrease in Cash and Cash Equivalents	(188)	110
Cash and Cash Equivalents at beginning of the financial period	(2,588)	(2,698)
Cash and Cash Equivalents at end of the financial period	<u>(2,776)</u>	<u>(2,588)</u>
Cash and Cash equivalents at the end of the financial period comprise the following:		
	As at 31.12.2012 (RM'000)	As at 31.12.2011 (RM'000)
Fixed deposit, cash and bank balances	414	411
Bank overdrafts	<u>(3,190)</u>	<u>(2,999)</u>
	<u>(2,776)</u>	<u>(2,588)</u>

The Condensed Unaudited Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

## PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirement.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

### A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the 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 with effect from 1 January 2010.

#### FRSs, Amendments to FRSs and Interpretations

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 101 and FRS 132	Puttable Financial Instrument and Obligations Arising on Liquidation
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transaction
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction

The above FRSs, IC Interpretations and amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for leasehold land where in substance a finance lease will be reclassified from 'prepaid land lease payments' to 'property, plant and equipment' and measured as such retrospectively.

#### Standards and interpretation issued but not yet effective

At the date of authorization of these financial statements, the following new FRSs, Interpretations, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

## A2. Changes in Accounting Policies (Cont'd)

Effective for financial  
periods beginning on or after

FRS and Interpretations	
FRS 1: First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3: Business Combinations (revised)	1 July 2010
FRS 124: Related Party Disclosures (revised)	1 January 2012
FRS 127: Consolidated and Separate Financial Statements (amended)	1 July 2010
Amendments to FRS 1 (Revised) : Limited exemption from Comparative FRS 7 Disclosure for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemption for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and FRS3 (Revised)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayment of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangements Contains a Lease	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IN Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
Improving Disclosures about Financial Instruments (Amendments to FRS 7)	1 January 2011

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

## A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

## A4. Comments about Seasonality or Cyclicity

in 2011

The Group's performance is not subject to seasonality or cyclicity except that the timber logs harvesting operation could be severely affected by the prevailing weather condition.

## A5. 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 current quarter under review due to their nature, size or incidence.

#### A6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

#### A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt securities nor any movement in the share capital for the current quarter and financial period under review.

#### A8. Dividends Paid

There were no dividends paid since the last financial year ended 31 December 2011.

#### A9. Segmental Information

No segmental analysis was prepared as the Group is primarily engaged in forest management, timber harvesting, marketing and trading of timber and related products in Malaysia.

#### A10. Valuations of Property, Plant and Equipment

The Directors have applied the transitional provisions of International Accounting Standard No. 16 (Revised) "Property, Plant and Equipment" as adopted by Malaysian Accounting Standards Board which allow the long term leasehold land and building to be stated at their 1996 valuation less accumulated depreciation. Accordingly, there have been no change to the valuation except for revaluation made during the year for Plywood Factory, Plant and Equipment which resulting increase of RM12,148,846 in value.

#### A11. Subsequent Events

There were no material events subsequent to the end of the current quarter.

#### A12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current year to-date.

#### A13. Capital Commitments

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
Approved and contracted for:		
- Timber plantation development expenditure	5,934	206
Approved but not contracted for		
- Industrial tree-planting project (2006-2018)	17,001	22,935
- Plant & equipment	-	-
	<u>22,935</u>	<u>23,141</u>

#### A14. Changes in Contingent Liabilities and Contingent Assets

The Group's contingent liabilities of a material nature as at the date of issue of this interim report were as follows:

	RM'000
<b>Unsecured</b>	
Disputed claims by suppliers	0
Bank guarantees obtained by the company in order for the Company to provide a performance bond to the forestry department	5,000
Corporate guarantee granted to financial institutions for borrowing facilities of subsidiary companies	19
	<u>5,019</u>

#### A15. Discontinued Operations and Disposal Group Classified as Held for Sale

In the financial year ended 31 December 2004, Timberwell Enterprise Sdn. Bhd., a subsidiary of the Company ceased its manufacturing activities. In the financial year ended 31 December 2006, the Group relocated its head office from property owned by one of its subsidiaries to a third party owned property. Further note that, the property of "Wisma TWB" has classified back to investment properties in the financial year ended 31 December 2011.

	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Profit / (Loss) before tax	-	-	-	-
Income tax expense	-	-	-	-
Profit/ (Loss) for the year from discontinued operations	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	-	-	-	-
Total cash flows	-	-	-	-

The major classes of assets and liabilities of the Group classified as held for sale as at 31 December 2012 are as follows:-

Assets	As at	As at
	31.12.2012	31.12.2011
	RM'000	RM'000
Property, plant and equipment	-	-
<b>Liabilities</b>		
Borrowings	-	-
Trade and Other payables	-	-

#### A16. Timber Plantation Development Expenditure

The Company has been granted a sustainable forest management license (SFML) for 100 years commencing 1997 over an area of 71,293 hectares in the Lingkabau Forest Reserve ("LFR") in Sabah under an agreement entered into with the State Government of Sabah. Under the agreement, the State Government of Sabah granted permission to the Company to plant, rehabilitate and harvest forests in the sustainable forest management concession area.

Out of the total 71,293 hectares, 43,957 hectares is marked for Natural Forest Management (NFM), 12,342 hectares for conservation and the remaining 15,000 hectares for Industrial Tree Plantation (ITP). To date, total area planted with various tree species under the ITP area is about 3,630 hectares with a total expenditure of RM7,549,987 which is part of the total timber plantation development expenditure of RM17 million.

Timber plantation development expenditure is stated at cost which comprises expenditure incurred on infrastructure cost, land clearing, new planting, enrichment planting, silvicultural treatments, upkeep and maintenance of the sustainable forest management concession area.

The Directors are of the opinion that the standing timber in the concession area commands a valuation far greater than the carrying value of the tree plantation development expenditure.



## PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

### B1 Review of Performance

For the current quarter ended 31 December 2012, the Group registered a revenue of RM 1.6 million as compared with RM 4.8 million in the corresponding quarter ended 31 December 2011.

For the financial year ended 31 December 2012, the Group registered a revenue of RM25.5 million as compared with RM8.8 million in the corresponding financial year ended 31 December 2011. The increase in revenue mainly due to higher production achieved in logging and better timber price.

The Group recorded a pre-tax loss of RM 1.5 million from continuing operation for the current quarter ended 31 December 2012 as compared to a pre-tax loss of RM 0.6 million in the corresponding quarter ended 31 December 2012.

The Group recorded a pre-tax loss of RM0.7 million from continuing operation for the financial year ended 31 December 2012 as compared to a pre-tax loss of RM4.1 million in the corresponding financial year ended 31 December 2011.

### B2 Variation of Results as Compared to the Preceding Quarter

In the current quarter ended 31 December 2012, the Group recorded a pre-tax loss of RM 1.5 million as compared to a pre-tax profit of RM 0.4 million in the immediate preceding quarter.

### B3 Commentary on Prospects

Barring any unforeseen circumstances, the Group expects to perform better for the current financial year .

### B4 Statement of Revenue or Profit Estimate, Forecast, Projection or Internal Targets previously announced or disclosed in a Public Document

This note is not applicable.

### B5 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the current financial year to date.

### B6 Taxation

	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
<b><u>Taxation comprise the following :</u></b>				
<b><i>Malaysian income tax</i></b>				
Current	(13)	(10)	(13)	(10)
Deferred	(6,964)	(6,846)	(6,964)	(6,846)
	<u>(6,977)</u>	<u>(6,856)</u>	<u>(6,977)</u>	<u>(6,856)</u>

The effective tax rate for the periods presented above is higher than the statutory tax rate on chargeable income applicable in Malaysia principally due to non-allowable losses of certain subsidiaries.

### B7 Corporate Proposal

There are no corporate proposals announced but not completed as at the date of this report.

## B8 Group Borrowings and Debt Securities

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

			As at 31.12.2012
	Secured RM'000	Unsecured RM'000	Total RM'000
Current	6,603	-	6,603
Non-current	2,493	4,288	6,781
	<u>9,096</u>	<u>4,288</u>	<u>13,384</u>

There are no outstanding foreign borrowings as at 31 December 2012

## B9 Material Litigation

### a) Claim by Pemborong Sri Marudu Darat "PSMD" against Timberwell Plantations Sdn. Bhd. "TPSB" for the RM288,854.40.

Pemborong Sri Marudu Darat "PSMD" was engaged by the former Plantation Manager Mr. Onsu Muragang of Timberwell Plantations Sdn Bhd "TPSB" to undertake the work of land clearing/development, tree planting, and path slashing/opening and under brushing from January 2009 to January 2010. The claims were prepared by way of individual invoice raised based on the progress of work done in each block and compartment, and the invoices were certified for payment by the former Plantation Manager and his team. According to the record, the total claims for work done received from PSMD amounted to RM361,318.60, of which RM67,624.20 was paid to the invoices up to February 2009 and the last payment was made on 31 December 2009, thus the total outstanding amounts amounted to RM293,694.40.

In July 2010, TPSB have sought and invited all plantations contractors to conduct the joint site inspection including PSDM to verify the claims and progress before payment could be made after the resignation of Mr. Onsu Muragang and his team. The company was doubtful whether the claims made by PSMD were correct and invited PSMD several times to come for joint site inspection to ascertain the true value of work done. As PSMD did not turn up for the joint inspection despite of repeated and numerous reminders, the claims were doubtful and all payments were withheld until the inspection was done and verified by TPSB.

However, PSMD claimed that TPSB was in breach of the agreement and refused to proceed with subsequent payment and served with a Writ of Summons no. BKI-52-1438/11-2012 and Statement of Claim for the sum of RM288,854.40.

There is no financial impact arising from the claim as TPSB has recorded the contract fees of RM293,694.40 in the book. Note that PSMD is understated of the claim of RM4,840.00.

## B10 Dividend Proposed or Declared

No dividend has been proposed or declared for the financial period ended 31 December 2012.

## B11 Earnings per Share

The basic earnings per share for the current quarter and preceding year corresponding quarter are computed as follow:

	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Profit / (loss) for the period (RM'000)	<u>(1,947)</u>	<u>469</u>	<u>(20)</u>	<u>(2,259)</u>
Weighted average number of ordinary shares of RM1.00 each in issue ('000)	<u>89,051</u>	<u>89,051</u>	<u>89,051</u>	<u>89,051</u>
Basic Earnings / (Loss) Per Share (sen)	<u>(2.19)</u>	<u>0.53</u>	<u>(0.02)</u>	<u>(2.54)</u>

The Group issued 22,262,667 warrants at the exercise price of RM1.20 in the previous corporate proposal - Rights Issue with Warrants.

As at the end of current quarter, no warrants has been exercised. There is no diluted earnings per share as the exercise price of the warrants is above the market price of the Company's shares for the current quarter year-to-date. The warrants are deemed non dilutive. Note that the warrants is expired on 9 November 2012.

**B12 Disclosure of realised and unrealised profits/(losses)**

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits/(losses).

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits/(losses) of the Group as at 31 December 2012, into realised and unrealised profits/(losses), pursuant to directive, is as follows :

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
Total retained earnings of the Group		
- Realised	(74,001)	(72,484)
- Unrealised	-	-
	<u>(74,001)</u>	<u>(72,484)</u>

The determination of realised and unrealised profits/(losses) is compiled based on guidance of Special Matter No. 1, *Determination of realised and unrealised Profits/(Losses) in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysia Institute of Accountants on 20 December 2010.

**B13 Profit for the period**

	12 months ended 31.12.2012 RM'000	12 months ended 31.12.2011 RM'000
This is arrived at after (charging)/crediting:		
Amortisation and Depreciation	(3,177)	(4,638)
Provision for and write off of receivables	(136)	(3,642)
Provision for and write off of inventories	0	(434)
Gain or loss on disposal of properties	15	582
Derecognised of liabilities	253	-
Foreign exchange gain or loss	(14)	92
Interest income	8	7
Impairment loss on property, plant & equipment	(203)	-
Impairment loss on receivables written back	-	4,964
	<u>-</u>	<u>4,964</u>

Other disclosure items pursuant to Appendix 9B Note 16 for the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

By order of the Board  
**TIMBERWELL BERHAD**

CHIA SIEW CHIN -MIA 2184  
Company Secretary  
KUALA LUMPUR