

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2012. (UNAUDITED)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/6/2012 (RM'000)	Preceding Year Corresponding Quarter 30/6/2011 (RM'000)	Current Year to date 30/6/2012 (RM'000)	Preceding Period Ended 30/6/2011 (RM'000)
Continuing Operations:				
Revenue	72,001	57,910	137,003	114,957
Cost of sales	(65,653)	(56,624)	(129,054)	(111,686)
Gross profit	6,348	1,286	7,949	3,271
Other operating income	1,682	1,346	3,564	2,542
Finance cost	(823)	(619)	(1,682)	(1,284)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	7,207	2,013	9,831	4,529
Income tax expense	(2,094)	(576)	(2,798)	(1,418)
Profit for the period from continuing operations	5,113	1,437	7,033	3,111
Loss from discontinued operation	-	-	-	-
Profit for the period	5,113	1,437	7,033	3,111
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	5,113	1,437	7,033	3,111
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	3,812	724	4,481	1,583
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	1,301	713	2,552	1,528
Profit for the period	5,113	1,437	7,033	3,111
Total comprehensive income attributable to:				
Owners of the Parent	3,812	724	4,481	1,583
Non-Controlling Interest	1,301	713	2,552	1,528
	5,113	1,437	7,033	3,111
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	3.47	0.66	4.08	1.44
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 30 JUNE 2012.

	Unaudited As at 30/06/2012 RM'000	Audited As at 31/12/2011 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	226,750	229,630
Investment properties	44,597	45,129
Investment in associated company	0	0
Other Investment	500	500
	271,847	275,259
Current Assets		
Inventories	98,780	92,268
Property Development Cost	15,888	20,626
Trade receivables	41,737	46,529
Other receivables	8,002	16,556
Tax recoverable	943	1,761
Deposit with licensed banks	18,136	10,882
Cash and bank balances	3,965	5,103
	187,451	193,725
TOTAL ASSETS	459,298	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	124,076	124,710
Retained earnings-profit/(loss)	(36,406)	(40,847)
	289,952	286,145
Non-Controlling Interest	24,792	22,971
Total Equity	314,744	309,116
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	23,964	24,111
Hire Purchase obligations	858	838
Bank borrowings	17,666	23,416
	42,488	48,365
Current Liabilities		
Trade payables	9,788	10,673
Other payables	48,659	60,885
Provision for liabilities	2,659	3,037
Hire purchase obligations	628	520
Bank borrowings	34,890	29,279
Tax Payable	5,442	7,109
	102,066	111,503
Total Liabilities	144,554	159,868
TOTAL EQUITY AND LIABILITIES	459,298	468,984
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.64	2.60

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



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 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	Total Equity
RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	
Period ended 30 June 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	-	-	-	-		(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				(634)		4,481	3,847	2,552	6,399
Reversal due disposal of asset				-			-		-
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest								(730)	(730)
Balance as at 30.06.2012	109,851	92,431	13,464	109,114	1,498	(36,406)	289,952	24,793	314,745
Period ended 30 June 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						1,583	1,583	1,528	3,111
Acquisition of additional equity in a subsidiary							-	244	244
Dividend distributed to Non-Controlling Interest								(2,669)	(2,669)
Balance as at 30.06.2011	109,851	92,431	13,464	115,507	1,498	(49,859)	282,892	22,582	305,474

(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 FIRST QUARTER ENDED 30 JUNE 2012.

	Cumulative Period	
	Current Year to date 30/06/2012 RM'000	Preceding Period Ended 30/06/2011 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	9,831	4,529
Adjustments for :		
Depreciation, amortisation and impairment losses	3,318	3,462
Interest income	(371)	(180)
Interest expenses	1,603	1,221
Share of profit in associates		
Fair value gain of financial instruments measured at fair		
Provision:		
Provision for doubtful debts		265
Write back of provision for doubtful debts	(8)	(8)
Write down of inventories	871	122
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(199)	(16)
Asset written off	-	-
Operating profit before changes in working capital	15,045	9,395
Net change in current assets	6,834	9,789
Net change in current liabilities	(13,489)	(1,040)
Cash flow from operation	8,390	18,144
Taxes paid	(4,605)	(1,961)
Net Cash Flows From Operating Activities	3,785	16,183
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(872)	(1,785)
Purchase of freehold land		(4,635)
Purchased freehold land for property development		
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary company		(255)
Proceeds from sale of non-current assets	610	25
Reclass other investment to deposit with licensed bank	-	-
Dividend received	-	2,550
Net Cash Used in Investing Activities	(262)	(4,100)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	
Bank borrowings and other liabilities (Net)	3,613	(11,402)
Dividends paid to non controlling interest in subsidiary company	(1,336)	(2,670)
Net Cash Flows From Financing Activities	2,277	(14,072)
Net Increase in Cash and Cash Equivalents	5,800	(1,989)
Cash and Cash Equivalents at the beginning of the year	15,985	18,942
Effects of changes in foreign exchange rates	316	173
Cash and Cash Equivalents at end of the period	22,101	17,126
Cash and cash equivalent comprise the following:-		
Bank and cash balances	3,965	4,979
Deposit with license bank	18,136	12,147
	22,101	17,126

(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 2013.

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 30 June 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 2012.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 June 2012.

8. Segment Information

The Group's segment information for the financial period ended 30 June 2012 is as follows:-

	Timber Extraction RM'000	Timber Trading RM'000	Manufacturing RM'000	Services & Treatment RM'000	Property Development RM'000	Others RM'000	Total RM'000
2012							
Revenue							
<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
2011							
Revenue							
<i>External Sales</i>	2,403	67,910	34,336	10,260	-	48	114,957
<i>Inter segmental sales</i>	-	4,822	2,648	2,532	-	-	10,002
Total Revenue	2,403	72,732	36,984	12,792	-	48	124,959
Segments Profits	431	1,869	3,458	(1,235)	-	2,556	7,079
Elimination							(2,550)
Taxation							(1,418)
Profit after taxation							3,111
Minority interest							(1,528)
Net profit for the year							1,583
Segments Assets	8,507	101,242	141,030	190,074	-	7,030	447,883
Other Investment							500
							448,383
Segment Liabilities	3,295	58,342	24,022	56,397	-	853	142,909



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 30 June 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 30 June 2012.

12. Contingent Liabilities – Unsecured

As at 30 June 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 RM42,930,175.00 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:-

Relationship with Minho Group	Nature of Recurrent Transaction	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction) 01/01/2012 to 31/3/2012 (RM '000) Q1 2012		Total Value (Transaction) 01/04/2012 to 30/6/2012 (RM '000) Q2 2012		Total Value (Transaction) 01/07/2011 to 29/6/2012 (RM '000)		Approved Value 01/07/2011 to 29/06/2012 (RM '000)		Balance of the approved amount as at 30/06/2012 (RM '000)		Balance due to / from the companies 30/6/2012 (RM '000)		Creditors Ageing as at 30/06/2012 (RM'000) Payables		
				Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	30days	60days	90days
				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		1,555		2,380	-	4,430		15,000		10,570	
Sykt. Minho Kilning (Klang) Sdn Bhd is wholly-owned subsidiary of Minho Holdings Sdn Bhd, a major shareholder of Minho	⁽ⁱ⁾ Rental & Storage Charges.	Syarikat Minho Kilning S/B ⁽ⁱⁱ⁾	Monthly		660		692	-	2,699		4,500		1,801		541	226	226	90
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		21		3	-	29		800		771		117			117
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					-	307		5,000		4,693					
	Purchase of logs.	Lionvest Timber Industries Sdn Bhd.	Monthly		458		522	-	1,883		5,000		3,117		222	222		
	Sales of sawntimber	Lionvest Timber Industries Sdn Bhd.	Monthly	145				186	-	800		614						
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		5,722		13,733		19,455		24,000		4,545		2,839	2,839		
Total				145	8,416	-	17,330	186	28,803	800	54,300	614	25,497	-	3,742	3,309	226	207

**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	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Timber Extraction	2,868	2,403	2,868	2,403
- Timber Trading	22,035	30,980	59,340	67,910
- Manufacturing	16,921	19,426	30,164	34,336
- Services & Treatment	6,433	5,077	12,663	10,260
- Property Development	23,560	-	31,761	-
- Others	184	24	208	48
	<u>72,001</u>	<u>57,910</u>	<u>137,004</u>	<u>114,957</u>
Segment Profit				
- Timber Extraction	2,095	436	2,034	431
- Timber Trading	168	867	937	1,869
- Manufacturing	1,719	1,822	2,620	3,458
- Services & Treatment	447	(1,101)	553	(1,235)
- Property Development	2,595	-	3,492	-
- Others	183	(11)	705	2,556
	<u>7,207</u>	<u>2,013</u>	<u>10,341</u>	<u>7,079</u>
Elimination	-	-	(510)	(2,550)
Profit before taxation	<u>7,207</u>	<u>2,013</u>	<u>9,831</u>	<u>4,529</u>
Taxation	<u>(2,094)</u>	<u>(576)</u>	<u>(2,798)</u>	<u>(1,418)</u>
Profit after taxation	<u>5,113</u>	<u>1,437</u>	<u>7,033</u>	<u>3,111</u>
Minority interest	<u>(1,301)</u>	<u>(713)</u>	<u>(2,552)</u>	<u>(1,528)</u>
Net profit for the year	<u>3,812</u>	<u>724</u>	<u>4,481</u>	<u>1,583</u>

(a). Three months period-Q2 2012 against Q2 2011.

The Group's turnover for Q2 2012 was RM72 million compared to RM57.91 million for Q2 2011, up RM14.09 million or 24%. The enhancement was mainly attributed to the combined growth of RM25.38 million in the turnover recorded by three of the group's market segments. The Property Development segment was the major contributor to the expansion in turnover with an increase of RM23.56 million and the balance was from the Timber Extraction and Services & Treatment segments. This improvement was partially offset by a RM11.45 million reduction in the combined turnover for two of the group's market segments viz. Timber Trading and Manufacturing.

In tandem with higher turnover, the group's pre-tax profit was enhanced by RM5.20 million, i.e. from RM2.01 million to RM7.21 million. The major contributor was the Property Development segment which contributed RM2.59 million. The Timber Extraction and Services & Treatment segments contributed RM1.66 million and RM1.55 million respectively.

(b). Year to date.

The Group registered total revenue of RM137 million for the six months ending 30 June 2012, i.e. RM22 million or 19% more than the RM115 million recorded in the previous half year. The turnover recorded by three of the group's market segments viz. Timber Extraction, Services & Treatment and the new Property Development segment improved by RM34.63 million. The revenue for Property Development segment was based on additional 6% of the Gross Development Value for units sold. In line with improved demand for sawn timber from domestic buyers, the incoming timber for kiln drying process also increased, hence the higher turnover for Services & Treatment.



However the increase in turnover by the three abovementioned segments was partially offset by the RM12.74 million decline in turnover of our Manufacturing segment and Timber Trading segment which experienced difficulties in obtaining supply of raw materials (i.e. logs) due to the continuous raining season and slow demand from the European market.

It should be noted that the RM34.63 million improvement recorded by the three major revenue contributing segments, RM31.76 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 RM2.87 million for the period under review which under prevailing economic conditions, was considered acceptable.

The Group registered a pre-tax profit of RM9.83 million for the half year ending 30 June 2012, significant improvement in percentage terms when compared to the pre-tax profit of RM4.53 million achieved in the preceding year corresponding period. However, had the RM3.49 million profit contributed by the new Property Development 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	
	Q2 2012	Q1 2012
	RM'000	RM'000
Revenue		
- Timber Extraction	2,868	-
- Timber Trading	22,035	37,305
- Manufacturing	16,921	13,243
- Services & Treatment	6,433	6,230
- Property Development	23,560	8,201
- Others	184	24
	<u>72,001</u>	<u>65,002</u>
Segment Profit		
- Timber Extraction	2,095	(62)
- Timber Trading	168	769
- Manufacturing	1,719	902
- Services & Treatment	447	106
- Property Development	2,595	897
- Others	183	523
	<u>7,207</u>	<u>3,134</u>
Elimination	-	(510)
Profit before taxation	<u>7,207</u>	<u>2,624</u>
Taxation	<u>(2,094)</u>	<u>(704)</u>
Profit after taxation	5,113	1,920
Minority interest	<u>(1,301)</u>	<u>(1,251)</u>
Net profit for the year	<u>3,812</u>	<u>669</u>

Five of the group's market segments recorded an increase of RM22.27 million in their combined turnover but this was significantly offset by a fall of RM15.27 million in the turnover of the Timber Trading segment. Consequently, total net revenue for the second quarter of 2012 did improve satisfactorily by RM7.0 million.

Corresponding to the higher turnover, the Group's pre-tax profit improved by RM4.59 million, i.e. from RM2.62 million for first quarter 2012 to RM7.21 million. Of this amount, the Timber Extraction segment contributing the most with RM2.16 million.



17. Prospects for Current Financial Year

Group performance for the third quarter of year 2012 is projected to be similar to the second 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.

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
	30/06/2012	quarter	30/06/2012	period
	RM'000	30/06/2011	30/06/2011	30/06/2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	1,828	576	2,532	1,418
(Over)/Under provision in respect of prior years	266	-	266	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	<u>2,094</u>	<u>576</u>	<u>2,798</u>	<u>1,418</u>
Our share of results of associated companies	-	-	-	-
	<u>2,094</u>	<u>576</u>	<u>2,798</u>	<u>1,418</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 2012.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 23 August 2012.



23. Group Borrowings

Total Group borrowings as at 30 June 2012 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	17,666
Unsecured	0
	<u>17,666</u>
Short Term Borrowings	
Secured	34,890
Unsecured	0
	<u>34,890</u>
Total Borrowings	<u>52,556</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 23 August 2012, 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 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

	<u>As at</u> <u>30/06/2012</u> RM'000	<u>As at</u> <u>30/06/2011</u> RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(25,545)	(35,522)
- Unrealised	<u>(10,861)</u>	<u>(14,337)</u>
	(36,406)	(49,859)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(36,406)</u>	<u>(49,859)</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 August 2012.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 30 August 2012.