

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/09/2012 (RM'000)	Preceding Year Corresponding Quarter 30/09/2011 (RM'000)	Current Year to date 30/09/2012 (RM'000)	Preceding Period Ended 30/09/2011 (RM'000)
Continuing Operations:				
Revenue	72,207	57,650	209,210	172,607
Cost of sales	(68,439)	(57,992)	(197,493)	(169,678)
Gross profit	3,768	(342)	11,717	2,929
Other operating income	1,733	(509)	5,297	2,033
Finance cost	(802)	(689)	(2,484)	(1,973)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	4,699	(1,540)	14,530	2,989
Income tax expense	(1,104)	(1,090)	(3,902)	(2,508)
Profit for the period from continuing operations	3,595	(2,630)	10,628	481
Loss from discontinued operation	-	-	-	-
Profit for the period	3,595	(2,630)	10,628	481
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	3,595	(2,630)	10,628	481
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	2,378	(2,578)	6,859	(995)
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	1,217	(52)	3,769	1,476
Profit for the period	3,595	(2,630)	10,628	481
Total comprehensive income attributable to:				
Owners of the Parent	2,378	(2,578)	6,859	(995)
Non-Controlling Interest	1,217	(52)	3,769	1,476
	3,595	(2,630)	10,628	481
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	2.16	(2.35)	6.24	(0.91)
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 SEPTEMBER 2012.

	Unaudited As at 30/09/2012	Audited As at 31/12/2011
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	227,312	229,630
Investment properties	44,531	45,129
Investment in associated company	0	0
Other Investment	725	500
	272,568	275,259
Current Assets		
Inventories	102,721	92,268
Property Development Cost	9,170	20,626
Trade receivables	40,019	46,529
Other receivables	10,373	16,556
Tax recoverable	1,244	1,761
Deposit with licensed banks	20,918	10,882
Cash and bank balances	6,532	5,103
	190,977	193,725
TOTAL ASSETS	463,545	468,984
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Other reserves	123,581	124,710
Retained earnings-profit/(loss)	(32,899)	(40,847)
	292,964	286,145
Non-Controlling Interest	26,010	22,971
Total Equity	318,974	309,116
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	23,818	24,111
Hire Purchase obligations	686	838
Bank borrowings	16,843	23,416
	41,347	48,365
Current Liabilities		
Trade payables	8,817	10,673
Other payables	46,517	60,885
Provision for liabilities	2,469	3,037
Hire purchase obligations	623	520
Bank borrowings	40,270	29,279
Tax Payable	4,528	7,109
	103,224	111,503
Total Liabilities	144,571	159,868
TOTAL EQUITY AND LIABILITIES	463,545	468,984
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.67	2.60

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



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012.

	← Attributable to equity holders of the company →								Total Equity
	← 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	
Period ended 30 September 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						6,859	6,859	3,769	10,628
Impairment of property plant and equipment, motorvehicles and forklifts in subsidiaries				(1,129)		1,129	-		-
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest								(730)	(730)
Balance as at 30.09.2012	109,851	92,431	13,464	108,619	1,498	(32,899)	292,964	26,010	318,974
Period ended 30 September 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						(995)	(995)	1,476	481
Reversal due disposal of asset				(14,570)			(14,570)		(14,570)
Acquisition of additional equity in a subsidiary							-	1	1
Dividend distributed to Non-Controlling Interest								(2,669)	(2,669)
Balance as at 30.09.2011	109,851	92,431	13,464	100,937	1,498	(52,437)	265,744	22,287	288,031

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2012.

	Cumulative Period Current Year to date 30/09/2012 RM'000	Preceding Period Ended 30/09/2011 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	14,530	2,989
Adjustments for :		
Depreciation, amortisation and impairment losses	5,784	5,250
Interest income	(442)	(244)
Interest expenses	2,491	1,974
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	(12)	(12)
Write down of inventories	1,076	401
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(335)	1,357
Asset written off	-	6,190
Operating profit before changes in working capital	23,092	17,905
Net change in current assets	13,696	(13,760)
Net change in current liabilities	(16,792)	(1,194)
Cash flow from operation	19,996	2,951
Taxes paid	(7,213)	(3,682)
Net Cash Flows From Operating Activities	12,783	(731)
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(1,185)	(3,199)
Purchase of freehold land		(4,635)
Purchased freehold land for property development		(13,568)
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary company		(350)
Proceeds from sale of non-current assets	181	-
Reclass other investment to deposit with licensed bank	-	-
Dividend received	-	-
Net Cash Used in Investing Activities	(1,004)	(21,752)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	
Bank borrowings and other liabilities (Net)	451	21,696
Dividends paid to non controlling interest in subsidiary company	(1,336)	(2,670)
Net Cash Flows From Financing Activities	(885)	19,026
Net Increase in Cash and Cash Equivalents	10,894	(3,457)
Cash and Cash Equivalents at the beginning of the year	15,985	18,942
Effects of changes in foreign exchange rates	571	235
Cash and Cash Equivalents at end of the period	27,450	15,720
Cash and cash equivalent comprise the following:-		
Bank and cash balances	6,532	5,526
Deposit with license bank	20,918	10,194
	27,450	15,720

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



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

1. Basis of preparation and Accounting Policies.

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

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011. It contains unaudited condensed consolidated financial statements and selected explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011. The condensed consolidated interim financial report and notes thereon do not include all of the information requires for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRS).

1.1. Significant Accounting Policies

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

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

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



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

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

1.2. Malaysian Financial Reporting Standards.

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

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

2. Auditors' Report On Preceding Annual Financial Statements

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

3. Seasonal or Cyclical Factors

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

4. Unusual Items

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

5. Changes In Estimates of Amounts Reported Previously

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



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 September 2012.

7. Dividends Paid

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

8. Segment Information

The Group's segment information for the financial period ended 30 September 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>	3,715	87,022	41,381	19,813	57,047	232	209,210
<i>Inter segmental sales</i>	-	3,495	3,261	3,716	-	-	10,472
Total Revenue	3,715	90,517	44,642	23,529	57,047	232	<u>219,682</u>
Segments Profits	2,603	273	3,498	1,568	6,219	879	15,040
Elimination							(510)
Profit before taxation							14,530
Taxation							(3,902)
Profit after taxation							10,628
Minority interest							(3,769)
Net profit for the year							<u>6,859</u>
Segments Assets	7,378	109,314	153,766	164,843	21,736	6,508	463,545
Other Investment							725
							464,270
Segment Liabilities	3,330	55,601	35,154	40,576	8,723	1,188	144,572
2011							
Revenue							
<i>External Sales</i>	2,403	109,029	45,757	15,347	-	72	172,608
<i>Inter segmental sales</i>	-	5,853	4,066	3,635	-	-	13,554
Total Revenue	2,403	114,882	49,823	18,982	-	72	<u>186,162</u>
Segments Profits	353	2,103	5,369	7,562	(28)	2,536	17,895
Elimination							(14,906)
Profit before taxation							2,989
Taxation							(2,508)
Profit after taxation							481
Minority interest							(1,476)
Net profit for the year							<u>(995)</u>
Segments Assets	8,499	103,567	145,611	169,301	15,781	7,269	450,028
Other Investment							500
							450,528
Segment Liabilities	3,287	62,418	27,104	54,006	14,359	823	161,997



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 September 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 September 2012.

12. Contingent Liabilities – Unsecured

As at 30 September 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 RM49,047,362.00 were utilized.

13. Capital Commitments

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



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14. Related Party Transactions.

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

Related Party	Relationship with Minho Group	Nature of Recurrent Transaction	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction) 01/01/2012 to 3/31/2012 (RM ' 000) Q1 2012		Total Value (Transaction) 01/04/2012 to 6/30/2012 (RM ' 000) Q2 2012		Total Value (Transaction) 01/07/2012 to 9/30/2012 (RM ' 000) Q3 2012		Total Value (Transaction) 01/07/2012 to 6/29/2013 (RM ' 000)		Approved Value 01/07/2012 to 29/06/2013 (RM ' 000)		Balance of the approved amount as at 30/09/2012 (RM ' 000)		Balance due to / from the companies 9/30/2012 (RM ' 000)		Creditors Ageing as at 30/09/2012 (RM'000) Payables				
					Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	30days	60days	90days
					D.M. Timber Sdn Bhd	Dato' Loo Keng An, a director and major shareholder of Minho is also a director of D.M. Timber Sdn Bhd.	Purchase of timber.	Lionvest Timber Industries Sdn Bhd	Monthly		1,555		2,380		1,430		1,430		15,000		13,570		353
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	⁽ⁱ⁾ Rental & Storage Charges.	Syarikat Minho Kilning S/B ⁽ⁱⁱ⁾	Monthly		660		692		677		677		4,500		3,823		676	225	225	226		
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		21		3						800		800		117			117		
Mahawangsa Timber Industries Sdn Bhd	Sri Temerloh Industries Sdn Bhd.	Purchase of logs.	Lionvest Timber Industries Sdn Bhd.	Monthly		458		522		425		425		5,000	-	4,575		54	54				
		Sales of sawntimber	Lionvest Timber Industries Sdn Bhd.	Monthly	145								800		800								
Total					145	2,694	-	3,597	-	2,532	-	2,532	800	25,300	800	22,768	-	1,200	632	225	343		

**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	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Timber Extraction	847	(1)	3,715	2,403
- Timber Trading	27,682	41,119	87,022	109,029
- Manufacturing	11,217	11,421	41,381	45,757
- Services & Treatment	7,150	5,087	19,813	15,347
- Property Development	25,286	-	57,047	-
- Others	25	24	232	72
	<u>72,207</u>	<u>57,650</u>	<u>209,210</u>	<u>172,608</u>
Segment Profit				
- Timber Extraction	570	(78)	2,603	353
- Timber Trading	(664)	234	273	2,103
- Manufacturing	877	1,911	3,498	5,369
- Services & Treatment	1,015	8,797	1,568	7,562
- Property Development	2,727	(28)	6,219	(28)
- Others	174	(20)	879	2,536
	<u>4,699</u>	<u>10,816</u>	<u>15,040</u>	<u>17,895</u>
Elimination	-	(12,356)	(510)	(14,906)
Profit before taxation	<u>4,699</u>	<u>(1,540)</u>	<u>14,530</u>	<u>2,989</u>
Taxation	<u>(1,104)</u>	<u>(1,090)</u>	<u>(3,902)</u>	<u>(2,508)</u>
Profit after taxation	<u>3,595</u>	<u>(2,630)</u>	<u>10,628</u>	<u>481</u>
Minority interest	<u>(1,217)</u>	<u>52</u>	<u>(3,769)</u>	<u>(1,476)</u>
Net profit for the year	<u>2,378</u>	<u>(2,578)</u>	<u>6,859</u>	<u>(995)</u>

(a). Three months period-Q3 2012 against Q3 2011.

The Group's turnover for Q3 2012 was RM72.21 million compared to RM57.65 million for Q3 2011, up RM14.56 million or 24%. The enhancement was mainly attributed to the combined growth of RM28.20 million in the turnover recorded by three of the group's market segments. The Property Development segment was the major contributor to the growth in turnover with an increase of RM25.29 million and the balance was from the Timber Extraction and Services & Treatment segments. This improvement was partially offset by a RM13.64 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 expanded from a pre-tax loss of RM1.54 million to a pre-tax profit of RM4.70 million, enhanced by RM6.24 million. For the three months of Q3 2011, the pre-tax profit of the Services & Treatment segment was inclusive of profits from sale of two properties to the Property Development segment and after eliminating the inter-company profit of RM12.36 million, the actual results for the segment was a pre-tax loss of RM3.56 million. Thus, the RM1.02 million registered in Q3 2012, was actually a RM4.58 million positive turnaround for our services & treatment segment. The Property Development, Timber Extraction and Others segments contributed RM2.76 million, RM0.65 million and RM0.19 million respectively. The total combined improvement of RM7.99 million in the pre-tax profit was offset by the combined losses of RM1.94 million registered by the Manufacturing and Timber Trading segments.

(b). Year to date.

The Group registered total revenue of RM209 million for the nine months ending 30 September 2012, i.e. RM36 million or 21% more than the RM173 million recorded in the previous corresponding period. The turnover recorded by three of the group's market segments viz. Timber Extraction, Services & Treatment and the new Property Development segment improved by RM62.83 million. The revenue for Property Development segment was based on additional 46% 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. As for the Timber Extraction segment, the escalation in its turnover was due to larger area logged and slight increase in logs price.

However the increase in turnover by the three abovementioned segments was partially offset by the RM26.38 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 lower demand from the European buyers as some nations within the E.U. continue to encounter economic difficulties.

It should be noted that of the RM62.83 million improvement recorded by the three major revenue contributing segments, RM57.05 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 RM5.78 million for the period under review which, under prevailing economic conditions, was considered acceptable.

The Group registered a pre-tax profit of RM14.53 million for the nine months ending 30 September 2012, a significant improvement in percentage terms when compared to the pre-tax profit of RM2.99 million achieved in the preceding year corresponding period. However, had the RM6.22 million profit contributed by the new Property Development segment and RM2.25 million improvement in profit from the Timber Extraction segment not being taken into account, the picture would not be as attractive. This notwithstanding, operations for the period under review remained profitable.

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

	THREE MONTHS	
	Q3 2012	Q2 2012
	RM'000	RM'000
Revenue		
- Timber Extraction	847	2,868
- Timber Trading	27,682	22,035
- Manufacturing	11,217	16,921
- Services & Treatment	7,150	6,433
- Property Development	25,286	23,560
- Others	25	184
	<u>72,207</u>	<u>72,001</u>
Segment Profit		
- Timber Extraction	570	2,095
- Timber Trading	(664)	168
- Manufacturing	877	1,719
- Services & Treatment	1,015	447
- Property Development	2,727	2,595
- Others	174	183
	<u>4,699</u>	<u>7,207</u>
Elimination	-	-
Profit before taxation	<u>4,699</u>	<u>7,207</u>
Taxation	<u>(1,104)</u>	<u>(2,094)</u>
Profit after taxation	<u>3,595</u>	<u>5,113</u>
Minority interest	<u>(1,217)</u>	<u>(1,301)</u>
Net profit for the year	<u>2,378</u>	<u>3,812</u>

The Group's turnover for Q3 2012 remained relatively unchanged from that of Q2 2012 at RM72 million. Whilst three of the group's market segments viz. Timber Trading, Services & Treatment, and Property Development recorded an increase of RM8.09 million in their combined turnover, this improvement was significantly offset by a fall of RM7.88 million in the combined turnover of the Manufacturing and Timber Extraction segments. The Timber Trading segment contributed a significant RM5.65 million increase in turnover, while the turnover of the Manufacturing segment shrunk by RM5.704 million.



The similar level of turnover notwithstanding, the Group's pre-tax profit weakened by RM2.51 million, i.e. from RM7.21 million for second quarter 2012 to RM4.70 million. Due mainly to rising costs, most of the group's market segments recorded a pre-tax loss with the exception of the Service & Treatment and Property Development segments which registered a combined improvement in pre-tax profit of RM700 thousand.

17. Prospects for Current Financial Year

For reasons alluded to previously, group performance for the fourth quarter of year 2012 is projected to be lower than the third 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 quarter 30/09/2012 RM'000	Preceding year corresponding quarter 30/09/2011 RM'000	Current year to date 30/09/2012 RM'000	Preceding year corresponding period 30/09/2011 RM'000
Current taxation	1,131	892	3,929	2,310
(Over)/Under provision in respect of prior years	266	198	266	198
Foreign Taxation	-	-	-	-
Deferred Taxation	(293)	-	(293)	-
	<u>1,104</u>	<u>1,090</u>	<u>3,902</u>	<u>2,508</u>
Our share of results of associated companies	-	-	-	-
	<u>1,104</u>	<u>1,090</u>	<u>3,902</u>	<u>2,508</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 September 2012.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 November 2012.



23. Group Borrowings

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

	<u>RM'000</u>
Long Term Borrowings	
Secured	16,843
Unsecured	0
	<u>16,843</u>
Short Term Borrowings	
Secured	40,270
Unsecured	0
	<u>40,270</u>
Total Borrowings	<u>57,113</u>

24. Off Balance Sheet Financial Instruments

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

25. Material Litigation

As at 22 November 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 September 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 30/09/2012</u> RM'000	<u>As at 30/09/2011</u> RM'000
Total retained losses of Minho (M) Berhad and its subsidiaries:		
- Realised	(23,346)	(38,100)
- Unrealised	(9,553)	(14,337)
	<u>(32,899)</u>	<u>(52,437)</u>
Add: Consolidated adjustments	0	0
Total group retained losses as per consolidated accounts	<u>(32,899)</u>	<u>(52,437)</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 November 2012.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 29 November 2012.