

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/06/2015 (RM'000)	Preceding Year Corresponding Quarter 30/06/2014 (RM'000)	Current Year to date 03/06/2015 (RM'000)	Preceding Period Ended 30/06/2014 (RM'000)
Continuing Operations:				
Revenue	69,845	65,720	145,071	118,205
Cost of sales	(67,671)	(61,229)	(129,734)	(113,473)
Gross profit	2,174	4,491	15,337	4,732
Other operating income	2,394	1,174	4,645	2,598
Finance cost	(587)	(664)	(1,129)	(1,289)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	3,981	5,001	18,853	6,041
Income tax expense	(1,380)	(1,276)	(3,612)	(2,135)
Profit for the period from continuing operations	2,601	3,725	15,241	3,906
Loss from discontinued operation	-	-	-	-
Profit for the period	2,601	3,725	15,241	3,906
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	2,601	3,725	15,241	3,906
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	1,624	3,033	12,609	3,014
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	977	692	2,632	892
Profit for the period	2,601	3,725	15,241	3,906
Total comprehensive income attributable to:				
Owners of the Parent	1,624	3,033	12,609	3,014
Non-Controlling Interest	977	692	2,632	892
	2,601	3,725	15,241	3,906
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	1.48	2.76	11.48	2.74
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 2014)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/06/2015	Audited As at 31/12/2014
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	208,788	210,030
Investment properties	41,349	41,461
Investment in associated company	0	0
Other Investment	725	725
	250,862	252,216
Current Assets		
Inventories	97,558	101,121
Property Development Cost	11,111	12,582
Trade receivables	46,353	43,917
Other receivables	8,593	5,851
Tax recoverable	503	
Short-term investments	15,105	15,105
Deposit with licensed banks	12,940	7,029
Cash and bank balances	19,129	19,713
	211,292	205,318
TOTAL ASSETS	462,154	457,534
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Treasury Shares	(668)	0
Reserves attributable to revenue	0	0
Other reserves	122,041	122,041
Retained earnings-profit/(loss)	9,979	(2,652)
	333,634	321,671
Non-Controlling Interest	30,452	28,309
Total Equity	364,086	349,980
Non-current liabilities		
Deferred Taxation	13,263	13,263
Hire Purchase obligations	395	907
Bank borrowings	11,100	13,241
	24,758	27,411
Current Liabilities		
Trade payables	11,433	10,265
Other payables	26,100	34,240
Provision for liabilities	2,273	2,273
Hire purchase obligations	983	709
Bank borrowings	29,428	29,635
Derivative financial instruments	0	2,635
Tax Payable	3,093	386
	73,310	80,143
Total Liabilities	98,068	107,554
TOTAL EQUITY AND LIABILITIES	462,154	457,534
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.04	2.93

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)



MINHO (M) BERHAD (200930 – H)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

← Attributable to equity holders of the company →
 ← Non-distributable → Distributable

	Share Capital	Share Premium	Treasury Shares	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	RM'000
Period ended 30 June 2015										
Balance as at 01.01.2015	109,851	92,431	-	13,464	108,577		(2,652)	321,671	28,309	349,980
Prior years adjustments - Opening balance adjustment in a subsidiary			-				23	23		23
Balance as at 01.01.2015 restated			-				(2,629)	321,694	28,309	350,003
Total comprehensive income for the period					-		12,737	12,737	2,632	15,369
Reversal due disposal of asset					-		-	-		-
Acquisition of treasury shares			(668)				-	(668)	-	(668)
Dividend distributed to Non- Controlling Interest								-	(490)	(490)
Balance as at 30.06.2015	109,851	92,431	(668)	13,464	108,577	-	10,108	333,763	30,451	364,214
Period ended 30 June 2014										
Balance as at 01.01.2014	109,851	92,431	-	13,464	108,577	1,498	(9,865)	315,956	27,603	343,559
Prior years adjustments							(82)	(82)		(82)
Total comprehensive income for the period							3,014	3,014	892	3,906
Acquisition of additional equity in a subsidiary								-	-	-
Impairment of property plant and equipment, motorvehicles and forklifts in subsidiaries								-		
Dividend distributed to Non- Controlling Interest								-	(343)	(343)
Balance as at 30.06.2014	109,851	92,431	-	13,464	108,577	1,498	(6,933)	318,888	28,152	347,040

Note: Prior years adjustment-Additional tax provided for a subsidiary by the auditors in Profit & Loss for year end 31-12-2014.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT.

	Cumulative Period	
	Current Year to date 30/06/2015 RM'000	Preceding Period Ended 30/06/2014 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	18,853	6,041
Adjustments for :		
Depreciation, amortisation and impairment losses	3,550	4,556
Interest income	(89)	(146)
Interest expenses	1,129	1,264
Share of profit in associates		
Fair value gain of financial instruments measured at fair		
Provision:		
Provision for doubtful debts		
Write back of provision for doubtful debts	(4)	(5)
Write down of inventories	-	150
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(154)	(107)
Asset written off	-	-
Operating profit before changes in working capital	23,285	11,753
Net change in current assets	(144)	(5,952)
Net change in current liabilities	(6,972)	(4,241)
Cash flow from operation	16,169	1,560
Taxes paid	(2,033)	(1,492)
Taxes refund	-	4
Net Cash Flows From Operating Activities	14,136	72
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(592)	(2,237)
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	179	107
Increase/(Decrease) in deposit with licensed bank & short	5,911	(4,015)
term investments		
Reclassed deposit with licensed bank to other investment		-
Dividend received	18	-
Net Cash Used in Investing Activities	5,516	(6,145)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Acquisition of treasury shares	(668)	
Bank borrowings and other liabilities (Net)	(14,288)	1,463
Repayment of hire purchase obligations	(451)	(512)
Dividends paid to non-controlling interest in subsidiary	(490)	(343)
company		
Net Cash Flows From Financing Activities	(15,897)	608
Net Increase in Cash and Cash Equivalents	3,755	(5,465)
Cash and Cash Equivalents at the beginning of the year	41,847	39,376
Effects of changes in foreign exchange rates	1,572	522
Cash and Cash Equivalents at end of the period	47,174	34,433
Cash and cash equivalent comprise the following:-		
Bank and cash balances	19,129	11,842
Short-term investments and Deposit with license bank	28,045	22,591
	47,174	34,433

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL STATEMENT.**1. Basis of preparation and Accounting Policies.**

The interim financial statements are unaudited and has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa) Main Market Listing Requirements.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014. 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 2014. 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 2014, 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 2014.

The following new and amended FRSs and IC Interpretations mandatory for annual financial periods:-

(i) Effective for annual periods beginning on or after 1 July 2014

- Amendments to FRS 119, 'Employee Benefits': Defined Benefit Plans – Employee Contributions
- Annual Improvements to FRSs 2010 – 2012 Cycle
 - Amendments to FRS 2, 'Share-based Payment'
 - Amendments to FRS 3, 'Business Combinations'
 - Amendments to FRS 8, 'Operating Segments'
 - Amendments to FRS 13, 'Fair Value Measurement'
 - Amendments to FRS 116, 'Property, Plant and Equipment'
 - Amendments to FRS 124, 'Related Party Disclosures'
 - Amendments to FRS 138, 'Intangible Assets'
- Annual Improvements to FRSs 2011 – 2013 Cycle
 - Amendments to FRS 3, 'Business Combinations'
 - Amendments to FRS 13, 'Fair Value Measurement'
 - Amendments to FRS 140, 'Investment Property'

(ii) Effective for annual periods beginning on or after 1 January 2016

- FRS 14, 'Regulatory Deferral Accounts'
- Amendments to FRS 10, 'Consolidated Financial Statements' and FRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture
- Amendments to FRS 11, 'Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations'

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

- Amendments to FRS 116, 'Property, Plant and Equipment' and FRS 138, 'Intangible Assets' – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127, 'Separate Financial Statements' – Equity Method in Separate Financial Statements
- Annual Improvements to FRSs 2012 – 2014 Cycle
 - FRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'
 - FRS 7, 'Financial Instruments: Disclosures'
 - FRS 119, 'Employee Benefits'
 - FRS 134, 'Interim Financial Reporting'

(iii) Effective for annual periods beginning on or after 1 January 2017

- MFRS 1, 'First-time Adoption of MFRS'
- MFRS 15, 'Revenue from Contracts with Customers'

(iv) Effective for annual periods beginning on or after 1 January 2018

- MFRS 9, 'Financial Instruments (2014)'
- Amendments to MFRS 7, 'Financial Instruments: Disclosures' – Mandatory Effective Date of MFRS 9 and Transition Disclosures

1.2. Malaysian Financial Reporting Standards.

In November 2011, MASB published the Malaysian Financial Reporting Standards ('MFRS') Framework applicable to all non-private entities with effect from 1 January 2012, with the exception of entities that are within the scope of MFRS 141 'Agriculture' and IC Interpretation 15 'Agreement for the Construction of Real Estate', including their parents, significant investors and ventures' (herein referred as "Transitioning Entities"). Transitioning Entities were given an option to apply the MFRS Framework effective from 1 January 2013.

On 30 June 2012, MASB decided to allow Transitioning Entities to defer the adoption of MFRS Framework for another year. However, on 7 August 2013, MASB further extended the effective date for the adoption of MFRS Framework by Transitioning Entities to 1 January 2015. Pursuant to the MASB Notice issued on 2 September 2014 entitled 'Amendment to the effective date and applicability of the Malaysian Financial Reporting Standards', entities that have in the alternative chosen to apply FRSs shall comply with MFRSs for annual periods beginning on or after 1 January 2017.

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 2017. 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 2014 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

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

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 2015.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 June 2015.

8. Segment Information

The Group's segment information for the financial period ended 30 June 2015 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	Elimination RM'000	Total RM'000
2015								
Revenue								
<i>External Sales</i>	6,979	71,256	45,411	14,225	7,124	76		145,071
<i>Inter segmental sales</i>	-	2,714	3,800	4,366	-	-		10,880
Total Revenue	6,979	73,970	49,211	18,591	7,124	76		155,951
Segments Profits	5,916	5,209	3,814	3,471	410	54,273	(54,240)	18,853
Depreciation	(3)	(892)	(1,640)	(969)	(39)	(7)		(3,550)
Rental income of land and buildings	-	20	1,869	472	-	-		2,361
Net foreign exchange	-	1,511	61	-	-	-		1,572
Gain/(loss) on disposal of property, plant and equipment	-	95	66	(12)	5	-		154
Finance cost	-	(125)	(451)	(462)	(92)	-	-	(1,130)
Interest Income	-	3	54	0	11	21		89
Tax Expenses	-	(1,265)	(1,158)	(1,039)	(102)	(48)		(3,612)
Segments Assets	8,329	69,736	181,548	152,430	20,229	14,052		446,324
Other Investment			15,105			725		15,830
								462,154
Segment Liabilities	6,881	14,165	40,451	24,204	11,673	549		97,923

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

	Timber Extraction RM'000	Timber Trading RM'000	Manufacturing RM'000	Services & Treatment RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2014								
Revenue								
<i>External Sales</i>	2,485	64,418	38,918	12,333	-	52	-	118,206
<i>Inter segmental sales</i>	-	4,210	4,540	3,671	-	-	-	12,421
Total Revenue	2,485	68,628	43,458	16,004	-	52	-	130,627
Segments Profits/(Loss)	2,360	87	1,677	1,985	(70)	359	(357)	6,041
Depreciation	(18)	(1,148)	(2,099)	(1,245)	(39)	(7)		(4,556)
Rental income of land and buildings	-	17	626	659	-	-		1,302
Net foreign exchange	-	61	462	-	-	-		523
Gain/(loss) on disposal of property, plant and equipment	-	100	1	6	-	-		107
Finance cost	-	(221)	(463)	(585)	(20)	-		(1,289)
Interest Income	-	44	87	-	6	8		145
Tax Expenses	-	(716)	(649)	(731)	-	(39)		(2,135)
Segments Assets	6,990	72,162	196,947	159,186	17,412	5,713		458,410
Other Investment						725		725
								459,135
Segment Liabilities	4,465	27,975	43,129	26,449	9,305	773		112,096

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 2014.

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 2015 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 2015.

12. Contingent Liabilities – Unsecured

As at 30 June 2015, 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 RM26,359,735.00 were utilized.

13. Capital Commitments

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



MINHO (M) BERHAD (200930 – H)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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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	Interested Directors/Major Shareholders/persons connected to Directors or Major Shareholders	Nature of Recurrent Transaction(s)	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction) 01/04/2015 to 30/6/2015 (RM ' 000) Q2 2015		Total Value (Transaction For The Year) 01/01/2015 to 30/6/2015 (RM ' 000)		Total Value (Transaction For The Period) 01/07/2014 to 30/06/2015 (RM ' 000)		Approved Value 26/06/2014 to 30/06/2015 (RM ' 000)		Balance of the approved amount as at 30/06/2015 (RM ' 000)		Balance due to / from the companies 30/06/2015 (RM ' 000)			Debtors Ageing as at 30/06/2015 (RM ' 000) Receivables			Creditors Ageing as at 30/06/2015 (RM'000) Payables					
					Receivables		Payables		Receivables		Payables		Receivables		Payables		Receivables		Payables		30days	60days	90days	30days	60days	90days
D M Timber Sdn Bhd ("DM")	<ul style="list-style-type: none"> Minho Holdings Sdn Bhd ("Minho Holdings") is a major shareholder of Minho and holds 51% interest in DM. Dato' Loo Keng An, a director and major shareholder of Minho. Dato' Loo Keng An is also a director of DM and a major shareholder of Minho Holdings. Mr Eng Kin Hong the director of LTI, is also the director and major shareholder of DM and shareholder of Minho. 	Purchase of timber.	Lionvest Timber Industries Sdn Bhd	Monthly		628	-	1,076		2,464		15,000		12,536		1,152					1,152					
Minho Kilning (Klang) Sdn Bhd ("MKK")	<ul style="list-style-type: none"> Minho Holdings holds 100% interest in MKK. 	Rental & Storage Charges	Syanikat Minho Kilning Sdn Bhd ("SMK") ⁽ⁱ⁾	Monthly		715		1,390		2,706		4,500		1,794		937					477	238	222			
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	<ul style="list-style-type: none"> Minho Holdings holds 100% interest in OT. Mr Loo Say Leng is a director of OT, SMK and Minho. Mr Loo Say Leng is also a major shareholder of Minho Holdings and a person connected to Dato' Loo Keng An, a major shareholder of Minho. Mr Ng Hoe Chang is a director of OT and Minho and a shareholder of Minho and Minho Holdings. 	Insurance brokerage fee.	Syanikat Minho Kilning Sdn Bhd ("SMK")	Yearly		15	-	17		30		800		770		154					3	12	139			
Mahawangsa Timber Industries Sdn Bhd ("MTI")	<ul style="list-style-type: none"> Mr Eng Kin Hong the director of LTI, is also the director and major shareholder of MTI and shareholder of Minho. 	Purchase of logs.	LTI	Monthly		307		1,488		3,410		5,000		1,590		3,204					3,204					
		Sales of sawn timber and its related products.	LTI	Monthly		365		686		1,433		800		(633)		3,108		3,108								
Pembinaan Infra E&J Sdn Bhd ("EJ")	<ul style="list-style-type: none"> Mr Yap Nam Fee is a major shareholder of EJ. Mr Yap Nam Fee is a director of EJ and MS of MS. EJ is also a major shareholder of MS. 	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd ("MS")	Monthly		3,452		4,853		8,168		20,000		11,832		5,177					647	3,005	1,525			
Total						365	5,117	686	8,824	1,433	16,778	800	45,300	(633)	28,522	3,108	10,624	3,108	-	-	5,483	3,255	1,886			

**INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

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		
	Q2 2015	Q2 2014	%	30/06/2015	30/06/2014	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Timber Extraction	(882)	2,485	-135%	6,979	2,485	181%
Timber Trading	36,477	34,999	4%	71,256	64,418	11%
Manufacturing	23,405	21,974	7%	45,411	38,918	17%
Services & Treatment	6,158	6,236	-1%	14,225	12,333	15%
Property Development	4,649	-	100%	7,124	-	100%
Others	38	27	41%	76	52	46%
	69,845	65,721	6%	145,071	118,206	23%
Segment Profit						
Timber Extraction	(922)	2,413	-138%	5,916	2,360	151%
Timber Trading	2,665	141	1790%	5,209	88	5819%
Manufacturing	1,593	1,233	29%	3,814	1,677	127%
Services & Treatment	388	1,310	-70%	3,471	1,985	75%
Property Development	267	(62)	531%	410	(70)	686%
Others	7,490	(33)	22797%	54,273	359	15018%
	11,481	5,002	130%	73,093	6,399	1042%
Elimination	(7,500)	-	100%	(54,240)	(357)	15093%
Profit before taxation	3,981	5,002	-20%	18,853	6,042	212%
Taxation	(1,380)	(1,276)	8%	(3,612)	(2,135)	69%
Profit after taxation	2,601	3,726	-30%	15,241	3,907	290%
Non-controlling interest	(977)	(692)	41%	(2,632)	(892)	195%
Net profit for the year	1,624	3,034	-46%	12,609	3,015	318%

(a). Three months period-Q2 2014 against Q2 2013.

For Q2 2015, the Group registered a turnover of RM69.85 million as compared to RM65.72 million for Q2 2014, up RM4.13 million or 6%. This increase was mainly attributed to the RM7.56 million total combined improvements in the Timber Trading, Manufacturing and Property Development market segments. This was partially offset by the total combined decline of RM3.44 million in the turnover for Timber Extraction and Services & Treatment market segments.

Despite the higher turnover, the group's pre-tax profit slid by RM1.02 million, i.e. from RM5.00 million to RM3.98 million. The Timber Trading, Manufacturing and Property Development segments registered increases of RM2.52 million, RM360 thousand and RM329 thousand respectively in their pre-tax profit. However, this was partially offset by the combined decline of RM4.26 million in the pre-tax profit for Timber Extraction and Services & Treatment segments.

(b). Year to date.

The Group registered total revenue of RM145.07 million for the six-month period of Q2 2015, RM26.86 million or 23% more than the RM118.21 million recorded in Q2 2014. The group's entire market segments have shown progress in their turnover attributed to better demand for the group's products and also due to higher revenue from the residential development project in Meru, Klang.

In tandem with better turnover, the group's entire market segments documented improvement in their pre-tax profit. The Group posted a pre-tax profit of RM18.85 million for the current quarter

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(The figures have not been audited)

against the previous corresponding quarter figure of RM6.04 million, i.e. RM12.81 million or 212% more.

Timber Extraction

A larger area of 1,520 acres was logged in Q2 2015 compared to 621 acres logged in Q2 2014. This segment posted a pre-tax profit of RM5.92 million compared to RM2.36 million for the previous corresponding period.

Timber Trading

The turnover for this segment expanded by RM6.84 million as demand for rough sawn timber from the Group's main market i.e. the E.U. improved. In line with higher turnover, the pre-tax profit for this segment improved significantly from a minimal amount of RM88 thousand in the previous corresponding quarter to RM5.21 million for the current quarter. This was mainly due to the increase in selling price of rough sawn timber combined with lower operating cost.

Manufacturing

Total turnover for this segment escalated by RM6.49 million owing to the RM7.04 million increase in the turnover for the manufacturing of timber and wood based products while the turnover for manufacturing of industrial paper bags dropped slightly by RM554 thousand. This market segment registered a pre-tax profit of RM3.81 million, RM2.13 million or 237% higher than pre-tax profit of RM1.68 million recorded in the previous corresponding quarter. The pre-tax profit for manufacturing of timber and wood based products improved by RM1.97 million due to higher selling price and lower operating cost. Despite reduction in turnover, the pre-tax profit for manufacturing of industrial paper bags increased by RM162 thousand mainly attributed to lower cost of sales.

Services & Treatment

The volume of incoming timber for kiln drying improved and coupled with the increase in service charges rates, the turnover for this segment increased by RM1.89 million. In tandem with increase in turnover, the pre-tax profit for this segment improved by RM1.48 million.

Property Development

This segment launched a new residential development project in Q3 2014; the project is located in Meru, Klang with Gross Development Value (GDV) of RM19.53million. For the current quarter, this segment recognized 36.45% GDV or RM7.12 million as turnover. It reported a low pre-tax profit of RM410 thousand, compared to a pre-tax loss of RM70 thousand previously.

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

	THREE MONTHS					
	<u>Q2 2015</u>	<u>Q1 2015</u>	%	<u>Q2 2015</u>	<u>Q1 2015</u>	%
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
	REVENUE			SEGMENT PROFITS		
Timber Extraction	(882)	7,861	100%	(922)	6,838	-113%
Timber Trading	36,477	34,779	5%	2,665	2,544	-5%
Manufacturing	23,405	22,006	6%	1,593	2,221	-28%
Services & Treatment	6,158	8,067	-24%	388	3,083	-87%
Property Development	4,649	2,475	88%	267	143	87%
Others	38	38	0%	7,490	46,783	-84%
	<u>69,845</u>	<u>75,226</u>	<u>-7%</u>	<u>11,481</u>	<u>61,612</u>	<u>353%</u>
Elimination				(7,500)	(46,740)	-84%
Profit before taxation				3,981	14,872	0%
Taxation				(1,380)	(2,232)	-38%
Profit after taxation				2,601	12,640	73%
Non-controlling interest				(977)	(1,655)	-41%
Net profit for the year				<u>1,624</u>	<u>10,985</u>	<u>151%</u>

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The Group's turnover for the current quarter under review was RM69.85 million, which was RM5.38 million or 7% less than the RM75.23 million registered in the preceding quarter. The market segments which showed improvement have a combined growth of RM5.27 million. This improvement was; however, partially offset by the results of Timber Extraction and Services & Treatment segments which fell a total of RM10.65 million.

With weaker turnover, the Group's pre-tax profit slid by RM10.89 million or 73%, from a pre-tax profit of RM14.87 million for the preceding quarter to RM3.98 million for the current quarter under review. With the exception of the minimal increase in the pre-tax profit for Timber Trading (RM121 thousand) and Property Development segment (RM124 thousand); other market segments registered a total combined reduction of RM11.08 million in their pre-tax profit with the Timber Extraction segment being the major contributor with a decrease of RM7.76 million.

17. Prospects for Current Financial Year

The group performance for the third quarter of year 2015 is projected to be lower than the second quarter of year 2015. The group anticipates that there will be no logging activities in the next quarter due to stringent conditions imposed by the authorities in the issuance of logging licenses. As for the Manufacturing and Trading segments, it is anticipated that demand for timber products will also weakened due to the uncertainties surrounding the ongoing global economic condition. On a brighter note, the percentage billing for the property development project is expected to improve as the project progresses.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/06/2015 RM'000	Preceding year corresponding quarter 30/06/2014 RM'000	Current year to date 30/06/2015 RM'000	Preceding year corresponding period 30/06/2014 RM'000
Current taxation	1,252	1,276	3,484	2,139
(Over)/Under provision in respect of prior years		-		-
Foreign Taxation		-		-
Deferred Taxation		-		-
	<u>1,252</u>	<u>1,276</u>	<u>3,484</u>	<u>2,139</u>
Our share of results of associated companies	-	-	-	-
	<u>1,252</u>	<u>1,276</u>	<u>3,484</u>	<u>2,139</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.

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21. Quoted Securities

There were no purchases and/or disposals of quoted securities of the Group for the financial period ended 30 June 2015.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 21 August 2015.

23. Group Borrowings

Total Group borrowings as at 30 June 2015 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	11,100
Unsecured	0
	<u>11,100</u>
Short Term Borrowings	
Secured	29,428
Unsecured	0
	<u>29,428</u>
Total Borrowings	<u>40,520</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 21 August 2015, 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 2015 (2014: 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

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(The figures have not been audited)

28. Realised and Unrealised Profit/Loss Disclosures

	As at 30/06/2015	As at 30/06/2014
	RM'000	RM'000
Total retained Profit /(Losses) of		
Minho (M) Berhad and its subsidiaries:		
- Realised	13,968	(2,942)
- Unrealised	<u>(3,989)</u>	<u>(3,991)</u>
	9,979	(6,933)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained profit/(losses) as per consolidated accounts	<u>9,979</u>	<u>(6,933)</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 28 August 2015.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 28 August 2015.