

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/09/2013 (RM'000)	Preceding Year Corresponding Quarter 30/09/2012 (RM'000)	Current Year to date 30/09/2013 (RM'000)	Preceding Period Ended 30/09/2012 (RM'000)
Continuing Operations:				
Revenue	60,432	72,207	177,749	209,210
Cost of sales	(52,367)	(68,439)	(166,341)	(197,493)
Gross profit	8,065	3,768	11,408	11,717
Other operating income	(1,697)	1,733	1,361	5,297
Finance cost	(768)	(802)	(2,255)	(2,484)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	5,600	4,699	10,514	14,530
Income tax expense	(1,845)	(1,104)	(3,931)	(3,902)
Profit for the period from continuing operations	3,755	3,595	6,583	10,628
Loss from discontinued operation	-	-	-	-
Profit for the period	3,755	3,595	6,583	10,628
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	3,755	3,595	6,583	10,628
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	798	2,378	2,293	6,859
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	2,957	1,217	4,290	3,769
Profit for the period	3,755	3,595	6,583	10,628
Total comprehensive income attributable to:				
Owners of the Parent	798	2,378	2,293	6,859
Non-Controlling Interest	2,957	1,217	4,290	3,769
	3,755	3,595	6,583	10,628
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	0.73	2.16	2.09	6.24
Fully diluted EPS (in sen)	N/A	N/A	N/A	N/A

Note:-N/A – Not applicable**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)**



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013.

	Unaudited As at 30/09/2013 RM'000	Audited As at 31/12/2012 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	216,692	225,968
Investment properties	44,018	44,215
Investment in associated company	0	0
Other Investment	725	725
	261,435	270,908
Current Assets		
Inventories	104,389	105,978
Property Development Cost	870	6,417
Trade receivables	33,277	43,474
Other receivables	9,346	8,076
Tax recoverable	478	1,104
Deposit with licensed banks	39,537	18,724
Cash and bank balances	8,360	6,350
	196,257	190,123
TOTAL ASSETS	457,692	461,031
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Other reserves	123,539	123,539
Retained earnings-profit/(loss)	(23,987)	(26,280)
	301,834	299,541
Non-Controlling Interest	30,161	26,263
Total Equity	331,995	325,804
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	16,804	16,804
Hire Purchase obligations	1,041	1,111
Bank borrowings	13,450	19,323
	31,295	37,238
Current Liabilities		
Trade payables	9,733	9,969
Other payables	48,063	49,947
Provision for liabilities	2,273	2,280
Hire purchase obligations	926	1,066
Bank borrowings	32,349	31,532
Tax Payable	1,058	3,195
	94,402	97,989
Total Liabilities	125,697	135,227
TOTAL EQUITY AND LIABILITIES	457,692	461,031
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.75	2.73

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013.

	← 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 September 2013									
Balance as at 01.01.2013	109,851	92,431	13,464	108,577	1,498	(26,280)	299,541	26,263	325,804
Prior years adjustments	-	-	-	-	-	-	-	-	-
As restated	109,851	92,431	13,464	108,577	1,498	(26,280)	299,541	26,263	325,804
Total comprehensive income for the period				-		2,293	2,293	4,290	6,583
Reversal due disposal of asset				-			-		-
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest								(392)	(392)
Balance as at 30.09.2013	109,851	92,431	13,464	108,577	1,498	(23,987)	301,834	30,161	331,995
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)
Total comprehensive income for the period						6,859	6,859	3,769	10,628
Acquisition of additional equity in a subsidiary							-	-	-
Impairment of property plant and equipment, motorvehicles and forlifts in subsidiaries				(1,129)		1,129	-		
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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013.

	Cumulative Period	
	Current Year	Preceding
	to date	Period Ended
	30/09/2013	30/09/2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	12,910	14,530
Adjustments for :		
Depreciation, amortisation and impairment losses	6,029	5,784
Interest income	(311)	(442)
Interest expenses	2,291	2,491
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	(104)	(12)
Write down of inventories	200	1,076
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	3,795	(335)
Asset written off	261	-
Operating profit before changes in working capital	25,071	23,092
Net change in current assets	8,120	13,696
Net change in current liabilities	(2,127)	(16,792)
Cash flow from operation	31,064	19,996
Taxes paid	(6,277)	(7,213)
Net Cash Flows From Operating Activities	24,787	12,783
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(935)	(1,185)
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	1,294	181
Reclass other investment to deposit with licensed bank	-	-
Dividend received	27	-
Net Cash Used in Investing Activities	386	(1,004)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Bank borrowings and other liabilities (Net)	(2,762)	451
Dividends paid to non controlling interest in subsidiary company	(392)	(1,336)
Net Cash Flows From Financing Activities	(3,154)	(885)
Net Increase in Cash and Cash Equivalents	22,019	10,894
Cash and Cash Equivalents at the beginning of the year	25,074	15,985
Effects of changes in foreign exchange rates	804	571
Cash and Cash Equivalents at end of the period	47,897	27,450
Cash and cash equivalent comprise the following:-		
Bank and cash balances	8,360	6,532
Deposit with license bank	39,537	20,918
	47,897	27,450

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)



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

1. Basis of preparation and Accounting Policies.

The Interim Financial Report of the Group is unaudited and has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standards (“FRS”) 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa) Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. It contains unaudited condensed consolidated financial statements and selected explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012. The condensed consolidated interim financial report and notes thereon do not include all of the information requires for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRSs).

1.1. Significant Accounting Policies

The significant accounting policies and method of computation adopted by the Group are consistent with those of the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group. The significant accounting policies adopted in the preparation of this interim financial report are consistent with those in the audited financial statements for the year ended 31 December 2012.

The following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

Description	Effective for annual periods beginning on or after
MFRS 101: Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3: Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10: Consolidated Financial Statements	1 January 2013
MFRS 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosure of interests in Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	1 January 2013
MFRS 119: Employee Benefits	1 January 2013
MFRS 127: Separate Financial Statements	1 January 2013
MFRS 128: Investment in Associate and Joint Ventures	1 January 2013
MFRS 127: Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013



Description	Effective for annual periods beginning on or after
Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS12 and MFRS 127: Investment Entities	1 January 2014
MFRS 9 Financial Instruments	1 January 2015

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

1.2. Malaysian Financial Reporting Standards.

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

The MFRS Framework is to be applied by all Entities Other Than Private entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parents, significant investor and venture (herein referred as “Transitioning Entities”). The adoption of the MFRS Framework by Transitioning Entities is deferred by another year and hence, will be mandatory only for annual financial period beginning on or after 1 January 2015.

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 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.



2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

3. Seasonal or Cyclical Factors

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

4. Unusual Items

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

5. Changes In Estimates of Amounts Reported Previously

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

6. Issuances and Repayments of Debt and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2013.

7. Dividends Paid

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

8. Segment Information

The Group's segment information for the financial period ended 30 September 2013 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
2013							
Revenue							
<i>External Sales</i>	-	91,244	34,889	19,760	31,649	207	177,749
<i>Inter segmental sales</i>	-	2,765	4,894	4,235	-	-	11,894
Total Revenue	-	94,009	39,783	23,995	31,649	207	189,643
Segments Profits	(152)	(62)	1,110	(307)	9,878	455	10,922
Elimination							(408)
Taxation							(3,931)
Profit after taxation							6,583
Minority interest							(4,290)
Net profit for the year							<u>2,293</u>
Segments Assets	7,271	102,848	166,132	162,422	18,259	3,156	460,088
Other Investment						725	725
							460,813
Segment Liabilities	3,329	43,142	42,526	33,313	2,858	1,128	126,296



	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)
Taxation							<u>(3,902)</u>
Profit after taxation							10,628
Minority interest							<u>(3,769)</u>
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

9. Property, Plant, and Equipment.

Carrying Amount of Revalued Assets

The valuations of property, plant, and equipment have been brought forward without amendment from the financial statements for year ended 31 December 2012.

10. Material events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 30 September 2013 that have not been reflected in the related financial statements.

11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 30 September 2013.

12. Contingent Liabilities – Unsecured

As at 30 September 2013, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM118,424,576.71, of which an amount of RM38,526,135.00 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)		Approved Value		Balance of the approved amount		Balance due to / from the companies		Debtors Ageing as at 30/09/2013			Creditors Ageing as at 30/09/2013						
					01/07/2013 to 9/30/2013 (RM ' 000)		01/07/2013 to 6/30/2014 (RM ' 000)		01/07/2013 to 30/06/2014 (RM ' 000)		as at 30/09/2013 (RM ' 000)		9/30/2013 (RM ' 000)		(RM ' 000)			(RM'000)				
					Receivable	Payables	Receivable	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	30days	60days	90days	30days	60days	90days		
D.M. Timber Sdn Bhd	Dato' Loo Keng An, a director and major shareholder of Minho is also a director of D.M. Timber Sdn Bhd.	Purchase of timber.	Lionvest Timber Industries Sdn Bhd	Monthly		1,625		1,625		15,000		13,375	214		214							
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 ⁽ⁱ⁾	Monthly		675		675		4,500		3,825	935					224	227	484		
Oak Three Sdn Bhd (formerly known as QR Printing S/B)	Mr Loo Say Leng and Mr Ng Hoe Chang are directors of Indah Paper Industries Sdn Bhd and QR Printing Sdn Bhd.	Insurance brokerage fee.	Indah Paper Industries Sdn Bhd	Monthly					200		200		3								3	
	Mr Loo Say Leng and Mr Ng Hoe Chang are directors of QR Printing Sdn Bhd and also directors of Minho which owned 100% shares in Syt Minho Kilning Sdn Bhd.	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd	Yearly		2		2	800		798		106					2			104	
Mahawangsa Timber Industries Sdn Bhd	Mr Eng Kin Hong is a major shareholders of Lionvest Timber Industries Sdn Bhd and Mahawangsa Timber Industries Sdn Bhd and Sri Temerloh Industries Sdn Bhd.	Purchase of logs.	Lionvest Timber Industries Sdn Bhd.	Monthly		1,753		1,753	5,000		3,247		-									
		Sales of sawntimber	Lionvest Timber Industries Sdn Bhd.	Monthly	306		306		800		494		47		47							
Pembinaan Infra E&J Sdn Bhd (E.J)	Mr Yap Nam Fee is major shareholder of Pembinaan Infra E&J S/B and also is a director of MS and Pembinaan Infra E&J S/B. Pembinaan Infra E&J S/B is the major shareholder of MS.	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd (MS)	Monthly		1,342		1,342	38,000		36,658		-									
Total					306	5,397	306	5,397	800	63,500	494	58,103	261	1,044	261	-	-	226	227	591		

**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		
	Q3 2013	Q3 2012	%	30/09/2013	30/09/2012	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
- Timber Extraction	-	847	-100%	-	3,715	-100%
- Timber Trading	31,475	27,682	14%	91,244	87,022	5%
- Manufacturing	9,497	11,217	-15%	34,889	41,381	-16%
- Services & Treatment	7,251	7,150	1%	19,760	19,813	0%
- Property Development	12,054	25,286	-52%	31,649	57,047	-45%
- Others	155	25	520%	207	232	-11%
	<u>60,432</u>	<u>72,207</u>	<u>-16%</u>	<u>177,749</u>	<u>209,210</u>	<u>-15%</u>
Segment Profit						
- Timber Extraction	(47)	570	-108%	(152)	2,603	-106%
- Timber Trading	(37)	(664)	-94%	(62)	273	-123%
- Manufacturing	473	877	-46%	1,110	3,498	-68%
- Services & Treatment	(2,000)	1,015	-297%	(307)	1,568	-120%
- Property Development	7,233	2,727	165%	9,878	6,219	59%
- Others	(22)	174	-113%	455	879	-48%
	<u>5,600</u>	<u>4,699</u>	<u>19%</u>	<u>10,922</u>	<u>15,040</u>	<u>-27%</u>
Elimination	-	-	0%	(408)	(510)	-20%
Profit before taxation	<u>5,600</u>	<u>4,699</u>	<u>19%</u>	<u>10,514</u>	<u>14,530</u>	<u>-28%</u>
Taxation	<u>(1,845)</u>	<u>(1,104)</u>	<u>67%</u>	<u>(3,931)</u>	<u>(3,902)</u>	<u>1%</u>
Profit after taxation	<u>3,755</u>	<u>3,595</u>	<u>4%</u>	<u>6,583</u>	<u>10,628</u>	<u>-38%</u>
Minority interest	<u>(2,957)</u>	<u>(1,217)</u>	<u>143%</u>	<u>(4,290)</u>	<u>(3,769)</u>	<u>14%</u>
Net profit for the year	<u>798</u>	<u>2,378</u>	<u>-66%</u>	<u>2,293</u>	<u>6,859</u>	<u>-67%</u>

(a). Three month period-Q3 2013 against Q3 2012.

For the three month period of Q3 2013, the Group registered a turnover of RM60.43 million as compared to RM72.21 million for Q3 2012, down RM11.78 million or 16%. Three of the group's market segments i.e. Timber Extraction, Manufacturing and Property Development recorded a combined reduction of RM15.80 million in their turnover. The turnover for the Property Development segment has significantly dropped by RM13.232 million, from RM25.286 million to RM12.054 million. The first development project undertaken by the segment has reached its 95% completion and therefore, only fewer balance of units sold in Q3 2013 as compared to Q3 2012. The huge total of RM15.80 million decline in combined turnover recorded by the three above mentioned market segments were offset by slight improvement of RM4.02 million in combined turnover for Timber Trading, Services & Treatment and Others segments. The Timber Trading segment was the major contributor to the improvement in turnover with RM3.79 million increase in their turnover due to slightly better demand for timber from some of the E.U. nations.

Despite the reduction in turnover, the group's pre-tax profit improved by RM900 thousand, i.e. from RM4.70 million to RM5.60 million. Four of the group's market segments registered a total of RM4.23 million declines in their combined pre-tax profit but was offset by RM5.13 million improvement in the combined pre-tax profit registered by the Timber Trading and the Property Development segments. The major contributor to pre-tax profit was the Property Development segment which contributed an increase of RM4.51 million as a result of lower actual project development cost.

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

The Group registered total revenue of RM177.75 million for Q3 2013, RM31.46 million or 15% less than the RM209.21 million recorded in Q3 2012. Owing to the lower turnover and also to the high cost of sales and the related operational expenses, the Group posted a pre-tax profit of RM10.51 million for the current quarter against the previous corresponding quarter figure of RM14.53 million.

Timber Extraction

There was no logging activities carried out in the current quarter pending approval of logging license from the authorities.

Timber Trading

The turnover for this segment improved by RM4.22 million. Demand from the Group's main market i.e. the E.U. has shown slight improvement even though some countries in the E.U. nations are still experiencing economic difficulties. Despite the lower turnover, operating cost were relatively higher, resulting in a pre-tax loss of RM62 thousand compared to a pre-tax profit of RM273 thousand for Q3 2012.

Manufacturing

The turnover for the manufacturing of timber and wood based products fell despite of the slightly better demand from customers from the E.U. nations. During the period under review, many local exporters choose to dispose their existing stocks instead of buying new stocks from manufacturer. The manufacturing of industrial paper bags declined by RM3.18 million due to lower demand and increased competition from other manufacturers. Similar to the trading segment, operating cost (especially labor and fixed overheads) remained unchanged. This situation was further aggravated by higher prices of raw material, hence the lower pre-tax profit of RM2.39 million.

Services & Treatment

The incoming timber for kiln drying services remained stable. However, shortage of labour to process the timber resulted in lower turnover, down slightly by RM53 thousand. Despite the 16% increase in average selling price for kiln drying services, a 6% increase in operation cost saw this segment's pre-tax profit reduced by RM1.88 million i.e. from a pre-tax profit of RM1.57 million to the pre-tax loss of RM307 thousand recorded in the current quarter.

Property Development

This segment has reach 95% completion of its current project and sold 41 out of 42 units of the three storey semi-detached light industrial factory developed at Lorong Sg. Puloh, 6th. miles, Jalan Kapar, Klang, Selangor Darul Ehsan. The total turnover of RM31.65 million for the current quarter represented an additional 21% of the GDV for units sold as compared to RM57.05 million for the previous corresponding quarter which was 59% of the GDV. The GDV was RM123.14 million with estimated gross development profit of RM13.64 million or 11% of the GDV. At 95% completion, the actual total development cost incurred was RM3.385 million lower than the estimated cost. After taking into account the total gross development profit of RM9.04 for Year 2011 and 2012 based on the percentage of completion method, this segment registered a gross development profit of RM10.050 million in the current quarter. This segment posted a pre-tax profit of RM9.88 million after deducting RM312 thousand operating expenses, improved significantly by RM3.66 million or 59% over the previous corresponding period.

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

	THREE MONTHS		
	<u>Q3 2013</u>	<u>Q2 2013</u>	%
	<u>RM'000</u>	<u>RM'000</u>	
Revenue			
- Timber Extraction	-	-	
- Timber Trading	31,475	28,910	9%
- Manufacturing	9,497	13,831	-31%
- Services & Treatment	7,251	6,421	13%
- Property Development	12,054	6,027	100%
- Others	155	25	520%
	<u>60,432</u>	<u>55,214</u>	9%
Segment Profit			
- Timber Extraction	(47)	(44)	7%
- Timber Trading	(37)	304	-112%
- Manufacturing	473	854	-45%
- Services & Treatment	(2,000)	890	-325%
- Property Development	7,233	1,201	502%
- Others	(22)	19	-216%
	<u>5,600</u>	<u>3,224</u>	74%
Elimination	-	-	#DIV/0!
Profit before taxation	<u>5,600</u>	<u>3,224</u>	74%
Taxation	<u>(1,845)</u>	<u>(998)</u>	85%
Profit after taxation	<u>3,755</u>	<u>2,226</u>	69%
Minority interest	<u>(2,957)</u>	<u>(694)</u>	326%
Net profit for the year	<u>798</u>	<u>1,532</u>	-48%

The Group's turnover for Q3 2013 was RM60.43 million, compared to RM55.21 million for Q2 2013, up by RM5.22 million or 9%. Five of the group's market segments recorded an increase of RM9.55 million in their combined turnover. This was offset by a drop of RM4.33 million in the turnover for the Timber Trading segment. The Property Development segment recorded a significant RM6.03 million decrease in turnover as the construction has reached 95% completion.

In line with the higher turnover, the Group's pre-tax profit strengthened by RM2.38 million, i.e. from RM3.22 million for second quarter 2013 to RM5.60 million. Pre-tax profit for all of the group's market segments except for the Property Development segment have deteriorated i.e. Timber Extraction segment increase its pre-tax loss from RM44 thousand to RM47 thousand; Timber Trading and Services & Treatment segments recorded a combined pre-tax loss of RM2.04 million as compared to a pre-tax profit of RM1.19 million, down by RM3.23 million; the pre-tax profit for Manufacturing segment weakened by RM381 thousand and for Others segment, the pre-tax profit declined by RM41 thousand. The diminishing profit recorded by all the above mentioned segments was partially offset by significantly higher profit of RM6.03 million registered by the Property Development segment.

17. Prospects for Current Financial Year

For reasons alluded to previously, group performance for the fourth quarter of year 2013 is projected to be lower than the third quarter of year 2013 as logs will be in short supply due to the onset of the monsoon season which is expected to impact negatively into the next quarter. Demand for sawn timber is likely to be lower as overseas buyers are expected to reduce their procurement activities in line with festive and holidays seasons in the last month of the year. In addition, some of the E.U. countries are unfortunately continuing to experience economic difficulties, some of them quite severely. As for the



Property Development segment, the current project has reached 95% completion in the third quarter, hence, revenue and profit will be lower for this segment in the fourth quarter.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding year	Current year	Preceding year
	quarter	corresponding	to date	corresponding
	30/09/2013	quarter	30/09/2013	period
	RM'000	30/09/2012	30/09/2012	RM'000
Current taxation	1,845	1,131	3,985	3,929
(Over)/Under provision in respect of prior years	-	266	(54)	266
Foreign Taxation	-	-	-	-
Deferred Taxation	-	(293)	-	(293)
	<u>1,845</u>	<u>1,104</u>	<u>3,931</u>	<u>3,902</u>
Our share of results of associated companies	-	-	-	-
	<u>1,845</u>	<u>1,104</u>	<u>3,931</u>	<u>3,902</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 2013.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 21 November 2013.

23. Group Borrowings

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

	<u>RM'000</u>
Long Term Borrowings	
Secured	13,450
Unsecured	<u>0</u>
	<u>13,450</u>
Short Term Borrowings	
Secured	39,537
Unsecured	<u>0</u>



	<u>39,537</u>
Total Borrowings	<u>52,987</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 November 2013, the latest practicable date that is not earlier than 7 days from the issue of this quarterly report, the Group is not engaged in any material litigation.

26. Dividend

No dividend has been recommended by the Board for the period ended 30 September 2013 (2012: Nil).

27. Earning/ (Loss) Per Share

(a) Basic earnings/ (loss) per share

Basic earnings/ (loss) per share of the Group is calculated by dividing the net earnings/ (loss) attributable to shareholders for the financial periods under review by the number of ordinary shares on issue during the said financial periods.

(b) Diluted earnings per share

Not applicable

28. Realised and Unrealised Profit/Loss Disclosures

	<u>As at</u> <u>30/09/2013</u> RM'000	<u>As at</u> <u>30/09/2012</u> RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(20,667)	(23,346)
- Unrealised	<u>(3,320)</u>	<u>(9,553)</u>
	(23,987)	(32,899)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(23,987)</u>	<u>(32,899)</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 November 2013.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 29 November 2013.