



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013. (UNAUDITED)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2013 (RM'000)	Preceding Year Corresponding Quarter 31/12/2012 (RM'000)	Current Year to date 31/12/2013 (RM'000)	Preceding Period Ended 31/12/2012 (RM'000)
Continuing Operations:				
Revenue	48,148	62,108	225,897	271,318
Cost of sales	(57,496)	(62,486)	(223,837)	(259,979)
Gross profit	(9,348)	(378)	2,060	11,339
Other operating income	19,766	1,607	21,127	6,904
Finance cost	(705)	(754)	(2,960)	(3,238)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	9,713	475	20,227	15,005
Income tax expense	3,482	6,356	(449)	2,454
Profit for the period from continuing operations	13,195	6,831	19,778	17,459
Loss from discontinued operation	-	-	-	-
Profit for the period	13,195	6,831	19,778	17,459
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	13,195	6,831	19,778	17,459
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	14,388	6,578	16,681	13,437
- loss from discontinued operations				
Non-Controlling Interest	(1,193)	253	3,097	4,022
Profit for the period	13,195	6,831	19,778	17,459
Total comprehensive income attributable to:				
Owners of the Parent	14,388	6,578	16,681	13,437
Non-Controlling Interest	(1,193)	253	3,097	4,022
	13,195	6,831	19,778	17,459
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	13.10	5.99	15.18	12.23
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 31 DECEMBER 2013.

	Unaudited As at 31/12/2013 RM'000	Audited As at 31/12/2012 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	216,770	225,968
Investment properties	41,674	44,215
Investment in associated company	0	0
Other Investment	19,154	725
	277,598	270,908
Current Assets		
Inventories	107,956	105,978
Property Development Cost	7,870	6,417
Trade receivables	34,874	43,474
Other receivables	9,930	8,076
Tax recoverable	1,016	1,104
Deposit with licensed banks	9,177	18,724
Cash and bank balances	11,770	6,350
	182,593	190,123
TOTAL ASSETS	460,191	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)	(9,599)	(26,280)
	316,222	299,541
Non-Controlling Interest	27,784	26,263
Total Equity	344,006	325,804
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	13,327	16,804
Hire Purchase obligations	1,242	1,111
Bank borrowings	15,657	19,323
	30,225	37,238
Current Liabilities		
Trade payables	7,507	9,969
Other payables	44,108	49,947
Provision for liabilities	2,273	2,280
Hire purchase obligations	803	1,066
Bank borrowings	30,686	31,532
Tax Payable	583	3,195
	85,960	97,989
Total Liabilities	116,185	135,227
TOTAL EQUITY AND LIABILITIES	460,191	461,031
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.88	2.73

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



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013.

	← 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 31 December 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				-		16,681	16,681	3,097	19,778
Reversal due disposal of asset				-			-		-
Acquisition of additional equity in a subsidiary							-	490	490
Dividend distributed to Non-Controlling Interest								(2,066)	(2,066)
Balance as at 31.12.2013	109,851	92,431	13,464	108,577	1,498	(9,599)	316,222	27,784	344,006
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						13,437	13,437	4,022	17,459
Acquisition of additional equity in a subsidiary							-	-	-
Impairment of property plant and equipment, motorvehicles and forlifts in subsidiaries				(1,171)		1,171	-		
Dividend distributed to Non-Controlling Interest							-	(730)	(730)
Balance as at 31.12.2012	109,851	92,431	13,464	108,577	1,498	(26,279)	299,542	26,263	325,805

(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 31 DECEMBER 2013.

	Cumulative Period	
	Current Year to date 31/12/2013 RM'000	Preceding Period Ended 31/12/2012 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	20,227	15,005
Adjustments for :		
Depreciation, amortisation and impairment losses	8,027	8,612
Interest income	(458)	(718)
Interest expenses	3,035	3,304
Share of profit in associates		
Fair value gain of financial instruments measured at fair		
Provision:		
Provision for doubtful debts	307	
Write back of provision for doubtful debts	(104)	(160)
Write down of inventories	-	-
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(8,763)	(334)
Asset written off	261	22
Operating profit before changes in working capital	22,533	25,731
Net change in current assets	4,768	11,995
Net change in current liabilities	(8,308)	(12,360)
Cash flow from operation	18,993	25,366
Taxes paid	(7,685)	(9,154)
Net Cash Flows From Operating Activities	11,308	16,212
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(1,408)	(1,788)
Purchase of freehold land		
Purchased freehold land for property development		
Decrease/(increase) in other investment	(18,429)	-
Reclassified deposit with licensed bank to other income	(7,273)	
Acquisition of additional investment in a subsidiary company	(510)	
Proceeds from sale of non-current assets	17,116	1,251
Dividend received	27	(225)
Net Cash Used in Investing Activities	(10,476)	(762)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Bank borrowings and other liabilities (Net)	(4,100)	(5,735)
Dividends paid to non controlling interest in subsidiary company	(2,007)	(1,336)
Net Cash Flows From Financing Activities	(6,107)	(7,071)
Net Increase in Cash and Cash Equivalents	(5,275)	8,379
Cash and Cash Equivalents at the beginning of the year	25,074	15,985
Effects of changes in foreign exchange rates	1,149	710
Cash and Cash Equivalents at end of the period	20,947	25,074
Cash and cash equivalent comprise the following:-		
Bank and cash balances	11,770	6,350
Deposit with license bank	9,177	18,724
	20,947	25,074

(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 31 December 2013.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 December 2013.

8. Segment Information

The Group's segment information for the financial period ended 31 December 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>	-	122,538	45,621	25,847	31,649	243	225,897
<i>Inter segmental sales</i>	-	4,807	6,862	7,461	-	-	19,131
Total Revenue	-	127,345	52,483	33,308	31,649	243	245,027
Segments Profits	(66)	614	14,185	98	5,338	1,996	22,165
Elimination							(1,938)
Taxation							(449)
Profit after taxation							19,778
Minority interest							(3,097)
Net profit for the year							<u>16,681</u>
Segments Assets	7,271	104,559	144,030	159,623	18,284	6,411	440,178
Other Investment			18,429			725	19,154
							459,332
Segment Liabilities	3,333	43,500	28,349	28,794	10,107	1,243	115,326



MINHO (M) BERHAD (200930 – H)

(Incorporated in Malaysia)

	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
2012							
Revenue							
<i>External Sales</i>	3,715	113,342	54,846	26,454	72,705	256	271,318
<i>Inter segmental sales</i>	-	4,185	4,995	5,218	-	-	14,398
Total Revenue	<u>3,715</u>	<u>117,527</u>	<u>59,841</u>	<u>31,672</u>	<u>72,705</u>	<u>256</u>	<u>285,716</u>
Segments Profits	2,535	(324)	2,866	2,044	7,721	743	15,585
Elimination							(580)
Taxation							15,005
Profit after taxation							<u>2,454</u>
Minority interest							17,459
Net profit for the year							<u>(4,022)</u>
							<u>13,437</u>
Segments Assets	7,277	108,579	153,431	163,822	22,401	5,548	461,058
Other Investment						725	725
							461,783
Segment Liabilities	3,333	49,419	31,812	38,203	11,289	1,198	135,254

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 31 December 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 31 December 2013.

12. Contingent Liabilities – Unsecured

As at 31 December 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 RM37,165,453.00 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)

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) 01/01/2013 to 31/12/2013 (RM ' 000)		Total Value (Transaction) 01/07/2013 to 6/30/2014 (RM ' 000)		Approved Value 01/07/2013 to 30/06/2014 (RM ' 000)		Balance of the approved amount as at 31/12/2013 (RM ' 000)		Balance due to / from the companies 31/12/2013 (RM ' 000)		Debtors Ageing as at 30/09/2013 (RM ' 000)			Creditors Ageing as at 30/09/2013 (RM'000)			
					Receivables		Payables		Receivable		Payables		Receivables		Payables		Receivables		Payables		
					30days	60days	30days	60days	90days												
D.M. Timber Sdn Bhd	Dab' 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		3,147		3,004		15,000		11,996		335				335			
Syarikat Minho Kilning (Klang) Sdn Bhd	Sykt. Minho Kilning (Klang) Sdn Bhd is a wholly-owned subsidiary of Minho Holdings Sdn Bhd, a major shareholder of Minho	⁽ⁱ⁾ Rental & Storage Charges.	Syarikat Minho Kilning S/B ⁽ⁱⁱ⁾	Monthly		2,704		1,352		4,500		3,148		1,218				226	225	767	
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 Oak Three Sdn Bhd	Insurance brokerage fee.	Indah Paper Industries Sdn Bhd	Monthly		5		-		200		200		3						3	
				Yearly		17		2		800		798		106					2		104
Mahawangsa Timber Industries Sdn Bhd	Mr Eng Kin Hong is a major shareholder of Lionvest Timber Industries Sdn Bhd and Mahawangsa Timber Industries Sdn Bhd	Purchase of logs.	Lionvest Timber Industries Sdn Bhd.	Monthly	3,545	3,545		1,947		5,000		-	3,053		-						
		Sales of sawntimber	Lionvest Timber Industries Sdn Bhd.	Monthly			411		800		389		111		111						
Pembinaan Infra E&J Sdn Bhd (EJ)	Mr Yap Nam Fee is a major shareholder of Pembinaan Infra E&J Sdn Bhd and also major shareholder of MySquares. Mr Yap Nam Fee is a director of EJ and MS	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd (MS)	Monthly		14,167		4,110		38,000		33,890		-							
Total					3,545	23,584	411	10,415	800	63,500	389	53,085	111	1,662	111	-	563	225	874		

**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		
	Q4 2013	Q4 2012	%	31/12/2013	31/12/2012	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
- Timber Extraction	-	-	0%	-	3,715	-100%
- Timber Trading	31,294	26,320	19%	122,538	113,342	8%
- Manufacturing	10,732	13,465	-20%	45,621	54,846	-17%
- Services & Treatment	6,087	6,641	-8%	25,847	26,454	-2%
- Property Development	(0)	15,658	-100%	31,649	72,705	-56%
- Others	36	24	50%	243	256	-5%
	<u>48,148</u>	<u>62,108</u>	<u>-22%</u>	<u>225,897</u>	<u>271,318</u>	<u>-17%</u>
Segment Profit						
- Timber Extraction	86	(68)	226%	(66)	2,535	-103%
- Timber Trading	676	(597)	213%	614	(324)	290%
- Manufacturing	13,075	(632)	2169%	14,185	2,866	395%
- Services & Treatment	405	476	-15%	98	2,044	-95%
- Property Development	(4,540)	1,502	-402%	5,338	7,721	-31%
- Others	1,541	(136)	1233%	1,996	743	169%
	<u>11,243</u>	<u>545</u>	<u>1963%</u>	<u>22,165</u>	<u>15,585</u>	<u>42%</u>
Elimination	<u>(1,530)</u>	<u>(70)</u>	<u>0%</u>	<u>(1,938)</u>	<u>(580)</u>	<u>234%</u>
Profit before taxation	9,713	475	1945%	20,227	15,005	35%
Taxation	3,482	6,356	-45%	(449)	2,454	-118%
Profit after taxation	13,195	6,831	93%	19,778	17,459	13%
Minority interest	1,193	(253)	572%	(3,097)	(4,022)	-23%
Net profit for the year	<u>14,388</u>	<u>6,578</u>	<u>119%</u>	<u>16,681</u>	<u>13,437</u>	<u>24%</u>

(a). Three month period-Q4 2013 against Q4 2012.

For the three month period of Q4 2013, the Group registered a turnover of RM48.15 million as compared to RM62.11 million for Q4 2012, down RM13.96 million or 22%. Three of the group's market segments i.e. Manufacturing, Services & Treatment and Property Development recorded a combined reduction of RM18.95 million in their turnover. The turnover for the Property Development segment drop significantly by RM15.66 million. The first development project undertaken by the segment has completed and therefore, no additional units was sold in Q4 2013. The huge total of RM18.95 million decline in combined turnover recorded by the three above mentioned market segments were offset by an improvement of RM4.99 million in combined turnover for Timber Trading and Others segments. The Timber Trading segment was the major contributor to the improvement in turnover with RM4.97 million increase in their turnover due to better demand for timber from some of the E.U. nations.

Despite the reduction in turnover, the group's pre-tax profit improved significantly by RM9.238 million, i.e. from RM475 thousand to RM9.713 million. Four of the group's market segments registered a total of RM16.81 million improvement in their combined pre-tax profit but this was offset by the RM6.11 million decline in the pre-tax profit registered by the Property Development segment. The major contributor to pre-tax profit was the Manufacturing segment which contributed an increase of RM13.71 million as a result of a significant gain of RM12.43 million from disposal of freehold land.



(b). Year to date.

The Group registered total revenue of RM225.90 million for twelve months period of 2013, RM45.42 million or 17% less than the RM271.32 million recorded in 2012. Owing to a significant gain from disposal of freehold land, the Group posted a pre-tax profit of RM20.23 million for the current year against the previous corresponding year figure of RM15.01 million, up by RM5.17 million. However, operational profit excluding the gain from asset disposal was only RM7.80 million, down by RM7.20 million due the lower turnover and also to the high cost of sales and the related operational expenses

Timber Extraction

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

Timber Trading

The turnover for this segment improved by RM9.19 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. In line with the higher turnover, operating cost were kept under control, resulting in a pre-tax profit of RM614 thousand compared to a pre-tax loss of RM324 thousand for 2012.

Manufacturing

The turnover for the manufacturing of timber and wood based products fell despite slightly better demand from customers from the E.U. nations. During the period under review, many local exporters chose to dispose their existing stocks instead of buying new stocks. Revenue from the sales of industrial paper bags declined by RM4.23 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. Another challenged we faced was the higher prices of raw material. However, due to the significant gain derived from disposal of freehold land, the pre-tax profit improved by RM11.32 million, from RM2.87 million in 2012 to RM14.19 million in 2013.

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 RM607 thousand. In line with the 14% increase in average selling price for kiln drying services and lower operation cost, this segment registered higher gross profit. This improved outcome was partially offset by the RM3.81 million losses on disposal of building steel structures. As the results, this segment's pre-tax profit dropped by RM1.95 million i.e. from a pre-tax profit of RM2.04 million in 2012 to only RM98 thousand recorded in 2013.

Property Development

This segment has completed 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 2013 represented an additional 21% of the GDV for units sold as compared to RM72.71 million for 2012 which was 59% of the GDV. The total project cost was RM107.58 million and registered a pre-tax profit of RM10.78 million. In line with less units sold in 2013, this segment registered a pre-tax profit of RM5.34 million as compared to RM7.72 million in 2012.



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

	THREE MONTHS		%
	Q4 2013	Q3 2013	
	RM'000	RM'000	
Revenue			
- Timber Extraction	-	-	
- Timber Trading	31,294	31,475	-1%
- Manufacturing	10,732	9,497	13%
- Services & Treatment	6,087	7,251	-16%
- Property Development	(0)	12,054	-100%
- Others	36	155	-77%
	<u>48,148</u>	<u>60,432</u>	-20%
Segment Profit			
- Timber Extraction	86	(47)	-283%
- Timber Trading	676	(37)	-1927%
- Manufacturing	13,075	473	2664%
- Services & Treatment	405	(2,000)	-120%
- Property Development	(4,540)	7,233	-163%
- Others	1,541	(22)	-7107%
	<u>11,243</u>	<u>5,600</u>	101%
Elimination	(1,530)	-	#DIV/0!
Profit before taxation	<u>9,713</u>	<u>5,600</u>	73%
Taxation	<u>3,482</u>	<u>(1,845)</u>	-289%
Profit after taxation	<u>13,195</u>	<u>3,755</u>	251%
Minority interest	<u>1,193</u>	<u>(2,957)</u>	-140%
Net profit for the year	<u>14,388</u>	<u>798</u>	1703%

The Group's turnover for Q4 2013 was RM48.15 million, compared to RM60.43 million for Q3 2013, dropping by RM12.28 million or 20%. Four of the group's market segments recorded a decrease of RM13.52 million in their combined turnover. This was offset by an increase of RM1.24 million in the turnover for the Manufacturing segment. The Property Development segment recorded a significant RM12.05 million decrease in turnover as their first project has been fully completed.

Despite lower turnover, the Group's pre-tax profit strengthened by RM4.11 million, i.e. from RM5.60 million for third quarter 2013 to RM9.71 million mainly attributed to the gain from disposal of freehold land. Pre-tax profit for all of the group's market segments except for the Property Development segment improved i.e. Timber Extraction segment reduced its pre-tax loss of RM47 thousand to a pre-tax profit of RM86 thousand; Timber Trading and Services & Treatment segments recorded a combined pre-tax profit of RM1.08 million as compared to a pre-tax loss of RM2.04 million, up by RM3.12 million; the pre-tax profit for Manufacturing segment improved significantly by RM12.62 million attributed mainly to RM12.43 million gain from disposal of freehold land. For Others segment, the pre-tax profit rose by RM1.56 million mainly due to dividend received from the property development segment. The improvement in the pre-tax profit recorded by all the above mentioned segments was partially offset by the loss of RM4.54 million registered by the Property Development segment.

17. Prospects for Current Financial Year

For reasons alluded to previously, group performance for the first quarter of year 2014 is projected to be slightly lower than the fourth quarter of year 2013. The EU Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) Timber Legality Assurance System (TLAS) that has been strictly enforced in the Euro-Zone, will influence demand negatively. 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 new project will only commence in the second quarter of 2014.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/2013 RM'000	Preceding year corresponding quarter 31/12/2012 RM'000	Current year to date 31/12/2013 RM'000	Preceding year corresponding period 31/12/2012 RM'000
Current taxation	4	652	3,990	4,581
(Over)/Under provision in respect of prior years	(20)	6	(74)	272
Foreign Taxation	-	-	-	-
Deferred Taxation	(3,492)	(7,014)	(3,492)	(7,307)
	<u>(3,508)</u>	<u>(6,356)</u>	<u>424</u>	<u>(2,454)</u>
Our share of results of associated companies	-	-	-	-
	<u>(3,508)</u>	<u>(6,356)</u>	<u>424</u>	<u>(2,454)</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 31 December 2013.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 20 February 2014.

23. Group Borrowings

Total Group borrowings as at 31 December 2013 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	13,433
Unsecured	0
	<u>13,433</u>
Short Term Borrowings	
Secured	32,564
Unsecured	0
	<u>0</u>



	<u>32,564</u>
Total Borrowings	<u>45,997</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 20 February 2014, 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 31 December 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

	As at <u>31/12/2013</u> RM'000	As at <u>31/12/2012</u> RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(5,595)	(22,959)
- Unrealised	<u>(3,991)</u>	<u>(3,320)</u>
	(9,586)	(26,279)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(9,599)</u>	<u>(26,279)</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 22 February 2014.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 27 February 2014.