



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2014. (UNAUDITED)

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/03/2014 (RM'000)	Preceding Year Corresponding Quarter 31/03/2013 (RM'000)	Current Year to date 31/03/2014 (RM'000)	Preceding Period Ended 31/03/2013 (RM'000)
Continuing Operations:				
Revenue	52,485	62,102	52,485	62,102
Cost of sales	(52,244)	(61,071)	(52,244)	(61,071)
Gross profit	241	1,031	241	1,031
Other operating income	1,424	1,413	1,424	1,413
Finance cost	(625)	(754)	(625)	(754)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	1,040	1,690	1,040	1,690
Income tax expense	(859)	(1,088)	(859)	(1,088)
Profit for the period from continuing operations	181	602	181	602
Loss from discontinued operation	-	-	-	-
Profit for the period	181	602	181	602
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	181	602	181	602
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	(19)	(37)	(19)	(37)
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	200	639	200	639
Profit for the period	181	602	181	602
Total comprehensive income attributable to:				
Owners of the Parent	(19)	(37)	(19)	(37)
Non-Controlling Interest	200	639	200	639
	181	602	181	602
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	(0.02)	(0.03)	(0.02)	(0.03)
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 2013)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014.

	Unaudited As at 31/03/2014 RM'000	Audited As at 31/12/2013 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	215,036	216,826
Investment properties	41,552	41,617
Investment in associated company	0	0
Other Investment	725	725
	257,313	259,168
Current Assets		
Inventories	105,705	107,956
Property Development Cost	11,771	7,870
Trade receivables	38,331	34,874
Other receivables	7,795	9,907
Tax recoverable	1,365	492
Short-term investments	18,429	18,429
Deposit with licensed banks	6,734	9,177
Cash and bank balances	7,538	11,770
	197,668	200,475
TOTAL ASSETS	454,981	459,643
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Reserves attributable to revenue		0
Other reserves	123,539	123,539
Retained earnings-profit/(loss)	(9,885)	(9,865)
	315,936	315,956
Non-Controlling Interest	27,460	27,603
Total Equity	343,396	343,559
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	13,412	13,412
Hire Purchase obligations	831	1,242
Bank borrowings	11,904	15,656
	26,147	30,310
Current Liabilities		
Trade payables	8,931	8,749
Other payables	41,302	42,843
Provision for liabilities	2,273	2,273
Hire purchase obligations	970	803
Bank borrowings	30,467	30,686
Derivative financial instruments	420	420
Tax Payable	1,075	0
	85,438	85,774
Total Liabilities	111,584	116,084
TOTAL EQUITY AND LIABILITIES	454,981	459,643
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.88	2.88

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2014.

	← 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	
RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	
Period ended 31 March 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
Total comprehensive income for the period				-		(19)	(19)	200	181
Reversal due disposal of asset				-			-		-
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest								(343)	(343)
Balance as at 31.03.2014	109,851	92,431	13,464	108,577	1,498	(9,884)	315,937	27,460	343,397
Period ended 31 March 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						-	-		-
Total comprehensive income for the period						(37)	(37)	639	602
Acquisition of additional equity in a subsidiary							-	-	-
Impairment of property plant and equipment, motorvehicles and forklifts in subsidiaries							-		-
Dividend distributed to Non-Controlling Interest							-	(392)	(392)
Balance as at 31.03.2013	109,851	92,431	13,464	108,577	1,498	(26,317)	299,504	26,510	326,014

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2014.

	Cumulative Period	
	Current Year to date 31/03/2014 RM'000	Preceding Period Ended 31/03/2013 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	1,040	1,690
Adjustments for :		
Depreciation, amortisation and impairment losses	2,101	2,433
Interest income	(36)	(59)
Interest expenses	603	769
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	(5)	
Write down of inventories	40	
Write back of stock value	-	230
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(107)	-
Asset written off	-	-
Operating profit before changes in working capital	3,636	5,063
Net change in current assets	(2,995)	1,194
Net change in current liabilities	(1,360)	(7,817)
Cash flow from operation	(718)	(1,560)
Taxes paid	(1,092)	(2,186)
Taxes refund	4	
Net Cash Flows From Operating Activities	(1,807)	(3,746)
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(37)	(385)
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	107	270
Increase/(Decrease) in deposit with licensed bank	(2,443)	-
Dividend received	-	(408)
Net Cash Used in Investing Activities	(2,373)	(523)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Bank borrowings and other liabilities (Net)	(2,127)	2,326
Repayment of hire purchase obligations	(326)	(340)
Dividends paid to non controlling interest in subsidiary company	(343)	(392)
Net Cash Flows From Financing Activities	(2,796)	1,594
Net Increase in Cash and Cash Equivalents	(6,976)	(2,675)
Cash and Cash Equivalents at the beginning of the year	39,376	25,074
Effects of changes in foreign exchange rates	300	110
Cash and Cash Equivalents at end of the period	32,701	22,509
Cash and cash equivalent comprise the following:-		
Bank and cash balances	7,538	6,027
Short-term investments and Deposit with license bank	25,163	16,482
	32,701	22,509

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)



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 2013.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2013. 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 2013. 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 2013, 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 2013.

The following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

Description	Effective for annual periods beginning on or after
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 are not anticipated to have any significant impact on the financial statements of the Group in the year of initial application.

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. Therefore, the Group as a Transitioning Entity will apply the MFRS Framework for the annual period beginning on 1 January 2015. As a result, the FRSs and amendments to FRS those are effective for annual period beginning on or after 1 January 2015 are not applicable to the Group.

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 2013 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 March 2014.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 March 2014.

8. Segment Information

The Group's segment information for the financial period ended 31 March 2014 is as follows:-



MINHO (M) BERHAD (200930 – H)

(Incorporated in Malaysia)

	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
2014							
Revenue							
External Sales	-	35,930	10,433	6,097	-	25	52,485
Inter segmental sales	-	2,619	1,368	1,584	-	-	5,571
Total Revenue	-	38,549	11,801	7,681	-	25	58,056
Segments Profits	(53)	599	(208)	675	(8)	392	1,397
Elimination							(357)
Taxation							(859)
Profit after taxation							181
Non-controlling interest							(200)
Net profit for the year							(19)
Segments Assets	7,217	101,225	164,486	159,486	15,850	5,993	454,257
Other Investment						725	725
							454,982
Segment Liabilities	3,332	41,548	30,873	27,355	7,681	796	111,585
	<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>
2013							
Revenue							
External Sales	-	30,859	11,561	6,088	13,568	27	62,103
Inter segmental sales	-	1,318	1,934	1,421	-	-	4,673
Total Revenue	-	32,177	13,495	7,509	13,568	27	66,776
Segments Profits	(61)	(329)	(217)	803	1,444	458	2,098
Elimination							(408)
Taxation							(1,088)
Profit after taxation							602
Non-controlling interest							(639)
Net profit for the year							(37)
Segments Assets	7,277	107,417	150,202	163,148	17,593	4,862	450,499
Other Investment						725	725
							451,224
Segment Liabilities	3,333	46,997	29,505	35,857	8,336	1,181	125,209

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 2013.

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

There are no material events subsequent to the financial period ended 31 March 2014 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 March 2014.



12. Contingent Liabilities – Unsecured

As at 31 March 2014, the Company had contingent liabilities in the form of corporate guarantees given to financial institutions in respect of facilities granted to subsidiary companies amounting to RM118,424,576.71, of which an amount of RM42,371,114.00 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) 01/01/2014 to 3/31/2014 (RM ' 000) Q1 2014		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 31/03/2014 (RM ' 000)		Balance due to / from the companies 31/03/2014 (RM ' 000)		Debtors Ageing as at 31/03/2014 (RM ' 000)		Creditors Ageing as at 31/03/2014 (RM'000)		
					Receivable	Payables	Receivable	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	30days	60days	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		905		3,909		15,000		11,091		430			430		
Syarikat Minho Kilning (Klang) Sdn Bhd	Sykt. Minho Kilning (Klang) Sdn Bhd is wholly-owned subsidiary of Minho Holdings Sdn Bhd, a major shareholder of Minho	⁽ⁱ⁾ Rental & Storage Charges.	Syarikat Minho Kilning S/B ⁽ⁱⁱ⁾	Monthly		676		2,028		4,500		2,472		1,126			225	226	675
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		15		17		800		783		121			15		106
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		77		2,024		5,000		-	2,976		397			397	
		Sales of saw timber	Lionvest Timber Industries Sdn Bhd.	Monthly		27		438		800		362		106		106			
Pembinaan Infra E&J Sdn Bhd (EJ)	Mr Yap Nam Fee is major shareholder of Pembinaan Infra E&J S/B and also major shareholder of MS. Mr Yap Nam Fee is a director of EJ and MS	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd (MS)	Monthly		-		4,110		38,000		33,890							
Total					27	1,673	438	12,088	800	63,500	362	51,412	106	2,077	106	-	1,067	226	784



**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		
	Q1 2014	Q1 2013	%	31/03/2014	31/03/2013	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
- Timber Extraction	-	-	0%	-	-	0%
- Timber Trading	35,930	30,859	16%	35,930	30,859	16%
- Manufacturing	10,433	11,561	-10%	10,433	11,561	-10%
- Services & Treatment	6,097	6,088	0%	6,097	6,088	0%
- Property Development	-	13,568	-100%	-	13,568	-100%
- Others	25	27	-7%	25	27	-7%
	<u>52,485</u>	<u>62,103</u>	<u>-15%</u>	<u>52,485</u>	<u>62,103</u>	<u>-15%</u>
Segment Profit						
- Timber Extraction	(53)	(61)	-13%	(53)	(61)	-13%
- Timber Trading	599	(329)	282%	599	(329)	282%
- Manufacturing	(208)	(217)	-4%	(208)	(217)	-4%
- Services & Treatment	675	803	-16%	675	803	-16%
- Property Development	(8)	1,444	-101%	(8)	1,444	-101%
- Others	392	458	-14%	392	458	-14%
	<u>1,397</u>	<u>2,098</u>	<u>-33%</u>	<u>1,397</u>	<u>2,098</u>	<u>-33%</u>
Elimination	(357)	(408)	-13%	(357)	(408)	-13%
Profit before taxation	<u>1,040</u>	<u>1,690</u>	<u>-38%</u>	<u>1,040</u>	<u>1,690</u>	<u>-38%</u>
Taxation	(859)	(1,088)	-21%	(859)	(1,088)	-21%
Profit after taxation	<u>181</u>	<u>602</u>	<u>-70%</u>	<u>181</u>	<u>602</u>	<u>-70%</u>
Non-controlling interest	(200)	(639)	-69%	(200)	(639)	-69%
Net profit for the year	<u>(19)</u>	<u>(37)</u>	<u>-49%</u>	<u>(19)</u>	<u>(37)</u>	<u>-49%</u>

(a). Three months period and Year to date.

The Group registered a total revenue of RM52.49 million for Q1 2014. This represents a decline of RM9.61 million or 15% from the RM62.10 million recorded in Q1 2013. In tandem with the lower turnover, the Group posted a lower pre-tax profit of RM1.04 million for the current quarter against the previous corresponding quarter figure of RM1.69 million. The main reason for the significant decline in turnover and pre-tax profit for the current quarter is mainly attributed to the Property Development segment, which saw its turnover and pre-tax profit decreased by RM13.57 million and RM1.45 million respectively.

Timber Extraction

There were 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 RM5.07 million. This was mainly attributed to slightly higher demand from the Group's main market, the EU. Some of its members showed small signs of improvement in their economy. The higher turnover and unchanged operating cost resulted in a pre-tax profit of RM0.60 million as compared to a pre-tax loss of RM0.33 million in the previous corresponding quarter.

Manufacturing

The turnover for this segment declined by RM1.13 million. The turnover for the timber and wood based products fell by RM870 thousand while the industrial paper bags division posted a small decline of RM282 thousand. Similar to the experience of trading segment, operating cost remain



unchanged, labour and fixed overhead cost in particular, which resulted in this market segment posting a pre-tax loss of RM208 thousand.

Services & Treatment

The volume of incoming timber for kiln drying and preservative treatment decreased. However, due to an increase in the rate for services charged, this segment managed to maintain its turnover at RM6 million. There was an increase in the operating cost especially for boiler fuel, diesel and bundling materials which caused this segment to register a lower pre-tax profit of RM675 thousand for the current quarter as compared to RM803 thousand for the previous corresponding quarter.

Property Development

This segment is currently waiting for approval from relevant authorities and agencies for the launch of its new development project. Hence, there was no turnover registered in the current quarter as compared to RM13.57 million in the previous corresponding quarter. This segment incurred a pre-tax loss of RM8 thousand, a decline of RM1.44 million as compared to a pre-tax profit of RM1.44 million for the previous corresponding period.

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

	THREE MONTHS		%
	Q1 2014	Q4 2013	
	RM'000	RM'000	
Revenue			
- Timber Extraction	-	-	
- Timber Trading	35,930	31,294	15%
- Manufacturing	10,433	10,732	-3%
- Services & Treatment	6,097	6,087	0%
- Property Development	-	(0)	-100%
- Others	25	36	-31%
	<u>52,485</u>	<u>48,148</u>	9%
Segment Profit			
- Timber Extraction	(53)	86	-162%
- Timber Trading	599	676	-11%
- Manufacturing	(208)	13,075	-102%
- Services & Treatment	675	405	67%
- Property Development	(8)	(4,540)	100%
- Others	392	1,541	-75%
	<u>1,397</u>	<u>11,243</u>	-88%
Elimination	(357)	(1,530)	-77%
Profit before taxation	<u>1,040</u>	<u>9,713</u>	-89%
Taxation	(859)	3,482	-125%
Profit after taxation	<u>181</u>	<u>13,195</u>	-99%
Minority interest	(200)	1,193	-117%
Net profit for the year	<u>(19)</u>	<u>14,388</u>	-100%

The Group's turnover for the current quarter under review was RM52.49 million, an increase of RM4.34 million or 9% over the RM48.15 million registered in the preceding quarter. Two of the group's market segments recorded a decline of RM310 thousand in their combined turnover which was offset by an increase of RM4.64 million in turnover for the Timber Trading segment.

Despite the higher turnover, the Group's pre-tax profit declined significantly by RM8.67 million, from RM9.71 million for the fourth quarter of 2013 to RM1.04 million. In Q4 2013, the pre-tax profit registered by the group was mainly attributed to the RM12.62 million gain from the disposal of freehold land recorded by the Manufacturing segment.



Two of the Group's market segments recorded a lower pre-tax profit. The Timber Trading segment recorded a pre-tax profit of RM599 thousand, down by RM77 thousand, from a pre-tax profit of RM676 thousand in the preceding quarter due to higher operating cost. The Others segment registered a lower pre-tax profit of RM392 thousand, as compared to a pre-tax profit of RM1.54 million. This was attributed to lower dividend received from a subsidiary. The Timber Extraction segment incurred a pre-tax loss of RM53 thousand from a pre-tax profit of RM86 thousand, down by RM139 thousand. The decline in pre-tax profit recorded by all the abovementioned segments was partially offset by the reduction in pre-tax loss of RM4.53 million by the Property Development segment.

17. Prospects for Current Financial Year

The group performance for the second quarter of year 2014 is projected to be slightly better than the first quarter of year 2014. However, this is subject to the Group being able to carry out logging activities with timely logging license approvals and the launching of a new property development project in the second 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
	31/03/2014	quarter	31/03/2014	period
	RM'000	31/03/2013	RM'000	31/03/2013
	RM'000	RM'000	RM'000	RM'000
Current taxation	863	1,088	863	1,088
(Over)/Under provision in respect of prior years	(4)	-	(4)	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	<u>859</u>	<u>1,088</u>	<u>859</u>	<u>1,088</u>
Our share of results of associated companies	-	-	-	-
	<u>859</u>	<u>1,088</u>	<u>859</u>	<u>1,088</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 March 2014.



22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 May 2014.

23. Group Borrowings

Total Group borrowings as at 31 March 2014 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	11,904
Unsecured	0
	<u>11,904</u>
Short Term Borrowings	
Secured	30,467
Unsecured	0
	<u>30,467</u>
Total Borrowings	<u>42,371</u>

24. Off Balance Sheet Financial Instruments

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

25. Material Litigation

As at 22 May 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 March 2014 (2013: 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 31/03/2014</u> RM'000	<u>As at 31/03/2013</u> RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(5,894)	(22,997)
- Unrealised	<u>(3,991)</u>	<u>(3,320)</u>
	(9,885)	(26,317)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(9,884)</u>	<u>(26,317)</u>



29. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 29 May 2014.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 29 May 2014.