

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2014. (UNAUDITED)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/09/2014 (RM'000)	Preceding Year Corresponding Quarter 30/09/2013 (RM'000)	Current Year to date 30/09/2014 (RM'000)	Preceding Period Ended 30/09/2013 (RM'000)
Continuing Operations:				
Revenue	55,378	60,432	173,583	177,749
Cost of sales	(53,748)	(52,367)	(167,221)	(166,341)
Gross profit	1,630	8,065	6,362	11,408
Other operating income	1,322	(1,697)	3,920	1,361
Finance cost	(618)	(768)	(1,907)	(2,255)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	2,334	5,600	8,375	10,514
Income tax expense	(1,121)	(1,845)	(3,256)	(3,931)
Profit for the period from continuing operations	1,213	3,755	5,119	6,583
Loss from discontinued operation	-	-	-	-
Profit for the period	1,213	3,755	5,119	6,583
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	1,213	3,755	5,119	6,583
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	795	798	3,809	2,293
- loss from discontinued operations				
Non-Controlling Interest	418	2,957	1,310	4,290
Profit for the period	1,213	3,755	5,119	6,583
Total comprehensive income attributable to:				
Owners of the Parent	795	798	3,809	2,293
Non-Controlling Interest	418	2,957	1,310	4,290
	1,213	3,755	5,119	6,583
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	0.72	0.73	3.47	2.09
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 30 SEPTEMBER 2014.

	Unaudited As at 30/09/2014 RM'000	Audited As at 31/12/2013 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	213,143	216,826
Investment properties	41,485	41,617
Investment in associated company	0	0
Other Investment	725	725
	255,353	259,168
Current Assets		
Inventories	104,987	107,956
Property Development Cost	13,367	7,870
Trade receivables	38,555	34,874
Other receivables	7,214	9,907
Tax recoverable	1,091	492
Short-term investments	15,188	18,429
Deposit with licensed banks	4,579	9,177
Cash and bank balances	16,444	11,770
	201,425	200,475
TOTAL ASSETS	456,778	459,643
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Reserves attributable to revenue	0	0
Other reserves	123,539	123,539
Retained earnings-profit/(loss)	(6,138)	(9,865)
	319,683	315,956
Non-Controlling Interest	28,570	27,603
Total Equity	348,253	343,559
Non-current liabilities		
Deferred Taxation	13,412	13,412
Hire Purchase obligations	556	1,242
Bank borrowings	9,717	15,656
	23,685	30,310
Current Liabilities		
Trade payables	12,510	8,749
Other payables	35,731	42,843
Provision for liabilities	2,273	2,273
Hire purchase obligations	1,080	803
Bank borrowings	31,102	30,686
Derivative financial instruments	420	420
Tax Payable	1,724	0
	84,840	85,774
Total Liabilities	108,525	116,084
TOTAL EQUITY AND LIABILITIES	456,778	459,643
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.91	2.88

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



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014.

	← Attributable to equity holders of the company →						Total	Non-Controlling Interest	Total Equity
	← Non-distributable →			Distributable					
	Share Capital	Share Premium	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Losses			
	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000
Period ended 30 September 2014									
Balance as at 01.01.2014	109,851	92,431	13,464	108,577	1,498	(9,865)	315,956	27,603	343,559
Prior years adjustments - Opening balance adjustment in a subsidiary						(82)	(82)		(82)
Balance as at 01.01.2014 restated						(9,947)	315,874	27,603	343,477
Total comprehensive income for the period				-		3,809	3,809	1,310	5,119
Reversal due disposal of asset				-			-		-
Acquisition of additional equity in a subsidiary							-		-
Dividend distributed to Non-Controlling Interest								(343)	(343)
Balance as at 30.09.2014	109,851	92,431	13,464	108,577	1,498	(6,138)	319,683	28,570	348,253
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						-	-		-
Total comprehensive income for the period						2,293	2,293	4,290	6,583
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 30.09.2013	109,851	92,431	13,464	108,577	1,498	(23,987)	301,834	30,161	331,995

Note: Prior years adjustment-Doubtful debts for a subsidiary was twice provided by the auditors in Profit & Loss for year end 31-12-2013.

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2014.

	Cumulative Period	
	Current Year	Preceding
	to date	Period Ended
	30/09/2014	30/09/2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	8,375	12,910
Adjustments for :		
Depreciation, amortisation and impairment losses	6,492	6,029
Interest income	(193)	(311)
Interest expenses	1,876	2,291
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)	(104)
Write down of inventories	150	200
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(107)	3,795
Asset written off	-	261
Operating profit before changes in working capital	16,588	25,071
Net change in current assets	(3,516)	8,120
Net change in current liabilities	(3,351)	(2,127)
Cash flow from operation	9,721	31,064
Taxes paid	2,197	(6,277)
Taxes refund	4	-
Net Cash Flows From Operating Activities	11,922	24,787
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(2,239)	(935)
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	1,294
Increase/(Decrease) in deposit with licensed bank & short term investments	(7,839)	-
Dividend received	27	27
Net Cash Used in Investing Activities	(9,944)	386
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Bank borrowings and other liabilities (Net)	(4,698)	(2,230)
Repayment of hire purchase obligations	(728)	(532)
Dividends paid to non-controlling interest in subsidiary company	(343)	(392)
Net Cash Flows From Financing Activities	(5,769)	(3,154)
Net Increase in Cash and Cash Equivalents	(3,791)	22,019
Cash and Cash Equivalents at the beginning of the year	39,376	25,074
Effects of changes in foreign exchange rates	626	804
Cash and Cash Equivalents at end of the period	36,211	47,897
Cash and cash equivalent comprise the following:-		
Bank and cash balances	16,444	8,360
Short-term investments and Deposit with license bank	19,767	39,537
	36,211	47,897

(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. Pursuant to the MASB Notice issued on 2 September 2014 entitled ‘Amendment to the effective date and applicability of the Malaysian Financial Reporting Standards’, entities that have in the alternative chosen to apply FRSs shall comply with MFRSs for annual periods beginning on or after 1 January 2017. Therefore, the Group as a Transitioning Entity will apply the MFRS Framework for the annual period beginning on 1 January 2017. As a result, the FRSs and amendments to FRS those are effective for annual period beginning on or after 1 January 2017 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 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 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 30 September 2014.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 September 2014.

**8. Segment Information**

The Group's segment information for the financial period ended 30 September 2014 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
2014							
Revenue							
<i>External Sales</i>	2,485	107,846	42,750	19,536	887	79	173,583
<i>Inter segmental sales</i>	-	8,248	3,795	5,418	-	-	17,461
Total Revenue	<u>2,485</u>	<u>116,094</u>	<u>46,545</u>	<u>24,954</u>	<u>887</u>	<u>79</u>	<u>191,044</u>
Segments Profits	2,358	1,850	532	3,609	(11)	11,497	19,835
Elimination							(11,460)
Taxation							(3,256)
Profit after taxation							5,119
Non-controlling interest							(1,310)
Net profit for the year							<u>3,809</u>
Segments Assets	6,985	100,497	163,918	157,255	17,098	10,301	456,054
Other Investment						725	725
							456,779
Segment Liabilities	4,462	36,666	32,013	25,917	8,924	544	108,526
	<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							
<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	<u>-</u>	<u>94,009</u>	<u>39,783</u>	<u>23,995</u>	<u>31,649</u>	<u>207</u>	<u>189,643</u>
Segments Profits	(152)	(62)	1,110	(307)	9,878	455	10,922
Elimination							(408)
Taxation							(3,931)
Profit after taxation							6,583
Non-controlling 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

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 30 September 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 30 September 2014.

12. Contingent Liabilities – Unsecured

As at 30 September 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 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) 01/07/2014 to 30/9/2014 (RM ' 000) Q3 2014		Total Value (Transaction) 01/01/2014 to 30/9/2014 (RM ' 000)		Approved Value 26/06/2014 to 30/06/2015 (RM ' 000)		Balance of the approved amount as at 30/09/2014 (RM ' 000)		Balance due to / from the companies 30/09/2014 (RM ' 000)			Debtors Ageing as at 30/09/2014 (RM ' 000) Receivables			Creditors Ageing as at 30/09/2014 (RM'000) Payables		
					Receivables	Payables	Receivables	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		347	-	2,585		15,000		14,653		150		
Minho Kilning (Klang) Sdn Bhd	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		640	-	2,025		4,500		3,860		1,067					452	225	390
Oak Three Sdn Bhd (formerly known as QR Printing S/B)	Mr Loo Say Leng and Mr Ng Hoe Chang are directors of QR Printing Sdn Bhd and also directors of Minho which owned 100% shares in Syt Minho Kilning Sdn Bhd.	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd	Yearly		4	-	26		800		796		132					2	2	128
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		1,422	-	1,756		5,000		3,578		1,803					1,803		
		Sales of sawn timber	Lionvest Timber Industries Sdn Bhd.	Monthly	148		520	-	800				652		1,033		1,033				
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		2,192	-	3,128		20,000		17,808		2,499					446	222	1831
Total					148	4,605	520	9,520	800	45,300	652	40,695	1,033	5,651	1,033	-	-	2,853	449	2,349	

Note :

(i) The rental & storage charges are paid for warehouse at Lot 6478, Lot 6536 and Lot 6468, Lrg Sg Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor

(ii) Syarikat Vinco Timber Industries Sdn Bhd has transferred all its business to Syarikat Minho Kilning Sdn Bhd and now operating under Syarikat Minho Kilning Sdn Bhd

**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 2014	Q3 2013	%	30/09/2014	30/09/2013	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
- Timber Extraction	-	-	0%	2,485	-	0%
- Timber Trading	29,031	31,475	-8%	107,846	91,244	18%
- Manufacturing	18,230	9,497	92%	42,750	34,889	23%
- Services & Treatment	7,203	7,251	-1%	19,536	19,760	-1%
- Property Development	887	12,054	-93%	887	31,649	-97%
- Others	27	155	-83%	79	207	-62%
	<u>55,378</u>	<u>60,432</u>	<u>-8%</u>	<u>173,583</u>	<u>177,749</u>	<u>-2%</u>
Segment Profit						
- Timber Extraction	(2)	(47)	96%	2,358	(152)	1651%
- Timber Trading	462	(37)	1349%	1,850	(62)	3084%
- Manufacturing	156	473	-67%	532	1,110	-52%
- Services & Treatment	1,624	(2,000)	181%	3,609	(307)	1276%
- Property Development	59	7,233	-99%	(11)	9,878	-100%
- Others	11,138	(22)	50727%	11,497	455	2427%
	<u>13,437</u>	<u>5,600</u>	<u>140%</u>	<u>19,835</u>	<u>10,922</u>	<u>82%</u>
Elimination	(11,103)	-	100%	(11,460)	(408)	2709%
Profit before taxation	<u>2,334</u>	<u>5,600</u>	<u>-58%</u>	<u>8,375</u>	<u>10,514</u>	<u>-20%</u>
Taxation	(1,121)	(1,845)	-39%	(3,256)	(3,931)	-17%
Profit after taxation	<u>1,213</u>	<u>3,755</u>	<u>-68%</u>	<u>5,119</u>	<u>6,583</u>	<u>-22%</u>
Non-controlling interest	(418)	(2,957)	-86%	(1,310)	(4,290)	-69%
Net profit for the year	<u>795</u>	<u>798</u>	<u>0%</u>	<u>3,809</u>	<u>2,293</u>	<u>66%</u>

(a). Three months period-Q3 2014 against Q3 2013.

For Q3 2014, the Group registered a turnover of RM55.38 million as compared to RM60.43 million for Q3 2013, declined by RM5.05 million or 8%. Turnover for nearly all of our market segments reduced except for the Manufacturing segment which registered an outstanding 92% increase in its turnover. The increased for this market segment was mainly attributed to the better demand for timber mouldings products.

In line with the reduced turnover, the group's pre-tax profit weakened by RM3.27 million, i.e. from RM5.60 million to RM2.33 million. Three of our market segments i.e. Timber Trading, Services & Treatment and Timber Extraction segment, registered a combined increase of RM4.47 million in their pre-tax profit. However, it was offset by huge decline of RM7.17million in the pre-tax profit of the Property Development segment.

(b). Year to date.

The Group registered total revenue of RM173.58 million for the nine months period of Q3 2014, RM4.17 million or 2% less than the RM177.75 million recorded in the corresponding period in 2013. The Group posted a pre-tax profit of RM8.38 million for the period under review against the previous corresponding period figure of RM10.51 million, down by RM2.13 million. The Property Development segment registered a significant decline of RM9.89 million in its pre-tax profit but this was offset by the combined increase of RM8.34 million in the pre-tax profit for Timber Trading, Services & Treatment and Timber Extraction segment. As for the Others market segment which includes the Investment Holding, Minho (M) Berhad, the increase of RM11 million in the pre-tax profit was mainly attributed to dividend received from subsidiary companies which was eliminated at the group consolidate level.

**Timber Extraction**

A total of 621 acres was logged for the three quarters of the year, producing 6,212 tons of logs and generating a pre-tax profit of RM2.36 million for this segment compared to a pre-tax loss of RM0.15 million for the previous corresponding period.

Timber Trading

The turnover for this segment improved by RM107.85 million mainly attributed to better demand from the Group's main market i.e. the E.U. as some of its nations had showed signs of improvement in their economies. In line with higher turnover and the operating cost remaining unchanged, this segment registered a pre-tax profit of RM1.85 million compared to a pre-tax loss of RM0.06 million in the previous corresponding period.

Manufacturing

Total turnover for this segment increased by RM7.86 million. The manufacturing of timber and wood-based products improved by RM7.32 million and manufacturing of industrial paper bags was slightly up by RM549 thousand. In line with higher turnover, operating cost increased, especially raw materials and labor cost, the end result being that, this market segment registered a pre-tax profit of RM532 thousand, 52% lower than pre-tax profit of RM1.11 million recorded in the previous corresponding period.

Services & Treatment

The volume of incoming timber for kiln drying and preservative treatment declined. However, due to the increase in service charges rates, this segment was able to maintain its turnover at RM19 million. This segment recorded a pre-tax profit of RM3.61 million for the current period under review. In the previous corresponding period, this segment registered a pre-tax loss of RM307 thousand mainly attributed to RM3.83 million losses resulting from asset written off.

Property Development

This segment has launched a new residential development project in Q3 2014; the project is located in Meru, Klang with Gross Development Value (GDV) of RM19.53million. For Q3 2014, this segment recognized 4.55% GDV or RM887 thousand as turnover. It incurred a pre-tax loss of RM11 thousand, compared to a pre-tax profit of RM9.88 million achieved the previous corresponding period.

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

	THREE MONTHS			THREE MONTHS		
	Q3 2014 RM'000	Q2 2014 RM'000	%	Q3 2014 RM'000	Q2 2014 RM'000	%
	REVENUE			SEGMENT PROFITS		
- Timber Extraction	-	2,485	-100%	(2)	2,413	-100%
- Timber Trading	29,031	42,885	-32%	462	789	-41%
- Manufacturing	18,230	14,087	29%	156	584	-73%
- Services & Treatment	7,203	6,236	16%	1,624	1,310	24%
- Property Development	887	-	100%	59	(62)	195%
- Others	27	27	0%	11,138	(33)	33852%
	<u>55,378</u>	<u>65,720</u>	<u>-16%</u>	<u>13,437</u>	<u>5,001</u>	<u>169%</u>
Elimination				(11,103)	-	100%
Profit before taxation				<u>2,334</u>	<u>5,001</u>	<u>-53%</u>
Taxation				<u>(1,121)</u>	<u>(1,276)</u>	<u>-12%</u>
Profit after taxation				<u>1,213</u>	<u>3,725</u>	<u>-67%</u>
Non-controlling interest				<u>(418)</u>	<u>(692)</u>	<u>-40%</u>
Net profit for the year				<u>795</u>	<u>3,033</u>	<u>-74%</u>



The Group's turnover for the current quarter under review was RM55.38 million, which was RM10.34 million or 16% less than the RM65.72 million registered in the preceding quarter. The Timber Extraction and Timber Trading segment recorded significant decline in their turnover, i.e. a combined total of RM16.34 million. This was partially offset by the combined improvement of RM6 million in the turnover for the Manufacturing, Services & Treatment and Property Development segment.

In line with lower turnover, the Group's pre-tax profit weakened by RM2.67 million, i.e. from RM5.00 million for second quarter 2014 to RM2.33 million. Three of the group's market segments recorded a lower pre-tax profit i.e. Timber Extraction segment registered a pre-tax loss of RM2 thousand compared to a pre-tax profit of RM2.41 million; Timber Trading segment recorded a pre-tax profit of RM462 thousand, down by RM327 thousand, from a pre-tax profit of RM789 thousand; Manufacturing segment recorded a pre-tax profit of RM156 thousand, 73% or RM428 thousand less than a pre-tax profit of RM584 thousand for Q2 2014, mainly due to the increase in raw materials and labor cost. The decrease in the pre-tax profit recorded by all the above-mentioned segments was partially offset by the improved pre-tax profit of RM314 thousand and RM121 thousand registered by the Services & Treatment segment and Property Development segment respectively.

17. Prospects for Current Financial Year

The group performance for the fourth quarter of year 2014 is projected to be slightly better than the third quarter of year 2014. The group anticipate to start logging in a new area in the next quarter. The percentage billing for the property development project is expected to improve as the project progresses.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/09/2014 RM'000	Preceding year corresponding quarter 30/09/2013 RM'000	Current year to date 30/09/2014 RM'000	Preceding year corresponding period 30/09/2013 RM'000
Current taxation	1,141	1,845	3,280	3,985
(Over)/Under provision in respect of prior years	(20)	-	(24)	(54)
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	<u>1,121</u>	<u>1,845</u>	<u>3,256</u>	<u>3,931</u>
Our share of results of associated companies	-	-	-	-
	<u>1,121</u>	<u>1,845</u>	<u>3,256</u>	<u>3,931</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 2014.

22. Status of Corporate Proposals

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

23. Group Borrowings

Total Group borrowings as at 30 September 2014 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	9,717
Unsecured	0
	<hr/>
	9,717
Short Term Borrowings	
Secured	31,102
Unsecured	0
	<hr/>
	31,102
Total Borrowings	<hr/> 40,819 <hr/>

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 November 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 30 September 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</u> <u>30/09/2014</u>	<u>As at</u> <u>30/09/2013</u>
	RM'000	RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(2,147)	(20,667)
- Unrealised	<u>(3,991)</u>	<u>(3,320)</u>
	(6,138)	(23,987)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(6,138)</u>	<u>(23,987)</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 27 November 2014.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 27 November 2014.