

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2014. (UNAUDITED)**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2014 (RM'000)	Preceding Year Corresponding Quarter 31/12/2013 (RM'000)	Current Year to date 31/12/2014 (RM'000)	Preceding Period Ended 31/12/2013 (RM'000)
<b>Continuing Operations:</b>				
<b>Revenue</b>	65,017	48,148	238,600	225,897
Cost of sales	(64,658)	(57,496)	(231,879)	(223,837)
Gross profit	359	(9,348)	6,721	2,060
Other operating income	2,651	19,766	6,571	21,127
Finance cost	(685)	(705)	(2,592)	(2,960)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	2,325	9,713	10,700	20,227
Income tax expense	(224)	3,482	(3,480)	(449)
<b>Profit for the period from continuing operations</b>	<b>2,101</b>	<b>13,195</b>	<b>7,220</b>	<b>19,778</b>
<b>Loss from discontinued operation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the period</b>	<b>2,101</b>	<b>13,195</b>	<b>7,220</b>	<b>19,778</b>
<b>Other Comprehensive Income:</b>				
Gain on revaluation of property, plant and equipment	-	-	-	-
<b>Other Comprehensive Income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>	<b>2,101</b>	<b>13,195</b>	<b>7,220</b>	<b>19,778</b>
<b>Net Profit/(loss) attributable to:</b>				
Owners of the Parent				
- income from continuing operations	1,994	14,388	5,803	16,681
- loss from discontinued operations	-	-	-	-
Non-Controlling Interest	107	(1,193)	1,417	3,097
Profit for the period	2,101	13,195	7,220	19,778
Total comprehensive income attributable to:				
Owners of the Parent	1,994	14,388	5,803	16,681
Non-Controlling Interest	107	(1,193)	1,417	3,097
	2,101	13,195	7,220	19,778
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	1.82	13.10	5.28	15.19
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 DECEMBER 2014.**

	Unaudited As at 31/12/2014 RM'000	Audited As at 31/12/2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	210,030	216,826
Investment properties	41,461	41,617
Investment in associated company	0	0
Other Investment	725	725
	252,216	259,168
<b>Current Assets</b>		
Inventories	101,121	107,956
Property Development Cost	12,582	7,870
Trade receivables	43,860	34,874
Other receivables	6,749	9,907
Tax recoverable	1,271	492
Short-term investments	15,105	18,429
Deposit with licensed banks	7,029	9,177
Cash and bank balances	20,463	11,770
	208,180	200,475
<b>TOTAL ASSETS</b>	<b>460,396</b>	<b>459,643</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owner of the parents</b>		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Reserves attributable to revenue	0	0
Other reserves	123,539	123,539
Retained earnings-profit/(loss)	(4,144)	(9,865)
	321,677	315,956
<b>Non-Controlling Interest</b>	28,358	27,603
<b>Total Equity</b>	350,035	343,559
<b>Non-current liabilities</b>		
Deferred Taxation	13,325	13,412
Hire Purchase obligations	872	1,242
Bank borrowings	12,424	15,656
	26,621	30,310
<b>Current Liabilities</b>		
Trade payables	10,265	8,749
Other payables	35,753	42,843
Provision for liabilities	2,273	2,273
Hire purchase obligations	744	803
Bank borrowings	30,432	30,686
Derivative financial instruments	2,635	420
Tax Payable	1,638	0
	83,740	85,774
<b>Total Liabilities</b>	<b>110,361</b>	<b>116,084</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>460,396</b>	<b>459,643</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<b>2.93</b>	<b>2.88</b>

(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 FOURTH QUARTER ENDED 31 DECEMBER 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	Total Equity
RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	
<b>Period ended 31 December 2014</b>									
<b>Balance as at 01.01.2014</b>	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				-		5,803	5,803	1,417	7,220
Reversal due disposal of asset				-			-		-
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest							-	(662)	(662)
<b>Balance as at 31.12.2014</b>	109,851	92,431	13,464	108,577	1,498	(4,144)	321,677	28,358	350,035
<b>Period ended 31 December 2013</b>									
<b>Balance as at 01.01.2013</b>	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						16,681	16,681	3,097	19,778
Acquisition of additional equity in a subsidiary							-	490	490
Impairment of property plant and equipment, motorvehicles and forklifts in subsidiaries							-		-
Dividend distributed to Non-Controlling Interest							-	(2,066)	(2,066)
<b>Balance as at 31.12.2013</b>	109,851	92,431	13,464	108,577	1,498	(9,599)	316,222	27,784	344,006

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 FOURTH QUARTER ENDED 31 DECEMBER 2014.**

	Cumulative Period	
	Current Year to date 31/12/2014 RM'000	Preceding Period Ended 31/12/2013 RM'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	10,700	20,227
Adjustments for :		
Depreciation, amortisation and impairment losses	9,545	8,027
Interest income	(208)	(458)
Interest expenses	2,604	3,035
Share of profit in associates		
Fair value gain of financial instruments measured at fair		
Provision:		
Provision for doubtful debts	222	307
Write back of provision for doubtful debts	(241)	(104)
Write down of inventories	-	-
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(202)	(8,763)
Asset written off	1	262
Operating profit before changes in working capital	22,421	22,533
Net change in current assets	(3,705)	4,768
Net change in current liabilities	(5,574)	(8,308)
Cash flow from operation	13,142	18,993
Taxes paid	(3,610)	(7,685)
Taxes refund	589	-
<b>Net Cash Flows From Operating Activities</b>	<b>10,121</b>	<b>11,308</b>
<b>Cash Flows From Investing Activities:</b>		
Purchase of PPE and investment property	(1,390)	(1,408)
Purchase of freehold land		
Purchased freehold land for property development		
Purchase of financial assets		-
Acquisition of additional investment in a subsidiary company		(510)
Proceeds from sale of non-current assets	-	17,116
Increase/(Decrease) in deposit with licensed bank & short	(5,472)	(18,429)
term investments		
Reclassified deposit with licensed bank to other investment		(7,273)
Dividend received	27	27
<b>Net Cash Used in Investing Activities</b>	<b>(6,835)</b>	<b>(10,477)</b>
<b>Cash Flows From Financing Activities:</b>		
Issue of ordinary shares	-	-
Bank borrowings and other liabilities (Net)	1,622	(3,385)
Repayment of hire purchase obligations	(872)	(715)
Dividends paid to non-controlling interest in subsidiary	(662)	(2,007)
company		
<b>Net Cash Flows From Financing Activities</b>	<b>88</b>	<b>(6,107)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>3,374</b>	<b>(5,276)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>39,376</b>	<b>25,074</b>
<b>Effects of changes in foreign exchange rates</b>	<b>-153</b>	<b>1,149</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>42,597</b>	<b>20,947</b>
<b>Cash and cash equivalent comprise the following:-</b>		
Bank and cash balances	20,463	11,770
Short-term investments and Deposit with license bank	22,134	9,177
	<b>42,597</b>	<b>20,947</b>

(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**

Amendments to MFRS 132	: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS12 and MFRS 127	: Investment Entities
Amendments to MFRS 136	: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	: Levies
Amendments to MFRS 119	: Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	

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 31 December 2014.

## **7. Dividends Paid**

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

**8. Segment Information**

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

	<b>Timber Extraction</b>	<b>Timber Trading</b>	<b>Manufacturing</b>	<b>Services &amp; Treatment</b>	<b>Property Development</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2014</b>							
<b>Revenue</b>							
<i>External Sales</i>	6,657	138,809	62,779	26,494	3,618	243	238,600
<i>Inter segmental sales</i>	-	11,299	5,132	7,204	-	-	23,635
Total Revenue	<u>6,657</u>	<u>150,108</u>	<u>67,911</u>	<u>33,698</u>	<u>3,618</u>	<u>243</u>	<u>262,235</u>
Segments Profits	3,245	1,704	1,278	4,452	82	69,952	80,713
Elimination							(70,013)
Taxation							(3,480)
Profit after taxation							<u>7,220</u>
Non-controlling interest							(1,417)
Net profit for the year							<u><u>5,803</u></u>
Segments Assets	8,757	98,055	151,110	155,236	17,589	13,819	444,566
Other Investment			15,105			725	15,830
							460,396
Segment Liabilities	17,037	25,307	32,818	24,861	9,348	632	110,003
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2013</b>							
<b>Revenue</b>							
<i>External Sales</i>	-	122,538	45,621	25,847	31,649	243	225,898
<i>Inter segmental sales</i>	-	4,807	6,862	7,461	-	-	19,130
Total Revenue	<u>-</u>	<u>127,345</u>	<u>52,483</u>	<u>33,308</u>	<u>31,649</u>	<u>243</u>	<u>245,028</u>
Segments Profits	(66)	614	14,185	98	5,338	1,996	22,165
Elimination							(1,938)
Taxation							(449)
Profit after taxation							<u>19,778</u>
Non-controlling interest							(3,097)
Net profit for the year							<u><u>16,681</u></u>
Segments Assets	9,959	101,871	144,030	159,623	18,284	6,411	440,178
Other Investment			18,429			725	19,154
							459,332
Segment Liabilities	19,520	27,313	28,349	28,794	10,107	1,243	115,326

**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 December 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 December 2014.

**12. Contingent Liabilities – Unsecured**

As at 31 December 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 RM28,891,177.00 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	Interested Directors/Major Shareholders/persons connected to Directors or Major Shareholders	Nature of Recurrent Transaction(s)	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction) 01/10/2014 to 31/12/2014 (RM ' 000) Q4 2014		Total Value Transaction For The Year 01/01/2014 to 31/12/2014 (RM ' 000)		Total Value Transaction For The Period 01/07/2014 to 31/12/2014 (RM ' 000)		Approved Value 26/06/2014 to 30/06/2015 (RM ' 000)		Balance of the approved amount as at 31/12/2014 (RM ' 000)		Balance due to / from the companies 31/12/2014 (RM ' 000)			Debtors Ageing as at 31/12/2014 (RM ' 000) Receivables			Creditors Ageing as at 31/12/2014 (RM'000) Payables				
					Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivables	Payables	Receivable	Payables	30days	60days	90days	30days	60days	90days			
					D M Timber Sdn Bhd ("DM")	<ul style="list-style-type: none"> <li>Minho Holdings Sdn Bhd ("Minho Holdings") is a major shareholder of Minho and holds 51% interest in DM.</li> <li>Dato' Loo Keng An, a director and major shareholder of Minho.</li> </ul>	Purchase of timber.	Lionvest Timber Industries Sdn Bhd	Monthly		1,041	-	3,626		1,388		15,000		13,612	971		971			
Minho Kilning (Klang) Sdn Bhd ("MKK")	<ul style="list-style-type: none"> <li>Minho Holdings holds 100% interest in MKK.</li> </ul>	<sup>(i)</sup> Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK") <sup>(ii)</sup>	Monthly		676	-	2,701		1,316		4,500		3,184		547							458	89	
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	<ul style="list-style-type: none"> <li>Minho Holdings holds 100% interest in OT.</li> <li>Mr Loo Say Leng is a director of OT, SMK and Minho.</li> <li>Mr Loo Say Leng is also a major shareholder of Minho Holdings and a person connected to Dato' Loo Keng An, a major shareholder of Minho.</li> <li>Mr Ng Hoe Chang is a director of OT and Minho and a shareholder of Minho and Minho Holdings.</li> </ul>	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		9	-	35		13		800		787		137							9	128	
Mahawangsa Timber Industries Sdn Bhd ("MTI")	<ul style="list-style-type: none"> <li>Mr Eng Kin Hong the director of LTI, is also the director and major shareholder of MTI and shareholder of Minho.</li> </ul>	Purchase of logs.	LTI	Monthly		500	-	2,256		1,922		5,000		3,078		2,304								2,304	
		Sales of sawn timber and its related products.	LTI	Monthly		599		1,119	-	747		800		53		981		981							
Pembinaan Infra E&J Sdn Bhd ("EJ")	<ul style="list-style-type: none"> <li>Mr Yap Nam Fee is a major shareholder of EJ.</li> <li>Mr Yap Nam Fee is a director of EJ and MS of MS.</li> <li>EJ is also a major shareholder of MS.</li> </ul>	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd ("MS")	Monthly		1,123	-	4,250		3,315		20,000		16,685		2,648							790	333	1525
<b>Total</b>						<b>599</b>	<b>3,349</b>	<b>1,119</b>	<b>12,868</b>	<b>747</b>	<b>7,954</b>	<b>800</b>	<b>45,300</b>	<b>53</b>	<b>37,346</b>	<b>1,952</b>	<b>5,636</b>	<b>1,952</b>	<b>-</b>	<b>-</b>	<b>3,561</b>	<b>422</b>	<b>1,653</b>		

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 # The estimated value are based on the budgeted sales prepared by the management of Minho for the year 2013/2014 and the actual amount transacted may vary.

(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		
	Q4 2014	Q4 2013	%	31/12/2014	31/12/2013	%
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
- Timber Extraction	4,172	-	100%	6,657	-	100%
- Timber Trading	30,963	31,294	-1%	138,809	122,538	13%
- Manufacturing	20,029	10,732	87%	62,779	45,621	38%
- Services & Treatment	6,958	6,087	14%	26,494	25,847	3%
- Property Development	2,731	(0)	100%	3,618	31,649	-89%
- Others	164	36	356%	243	243	0%
	<u>65,017</u>	<u>48,148</u>	<u>35%</u>	<u>238,600</u>	<u>225,897</u>	<u>6%</u>
<b>Segment Profit</b>						
- Timber Extraction	887	86	933%	3,245	(66)	5007%
- Timber Trading	(146)	676	-122%	1,704	614	177%
- Manufacturing	746	13,075	-94%	1,278	14,185	-91%
- Services & Treatment	843	405	108%	4,452	98	4447%
- Property Development	93	(4,540)	102%	82	5,338	-98%
- Others	58,455	1,541	3692%	69,952	1,996	3404%
	60,878	11,243	441%	80,713	22,165	264%
Elimination	(58,553)	(1,530)	3727%	(70,013)	(1,938)	3513%
Profit before taxation	2,325	9,713	-76%	10,700	20,227	-47%
Taxation	(224)	3,482	-106%	(3,480)	(449)	674%
Profit after taxation	2,101	13,195	-84%	7,220	19,778	-63%
Non-controlling interest	(107)	1,193	-109%	(1,417)	(3,097)	-54%
Net profit for the year	<u>1,994</u>	<u>14,388</u>	<u>-86%</u>	<u>5,803</u>	<u>16,681</u>	<u>-65%</u>

**(a). Three months period-Q4 2014 against Q4 2013.**

For Q4 2014, the Group registered a turnover of RM65.02 million compared to RM48.15 million for Q4 2013, an improvement of RM16.87 million or 35%. Turnover for nearly all of our market segments grew except for the Timber Trading segment which drops slightly by 1%.

Despite the better turnover, the group's pre-tax profit weakened by RM7.38 million, i.e. from RM9.71 million to RM2.33 million. Three of our market segments i.e. Timber Extraction, Services & Treatment and Property Development, registered a combined increase of RM5.87 million in their pre-tax profit. However, this was offset by the combined reduction of RM13.15 million in the pre-tax profit of the Timber Trading and Manufacturing segments. The reduction of RM12.33 million in the pre-tax profit of the Manufacturing segment was mainly attributed to the fact that in the year 2013 significant jump in pre-tax profit was the result of gain on disposal of freehold land by the manufacturer of industrial paper bags recorded in that year.

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

The Group registered total revenue of RM238.60 million for the twelve months period of Q4 2014, RM12.70 million or 6% more than the RM225.90 million recorded in the corresponding period in 2013. Turnover for nearly all of our market segments expanded except for the Property Development segment which deteriorated significantly by 89%. The Property Development segment only started their new development project in Q3 2014, with Gross Development Value (GDV) of



19.53 million. For year 2014, it only captured 18.5% of the GDV as their revenue. The total combined increase in turnover registered by Timber Extraction, Timber Trading, Manufacturing and Services & Treatment segments was RM40.73 million. Timber Trading and Manufacturing segments were the major contributors to the improvement in the Group's turnover, increasing by RM16.27 million and RM17.16 million respectively. This was mainly due to stronger demand for rough sawn timber from the E.U. nations.

Despite higher turnover, the Group posted a lower pre-tax profit of RM10.70 million for the period under review against the previous corresponding period figure of RM20.23 million, down by RM9.53 million. The Manufacturing and Property Development segments registered a significant combined decline of RM18.16 million in their pre-tax profit but this was partially offset by the combined increase of RM8.76 million in the pre-tax profit for Timber Trading, Services & Treatment and Timber Extraction segments. As for the Others market segment which includes the Investment Holding, Minho (M) Berhad, the increase of RM68 million in the pre-tax profit was mainly the result of higher dividend received from subsidiary companies which was eliminated at the group consolidate level.

**Timber Extraction**

A total of 876 acres was logged in year 2014, producing 9,122 tons of logs and generating a pre-tax profit of RM3.25 million for this segment compared to a pre-tax loss of RM66 thousand for the previous corresponding period.

**Timber Trading**

The turnover for this segment improved by RM16.27 million or 13% mainly attributed to better demand from the Group's main market i.e. the E.U. as some of its nations had shown signs of improvement in their economies. In line with higher turnover and with the operating cost remaining unchanged, this segment registered a pre-tax profit of RM1.71 million compared to RM614 thousand in the previous corresponding period.

**Manufacturing**

Total turnover for this segment increased by RM17.16 million. The manufacturing of timber and wood-based products improved by RM16.19 million in line with improved demand for timber products from the E.U. nations. Meanwhile, the turnover for the manufacturing of industrial paper bags were slightly up by RM962 thousand.

The pre-tax profit for manufacturing of timber and wood-based products improved by RM2.57 million but for manufacturing of industrial paper bags, the pre-tax profit shrunk by RM12.38 million, from RM14.25 million to RM1.87 million. The year 2013 figure was significantly better mainly due to a significant gain on disposal of freehold land by the manufacturer of industrial paper bags amounting to RM12.43 million that was captured in that year. In view of this, the Manufacturing segment actually registered a lower pre-tax profit of RM1.28 million as compared to RM14.19 million recorded in the previous corresponding period.

**Services & Treatment**

The volume of incoming timber for kiln drying increased by 18,571 tons, but for preservative treatment, the total incoming timber declined by 690 tons. However, due to the decrease in service charges rates, the segment revenue was reduced slightly by RM647 thousand. Despite the lower turnover, this segment recorded a pre-tax profit of RM4.45 million for the current period under review. In the previous corresponding period, this segment registered a very marginal pre-tax profit of RM98 thousand only owing to RM3.83 million in asset write-off.

**Property Development**

This segment launched a new residential development project in Q3 2014; the project is located in Meru, Klang with Gross Development Value (GDV) of RM19.53million. For year 2014, this segment recognized 18.5% GDV or RM3.62 million as turnover. It incurred a low pre-tax loss of RM82



thousand, compared to a pre-tax profit of RM5.34 million achieved the previous corresponding period.

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

	THREE MONTHS					
	<u>Q4 2014</u>	<u>Q3 2014</u>	<u>%</u>	<u>Q4 2014</u>	<u>Q3 2014</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
	<b>REVENUE</b>			<b>SEGMENT PROFITS</b>		
- Timber Extraction	4,172	-	100%	887	(2)	44450%
- Timber Trading	30,963	29,031	7%	(146)	462	-132%
- Manufacturing	20,029	18,230	10%	746	156	378%
- Services & Treatment	6,958	7,203	-3%	843	1,624	-48%
- Property Development	2,731	887	208%	93	59	-58%
- Others	164	27	507%	58,455	11,138	425%
	<u>65,017</u>	<u>55,378</u>	<u>17%</u>	<u>60,878</u>	<u>13,437</u>	<u>353%</u>
Elimination				(58,553)	(11,103)	427%
Profit before taxation				<u>2,325</u>	<u>2,334</u>	<u>0%</u>
Taxation				(224)	(1,121)	-80%
Profit after taxation				<u>2,101</u>	<u>1,213</u>	<u>73%</u>
Non-controlling interest				(107)	(418)	74%
Net profit for the year				<u>1,994</u>	<u>795</u>	<u>151%</u>

The Group's turnover for the current quarter under review was RM65.02 million, which was RM9.64 million or 17% more than the RM55.38 million registered in the preceding quarter. Most of the group's market segments recorded growth in their turnover, i.e. a combined total of RM9.88 million. This was partially offset by a minimal decline of RM245 thousand in the turnover for the Services & Treatment segment.

Despite greater turnover, the Group's pre-tax profit remains at RM2.3 million. The Timber Extraction and Manufacturing segments showed improvement in their pre-tax profit with the total combined increase of RM1.48 million. The increase was partially offset by the total combined decline of RM1.39 million in the pre-tax profit for Timber Trading and Services & Treatment segments. The Timber Trading segment registered a pre-tax loss of RM146 thousand compared to a pre-tax profit of RM462 thousand due to impairment of trade receivables and loss on foreign currency translation. The Timber Extraction segment was the major contributor to the increase in turnover. This segment recorded a pre-tax profit of RM887 thousand, added RM889 thousand from a pre-tax loss of RM2 thousand. A total 2,910 tons of logs was sold in Q4 2014.

#### 17. Prospects for Current Financial Year

The group performance for the first quarter of year 2015 is projected to be slightly better than the fourth quarter of year 2014. The group anticipates starting 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	Preceding year	Current year	Preceding year
	quarter	corresponding	to date	corresponding
	quarter	quarter	period	period
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Current taxation	319	30	3,599	4,015
(Over)/Under provision in respect of prior years	(14)	(20)	(38)	(74)
Foreign Taxation	-	-	-	-
Deferred Taxation	(81)	(3,492)	(81)	(3,492)
	<u>224</u>	<u>(3,482)</u>	<u>3,480</u>	<u>449</u>
Our share of results of associated companies	-	-	-	-
	<u>224</u>	<u>(3,482)</u>	<u>3,480</u>	<u>449</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 2014.

## 22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 20 February 2015.

## 23. Group Borrowings

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

	<u>RM'000</u>
Long Term Borrowings	
Secured	12,424
Unsecured	<u>0</u>
	<u>12,424</u>
Short Term Borrowings	
Secured	30,432
Unsecured	<u>0</u>
	<u>30,432</u>
<b>Total Borrowings</b>	<b><u>42,856</u></b>

## 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 2015, the latest practicable date that is not earlier than 7 days from the issue of this quarterly report, the Group is not engaged in any material litigation.

## 26. Dividend

No dividend has been recommended by the Board for the period ended 31 December 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

	<b>As at 31/12/2014</b>	<b>As at 31/12/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained losses of Minho (M) Berhad and its subsidiaries:		
- Realised	(87)	(5,608)
- Unrealised	<u>(4,057)</u>	<u>(3,991)</u>
	(4,144)	(9,599)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(4,144)</u>	<u>(9,599)</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 February 2015.

### By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 27 February 2015.