

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current</u> <u>Year</u> <u>Quarter</u> <u>31/12/2015</u> <u>(RM'000)</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31/12/2014</u> <u>(RM'000)</u>	<u>Current</u> <u>Year to</u> <u>date</u> <u>31/12/2015</u> <u>(RM'000)</u>	<u>Preceding</u> <u>Period</u> <u>Ended</u> <u>31/12/2014</u> <u>(RM'000)</u>
Continuing Operations:				
Revenue	71,247	65,017	280,473	238,600
Cost of sales	(73,720)	(64,658)	(260,917)	(231,879)
Gross profit	(2,473)	359	19,556	6,721
Other operating income	4,319	2,651	10,938	6,571
Finance cost	(598)	(685)	(2,269)	(2,592)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	1,248	2,325	28,225	10,700
Income tax expense	(1,062)	(224)	(7,004)	(3,480)
Profit for the period from continuing operations	186	2,101	21,221	7,220
Loss from discontinued operation	-	-	-	-
Profit for the period	186	2,101	21,221	7,220
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	186	2,101	21,221	7,220
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	459	1,994	17,434	5,803
- loss from discontinued operations				
Non-Controlling Interest	(273)	107	3,787	1,417
Profit for the period	186	2,101	21,221	7,220
Total comprehensive income attributable to:				
Owners of the Parent	459	1,994	17,434	5,803
Non-Controlling Interest	(273)	107	3,787	1,417
	186	2,101	21,221	7,220
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	0.42	1.82	15.81	5.28
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 2014)

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at 31/12/2015	As at 31/12/2014
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	210,362	210,030
Investment properties	41,206	41,461
Investment in associated company	0	0
Other Investment	725	725
	252,293	252,216
Current Assets		
Inventories	111,360	101,121
Property Development Cost	9,714	12,582
Trade receivables	41,251	43,917
Other receivables	5,397	5,851
Tax recoverable	563	
Short-term investments	14,852	15,105
Deposit with licensed banks	12,347	7,029
Cash and bank balances	16,545	19,713
	212,029	205,318
TOTAL ASSETS	464,322	457,534
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Treasury Shares	(1,353)	0
Reserves attributable to revenue	0	0
Other reserves	122,041	122,041
Retained earnings-profit/(loss)	14,827	(2,652)
	337,797	321,671
Non-Controlling Interest	31,211	28,309
Total Equity	369,008	349,980
Non-current liabilities		
Deferred Taxation	12,720	13,263
Hire Purchase obligations	2,242	907
Bank borrowings	9,411	13,241
	24,373	27,411
Current Liabilities		
Trade payables	8,729	10,265
Other payables	19,341	34,240
Provision for liabilities	2,317	2,273
Hire purchase obligations	1,085	709
Bank borrowings	36,570	29,635
Derivative financial instruments	540	2,635
Tax Payable	2,359	386
	70,941	80,143
Total Liabilities	95,314	107,554
TOTAL EQUITY AND LIABILITIES	464,322	457,534
Net assets per share attributable to ordinary equity holders of the parent (RM)	3.08	2.93

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)



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

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

← Attributable to equity holders of the company →
← Non-distributable → Distributable

	Share Capital	Share Premium	Treasury Shares	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	RM'000
Period ended 31 December 2015										
Balance as at 01.01.2015	109,851	92,431	-	13,464	108,577		(2,652)	321,671	28,309	349,980
Prior years adjustments - Opening balance adjustment in a subsidiary							22	22		22
Balance as at 01.01.2015 restated							(2,630)	321,693	28,309	350,002
Total comprehensive income for the period					-		17,434	17,434	3,787	21,221
Net excess from voluntary winding up of a dormant wholly owned subsidiary - Note 11							23	23		23
Acquisition of treasury shares			(1,353)				-	(1,353)	-	(1,353)
Dividend distributed to Non-Controlling Interest								-	(885)	(885)
Balance as at 31.12.2015	109,851	92,431	(1,353)	13,464	108,577	-	14,827	337,797	31,211	369,008
Period ended 31 December 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							(82)	(82)		(82)
Total comprehensive income for the period							5,803	5,803	1,417	7,220
Acquisition of additional equity in a subsidiary								-	-	-
Impairment of property plant and equipment, motorvehicles and forklifts in subsidiaries								-		
Dividend distributed to Non-Controlling Interest								-	(662)	(662)
Balance as at 31.12.2014	109,851	92,431	-	13,464	108,577	1,498	(4,144)	321,677	28,358	350,035

Note: Prior years adjustment-Additional tax provided for a subsidiary by the auditors in Profit & Loss for year end 31-12-2014.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT.

	Cumulative Period	
	Current Year to date 31/12/2015 <u>RM'000</u>	Preceding Period Ended 31/12/2014 <u>RM'000</u>
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	28,225	10,700
Adjustments for :		
Depreciation, amortisation and impairment losses	7,596	9,545
Interest income	(417)	(208)
Interest expenses	2,269	2,604
Share of profit in associates		
Fair value gain of financial instruments measured at fair		
Provision:		
Provision for doubtful debts	684	222
Write back of provision for doubtful debts	(4)	(241)
Write down of inventories	108	-
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(234)	(202)
Asset written off	1	1
Operating profit before changes in working capital	38,228	22,421
Net change in current assets	(4,251)	(3,705)
Net change in current liabilities	(16,391)	(5,574)
Cash flow from operation	17,586	13,142
Taxes paid	(6,592)	(3,610)
Taxes refund	483	589
Net Cash Flows From Operating Activities	11,477	10,121
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(3,027)	(1,390)
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	404	
Increase/(Decrease) in deposit with licensed bank & short term investments	5,065	(5,472)
Reclassified deposit with licensed bank to other investment		-
Dividend received	772	27
Net Cash Used in Investing Activities	3,214	(6,835)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Acquisition of treasury shares	(1,353)	
Bank borrowings and other liabilities (Net)	(7,432)	1,622
Repayment of hire purchase obligations	(1,005)	(872)
Dividends paid to non-controlling interest in subsidiary company	(886)	(662)
Net Cash Flows From Financing Activities	(10,676)	88
Net Increase in Cash and Cash Equivalents	4,015	3,374
Cash and Cash Equivalents at the beginning of the year	41,847	39,376
Effects of changes in foreign exchange rates	(2,118)	(153)
Cash and Cash Equivalents at end of the period	43,744	42,597
Cash and cash equivalent comprise the following:-		
Bank and cash balances	16,545	20,463
Short-term investments and Deposit with license bank	27,199	22,134
	43,744	42,597

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL STATEMENT.**1. Basis of preparation and Accounting Policies.**

The interim financial statements are unaudited and has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa) Main Market Listing Requirements.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014. 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 2014. 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 2014, 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 2014.

The following new and amended FRSs and IC Interpretations mandatory for annual financial periods:-

(i) Effective for annual periods beginning on or after 1 July 2014

- Amendments to FRS 119, 'Employee Benefits': Defined Benefit Plans – Employee Contributions
- Annual Improvements to FRSs 2010 – 2012 Cycle
 - Amendments to FRS 2, 'Share-based Payment'
 - Amendments to FRS 3, 'Business Combinations'
 - Amendments to FRS 8, 'Operating Segments'
 - Amendments to FRS 13, 'Fair Value Measurement'
 - Amendments to FRS 116, 'Property, Plant and Equipment'
 - Amendments to FRS 124, 'Related Party Disclosures'
 - Amendments to FRS 138, 'Intangible Assets'
- Annual Improvements to FRSs 2011 – 2013 Cycle
 - Amendments to FRS 3, 'Business Combinations'
 - Amendments to FRS 13, 'Fair Value Measurement'
 - Amendments to FRS 140, 'Investment Property'

(ii) Effective for annual periods beginning on or after 1 January 2016

- FRS 14, 'Regulatory Deferral Accounts'
- Amendments to FRS 10, 'Consolidated Financial Statements' and FRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture
- Amendments to FRS 11, 'Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations'
- Amendments to FRS 116, 'Property, Plant and Equipment' and FRS 138, 'Intangible Assets' – Clarification of Acceptable Methods of Depreciation and Amortisation



INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

- Amendments to FRS 127, 'Separate Financial Statements' – Equity Method in Separate Financial Statements
- Annual Improvements to FRSs 2012 – 2014 Cycle
 - FRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'
 - FRS 7, 'Financial Instruments: Disclosures'
 - FRS 119, 'Employee Benefits'
 - FRS 134, 'Interim Financial Reporting'

(iii) Effective for annual periods beginning on or after 1 January 2017

- MFRS 1, 'First-time Adoption of MFRS'
- MFRS 15, 'Revenue from Contracts with Customers'

(iv) Effective for annual periods beginning on or after 1 January 2018

- MFRS 9, 'Financial Instruments (2014)'
- Amendments to MFRS 7, 'Financial Instruments: Disclosures' – Mandatory Effective Date of MFRS 9 and Transition Disclosures

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.

On 8 September 2015, MASB issued a statement confirming that the effective date of MFRS 15-Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018, following the press release by the International Accounting Standards Board (IASB) confirming a one-year deferral of IFRS 15. As a result, the effective date for Transitioning Entities (TEs) to apply the Malaysian Financial Reporting Standards (MFRSs) will also be deferred to annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities (TEs) 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 2018. 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 2014 was not subject to any qualification.

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

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 2015.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 December 2015.

8. Segment Information

The Group's segment information for the financial period ended 31 December 2015 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	Elimination RM'000	Total RM'000
2015								
Revenue								
<i>External Sales</i>	6,979	139,641	93,602	28,111	12,007	133		280,473
<i>Inter segmental sales</i>	-	4,547	6,042	9,599	-	-		20,188
Total Revenue	6,979	144,188	99,644	37,710	12,007	133		300,661
Segments Profits	4,924	8,110	6,159	7,533	1,496	56,245	(56,242)	28,225
Depreciation	(7)	(1,793)	(3,299)	(2,443)	(40)	(14)		(7,596)
Rental income of land and buildings	-	37	3,774	955	96	-		4,862
Net foreign exchange	-	1,821	296	-	-	-		2,117
Gain/(loss) on disposal of property, plant and equipment	-	95	73	(29)	90	5		234
Finance cost	-	(397)	(823)	(868)	(181)	-		(2,269)
Interest Income	-	9	251	7	40	109		416
Tax Expenses	(71)	(1,763)	(2,433)	(2,274)	(372)	(91)		(7,004)
Segments Assets	6,196	85,734	191,898	154,942	15,330	9,495		463,595
Other Investment						725		725
								464,320
Segment Liabilities	4,702	27,966	32,666	23,588	5,964	426		95,312

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	Timber Extraction RM'000	Timber Trading RM'000	Manufacturing RM'000	Services & Treatment RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Total RM'000
2014								
Revenue								
<i>External Sales</i>	6,657	118,436	83,152	26,494	3,617	243		238,599
<i>Inter segmental sales</i>		9,098	7,333	7,205				23,636
Total Revenue	6,657	127,534	90,485	33,699	3,617	243	-	262,235
Segments Profits/(Loss) Before Tax	3,246	(364)	3,346	4,452	82	69,952	(70,013)	10,701
Depreciation	(18)	(2,317)	(3,598)	(3,521)	(77)	(15)		(9,546)
Rental income of land and buildings		34	1,981	1,085	-	-		3,100
Net foreign exchange Gain/(loss) on disposal of property, plant and equipment		(764)	611	-	-	-		(153)
Finance cost		(465)	(883)	(1,127)	(118)	-		(2,593)
Interest Income		16	145	7	15	25		208
Tax Expenses		(995)	(556)	(1,790)	(47)	(92)		(3,480)
Segments Assets	8,757	68,356	195,914	155,237	17,589	13,819		459,672
Other Investment						725		725
								460,397
Segment Liabilities	17,037	14,661	43,467	25,215	9,349	632		110,361

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 2014.

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

There are no material events subsequent to the financial period ended 3 December 2015 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 2015, except for the voluntary winding of a wholly owned subsidiary company of Victory Enterprise Sdn. Bhd. known as Haiten Sdn. Bhd., which has been dormant for a number of years. The effect of the voluntary winding up of Haiten to the group is net excess of RM22,919.60.

12. Contingent Liabilities – Unsecured

As at 31 December 2015, 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 RM32,561,088.00 were utilized.

13. Capital Commitments

There are no material capital commitments as at the date of this announcement.



INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

(The figures have not been audited)

14. Related Party Transactions.

The summary of related party transactions for current quarter and cumulative period to date is as follows:-

Related Party	Nature of Recurrent Transaction(s)	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction) 01/10/2015 to 31/12/2015 (RM ' 000) Q4 2015		Total Value (Transaction For The Year) 01/01/2015 to 31/12/2015 (RM ' 000)		Balance due to / from the companies 31/12/2015 (RM ' 000)	
				Receivables	Payables	Receivables	Payables	Receivables	Payables
D M Timber Sdn Bhd ("DM")	Purchase of timber.	Lionvest Timber Industries Sdn Bhd	Monthly		866		3,410	40	
Minho Kilning (Klang) Sdn Bhd ("MKK")	⁽ⁱ⁾ Rental & Storage Charges	Syarikat Minho Kilning Sdn Bhd ("SMK") ⁽ⁱⁱ⁾	Monthly		715		2,821		712
Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd)	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd ("SMK")	Yearly		-		19		156
Mahawangsa Timber Industries Sdn Bhd ("MTI")	Purchase of logs.	LTI	Monthly		1,344		3,284		311
	Sales of sawn timber and its related products.	LTI	Monthly	1,290		2,856			
Pembinaan Infra E&J Sdn Bhd ("EJ")	Construction cost for infrastructure & building works	My Squares Development Sdn Bhd ("MS")	Monthly		1,863		7,852		1,204
Total				1,290	4,788	2,856	17,386	40	2,383

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

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**

	<u>3 MONTHS ENDED</u>			<u>YEAR-TO-DATE ENDED</u>		
	<u>Q4 2015</u>	<u>Q4 2014</u>	<u>%</u>	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue						
Timber Extraction	-	4,172	-100%	6,979	6,657	5%
Timber Trading	34,076	33,427	2%	139,641	118,436	18%
Manufacturing	25,541	17,564	45%	93,602	83,152	13%
Services & Treatment	6,728	6,958	-3%	28,111	26,494	6%
Property Development	4,883	2,731	-100%	12,007	3,618	232%
Others	19	164	-88%	133	243	-45%
	<u>71,247</u>	<u>65,016</u>	<u>10%</u>	<u>280,473</u>	<u>238,600</u>	<u>18%</u>
Segment Profit						
Timber Extraction	(951)	887	-207%	4,924	3,245	52%
Timber Trading	565	(324)	274%	8,110	(364)	2328%
Manufacturing	472	924	-49%	6,159	3,346	84%
Services & Treatment	1,445	843	71%	7,533	4,452	69%
Property Development	(311)	93	-434%	1,496	82	-1724%
Others	(460)	58,455	-101%	56,245	69,952	-20%
	<u>760</u>	<u>60,878</u>	<u>-99%</u>	<u>84,467</u>	<u>80,713</u>	<u>5%</u>
Elimination	488	(58,553)	-101%	(56,242)	(70,013)	-20%
Profit before taxation	<u>1,248</u>	<u>2,325</u>	<u>-46%</u>	<u>28,225</u>	<u>10,700</u>	<u>164%</u>
Taxation	(1,062)	(224)	374%	(7,004)	(3,480)	101%
Profit after taxation	<u>186</u>	<u>2,101</u>	<u>-91%</u>	<u>21,221</u>	<u>7,220</u>	<u>194%</u>
Non-controlling interest	273	(107)	-355%	(3,787)	(1,417)	167%
Net profit for the year	<u>459</u>	<u>1,994</u>	<u>-77%</u>	<u>17,434</u>	<u>5,803</u>	<u>200%</u>

(a). Three months period-Q4 2015 against Q4 2014.

For Q4 2015, the Group registered a turnover of RM71.25 million compared to RM65.02 million for Q4 2014. This represents an increase of RM6.23 million or 10% over the previous corresponding period. This improvement in turnover was mainly attributed to the increase in turnover for the following market segments i.e. RM7.98 million for the Timber Trading segment, RM2.15 million for the Property Development segment and RM649 thousand for the Timber Trading segment. This was partially offset by the total combined decline of RM4.55 million in the turnover for Timber Extraction, Services & Treatment and Others market segments.

Despite the higher turnover, the group's pre-tax profit was halved, from RM2.33 million to RM1.25 million. The Timber Trading and Services & Treatment segments registered a total combined increase of RM1.49 million in pre-tax profit. However, this was more than fully offset by the combined decline of RM2.57 million in the pre-tax profit for Timber Extraction, Manufacturing, Property Development and Others segments.

(b). Year to date.

The Group disclosed total revenue of RM280.47 million for the twelve-month period of 2015, RM41.87 million or 18% more than the RM238.60 million recorded in 2014. With the exception of the Others market segment, the group's entire market segments have shown progress in their turnover

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER
2015**

(The figures have not been audited)

attributed to better demand for the group's products and also due to higher revenue from the residential development project in Meru, Klang.

In line with the increase in revenue, the group's entire market segments except for the Others market segment documented improvement in their pre-tax profit. The Group posted a pre-tax profit of RM28.23 million for 2015 against RM10.70 million for 2014. This represents a significant improvement of RM17.53 million or 164% more than the previous year.

Timber Extraction

A slightly smaller area of 1,230 acres was logged in 2015 compared to 1,293 acres logged in 2014. Despite the smaller area logged, the revenue for this segment increased slightly by RM322 thousand due to better prices obtained for some species. One of the group's subsidiary which is involved in Timber Extraction suffered a loss of RM678 thousand for 2015 mainly due to a significant impairment provided for the receivables. However, the losses was offset by a better performance recorded by the group's main timber extraction company i.e. Lionvest Corporation (Pahang) Sdn. Bhd. that registered a pre-tax profit of RM5.67 million. Consequently, this segment posted a higher pre-tax profit of RM4.92 million compared to RM3.25 million for the previous corresponding period mainly due to lower operating expenses.

Timber Trading

The turnover for this segment grew by RM21.21 million due to better demand for rough sawn timber from the Group's main market i.e. the E.U.. In line with the better turnover, the pre-tax profit for this segment improved significantly from a pre-tax loss of RM364 thousand in 2014 to RM8.11 million for 2015. This was mainly due to the improvement in the selling price of rough sawn timber, lower operating cost as a result of reduction in freight cost and some unrealized foreign exchange gain accounted for in 2015.

Manufacturing

Total turnover for this segment escalated by RM10.45 million mainly attributed to the significant improvement in the turnover for the manufacturing of timber and wood based products which increase by RM10.09 million, while the turnover for manufacturing of industrial paper bags dropped slightly by RM361 thousand. In tandem with the greater turnover, pre-tax profit for this market segment improved by RM2.81 million or 84%; from RM3.35 million in 2014 to RM6.16 million in 2015.

The pre-tax profit for manufacturing of timber and wood based products improved by RM2.48 million due to higher selling price and lower operating cost. Despite reduction in turnover, the pre-tax profit for the manufacturing of industrial paper bags increased by RM333 thousand mainly attributed to lower cost of sales.

Services & Treatment

The volume of incoming timber for kiln drying declined by 11% but service charges rates increased by 25% that resulted in an increase of RM1.67 million in turnover for this market segment. In tandem with the increase in service charges rate combined with cessation of rebates given to customers, the pre-tax profit for this segment increased by RM3.08 million.

Property Development

This segment launched Taman Desa Bukit Nilam, a new residential development project in Q3 2014. The project is located in Meru, Klang with Gross Development Value (GDV) of RM19.53million and is 100% sold. For 2015, this segment recognized 61.44% of GDV or RM12 million as turnover compared

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(The figures have not been audited)

to only 18.56% of GDV or RM3.62 million in 2014. It reported pre-tax profit of RM1.49 million, compared to a pre-tax profit of RM82 thousand previously.

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

	THREE MONTHS							
	Q4 2015		Q3 2015		Q4 2015		Q3 2015	
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	%
	REVENUE	REVENUE		SEGMENT PROFITS				
Timber Extraction	-	-	0%	(951)	(41)	-2220%		
Timber Trading	34,076	34,309	-1%	565	2,336	-76%		
Manufacturing	25,541	22,650	13%	472	1,873	-75%		
Services & Treatment	6,728	7,158	-6%	1,445	2,617	-45%		
Property Development	4,883	-	100%	(311)	1,397	-122%		
Others	19	38	-50%	(460)	2,432	-119%		
	<u>71,247</u>	<u>64,155</u>	11%	<u>760</u>	<u>10,614</u>	-93%		
Elimination				488	(2,490)	-120%		
Profit before taxation				1,248	8,124	-85%		
Taxation				(1,062)	(2,330)	-54%		
Profit after taxation				186	5,794	-97%		
Non-controlling interest				273	(1,428)	-119%		
Net profit for the year				<u>459</u>	<u>4,366</u>	-89%		

The Group's turnover for the current quarter under review was RM71.25 million, which was RM7.09 million or 11% more than the RM64.16 million registered in the preceding quarter. The Manufacturing and Property Development segments recorded combined growth of RM7.77 million in their turnover. There was, on the other hand, a combined decline of RM680 thousand recorded by the Group's other market segments.

Despite higher turnover, the Group's pre-tax profit shrunk by RM6.88 million or 85%, from a pre-tax profit of RM8.12 million for the preceding quarter to RM1.25 million for the current quarter under review. The group's entire market segments registered reduction in their pre-tax profit mainly attributed to some essential year-end provisions made in the accounts and also to year-end audit adjustments captured in the last quarter.

17. Prospects for Current Financial Year

The Group's performance for the first quarter of 2016 is expected to be slightly lower than the fourth quarter of year 2015. The Group anticipates that there will be no logging activities in the next quarter due to stringent conditions imposed by the authorities in the issuance of logging licenses. The Manufacturing market segment also anticipates slightly weaker performance in the next quarter due to long holidays for the Chinese New Year. While, for the Trading market segment, it is expected that the performance shall be similar to the fourth quarter of 2015. As for the Property Development market segment, its anticipated that performance for first quarter 2016 will be lower as its current project is approaching the final completion stage.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

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	Current year quarter 31/12/2015 RM'000	Preceding year corresponding quarter 31/12/2014 RM'000	Current year to date 31/12/2015 RM'000	Preceding year corresponding period 31/12/2014 RM'000
Current taxation	1,790	319	7,448	3,599
(Over)/Under provision in respect of prior years	(184)	(14)	100	(38)
Foreign Taxation	-	-	-	-
Deferred Taxation	(544)	(81)	(544)	(81)
	<u>1,062</u>	<u>224</u>	<u>7,004</u>	<u>3,480</u>
Our share of results of associated companies	-	-	-	-
	<u>1,062</u>	<u>224</u>	<u>7,004</u>	<u>3,480</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 2015.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 February 2015.

23. Group Borrowings

Total Group borrowings as at 31 December 2015 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	9,411
Unsecured	<u>0</u>
	<u>9,411</u>
Short Term Borrowings	
Secured	36,570
Unsecured	<u>0</u>
	<u>36,570</u>
Total Borrowings	<u>45,981</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.

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(The figures have not been audited)

25. Material Litigation

As at 19 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 2015 (2014: Nil).

27. Profit/(Loss) From Operations

The following items have been charged/ (credited) in arriving at profit/ (loss) from operations:

	Individual Quarter		Cumulative Period	
	Current Year	Preceding Year	Current Year	Preceding
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
(a). Interest income	255	15	417	208
(b). Investment income	726	-	772	27
(c). Rental Income	1,244	1,030	4,862	3,100
(d). Interest expenses	(598)	(728)	(2,269)	(2,604)
(e). Depreciation & Amortisation	(2,342)	(3,053)	(7,596)	(9,545)
(f). Gain/(loss) on disposal of property, plant & equipment	(17)	95	234	202
(g). Property, plant & equipment written off	(1)	(1)	(1)	(1)
(h). Inventories write-down	152	150	(108)	-
(i). Provision for and write-off of receivables	(684)	(222)	(684)	(222)
(j). Provision for receivables write-back.	-	236	4	241
(k). Net foreign exchange gain/(loss)	458	(473)	2,118	153

28. Earning/ (Loss) Per Share

(a) Basic earnings/ (loss) per share

	Individual Quarter		Cumulative Period	
	Current Year	Preceding	Current Year to	Preceding
	Quarter	Year	date	Period Ended
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Net earnings/(loss) attributable to the ordinary equity holders of the Company	459	1,994	17,434	5,803
Weighted average number of ordinary shares ('000)	110,264	109,851	110,264	109,851
Basic earnings/(loss) per share (sen)	0.42	1.82	15.81	5.28

(b) Diluted earnings per share

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2015**

(The figures have not been audited)

Not applicable

29. Realised and Unrealised Profit/Loss Disclosures

	As at 31/12/2015	As at 31/12/2014
	RM'000	RM'000
Total retained Profit /(Losses) of		
Minho (M) Berhad and its subsidiaries:		
- Realised	22,423	(87)
- Unrealised	<u>(4,989)</u>	<u>(4,057)</u>
	17,434	(4,144)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained profit/(losses) as per consolidated accounts	<u>17,434</u>	<u>(4,144)</u>

30. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 26 February 2016.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 26 February 2016.