



**MINHO (M) BERHAD**  
(200930-H)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2018**

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**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | <u>Individual Quarter</u>                       |   | <u>Cumulative Period</u>                        |   |
|---|---|---|---|---|
|   | <u>Current</u><br><u>Year</u><br><u>Quarter</u> | <u>Preceding Year</u><br><u>Corresponding</u><br><u>Quarter</u> | <u>Current</u><br><u>Year to</u><br><u>date</u> | <u>Preceding</u><br><u>Period</u><br><u>Ended</u> |
|   | <u>30/09/2018</u>                               | <u>30/9/2017</u>  | <u>30/09/2018</u>                               | <u>30/9/2017</u>                                  |
|   | <u>(RM'000)</u>                                 | <u>(RM'000)</u>   | <u>(RM'000)</u>                                 | <u>(RM'000)</u>                                   |
| <b>Continuing Operations:</b>                           |   |   |   |   |
| <b>Revenue</b>  | 62,938  | 70,765  | 207,138   | 219,767   |
| Cost of sales   | (59,533)  | (66,249)  | (194,397)                                       | (206,192)   |
| Gross profit  | 3,405   | 4,516   | 12,741  | 13,575  |
| Other operating income                                  | 1,888   | 1,532   | 5,293   | 5,273   |
| Finance cost  | (575)   | (353)   | (1,640)   | (1,697)   |
| Gain/(loss) on financial assets measured at fair value  | -   | -   | -   | -   |
| Share of profit/(loss) of associates                    | -   | -   | -   | -   |
| Profit before tax                                       | 4,718   | 5,695   | 16,394  | 17,151  |
| Income tax expense                                      | (1,250)   | (1,680)   | (4,637)   | (4,738)   |
| <b>Profit for the period from continuing operations</b> | <b>3,468</b>                                    | <b>4,015</b>  | <b>11,757</b>                                   | <b>12,413</b>                                     |
| <b>Loss from discontinued operation</b>                 | <b>-</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>  |
| <b>Profit for the period</b>                            | <b>3,468</b>                                    | <b>4,015</b>  | <b>11,757</b>                                   | <b>12,413</b>                                     |
| <b>Other Comprehensive Income:</b>                      |   |   |   |   |
| <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>3,468</b>                                    | <b>4,015</b>  | <b>11,757</b>                                   | <b>12,413</b>                                     |
| <b>Net Profit/(loss) attributable to:</b>               |   |   |   |   |
| Owners of the Parent                                    |   |   |   |   |
| - income from continuing operations                     | 2,975   | 3,355   | 9,762   | 9,779   |
| - loss from discontinued operations                     |   |   |   |   |
| Non-Controlling Interest                                | 493   | 660   | 1,995   | 2,634   |
| Profit for the period                                   | 3,468   | 4,015   | 11,757  | 12,413  |
| Total comprehensive income attributable to:             |   |   |   |   |
| Owners of the Parent                                    | 2,975   | 3,355   | 9,762   | 9,779   |
| Non-Controlling Interest                                | 493   | 660   | 1,995   | 2,634   |
|   | 3,468   | 4,015   | 11,757  | 12,413  |
| Earnings/(Loss) per share (in sen)                      |   |   |   |   |
| Basic EPS (in sen)                                      | 1.35  | 1.53  | 4.44  | 4.45  |
| 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 2017)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | <b>Unaudited<br/>As at<br/>30/09/2018<br/>RM'000</b> | <b>Audited<br/>As at<br/>31/12/2017<br/>RM'000</b> |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-current assets</b>   |  |  |
| Property, Plant and Equipment   | 209,406  | 187,565  |
| Investment properties   | 79,644   | 79,294   |
| Investment in associated company  | -  | -  |
| Other Investment  | 725  | 725  |
|   | <b>289,775</b>                                       | <b>267,584</b>                                     |
| <b>Current Assets</b>   |  |  |
| Inventories   | 114,446  | 117,119  |
| Property Development Cost   | 8,511  | 8,444  |
| Trade receivables   | 38,356   | 39,279   |
| Other receivables   | 10,497   | 7,154  |
| Tax recoverable   | 1,539  | 166  |
| Short-term investments  | 3,071  | 3,034  |
| Derivative financial assets   | 125  | 1,127  |
| Deposit with licensed banks   | 22,231   | 17,073   |
| Cash and bank balances  | 17,682   | 16,182   |
|   | <b>216,458</b>                                       | <b>209,578</b>                                     |
| <b>TOTAL ASSETS</b>   | <b>506,233</b>                                       | <b>477,162</b>                                     |
| <b>EQUITY AND LIABILITIES</b>   |  |  |
| <b>Equity attributable to owner of the parents</b>                              |  |  |
| Share Capital   | 201,188  | 201,188  |
| Share Capital-Excess from resale of treasury shares                             | -  | -  |
| Share premium   | -  | -  |
| Treasury Shares   | -  | -  |
| Reserves attributable to revenue  | -  | -  |
| Other reserves  | 122,041  | 122,041  |
| Retained earnings-profit/(loss)   | 46,933   | 37,171   |
|   | <b>370,162</b>                                       | <b>360,400</b>                                     |
| <b>Non-Controlling Interest</b>   | <b>36,850</b>  | <b>35,939</b>                                      |
| <b>Total Equity</b>   | <b>407,012</b>                                       | <b>396,339</b>                                     |
| <b>Non-current liabilities</b>  |  |  |
| Deferred Taxation   | 11,042   | 11,042   |
| Hire Purchase obligations   | 2,040  | 2,732  |
| Bank borrowings   | 13,258   | 3,040  |
|   | <b>26,340</b>  | <b>16,814</b>                                      |
| <b>Current Liabilities</b>  |  |  |
| Trade payables  | 10,059   | 12,271   |
| Other payables  | 12,129   | 16,200   |
| Provision for liabilities   | 2,073  | 2,073  |
| Hire purchase obligations   | 3,036  | 1,324  |
| Bank borrowings   | 44,426   | 32,141   |
| Derivative financial liabilities  | -  | -  |
| Tax Payable   | 1,158  | -  |
|   | <b>72,881</b>  | <b>64,009</b>                                      |
| <b>Total Liabilities</b>  | <b>99,221</b>  | <b>80,823</b>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>506,233</b>                                       | <b>477,162</b>                                     |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | <b>1.68</b>  | <b>1.64</b>  |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)



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

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**  
(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 Capital- Excess from resale of treasury shares | Share Premium | Treasury Shares | Reserve on consolidation | Asset revaluation reserves | Equity component from the replacement warrants | Retained Earnings/(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                     | RM'000  | RM'000                   |              |
| <b>Period ended 30 September 2018</b>                   |   |  |               |                 |                          |                            |  |                            |         |                          |              |
| <b>Balance as at 01.01.2018</b>                         | 201,188   | -  | -             | -               | 13,464                   | 108,577                    | -  | 37,171                     | 360,400 | 35,939                   | 396,339      |
| Total comprehensive income for the period               |   |  |               |                 |                          |                            |  | 9,762                      | 9,762   | 1,995                    | 11,757       |
| Excess from resale of treasury shares                   |   |  |               |                 |                          |                            |  | -                          | -       | -                        | -            |
| Distribution of Special Share Dividend                  |   |  |               |                 |                          |                            |  | -                          | -       | -                        | -            |
| Dividend distributed to Non-Controlling Interest        |   |  |               |                 |                          |                            |  | -                          | -       | (1,084)                  | (1,084)      |
| <b>Balance as at 30.09.2018</b>                         | 201,188   | -  | -             | -               | 13,464                   | 108,577                    | -  | 46,933                     | 370,162 | 36,850                   | 407,012      |
| <b>Period ended 30 September 2017</b>                   |   |  |               |                 |                          |                            |  |                            |         |                          |              |
| <b>Balance as at 01.01.2017</b>                         | 109,851   | -  | 91,337        | -               | 13,464                   | 108,577                    | -  | 27,006                     | 350,235 | 33,361                   | 383,596      |
| Total comprehensive income for the period               |   |  |               |                 |                          |                            |  | 9,779                      | 9,779   | 2,634                    | 12,413       |
| Reclassification pursuant to S618(2) of CA2016(Note 1)* | 91,337  |  | (91,337)      |                 |                          |                            |  | -                          | -       | -                        | -            |
| Distribution of Special Share Dividend                  |   |  |               |                 |                          |                            |  | -                          | -       | -                        | -            |
| Dividend distributed to Non-Controlling Interest        |   |  |               |                 |                          |                            |  | -                          | -       | (784)                    | (784)        |
| <b>Balance as at 30.09.2017</b>                         | 201,188   | -  | -             | -               | 13,464                   | 108,577                    | -  | 36,785                     | 360,014 | 35,211                   | 395,225      |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|  | Cumulative Period                               |   |
|--|---|---|
|  | Current Year<br>to date<br>30/09/2018<br>RM'000 | Preceding<br>Period Ended<br>30/09/2017<br>RM'000 |
| <b>Cash Flows From Operating Activities</b>                                |   |   |
| <b>Profit/(Loss) before taxation</b>                                       | 16,394  | 17,151  |
| Adjustments for :  |   |   |
| Depreciation, amortisation and impairment losses                           | 5,421   | 5,544   |
| Interest income  | (608)   | (576)   |
| Interest expenses  | 1,640   | 1,697   |
| 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                                 | -   | -   |
| Write down of inventories  | -   | -   |
| Write back of stock value  | -   | -   |
| Other non-cash items   |   |   |
| (Gain)/loss on disposal of property, plant & equipment                     | (17)  | (204)   |
| Asset written off  | 1   | 1   |
| Operating profit before changes in working capital                         | 22,831  | 23,613  |
| Net change in current assets   | 186   | 18,161  |
| Net change in current liabilities  | (6,283)   | (2,818)   |
| Cash flow from operation   | 16,734  | 38,956  |
| Taxes paid   | (4,868)   | (5,020)   |
| Taxes refunded   | 18  | 385   |
| <b>Net Cash Flows From Operating Activities</b>                            | <b>11,884</b>                                   | <b>34,321</b>                                     |
| <b>Cash Flows From Investing Activities:</b>                               |   |   |
| Purchase of PPE and investment property                                    | (7,249)   | (8,363)   |
| Purchase of freehold land  | (20,364)  | (5,013)   |
| Purchased freehold land for property development                           | -   | -   |
| Purchase of financial assets   | -   | -   |
| Acquisition of additional investment in a subsidiary                       | -   | (5,300)   |
| Proceeds from sale of non-current assets                                   | -   | 204   |
| Increase/(Decrease) in deposit with licensed bank & short term investments | 5,195   | 425   |
| Reclassified deposit with licensed bank to other investment                | -   | -   |
| Dividend received  | -   | 110   |
| <b>Net Cash Used in Investing Activities</b>                               | <b>(22,418)</b>                                 | <b>(17,937)</b>                                   |
| <b>Cash Flows From Financing Activities:</b>                               |   |   |
| Issue of ordinary shares   | -   | -   |
| Acquisition of treasury shares   | -   | -   |
| Distribution of Treasury Shares as Special Dividend                        | -   | -   |
| Special Share Dividend distributed   | -   | -   |
| Bank borrowings and other liabilities (Net)                                | 20,319  | (16,434)  |
| Repayment of hire purchase obligations                                     | (1,153)   | (1,148)   |
| Dividends paid to non-controlling interest in subsidiary company           | (1,084)   | (784)   |
| <b>Net Cash Flows From Financing Activities</b>                            | <b>18,082</b>                                   | <b>(18,366)</b>                                   |
| <b>Net Increase in Cash and Cash Equivalents</b>                           | 7,548   | (1,982)   |
| <b>Cash and Cash Equivalents at the beginning of the year</b>              | 36,289  | 35,525  |
| <b>Effects of changes in foreign exchange rates</b>                        | (853)   | 713   |
| <b>Cash and Cash Equivalents at end of the period</b>                      | <b>42,984</b>                                   | <b>34,256</b>                                     |
| <b>Cash and cash equivalent comprise the following:-</b>                   |   |   |
| Bank and cash balances   | 17,682  | 10,447  |
| Short-term investments and Deposit with license bank                       | 25,302  | 23,809  |
|  | <b>42,984</b>                                   | <b>34,256</b>                                     |

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)*

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(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 2017. 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 2017. The condensed consolidated interim financial report and notes thereon do not include all of the information required 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 2017, 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 2017.

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

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

- MFRS 9, Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)
- MFRS 15, Revenue from Contracts with Customers
- MFRS 15, Clarification to MFRS 15
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 1, First time Adoption of Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 140, Investment Property – Transfers of Investment Property

**(ii) Effective for annual periods beginning on or after 1 January 2019**

- MFRS 16, Leases
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments - Prepayment Features with Negative Compensation
- Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long Term Interests in Associates and Joint Ventures
- IC Interpretation 23, Uncertainty over Income Tax Treatments

**(iii) Effective for annual periods beginning on or after 1 January 2021**

- MFRS 17, Insurance Contracts

**(iv) Effective date yet to be determined**

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group's and the Company's financial statements for annual period beginning on 1 January 2018 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). The Group and the Company fall within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate. Therefore, the Group and the Company are currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS") and is referred to as a "Transitioning Entity".

The subsequent adoption of the MFRS Framework would result in the Group preparing an opening MFRS statement of financial position as at 1 January 2017, which adjusts for differences between the classification and measurement bases in the existing FRS Framework versus that in the new MFRS Framework. This may result in a restatement of the financial statements for the financial year ended 31 December 2017 in accordance with MFRS, which would form the MFRS comparatives for the financial statements for the financial year ending 31 December 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

**MFRS 9 - Financial Instruments**

MFRS 9 "Financial Instruments (as issued by International Accounting Standard Board in July 2014)" replaces the guidance in MFRS 139 that relates to the classification and measurement of financial instruments. MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in OCI, with only dividend income from the investment to be recognised in profit or loss.

For financial liabilities, there were no changes to classification and measurement except for liabilities designated at inception to be measured at FVTPL. For these, the portion of fair value changes caused by changes in an entity's own credit risk shall be recognised in OCI rather than in profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The application of MFRS 9 will not have a significant impact for the Group and Company on classification, measurement and recognition of financial assets and financial liabilities compared to current rules. It is expected that the Group's investments in unquoted debenture that are currently classified as available-for-sale and stated at cost less accumulated impairment losses will be measured at amortised cost (with option to measure at FVTPL) upon the adoption of MFRS 9. MFRS 9 also introduces the expected credit loss model (ECL) instead of the current incurred loss model to be applied to current and non-current receivables. The Group and Company are continuing to assess the impact of these and other accounting changes that will arise under MFRS 9 and cannot reasonably estimate the impact as at the date of this report. The Group expects to be in a position to estimate the impact of MFRS 9 when finalising reporting for first quarter of the year commencing 1 January 2018.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature of the Group's and Company's disclosures about its financial instruments particularly in the year of adoption of the new Standard. The Group and the Company will adopt the standard using the cumulative catch-up transition method and will therefore not restate comparative periods. Hence, the cumulative effect of initially applying the Standard will be recognised as an adjustment to the opening balance of retained earnings as at 1 January 2018 and comparatives will not be restated.

**2. Auditors' Report On Preceding Annual Financial Statements**

The auditors' report of the audited financial statements for the financial year ended 31 December 2017 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.



**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

**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 2018.

**7. Dividends Paid**

There were no dividends declared and paid by the Company for the financial period ended 30 September 2018.

**8. Segment Information**

The Group's segment information for the financial period ended 30 September 2018 is as follows:-

|  | <b>Timber<br/>Extraction<br/>RM'000</b> | <b>Timber<br/>Trading<br/>RM'000</b> | <b>Manufacturing<br/>RM'000</b> | <b>Services &amp;<br/>Treatment<br/>RM'000</b> | <b>Property<br/>Development<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|--------------------------------------|---------------------------------|--|--|--------------------------|-------------------------------|-------------------------|
| <b>2018</b>  |   |                                      |                                 |  |  |                          |                               |                         |
| <b>Revenue</b>   |   |                                      |                                 |  |  |                          |                               |                         |
| <i>External Sales</i>                                    | 1,647                                   | 98,684                               | 80,675                          | 25,986   | -  | 146                      |                               | <b>207,138</b>          |
| <i>Inter segmental sales</i>                             | -                                       | 3,734                                | 3,868                           | 6,661  | -  | -                        |                               | 14,263                  |
| <b>Total Revenue</b>                                     | <b>1,647</b>                            | <b>102,418</b>                       | <b>84,543</b>                   | <b>32,647</b>                                  | <b>-</b>                                   | <b>146</b>               |                               | <b>221,401</b>          |
| <b>Segments Profits/(Loss)</b>                           |   |                                      |                                 |  |  |                          |                               |                         |
| Before Tax   | 789                                     | 2,473                                | 5,370                           | 7,671  | (35)                                       | 2,332                    | (2,206)                       | <b>16,394</b>           |
| Depreciation   | 108                                     | 1,114                                | 2,513                           | 1,675  | 1  | 10                       |                               | 5,421                   |
| Rental income of land and buildings                      | -                                       | 29                                   | 2,787                           | 954  | -  | -                        | (387)                         | 3,383                   |
| Net foreign exchange                                     | -                                       | (667)                                | (186)                           | -  | -  | -                        |                               | (853)                   |
| Gain/(loss) on disposal of property, plant and equipment | -                                       | -                                    | 16                              | -  | -  | 1                        |                               | 17                      |
| Finance cost   | -                                       | 268                                  | 1,196                           | 135  | 41   | -                        | -                             | 1,640                   |
| Interest Income  | -                                       | 13                                   | 456                             | 1  | 108  | 30                       |                               | 608                     |
| Tax Expenses   | -                                       | 632                                  | 1,900                           | 2,035  | -  | 70                       |                               | <b>4,637</b>            |
| <b>Segments Assets</b>                                   | <b>4,088</b>                            | <b>80,531</b>                        | <b>237,498</b>                  | <b>158,978</b>                                 | <b>12,509</b>                              | <b>13,067</b>            | <b>(1,163)</b>                | <b>505,508</b>          |
| Other Investment   |   |                                      |                                 |  |  | 725                      |                               | 725                     |
| <b>Total Segments Assets</b>                             |   |                                      |                                 |  |  |                          |                               | <b>506,233</b>          |
| <b>Segment Liabilities</b>                               | <b>3,148</b>                            | <b>23,426</b>                        | <b>57,956</b>                   | <b>12,304</b>                                  | <b>1,934</b>                               | <b>453</b>               |                               | <b>99,221</b>           |

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

|  | Timber<br>Extraction<br>RM'000 | Timber<br>Trading<br>RM'000 | Manufacturing<br>RM'000 | Services &<br>Treatment<br>RM'000 | Property<br>Development<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|--|--------------------------------|-----------------------------|-------------------------|-----------------------------------|-----------------------------------|------------------|-----------------------|-----------------|
| <b>2017</b>  |                                |                             |                         |                                   |                                   |                  |                       |                 |
| <b>Revenue</b>   |                                |                             |                         |                                   |                                   |                  |                       |                 |
| External Sales   | 1,038                          | 114,393                     | 81,361                  | 22,877                            | -                                 | 98               |                       | 219,767         |
| Inter segmental sales  | -                              | 5,320                       | 2,571                   | 6,985                             | -                                 | -                |                       | 14,876          |
| Total Revenue  | 1,038                          | 119,713                     | 83,932                  | 29,862                            | -                                 | 98               | -                     | 234,643         |
| Segments Profits/(Loss)  |                                |                             |                         |                                   |                                   |                  |                       |                 |
| Before Tax   | 274                            | 3,829                       | 6,365                   | 5,826                             | 1                                 | 4,809            | (3,953)               | 17,151          |
| Depreciation   | 42                             | 1,308                       | 2,456                   | 1,727                             | 1                                 | 10               |                       | 5,544           |
| Rental income of land<br>and buildings                         | -                              | 28                          | 2,701                   | 902                               | 87                                | -                | (346)                 | 3,372           |
| Net foreign exchange   | -                              | (1,034)                     | 321                     | -                                 | -                                 | -                |                       | (713)           |
| Gain/(loss) on disposal of<br>property, plant and<br>equipment | -                              | 111                         | 92                      | -                                 | -                                 | -                |                       | 203             |
| Finance cost   | -                              | 440                         | 1,043                   | 311                               | 73                                | -                | (171)                 | 1,696           |
| Interest Income  | -                              | 8                           | 365                     | 1                                 | 98                                | 274              | (171)                 | 575             |
| Tax Expenses   | -                              | 792                         | 2,048                   | 1,804                             | -                                 | 94               |                       | 4,738           |
| Segments Assets  | 3,337                          | 79,405                      | 218,250                 | 153,182                           | 12,923                            | 10,051           | (1,539)               | 475,609         |
| Other Investment   |                                |                             |                         |                                   |                                   | 725              |                       | 725             |
| Total Segments Assets  |                                |                             |                         |                                   |                                   |                  |                       | <b>476,334</b>  |
| Segment Liabilities  | 3,522                          | 20,778                      | 40,438                  | 13,718                            | 2,311                             | 342              |                       | <b>81,109</b>   |

**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 2017.

**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 2018 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 2018.

**12. Contingent Liabilities – Unsecured**

As at 30 September 2018, 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 RM94,200,000.00, of which an amount of RM43,492,046.00 were utilized.

**13. Capital Commitments**

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


**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(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 For The Year) 01/01/2018 to 30/9/2018 ( RM ' 000) |               | Approved Value 09/06/2018 to 08/06/2019 ( RM ' 000) |               | Balance due to / from the companies 30/09/2018 ( RM ' 000) |            |
|--|---|--|--------------------------|--|---------------|---|---------------|--|------------|
|  |   |  |                          | Receivables  | Payables      | Receivables   | Payables      | Receivables  | Payables   |
| D M Timber Sdn Bhd ("DM")  | Purchase of timber.                                   | Lionvest Timber Industries Sdn Bhd ("LTI")             | Monthly                  |  | 19            |   | 15,000        |  | 193        |
| Minho Kilning (Klang) Sdn Bhd ("MKK")                            | <sup>(i)</sup> Rental & Storage Charges               | Syarikat Minho Kilning Sdn Bhd ("SMK") <sup>(ii)</sup> | Monthly                  |  | 2,096         |   | 4,500         |  | 1          |
| Oak Three Sdn Bhd ("OT") (formerly known as QR Printing Sdn Bhd) | Insurance brokerage fee.                              | Syarikat Minho Kilning Sdn Bhd ("SMK")                 | Yearly                   |  | 18            |   | 800           |  | 27         |
| Mahawangsa Timber Industries Sdn Bhd ("MTI")                     | Sales of sawn timber and its related products.        | LTI  | Monthly                  | 284  |               | 3,500   |               | 123  |            |
|  | Purchase of logs.                                     | LTI  | Monthly                  |  | 3,639         |   | 5,000         |  |            |
| Pembinaan Infra E&J Sdn Bhd ("EJ")                               | Construction cost for infrastructure & building works | My Squares Development Sdn Bhd ("MS")                  | Monthly                  |  | -             |   | 20,000        |  | -          |
| MTI  | <sup>(a)</sup> Purchase of timber.                    | Costraco Sdn Bhd ("CSB")                               | Monthly                  |  | 3,598         |   | 19,000        |  | 1          |
| MTI  | <sup>(b)</sup> Purchase of timber.                    | Indah Wood Products Sdn Bhd ("IWPSB")                  | Monthly                  |  | 236           |   | 2,000         |  | -          |
| MTI  | <sup>(c)</sup> Purchase of timber.                    | Euro-CGA Sdn Bhd ("ECSB")                              | Monthly                  |  | 787           |   | 4,000         |  | -          |
| MTI  | <sup>(d)</sup> Purchase of timber.                    | Victory Enterprise Sdn Bhd ("VESB")                    | Monthly                  |  | 2,043         |   | 800           |  | -          |
| Lucky Star Diversified Sdn Bhd ("LSDSB")                         | Sales of sawn timber                                  | Lionvest Corporation (Pahang) Sdn Bhd ("LCPSB")        | Monthly                  | 504  |               | 8,000   |               | 307  |            |
| DMT Resources & Development Sdn. Bhd. ("DMT")                    | Purchase of logs                                      | LTI  | Monthly                  |  | 2,444         |   | 6,000         |  | -          |
| <b>Total</b>   |   |  |                          | <b>788</b>   | <b>14,880</b> | <b>11,500</b>                                       | <b>77,100</b> | <b>430</b>   | <b>222</b> |

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(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**

|                          | <b>3 MONTHS ENDED</b> |                | <b>9 MONTHS ENDED</b>     |                   |
|--------------------------|-----------------------|----------------|---------------------------|-------------------|
|                          |                       |                | <b>YEAR-TO-DATE ENDED</b> |                   |
|                          | <b>Q3 2018</b>        | <b>Q3 2017</b> | <b>Q3 2018</b>            | <b>Q3 2017</b>    |
|                          | <b>RM'000</b>         | <b>RM'000</b>  | <b>30/09/2018</b>         | <b>30/09/2017</b> |
|                          | <b>RM'000</b>         | <b>RM'000</b>  | <b>RM'000</b>             | <b>RM'000</b>     |
| <b>Revenue</b>           |                       |                |                           |                   |
| Timber Extraction        | 804                   | 250            | 1,647                     | 1,038             |
| Timber Trading           | 26,717                | 33,690         | 98,684                    | 114,393           |
| Manufacturing            | 26,944                | 28,238         | 80,675                    | 81,361            |
| Services & Treatment     | 8,433                 | 8,555          | 25,986                    | 22,877            |
| Property Development     | -                     | -              | -                         | -                 |
| Others                   | 40                    | 32             | 146                       | 98                |
|                          | <u>62,938</u>         | <u>70,765</u>  | <u>207,138</u>            | <u>219,767</u>    |
| <b>Segment Profit</b>    |                       |                |                           |                   |
| Timber Extraction        | 257                   | 164            | 789                       | 274               |
| Timber Trading           | 959                   | 664            | 2,473                     | 3,829             |
| Manufacturing            | 1,460                 | 1,676          | 5,370                     | 6,365             |
| Services & Treatment     | 2,164                 | 2,444          | 7,671                     | 5,826             |
| Property Development     | (24)                  | 51             | (35)                      | 1                 |
| Others                   | 15                    | 4,875          | 2,332                     | 4,809             |
|                          | <u>4,831</u>          | <u>9,874</u>   | <u>18,600</u>             | <u>21,104</u>     |
| Elimination              | (113)                 | (4,179)        | (2,206)                   | (3,953)           |
| Profit before taxation   | <u>4,718</u>          | <u>5,695</u>   | <u>16,394</u>             | <u>17,151</u>     |
| Taxation                 | (1,250)               | (1,680)        | (4,637)                   | (4,738)           |
| Profit after taxation    | <u>3,468</u>          | <u>4,015</u>   | <u>11,757</u>             | <u>12,413</u>     |
| Non-controlling interest | (493)                 | (659)          | (1,995)                   | (2,634)           |
| Net profit for the year  | <u>2,975</u>          | <u>3,356</u>   | <u>9,762</u>              | <u>9,779</u>      |

**(a). Three months period-Q3 2018.**

For the current quarter, the Group registered revenue of RM62.94 million, lower than RM70.77 million for Q3 2017. The decrease was mainly attributed to the RM8.39 million total combined decreases in turnover for the Timber Trading, Manufacturing and Services & Treatment market segments. This was partially offset by the improvement of RM0.56 million in the turnover for Timber Extraction and Others market segments.

The group's pre-tax profit decreased by RM0.98 million, i.e. from RM5.70 million to RM4.72 million. Most of the Group's market segments recorded lower pre-tax profit. The Timber Extraction, Manufacturing, Services & Treatment, Property Development and Others segments combined decrease of RM1.37 million in the pre-tax profit was improved by Timber Extraction and Timber Trading segments which recorded total increase of RM388 thousand in pre-tax profit.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

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

The Group disclosed total revenue of RM207.14 million for the current 9 months period ended 30 September 2018, RM12.63 million or 5.7% less than the RM219.77 million recorded in the corresponding 9 months period ended 30 September 2017. This drop was mainly attributed to the RM15.7 million decline in Timber Trading segment. This was partially offset by the total combined increase of RM3.77 million in the turnover for Timber Extraction, Services & Treatment and Others segments.

The group's pre-tax profit decreased by RM757 thousand mainly due to the decrease in pre-tax profit of RM1.36 million for Timber Trading segment, RM1 million for the Manufacturing segment, RM36 thousand for the Property Development segment and RM2.48 million for the Others segment.

**Timber Extraction**

A bigger area of 439 acres logged was carried out in the current 9 months period ended 30 September 2018 compared to 210 acres logged in the corresponding 9 months period ended 30 September 2017. In line with bigger area logged, revenue increased by RM609 thousand and similarly, the pre-tax profit also increased by RM515 thousand.

**Timber Trading**

The turnover for this segment decreased by RM15.71 million due to lower demand for flooring and rough sawn timber from oversea buyers. Besides that, there was strong competition among suppliers in the market. Hence, the pre-tax profit for this segment reduced by RM1.36 million from a pre-tax profit of RM3.83 million in the corresponding 9 months period ended 30 September 2017 to RM2.47 million for the current 9 months period ended 30 September 2018. Lower other income and loss in foreign exchange also contributed to this decline.

**Manufacturing**

Total turnover for this segment reduced by RM686 thousand mainly attributed to the decrease in the turnover for the manufacturing of industrial paper bags which decreased by RM2.77 million due to lower demand for cement packaging, while the turnover for manufacturing of timber and wood based products increased by RM2.08 million. Pre-tax profit for this market segment decreased by RM1 million or 15.7%; from RM6.37 million in the corresponding 9 months period ended 30 September 2017 to RM5.37 million for the current 9 months period ended 30 September 2018. The drop in pre-tax profit was mainly attributed to lower profit registered by the manufacturing of industrial paper bags which decreased by RM839 thousand as result of lower gross profit. As for the manufacturing of timber and wood based products, the profit decreased slightly by RM156 thousand.

**Services & Treatment**

The volume of timber for kiln drying decreased slightly and service charges rates increased by 23% that resulted in an improvement of RM3.11 million in the gross turnover for this market segment. During this period, the management also focused on controlling cost. Hence, the pre-tax profit for this segment increased by RM1.85 million.

**Property Development**

There were no revenue registered for the current 9 months period ended 30 September 2018 similar to the corresponding 9 months period ended 30 September 2017. It reported a pre-tax loss of RM35 thousand due to lower other income received, compared to a pre-tax profit of RM1 thousand previously.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

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

| Market Segments                | Revenue        |                | Segment Profit |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | <u>Q3 2018</u> | <u>Q2 2018</u> | <u>Q3 2018</u> | <u>Q2 2018</u> |
|                                | <u>RM'000</u>  | <u>RM'000</u>  | <u>RM'000</u>  | <u>RM'000</u>  |
| Timber Extraction              | 804            | 843            | 257            | 741            |
| Timber Trading                 | 26,717         | 34,717         | 959            | 1,098          |
| Manufacturing                  | 26,944         | 26,680         | 1,460          | 2,465          |
| Services & Treatment           | 8,433          | 9,025          | 2,164          | 2,932          |
| Property Development           | -              | -              | (24)           | (10)           |
| Others                         | 40             | 69             | 15             | 2,349          |
|                                | <u>62,938</u>  | <u>71,334</u>  | <u>4,831</u>   | <u>9,575</u>   |
| Elimination                    |                |                | (113)          | (2,429)        |
| <b>Profit before taxation</b>  |                |                | <b>4,718</b>   | <b>7,146</b>   |
| Taxation                       |                |                | (1,250)        | (1,796)        |
| <b>Profit after taxation</b>   |                |                | <b>3,468</b>   | <b>5,350</b>   |
| Non-controlling interest       |                |                | (493)          | (1,031)        |
| <b>Net profit for the year</b> |                |                | <b>2,975</b>   | <b>4,319</b>   |

The Group's turnover for the current quarter under review was RM62.94 million, which was RM8.39 million or 11.8% less than the RM71.33 million registered in the preceding quarter. All of the group's market segments recorded lower growth in their turnover except for the Manufacturing segment. The Manufacturing segment recorded growth of RM592 thousand in their turnover but were offset by the combined decline of RM8.66 million recorded by the Timber Extraction, Timber Trading, Services & Treatment and Others segments.

The Group posted a lower pre-tax profit of RM4.72 million for the current quarter against the preceding quarter figure of RM7.15 million. The major contributor to the RM2.43 million decrease in pre-tax profit for the current quarter was the Timber Extraction, Timber Trading, Manufacturing, Services & Treatment segments.

**17. Prospects for Current Financial Year**

The International Monetary Fund ("IMF") in their latest publication of World Economic Outlook Update October 2018 projected that global growth for 2018–19 is projected to remain steady at its 2017 level, but its pace is less vigorous than projected in April and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded. Global growth is projected at 3.7 percent for 2018–19, 0.2 percentage point lower for both years than forecast in April. The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September, as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills.

In view of the above, the Group will continue efforts to strengthen the cost control strategies and will also enhance its operation and marketing strategies in order to achieve higher production efficiency and to maximize profit margins.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

**18. Variance of Actual Profit from Forecast Profit**

The disclosure requirements for explanatory notes on the variation of actual profit after tax and profit forecast and shortfall in profit guarantee are not applicable.

**19. Taxation**

Taxation comprises:-

|  | Individual Quarter |                | Cumulative Quarter |                |
|--|--------------------|----------------|--------------------|----------------|
|  | Current year       | Preceding year | Current year       | Preceding year |
|  | quarter            | corresponding  | to date            | corresponding  |
|  | 30/09/2018         | quarter        | 30/09/2018         | period         |
|  | RM'000             | 30/09/2017     | 30/09/2018         | 30/09/2017     |
|  | RM'000             | RM'000         | RM'000             | RM'000         |
| Current taxation                                 | 1,250              | 1,680          | 4,637              | 4,738          |
| (Over)/Under provision in respect of prior years | -                  | -              | -                  | -              |
| Foreign Taxation                                 | -                  | -              | -                  | -              |
| Deferred Taxation                                | -                  | -              | -                  | -              |
|  | <u>1,250</u>       | <u>1,680</u>   | <u>4,637</u>       | <u>4,738</u>   |
| Our share of results of associated companies     | -                  | -              | -                  | -              |
|  | <u>1,250</u>       | <u>1,680</u>   | <u>4,637</u>       | <u>4,738</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. Trade Receivables**

|                                     | <b>As at<br/>30.9.2018<br/>RM'000</b> |
|-------------------------------------|---------------------------------------|
| Trade receivables                   | 38,497                                |
| Less: Allowance for impairment loss | (141)                                 |
|                                     | <u><b>38,356</b></u>                  |

The ageing analysis of the Group's trade receivables is as follows:

|                                     | <b>As at<br/>30.9.2018<br/>RM'000</b> |
|-------------------------------------|---------------------------------------|
| Neither past due nor impaired       | 17,693                                |
| Past due not impaired:              |                                       |
| < 30 days                           | 8,430                                 |
| 31 - 60 days                        | 4,895                                 |
| > 60 days                           | 7,636                                 |
| Impaired                            | (157)                                 |
| Gross trade receivables             | 38,497                                |
| Less: Allowance for impairment loss | (141)                                 |
|                                     | <u><b>38,356</b></u>                  |

Trade receivables that are past due not impaired are creditworthy debtors. The Group has no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

**21. Disposal of Unquoted Investments and Properties**

There were no disposals of investments and/or properties for the financial period under review.

**22. Quoted Securities**

There were no purchases and/or disposals of quoted securities of the Group for the financial period ended 30 September 2018.

**23. Status of Corporate Proposals**

On 25 September 2018, the Company announced its intention to undertake a proposed bonus issue of up to 181,254,150 new Minho Shares on the basis of 11 Bonus Shares for every 20 existing Minho Shares.

The Company further announced that the application in relation to the Proposed Bonus Issue has been submitted to Bursa Securities on 5 October 2018. On 16 October 2018, the Company announced that Bursa Securities had approved the Proposed Bonus Issue.

The Proposed Bonus Issue was approved by the shareholders at the Extraordinary General Meeting that was convened on 29 November 2018 at Minho (M) Berhad, Board Room, Lot 6476, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor. At the same date, the Company announced that the Proposed Bonus Issue was approved by the shareholders.

**24. Group Borrowings**

Total Group borrowings as at 30 September 2018 were as follows:-

|  | <b>As at 3rd. Quarter ended 30 September 2018</b> |                   |                         |
|--|---|-------------------|-------------------------|
|  | <b>Long Term</b>                                  | <b>Short Term</b> | <b>Total borrowings</b> |
|  | <b>RM</b>   | <b>RM</b>         | <b>RM</b>               |
| <b>Secured</b>   |   |                   |                         |
| Property Loan  | 13,258  |                   | 13,258                  |
| Trading Facilities<br>(Overdraft, Bankers Acceptance, Trust Receipts<br>and Letter of Credits) |   | 44,426            | 44,426                  |
| <b>Unsecured</b>   | -   | -                 | -                       |
|  | <b>As at 3rd. Quarter ended 30 September 2017</b> |                   |                         |
| <b>Secured</b>   |   |                   |                         |
| Property Loan  | 2,483   |                   | 2,483                   |
| Trading Facilities<br>(Overdraft, Bankers Acceptance, Trust Receipts<br>and Letter of Credits) |   | 34,094            | 34,094                  |
| <b>Unsecured</b>   | -   | -                 | -                       |

**25. Off Balance Sheet Financial Instruments**

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

**26. Material Litigation**

As at 22 November 2018, 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.



**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

(The figures have not been audited)

**27. Dividend**

No dividend has been recommended by the Board for the period ended 30 September 2018 (2017: Nil).

**28. 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  |
|   | 30/09/2018         | 30/09/2017     | 30/09/2018        | 30/09/2017 |
|   | (RM'000)           | (RM'000)       | (RM'000)          | (RM'000)   |
| (a). Interest income  | 208                | 225            | 608               | 575        |
| (b). Investment income                                      | 27                 | 38             | 27                | 110        |
| (c). Rental Income  | 1,174              | 991            | 3,383             | 3,372      |
| (d). Interest expenses                                      | (575)              | (176)          | (1,640)           | (1,697)    |
| (e). Depreciation & Amortisation                            | (1,757)            | (1,874)        | (5,421)           | (5,544)    |
| (f). Gain/(loss) on disposal of property, plant & equipment | 1                  | 315            | 17                | 204        |
| (g). Property, plant & equipment written off                | -                  | -              | 1                 | 1          |
| (h). Inventories write-down                                 | -                  | -              | -                 | -          |
| (i). Provision for and write-off of receivables             | -                  | -              | -                 | -          |
| (j). Provision for receivables write-back.                  | -                  | -              | -                 | -          |
| (k). Net foreign exchange gain/(loss)                       | -                  | (32)           | (853)             | 713        |

**29. Earning/ (Loss) Per Share**

(a) Basic earnings/ (loss) per share

|  | Individual Quarter |                       | Cumulative Period |              |
|--|--------------------|-----------------------|-------------------|--------------|
|  | Current Year       | Preceding Year        | Current Year to   | Preceding    |
|  | Quarter            | Corresponding Quarter | date              | Period Ended |
|  | 30/09/2018         | 30/09/2017            | 30/09/2018        | 30/09/2017   |
|  | (RM'000)           | (RM'000)              | (RM'000)          | (RM'000)     |
| Net earnings/(loss) attributable to the ordinary equity holders of the Company | 2,975              | 3,355                 | 9,762             | 9,779        |
| Weighted average number of ordinary shares ('000)                              | 219,702            | 219,702               | 219,702           | 219,702      |
| Basic earnings/(loss) per share (sen)  | 1.35               | 1.53                  | 4.44              | 4.45         |

(b) Diluted earnings per share

Not applicable

**30. Authorisation for issue**

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 29 November 2018.

**By order of the Board**

Klang, Selangor Darul Ehsan.

Dated: 29 November 2018.