



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011.

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2011 (RM'000)	Preceding Year Corresponding Quarter 31/12/2010 (RM'000)	Current Year to date 31/12/2011 (RM'000)	Preceding Period Ended 31/12/2010 (RM'000)
Continuing Operations:				
Revenue	70,930	57,516	243,537	216,446
Cost of sales	(69,978)	(57,296)	(239,656)	(213,681)
Gross profit	952	220	3,881	2,765
Other operating income	7,744	(1,154)	9,777	5,183
Finance cost	(1,124)	(1,427)	(3,097)	(3,847)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	7,572	(2,361)	10,561	4,101
Income tax expense	3,647	(1,357)	1,139	(3,935)
Profit for the period from continuing operations	11,219	(3,718)	11,700	166
Loss from discontinued operation	-	-	-	-
Profit for the period	11,219	(3,718)	11,700	166
Other Comprehensive Income:				
Gain on revaluation of property, plant and equipment		80,108		80,108
Other Comprehensive Income net of tax	-	80,108	-	80,108
Total Comprehensive Income for the period	11,219	76,390	11,700	80,274
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	10,540	(4,282)	9,545	(1,105)
- loss from discontinued operations				
Non-Controlling Interest	679	564	2,155	1,271
Profit for the period	11,219	(3,718)	11,700	166
Total comprehensive income attributable to:				
Owners of the Parent	10,540	75,826	9,545	79,003
Non-Controlling Interest	679	564	2,155	1,271
	11,219	76,390	11,700	80,274
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	9.59	(3.90)	8.69	(1.01)
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 2010)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011.

	Unaudited As at 31/12/2011 RM'000	Audited As at 31/12/2010 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	229,628	255,462
Investment properties	45,129	45,393
Investment in associated company	0	0
Other Investment	500	500
	275,257	301,355
Current Assets		
Inventories	92,268	86,142
Property Development Cost	10,054	0
Trade receivables	46,529	36,580
Other receivables	16,556	11,210
Tax recoverable	1,761	2,753
Deposit with licensed banks	10,882	11,022
Cash and bank balances	5,103	7,920
	183,153	155,627
TOTAL ASSETS	458,410	456,982
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Share premium	92,431	92,431
Other reserves	114,728	130,469
Retained earnings-profit/(loss)	(41,897)	(51,442)
	275,113	281,309
Non-Controlling Interest	22,965	23,479
Total Equity	298,078	304,788
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	24,705	31,843
Hire Purchase obligations	902	184
Bank borrowings	19,350	21,553
	44,957	53,580
Current Liabilities		
Trade payables	10,673	6,933
Other payables	60,876	49,392
Provision for liabilities	3,038	3,012
Hire purchase obligations	456	486
Bank borrowings	33,345	30,416
Tax Payable	6,987	8,375
	115,375	98,614
Total Liabilities	160,332	152,194
TOTAL EQUITY AND LIABILITIES	458,410	456,982
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.50	2.56

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 3 DECEMBER 2011.

	← Attributable to equity holders of the company →								
	← Non-distributable				Distributable →				
	Share Capital	Share Premium	Reserve on consolidation	Asset revaluation reserves	Equity component from the replacement warrants	Retained Losses	Total	Non- Controlling Interest	Total Equity
RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	
Period ended 31 December 2011									
Balance as at 01.01.2011	109,851	92,431	13,464	115,507	1,498	(51,442)	281,309	23,479	304,788
Prior years adjustments	-	-	-	-	-	-	-	-	-
As restated	109,851	92,431	13,464	115,507	1,498	(51,442)	281,309	23,479	304,788
Total comprehensive income for the period				-		9,545	9,545	2,155	11,700
Reversal due disposal of asset				(15,741)			(15,741)		(15,741)
Acquisition of additional equity in a subsidiary						-	-	-	-
Dividend distributed to Non-Controlling Interest								(2,669)	(2,669)
Balance as at 31.12.2011	109,851	92,431	13,464	99,766	1,498	(41,897)	275,113	22,965	298,078
Period ended 31 December 2010									
Balance as at 01.01.2010	109,851	92,431	13,464	35,399	1,498	(50,482)	202,161	25,906	228,067
Prior years adjustments						145	145		145
Total comprehensive income for the period				80,108		(1,105)	79,003	1,271	80,274
Acquisition of additional equity in a subsidiary							-	(1,003)	(1,003)
Dividend distributed to Non-Controlling Interest								(2,695)	(2,695)
Balance as at 31.12.2010	109,851	92,431	13,464	115,507	1,498	(51,442)	281,309	23,479	304,788

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)



CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011.

	Cumulative Period	
	Current Year to date 31/12/2011 RM'000	Preceding Period Ended 31/12/2010 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	10,561	4,101
Adjustments for :		
Depreciation, amortisation and impairment losses	7,125	8,780
Interest income	(343)	(263)
Interest expenses	2,688	3,074
Share of profit in associates		
Fair value gain of financial instruments measured at fair		
Provision:		
Provision for doubtful debts	1	
Write back of provision for doubtful debts	(12)	(2,368)
Write down of inventories	628	-
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(5,041)	(267)
Asset written off	728	9
Operating profit before changes in working capital	16,335	13,066
Net change in current assets	(31,474)	6,175
Net change in current liabilities	15,249	(16,194)
Cash flow from operation	110	3,047
Taxes paid	(5,585)	(3,895)
Net Cash Flows From Operating Activities	(5,475)	(848)
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(4,338)	(1,007)
Purchase of freehold land	(4,635)	
Purchased freehold land for property development	(13,378)	
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary company	(350)	(840)
Proceeds from sale of non-current assets	12,852	332
Reclass other investment to deposit with licensed bank	-	(3,295)
Dividend received	-	-
Net Cash Used in Investing Activities	(9,849)	(4,810)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	
Bank borrowings and other liabilities (Net)	15,134	8,089
Dividends paid to non controlling interest in subsidiary company	(2,670)	(2,965)
Net Cash Flows From Financing Activities	12,464	5,124
Net Increase in Cash and Cash Equivalents	(2,860)	(534)
Cash and Cash Equivalents at the beginning of the year	18,942	18,877
Effects of changes in foreign exchange rates	-97	599
Cash and Cash Equivalents at end of the period	15,985	18,942
Cash and cash equivalent comprise the following:-		
Bank and cash balances	5,103	11,022
Deposit with license bank	10,882	7,920
	15,985	18,942

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134: INTERIM FINANCIAL STATEMENT.

1. Basis of preparation and Accounting Policies.

The Interim Financial Report of the Group is unaudited and has been prepared in accordance with the reporting requirements outlined in Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa) Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

The statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements 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 2010.

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 2010, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations by the Group.

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS127	Consolidated and Separate Financial Statements (Revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Services Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers

The principal effects of the changes in presentation change in methods of computation and in accounting policies resulting from the adoption of new and revised FRSs, IC Interpretations and Amendments are set out below:

The above FRSs, Amendments to FRSs and Interpretations have no significant impact on the financial statements of the Group upon their initial application.

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2010 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 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 2011.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 31 December 2011.

8. Segment Information

The Group's segment information for the financial period ended 31 December 2011 is as follows:-

	<u>Timber Extraction</u>	<u>Timber Trading</u>	<u>Manufacturing</u>	<u>Services & Treatment</u>	<u>Property Development</u>	<u>Others</u>	<u>Total</u>
2011	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue							
<i>External Sales</i>	2,403	139,180	64,130	21,241	16,184	400	243,537
<i>Inter segmental sales</i>	-	8,022	5,003	4,969	-	-	17,995
Total Revenue	2,403	147,202	69,133	26,210	16,184	400	261,532
Segments Profits	288	2,758	4,816	13,306	1,739	10	22,917
Elimination							(12,356)
Taxation							1,139
Profit after taxation							11,700
Minority interest							(2,155)
Net profit for the year							<u>9,545</u>
Segments Assets	8,496	111,157	143,009	171,983	19,052	4,213	457,910
Other Investment							500
Total Assets							458,410



	<u>Timber Extraction</u>	<u>Timber Trading</u>	<u>Manufacturing</u>	<u>Services & Treatment</u>	<u>Property Development</u>	<u>Others</u>	<u>Total</u>
2010	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue							
<i>External Sales</i>	7,932	133,208	54,295	19,680	-	1,331	216,446
<i>Inter segmental sales</i>	-	6,374	4,986	4,647	-	-	16,007
Total Revenue	7,932	139,582	59,281	24,327	-	1,331	232,453
Segments Profits	3539	(811)	4,158	(3,266)	-	3,031	6,651
Elimination							(2,550)
Taxation							(3,935)
Profit after taxation							166
Gain on revaluation of assets							80,108
Minority interest							(1,271)
Net profit for the year							<u>79,003</u>
Segments Assets	8,512	113,382	138,104	187,501	-	8,983	456,482
Other Investment							500
Total Assets							456,982

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 2010.

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

There are no material events subsequent to the financial period ended 31 December 2011 that have not been reflected in the related financial statements.

11. Changes in the Composition of the Group

There was no material changes in the composition of the Group during the financial period ended 31 December 2011 except for the changes in the shareholdings of the formerly wholly owned subsidiary, My Squares Development Sdn. Bhd. ("MSDSB"). The authorised capital of MSDSB was increased from RM25,000.00 to RM1,000,000.00 and the paid up capital have been raised from RM2.00 to RM1,000,000.00. A total of 999,998 ordinary shares of RM1.00 each were issued. We subscribed 51% (509,998 ordinary shares) while 49 % (490,000 ordinary shares) were subscribed by Pembinaan Infra E& J Sdn. Bhd.

12. Contingent Liabilities – Unsecured

As at 31 December 2011, 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 RM45,058,948.00 were utilized.

13. Capital Commitments

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



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

14. Related Party Transactions.

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

Related Party	Relationship with Minho Group	Nature of Recurrent Transaction	Recurrent Transaction with Minho or Subsidiary Company	Frequency of Transaction	Total Value (Transaction) 01/10/2011 to 31/12/2011 (RM ' 000) Q4 2011		Total Value (Transaction) 01/01/2011 to 31/12/2011 (RM ' 000) YTD		Total Value (Transaction) 01/07/2011 to 30/06/2012 (RM ' 000)		Approved Value 01/07/2011 to 30/06/2012 (RM ' 000)		Balance of the approved amount as at 31/12/2011 (RM ' 000)		Balance due to / from the companies 31/12/2011 (RM ' 000)		Creditors Ageing as at 31/12/2011 (RM'000) Payables				
					Receivable	Payables	Receivable	Payables	Receivable	Payables	Receivable	Payables	Receivable	Payables	Receivable	Payables	Receivable	Payables	30days	60days	90days
D.M. Timber Sdn Bhd	Dato' Loo Keng An, a director and major shareholder of Minho is also a director of D.M. Timber Sdn Bhd.	Purchase of timber.	Lionvest Timber Industries Sdn Bhd	Monthly		-	-	2,866	-	495		15,000		14,505		112			112		
Syarikat Minho Kilning (Klang) Sdn Bhd	Sykt. Minho Kilning (Klang) Sdn Bhd is wholly-owned subsidiary of Minho Holdings Sdn Bhd, a major shareholder of Minho	⁽ⁱ⁾ Rental & Storage Charges.	Syarikat Minho Kilning S/B	Monthly	679	-	2,669	-	1,347		4,500		3,153		840	227	225	388			
Oak Three Sdn Bhd (formerly known as QR Printing S/B)	Mr Loo Say Leng and Mr Ng Hoe Chang are directors of QR Printing Sdn Bhd and also directors of Minho which owned 100% shares in Syarikat Minho Kilning Sdn Bhd.	Insurance brokerage fee.	Syarikat Minho Kilning Sdn Bhd	Yearly	2	-	31	-	5		800		795		101			101			
Sri Temerloh Timber Industries Sdn Bhd	Mr Eng Kin Hong and Mr Ng Chee Min are directors and major shareholders of	Purchase of logs	Lionvest Timber Industries Sdn Bhd	Monthly	120	-	969	-	307		5,000		4,693								
Mahawangsa Timber Industries Sdn Bhd	Lionvest Timber Industries Sdn Bhd and Mahawangsa Timber Industries Sdn Bhd. and Sri Temerloh Timber Industries Sdn Bhd	Purchase of logs.	Lionvest Timber Industries Sdn Bhd.	Monthly	903	-	1,029	-	903		5,000		4,097								
		Sales of sawntimber	Lionvest Timber Industries Sdn Bhd.	Monthly	14	67	-	41	-	800		759									
Total					14	1,704	67	7,563	41	3,057	800	30,300	759	27,243	-	1,053	227	225	601		



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

15. Review of Performance of the Company and its Principal Subsidiaries

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	Q4 2011	Q4 2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Timber Extraction	-	2,082	2,403	7,932
- Timber Trading	30,151	34,341	139,180	133,208
- Manufacturing	18,373	14,946	64,130	54,295
- Services & Treatment	5,894	4,889	21,241	19,680
- Property Development	16,184	-	16,184	-
- Others	328	1,259	400	1,331
	<u>70,930</u>	<u>57,516</u>	<u>243,537</u>	<u>216,446</u>
Segment Profit				
- Timber Extraction	(64)	74	288	3,539
- Timber Trading	655	(1,134)	2,758	(811)
- Manufacturing	(553)	351	4,816	4,158
- Services & Treatment	5,744	(4,730)	13,306	(3,266)
- Property Development	1,739	-	1,739	-
- Others	51	3,078	10	3,031
	<u>7,572</u>	<u>(2,361)</u>	<u>22,917</u>	<u>6,651</u>
Elimination	-	-	(12,356)	(2,550)
Taxation	<u>3,647</u>	<u>(1,357)</u>	<u>1,139</u>	<u>(3,935)</u>
Profit after taxation	11,219	(3,718)	11,700	166
Gain on revaluation of assets		80,108		80,108
Minority interest	<u>(679)</u>	<u>(564)</u>	<u>(2,155)</u>	<u>(1,271)</u>
Net profit for the year	<u>10,540</u>	<u>75,826</u>	<u>9,545</u>	<u>79,003</u>

(a). Three months period - Q4 2011 against Q4 2010.

The Group registered total revenue of RM70.93 million for Q4 2011, RM13.41 million or 23% more than the RM57.62 million recorded in Q4 2010. The turnover recorded by three of the group's market segments viz. Manufacturing, Services & Treatment and the new Property Development Segment improved by RM21 million. The Manufacturing segment experienced higher demand for sawn timber from local buyers, improved selling prices for timber moulding products and industrial sack kraft paper bags. In line with improved demand for sawn timber from domestic buyers, the incoming timber for kiln drying process also increased, hence the higher turnover for Services & Treatment.

The Group via its 51% owned subsidiary, My Squares Development Sdn. Bhd. has successfully undertook the development of 44 units of 3-storey semi-detached factories at Lot 6537, Lorong Sg. Puloh, 6th Miles, Jalan Kapar, Klang. The project was launched in July 2011. Total Gross Development Value (GDV) of the project is forecast to be worth RM123.10 million. As at 31 December 2011, a total of 22 units have been sold. Revenue was based on 25% of the GDV for those units sold.



However the increase in turnover by the three abovementioned segments was partially offset by the RM2.08 million decline in turnover of our Timber Extraction segment which experienced slower logging license approval. As for Timber Trading segment the turnover was RM4.19 million lower mainly attributed to lower demand from overseas buyers as most of the buyers curtail their purchasing activities during the Festive Seasons in the last month of the year.

In tandem with higher turnover, the Group accomplished a pre-tax profit of RM7.57 million for Q4 2011, a significant improvement compared to pre-tax loss of RM2.36 million in the preceding year corresponding period. The profit contributed by Service & Treatment segment in this regard is noteworthy, an approximately RM10.50 million turnaround owing to the profit derived from disposal of three (3) pieces of freehold land.

(b). Year to date – 2011 against 2010.

The Group's turnover for the twelve months of 2011 was RM243.54 million, approximately RM27.09 million more than the RM216.45 million achieved in 2010. Five of the Group's market segments recorded a combine increase of RM33.55 million in their turnover but this was offset by the RM6.46 million decline in turnover by the Timber Extraction and Others market segment. The higher turnover for 2011 was mainly due to the overall increase in the demand for timber combined with higher average selling price for export grade timber. In addition, the turnover from the new market segment i.e. Property Development contributed significantly to the Group's total turnover.

As turnover improved, Group pre-tax profit also increased accordingly, i.e. from a pre-tax profit of RM6.66 million in 2010 to RM22.92 million in 2011, up by RM16.27 million.

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

	THREE MONTHS	
	Q4 2011	Q3 2011
	RM'000	RM'000
Revenue		
- Timber Extraction	-	2,403
- Timber Trading	30,151	38,716
- Manufacturing	18,373	11,421
- Services & Treatment	5,894	5,087
- Property Development	16,184	-
- Others	328	24
	<u>70,930</u>	<u>57,651</u>
Segment Profit		
- Timber Extraction	(64)	363
- Timber Trading	655	(525)
- Manufacturing	(553)	1,813
- Services & Treatment	5,744	8,797
- Property Development	1,739	-
- Others	51	(2,597)
	<u>7,572</u>	<u>7,850</u>
Elimination	-	(9,390)
Taxation	<u>3,647</u>	<u>(1,090)</u>
Profit after taxation	11,219	(2,630)
Gain on revaluation of assets		
Minority interest	<u>(679)</u>	<u>52</u>
Net profit for the year	<u>10,540</u>	<u>(2,578)</u>



Total net revenue for the fourth quarter of 2011 increased by RM13.28 million mainly due to the inclusion of the RM16 million inaugural revenue generated by our Property Development segment. There was also a RM6.95 million increased in turnover by the Manufacturing segment.

Group's pre-tax profit for fourth quarter of 2011 was RM7.57 million, slightly lower than RM7.85 million for third quarter of 2011. Notwithstanding the higher revenue reported in the preceding paragraph, finer profit margins and higher operating and manufacturing cost experienced by a couple of our operating segments affected the bottom line somewhat.

17. Prospects for Current Financial Year

Group performance for the first quarter of year 2012 is expected to be slightly lower as logs are expected to be in short supply due to the monsoon season which is expected to impact negatively into the next quarter. In addition, demand is likely to be lower as overseas buyers especially from the Euro - Zone are unfortunately currently experiencing economic difficulties, some of them quite severely.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/2011 RM'000	Preceding year corresponding quarter 31/12/2010 RM'000	Current year to date 31/12/2011 RM'000	Preceding year corresponding period 31/12/2010 RM'000
Current taxation	(1,209)	(117)	(3,717)	(2,661)
(Over)/Under provision in respect of prior years	145	(252)	145	(286)
Foreign Taxation	-	-	-	-
Deferred Taxation	2,331	(988)	2,331	(988)
	<u>1,267</u>	<u>(1,357)</u>	<u>(1,241)</u>	<u>(3,935)</u>
Our share of results of associated companies	-	-	-	-
	<u>1,267</u>	<u>(1,357)</u>	<u>(1,241)</u>	<u>(3,935)</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. The provision for deferred taxation on account of assets that were revalued has been written back due to the abolishment of the 5% RPTG.

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 2011.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 21 February 2012.

23. Group Borrowings

Total Group borrowings as at 31 December 2011 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	19,350
Unsecured	0
	<hr/>
	19,350
Short Term Borrowings	
Secured	33,345
Unsecured	0
	<hr/>
	33,345
	<hr/>
Total Borrowings	52,695

24. Off Balance Sheet Financial Instruments

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

25. Material Litigation

As at 21 February 2012, 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 except for the following which were reported previously:

- (a). Summon no: G/S MT3-21-222-2006.

On 13 February 2007, a subsidiary of the Company received a writ of summons from the IRB for tax due for year of assessment 2001 and 2002 amounting to RM3.19 million in total. The company has made monthly payments to settle the amount outstanding even though the company's numerous applications for installment payment was rejected by the IRB and as at April 2011, the amount outstanding was reduced to RM2,738,835.06.

During the hearing on 6 December 2011, the High Court decision is as follows:-

- (i). The company has to pay the outstanding taxes amounting to RM2,738,835.06
- (ii). Interest of 4% per annum will be imposed from 6 December 2011 until full settlement.
- (iii). To settle the court cost of RM1,000.00

After the judgment date, the company have make payment of RM150,000.00 and the company has appealed to the IRB to settle the outstanding amount by 24 months installment of RM95,368.13 per month.

- (b). Summon No.: M3-87-5 year 2011 from the Ministry of Domestic Trade and Consumer Affairs.

On 31 March 2011, a subsidiary of the company and two (2) of its directors has been served with summons from the Ministry Of Domestic Trade and Consumer Affairs ("the Ministry"). This new summon is to replace summon no.: 63-43 year 2007 as explained in item (b) above. The Ministry



has decided to institute fresh proceedings based on the same subject matter and offence by issuing a new summon. Kindly refer to the company announcement on 13 April 2011 for the details of the summon.

On 23 November 2011, the company received a notice for compound (Borang 1-Tawaran Untuk Mengkompau) from the Ministry for RM28,000.00 for the above offences and the Ministry shall not proceed with the summon. The company has written to the Ministry to appeal for a lesser amount and on 2 February 2012, the company received a reply from the Ministry, agreed to reduce the compound to RM14,500.00. The company has made full payment on 9 February 2012 and during the hearing on 16 February 2012, the Ministry has withdrawn the summon.

(c). Summon No.: MT3-21-124-2007 and MT3-21-353-09.

On 2 August 2007, we received a writ of summon no.: MT3-21-124-2007 from the IRB for a subsidiary company viz. Syarikat Minho Kilning Sdn. Bhd. for outstanding taxes amounting to RM5.7 million. The same subsidiary company received another summon no.: MT3-21-353-09 from IRB for taxes outstanding for year of assessment 2000 amounting to RM4.3 million.

For Summon no.: MT3-21-124-2007, the company has written to the IRB on 10 January 2012 proposing to settle the outstanding amount by 24 monthly installments and the IRB on 12 January 2012 has replied and agreed with the company's proposal with the following conditions:-

- that the company has to attend the hearing on 20 January 2012 and agreed to enter judgment for RM5,761,429.29.
- that the company is required to pay all the legal cost to the court.
- that the company shall not file any application to the court to set aside the judgment.
- the company has to forward to the IRB twelve(12) postdated cheques for the year 2012 installments before 31 January 2012.
- if the company fail to pay any of the installment, interest equivalent to 4% per annum shall be imposed on the balance outstanding.

The company has forwarded all the cheques for year 2012 installment payments as requested by the IRB and during the hearing on 20 January 2012, the company has pleaded guilty.

During the hearing for summon No.: MT3-21-353-09 on 18 November 2011, the High Court Judge granted Summary Judgment to the Plaintiff (the company) and the High Court decision is as follows:-

- (i). summary judgment entered favouring the company for the sum of RM1,062,133.33.
- (ii). interest at the rate of 4% per annum from 18 November 2011 until date of full payment.
- (iii).no order as to cost.

The company has made payments from August 2011 to January 2012 amounting to RM500,000.00 for the above summon and has proposed to settle the balance of RM562,133.33 by contra against the tax credit of RM903,935.45 belonging to Syarikat Vinco Timber Industries Sdn Bhd, a wholly owned subsidiary of the Group. On 11 January 2012, the IRB has agreed with the above arrangement.

(e). Summon No.: 2INCVC-53-2011

A subsidiary of the company, Syarikat Minho Kilning Sdn. Bhd. received a summon from the IRB on 15 April 2011 for tax outstanding for year of assessment 2006 and 2007 amounting to RM341,802.02. The amount claimed by the IRB comprises RM54,466.39 being the 10% tax penalty due under the tax estimate of CP204 for year 2006 and RM287,335.63 being the additional tax



raised for year 2007 including penalty for late payment. Kindly refer to the company announcement on 19 April 2011 for the details of the summon.

The company has proposed to settle the outstanding amount of RM341,802.02 by contra against the tax credit of RM903,935.45 belonging to Syarikat Vinco Timber Industries Sdn Bhd, a wholly owned subsidiary of the Group. On 11 January 2012, the IRB has agreed with the above arrangement and to withdraw the summon.

26. Dividend

No dividend has been recommended by the Board for the period ended 31 December 2011 (2010: Nil).

27. Earning/ (Loss) Per Share

(a) Basic earnings/ (loss) per share

Basic earnings/ (loss) per share of the Group is calculated by dividing the net earnings/ (loss) attributable to shareholders for the financial periods under review by the number of ordinary shares on issue during the said financial periods.

(b) Diluted earnings per share

Not applicable

28. Realised and Unrealised Profit/Loss Disclosures

	<u>As at</u> <u>31/12/2011</u> RM'000	<u>As at</u> <u>31/12/2010</u> RM'000
Total retained losses of		
Minho (M) Berhad and its subsidiaries:		
- Realised	(29,839)	(37,105)
- Unrealised	<u>(14,438)</u>	<u>(14,337)</u>
	(44,277)	(51,442)
Add: Consolidated adjustments	<u>0</u>	<u>0</u>
Total group retained losses as per consolidated accounts	<u>(44,277)</u>	<u>(51,442)</u>

29. Authorisation for issue

This interim financial information has been approved for issue in accordance with a resolution of the Board of Directors dated 28 February 2012.

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 28 February 2012.