



I. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010.

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/09/2010 (RM'000)	Preceding Year Corresponding Quarter 30/09/2009 (RM'000)	Current Year to date 30/09/2010 (RM'000)	Preceding Period Ended 30/09/2009 (RM'000)
Continuing Operations:				
Revenue	50,905	55,848	158,930	153,297
Cost of sales	(50,281)	(54,751)	(156,385)	(151,648)
Gross profit	624	1,097	2,545	1,649
Other operating income	3,515	1,132	6,337	3,984
Finance cost	(982)	(743)	(2,420)	(2,352)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	3,158	1,486	6,462	3,281
Income tax expense	(1,127)	(26)	(2,578)	(1,635)
Profit for the period from continuing operations	2,031	1,460	3,884	1,646
Loss from discontinued operation	-	-	-	-
Profit for the period	2,031	1,460	3,884	1,646
Other Comprehensive Income:				
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income for the period	2,031	1,460	3,884	1,646
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	1,684	1,232	3,177	1,544
- loss from discontinued operations				
Non-Controlling Interest	347	228	707	102
	2,031	1,460	3,884	1,646
Total comprehensive income attributable to:				
Owners of the Parent				
Non-Controlling Interest				
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	1.53	1.12	2.89	1.41
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 2009)



II. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010.

	Unaudited As at 30/9/2010 RM'000	Audited As at 31/12/2009 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	141,733	144,899
Prepaid lease payments	23,140	23,640
Investment properties	45,458	45,656
Investment in associated company	0	0
Other Investment	500	3,795
	210,832	217,990
Current Assets		
Inventories	87,106	90,039
Trade receivables	36,091	36,009
Other receivables	10,452	11,875
Tax recoverable	3,407	6,610
Deposit with licensed banks	10,102	11,572
Cash and bank balances	6,704	7,305
	153,862	163,410
TOTAL ASSETS	364,693	381,400
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Reserves attributable to capital	142,792	142,792
Retained earnings-profit/(loss)	(47,160)	(50,482)
	205,483	202,161
Non-Controlling Interest	22,915	25,906
Total Equity	228,399	228,067
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	15,921	15,910
Hire Purchase obligations	212	453
Bank borrowings	20,266	21,812
	36,399	38,175
Current Liabilities		
Trade payables	6,031	8,316
Other payables	50,250	61,867
Provision for liabilities	3,012	3,163
Hire purchase obligations	574	787
Bank borrowings	33,307	29,356
Tax Payable	6,721	11,669
	99,896	115,158
Total Liabilities	136,295	153,333
TOTAL EQUITY AND LIABILITIES	364,693	381,400
Net Tangible Assets per RM1.00 sen share (RM)	1.87	1.84

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)



III. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010.

	Attributable to equity holders of the company							Total Equity RM'000
	Share Capital	Share Premium	Reserve on consolidation	Capital Reserve	Retained Losses	Total	Non- Controlling Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Period ended 30 September 2010								
Balance as at 01.01.2010	109,851	92,431	13,464	36,897	(50,482)	202,161	25,906	228,067
Prior years adjustments					145	145		145
Total comprehensive income for the period					3,177	3,177	707	3,884
Acquisition of additional equity in a subsidiary							(1,003)	(1,003)
Dividend distributed to Non-Controlling Interest							(2,695)	(2,695)
Balance as at 30.09.2010	109,851	92,431	13,464	36,897	(47,160)	205,483	22,915	228,398
Period ended 30 September 2009								
Balance as at 01.01.2009	109,851	92,431	13,464	36,897	(53,045)	199,598	26,069	225,667
Total comprehensive income for the period					1,544	1,544	102	1,646
Dividend distributed to Non-Controlling Interest							(2,994)	(2,994)
Balance as at 30.09.2009	109,851	92,431	13,464	36,897	(51,501)	201,142	23,177	224,319

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

**IV. UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010.**

	Cumulative Period	
	Current Year to date 30/09/2010 RM'000	Preceding Period Ended 30/09/2009 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	6,462	3,281
Adjustments for :		
Depreciation, amortisation and impairment losses	5,366	6,171
Interest income	(218)	(120)
Interest expenses	2,374	2,336
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	(2,363)	(81)
Write down of inventories	89	55
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(257)	(5)
Asset written off		20
Operating profit before changes in working capital	11,453	11,657
Net change in current assets	3,674	32,695
Net change in current liabilities	(26,033)	(25,479)
Cash flow from operation	(10,906)	18,873
Taxes paid	(4,062)	(2,487)
Net Cash Flows From Operating Activities	(3,515)	28,043
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(799)	(697)
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary company	(840)	
Proceeds from sale of non-current assets	319	-
Decrease/(increase) in deposits with license bank	1,470	(3,850)
Net Cash Used in Investing Activities	150	(697)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	
Proceeds from bank borrowings and other liabilities	3,951	4,864
Payment for borrowings	(2,355)	(14,271)
Dividends paid to non controlling interest	(2,965)	(345)
Net Cash Flows From Financing Activities	(1,369)	(9,752)
Net Increase in Cash and Cash Equivalents	(4,734)	17,594
Cash and Cash Equivalents at the beginning of the year	(11,985)	(34,986)
Effects of changes in foreign exchange rates	416	1,570
Cash and Cash Equivalents at end of the period	(16,303)	(15,822)
Cash and cash equivalent comprise the following:-		
Bank and cash balances	6,704	6,831
Deposit with license bank	10,102	14,008
Less: Deposit pledged for bank guarantee facilities	(4,588)	(4,588)
	5,514	9,420
Short term borrowings:-		
- Bank Overdraft	(3,987)	(1,656)
- Banker's acceptance	(20,619)	(30,417)
- Letter of credit	(3,915)	-
Total	(16,303)	(15,822)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)



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

1. Accounting Policies and Methods of Computation

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 2009.

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 2009, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group with effect from 1 January 2010.

(i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

In the current period ended 31 March 2010, the Group adopted the following new and revised FRSs, IC Interpretations and Amendments to FRSs, IC Interpretations which are applicable to its financial statements and relevant to its operations:

FRS 7	Financial Instruments: Disclosures.
FRS 8	Operating Segments.
FRS 101(revised)	Presentation of Financial Statements.
FRS 123(revised)	Borrowing Costs.
FRS 139	Financial Instruments: Recognition and Measurement.
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events After the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendments to FRS127	Consolidated and Separate Financial Statements
Amendments to FRS132	Financial Instruments: Presentation
Amendments to FRS134	Interim Financial Reporting
Amendments to FRS136	Impairment of Assets
Amendments to FRS138	Intangible Assets
Amendments to FRS139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction



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:

FRS 101 (revised), Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statement presented consist of statement of financial position, a statement of comprehensive income, a statement of change in equity, a statement cash flow and notes to the financial statements.

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

FRS 8 Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments and a secondary reporting format of geographical segments. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segments based on the segment information provided to the Chief Executive Officer and the Board of Directors.

2. Auditors' Report On Preceding Annual Financial Statements

The auditors' report of the audited financial statements for the financial year ended 31 December 2009 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group are generally affected by the monsoon seasons and the major festive seasons namely Hari Raya Aidilfitri and Chinese New Year holidays.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows.

5. Changes In Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years which may have a material effect on the current interim period.

6. Issuances and Repayments of Debt and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2010.

7. Dividends Paid

There were no dividends declared and paid by the Company for the financial period ended 30 September 2010.



8. Segment Information

The Group's segment information for the financial period ended 30 September 2010 is as follows:-

	Cumulative Period	
	Current Year to date	Preceding Period Ended
	30.09.2010 <u>RM'000</u>	30.09.2009 <u>RM'000</u>
Segment Revenue		
Revenue from continuing operations:		
Timber Extraction	5,850	3,139
Timber Trading	98,978	108,004
Manufacturing	42,568	39,703
Services & Treatment	18,201	19,281
Others	72	72
Total revenue including inter-company sales	165,669	170,199
Elimination of inter-segment sales	(6,739)	(16,902)
Total revenue from continuing operations	158,930	153,297
Revenue from discontinued operations:	-	-
Total	158,930	153,297
Segment Results		
Results from continuing operations:		
Timber Extraction	3,465	2,742
Timber Trading	353	(1,901)
Manufacturing	3,775	2,394
Services & Treatment	(1,074)	707
Others	2,493	104
Total segment results	9,012	4,046
Eliminations inter company dividend	(2,550)	(765)
Total results from continuing operations	6,462	3,281
Results from discontinued operations:	-	-
Total Segment Results	6,462	3,281
Taxation	(2,578)	(1,635)
Profit/(Loss) for the period from continuing operation	3,884	1,646
Non-Controlling Interest	(707)	(102)
Net profit for equity holders of the holding company	3,177	1,544

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 30 September 2010.



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

There are no materials events subsequent to the financial period ended 30 September 2010 that have not been reflected in the related financial statements.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2010.

12. Contingent Liabilities – Unsecured

As at 30 September 2010, 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 RM122,576,482.51, of which an amount of RM45,152,949.00 were utilized.

13. Capital Commitments

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

14. Related Party Transactions.

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

PERIOD	FROM-TO:	AMOUNT TRANSACTED	
		SALES RM'000	PURCHASE RM'000
Q4 2009	1/10/09-31/12/09	22	1,118
Q1 2010	1/01/10-31/03/10	20	3,171
Q2 2010	1/04/07-30/06/07	71	2,129
Q3 2010	1/07/10-30/09/10	22	1,429
TOTAL	1/07/10-30/09/10	22	1,429
Percentage of amount transacted against amount approved		0%	4%
APPROVAL	1/07/10-30/06/11	8,750	37,000
BALANCE APPROVAL		8,579	36,207
		Amount due from	Amount due to
OUTSTANDING FOR :-	30/09/2010	RM'000	RM'000
		367	1,004

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

The Group posted total revenue of RM158.93 million for the nine months ending 30 September 2010, RM5.63 million or 4% more than the RM153.30 million recorded in the corresponding period last year. All the group's market segments recorded higher turnover except for the Timber Trading segment and Services & Treatment segment which deteriorated by RM9.03 million and RM1.08 million respectively.

The Group pre-tax profit rose to RM6.46 million from RM3.28 million mainly due to better performance and higher pre-tax profit registered by all the group's market segments except for Services & Treatment segment which registered a pre-tax loss of RM1.07 million as compared to a pre-tax profit of RM707,000 recorded in the corresponding period.



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

Total revenue for the third quarter of 2010 decreased slightly by RM1.39 million, from RM52.29 million in the second quarter of 2010, to RM50.91 million, down by 3%. Four of the Group's market segments registered a slight increase of RM428,000 in their combined turnover but this was more than offset by the larger RM2.11 million decline in turnover recorded by the Timber Trading segment.

Despite registering lower turnover, the Group's pre-tax profit for the third quarter of 2010 improved slightly by RM112,000, to RM3.16 million from RM3.05 million recorded in the second quarter of 2010. Three of the Group's market segments recorded an increment of RM1.70 million in their combined pre-tax profit but was completely offset by the decline in pre-tax profit recorded by the Timber Extraction and Others market segments which declined by RM1.59 million.

17. Prospects for Current Financial Year

Group Performance for the fourth quarter of year 2010 is expected to remain relatively unchanged as there are no clear indications that the demand for timber and wood-based products will improve significantly in the next quarter.

18. Variance of Actual Profit from Forecast Profit

Not applicable.

19. Taxation

Taxation comprises:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	9/30/2010 RM'000	9/30/2009 RM'000	9/30/2010 RM'000	9/30/2009 RM'000
Current taxation	(1,127)	(26)	(2,544)	(1,635)
(Over)/Under provision in respect of prior years	-	-	(34)	-
Foreign Taxation	-	-	-	-
Deferred Taxation	-	-	-	-
	(1,127)	(26)	(2,578)	(1,635)
Our share of results of associated companies	-	-	-	-
	(1,127)	(26)	(2,578)	(1,635)

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% RPGT.

20. Disposal of Unquoted Investments and Properties

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



21. Quoted Securities

There were no purchases and/or disposals of quoted securities of the Group for the financial period ended 30 September 2010.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 November 2010.

23. Group Borrowings

Total Group borrowings as at 30 September 2010 were as follows:-

	RM'000
Long Term Borrowings	
Secured	20,266
Unsecured	0
	<u>20,266</u>
Short Term Borrowings	
Secured	33,307
Unsecured	0
	<u>33,307</u>
Total Borrowings	<u>53,573</u>

24. Off Balance Sheet Financial Instruments

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

25. Material Litigation

As at 23 November 2010, 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:

- (a). Summon no: G/S MT3-21-220-2004 and G/S MT3-21-222-2006.

On 26 November 2004, a subsidiary of the Company received a writ of summons from the Inland Revenue Board (IRB) for tax liabilities amounting to RM9.53 million. On 13 February 2007, the same subsidiary 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.

For Summon no: G/S MT3-21-220-2004, the hearing was held on 23 August 2010 and the final settlement amount as stipulated in the judgment was RM360,646.27 calculated as follows:-

Original amount outstanding for year of assessment 1998, 1994, 1999, 2000	RM 9,525,846.92
Less:	
Transfer of tax credit from Minho (M) Bhd	(RM3,460,160.72)
Credit for Year 2005 & 2006	(RM 505,039.93)
Payments made from 5/7/2004 to 8/7/2010	(RM5,200,000.00)
Balance payable	RM 360,646.27

The company already made full settlement to IRB via three (3) installments on the following dates:-

(i). 6 Aug 2010	RM100,000.00
(ii). 20 Sep 2010	RM130,300.00
(iii). 15 Oct 2010	RM130,346.27



Summon no: G/S MT3-21-222-2006, the hearing that was scheduled on 1 September 2010 was postponed to 17 December 2010.

(b). Summon No.:63-43 year 2007

A subsidiary company received a summon from the Ministry of Domestic Trade and Consumer Affairs as announced on 7 May 2007. We reported that during the hearing on 19 May 2009, the case has been temporary suspended until further notice.

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

On 2 August 2007, we received a writ of summons 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 from IRB for taxes outstanding for year of assessment 2000 amounting to RM4.3 million. Our solicitors have filed a statement of defense with the court. The hearing for both summonses that were scheduled on 1 September 2010 was postponed to 17 December 2010.

Apart from the above, there is no other material litigation pending as at the date of this announcement.

26. Dividend

No dividend has been recommended by the Board for the period ended 30 September 2010 (2009: 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

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 29 November 2010.