



I. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010.

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2010 (RM'000)	Preceding Year Corresponding Quarter 31/12/2009 (RM'000)	Current Year to date 31/12/2010 (RM'000)	Preceding Period Ended 31/12/2009 (RM'000)
Continuing Operations:				
Revenue	57,516	52,799	216,446	206,096
Cost of sales	(57,296)	(53,031)	(213,681)	(204,678)
Gross profit	220	(232)	2,765	1,418
Other operating income	(1,154)	2,322	5,183	6,306
Finance cost	(1,427)	(990)	(3,847)	(3,342)
Gain/(loss) on financial assets measured at fair value	-	-	-	-
Share of profit/(loss) of associates	-	-	-	-
Profit before tax	(2,361)	1,100	4,101	4,382
Income tax expense	(1,357)	(838)	(3,935)	(2,473)
Profit for the period from continuing operations	(3,718)	262	166	1,909
Loss from discontinued operation	-	-	-	-
Profit for the period	(3,718)	262	166	1,909
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	76,390	262	80,274	1,909
Net Profit/(loss) attributable to:				
Owners of the Parent				
- income from continuing operations	(4,282)	(70)	(1,105)	1,474
- loss from discontinued operations				
Non-Controlling Interest	564	333	1,271	435
Profit for the period	(3,718)	263	166	1,909
Total comprehensive income attributable to:				
Owners of the Parent	75,826		79,003	
Non-Controlling Interest	564		1,271	
	76,390		80,274	
Earnings/(Loss) per share (in sen)				
Basic EPS (in sen)	(3.90)	(0.06)	(1.01)	1.34
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 31 DECEMBER 2010.

	Unaudited As at 30/12/2010 RM'000	Audited As at 31/12/2009 RM'000
ASSETS		
Non-current assets		
Property, Plant and Equipment	232,322	144,899
Prepaid lease payments	23,140	23,640
Investment properties	45,393	45,656
Investment in associated company	0	0
Other Investment	500	3,795
	301,355	217,990
Current Assets		
Inventories	86,142	90,039
Trade receivables	36,580	36,009
Other receivables	9,026	11,875
Tax recoverable	2,753	6,610
Deposit with licensed banks	11,022	11,572
Cash and bank balances	7,920	7,305
	153,442	163,410
TOTAL ASSETS	454,798	381,400
EQUITY AND LIABILITIES		
Equity attributable to owner of the parents		
Share Capital	109,851	109,851
Reserves attributable to capital	222,900	142,792
Retained earnings-profit/(loss)	(51,442)	(50,482)
	281,309	202,161
Non-Controlling Interest	23,479	25,906
Total Equity	304,788	228,067
Non-current liabilities		
Amount due to directors	0	0
Deferred Taxation	31,843	15,910
Hire Purchase obligations	184	453
Bank borrowings	19,261	21,812
	51,289	38,175
Current Liabilities		
Trade payables	6,933	8,316
Other payables	47,206	61,867
Provision for liabilities	3,012	3,163
Hire purchase obligations	486	787
Bank borrowings	32,708	29,356
Tax Payable	8,375	11,669
	98,721	115,158
Total Liabilities	150,010	153,333
TOTAL EQUITY AND LIABILITIES	454,798	381,400
Net Tangible Assets per RM1.00 sen share (RM)	2.56	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 FOURTH QUARTER ENDED 31 DECEMBER 2010.

	Attributable to equity holders of the company							
	Share Capital	Share Premium	Reserve on consolidation	Capital Reserve	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 2010								
Balance as at 01.01.2010	109,851	92,431	13,464	36,897	(51,571)	201,072	25,906	226,978
Prior years adjustments	-	-	-	-	1,234	1,234		1,234
As restated	109,851	92,431	13,464	36,897	(50,337)	202,306	25,906	228,212
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	117,005	(51,442)	281,309	23,479	304,788
Period ended 31 December 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					1,474	1,474	435	1,909
Dividend distributed to Non-Controlling Interest							(544)	(544)
Balance as at 31.12.2009	109,851	92,431	13,464	36,897	(51,571)	201,072	25,960	227,032

(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 FOURTH QUARTER ENDED 31 DECEMBER 2010.

	Current Year to date 30/09/2010 RM'000	Cumulative Period Preceding Period Ended 30/09/2009 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	4,101	4,382
Adjustments for :		
Depreciation, amortisation and impairment losses	8,780	7,966
Interest income	(263)	(392)
Interest expenses	3,074	3,341
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	(2,368)	(85)
Write down of inventories	-	95
Write back of stock value	-	-
Other non-cash items		
(Gain)/loss on disposal of property, plant & equipment	(267)	(5)
Asset written off	9	20
Operating profit before changes in working capital	13,066	15,322
Net change in current assets	6,175	40,643
Net change in current liabilities	(16,194)	(27,507)
Cash flow from operation	3,047	28,458
Taxes paid	(3,895)	(3,232)
Net Cash Flows From Operating Activities	(848)	25,226
Cash Flows From Investing Activities:		
Purchase of PPE and investment property	(1,007)	(1,622)
Purchase of financial assets	-	-
Acquisition of additional investment in a subsidiary company	(840)	-
Proceeds from sale of non-current assets	332	-
Reclass other investment to deposit with licensed bank	(3,295)	-
Dividend received	-	-
Net Cash Used in Investing Activities	(4,810)	(1,622)
Cash Flows From Financing Activities:		
Issue of ordinary shares	-	-
Bank borrowings and other liabilities (Net)	4,650	(19,486)
Dividends paid to non controlling interest in subsidiary company	(2,965)	(543)
Net Cash Flows From Financing Activities	1,685	(20,029)
Net Increase in Cash and Cash Equivalents	(3,973)	3,575
Cash and Cash Equivalents at the beginning of the year	22,316	17,073
Effects of changes in foreign exchange rates	599	1,668
Cash and Cash Equivalents at end of the period	18,942	22,316
Cash and cash equivalent comprise the following:-		
Bank and cash balances	7,920	8,709
Deposit with license bank	11,022	13,607
	18,942	22,316

(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, Issues Committee ("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 31 December 2010 is as follows:-

	Cumulative Period	
	Current Year to date	Preceding Period Ended
	31.12.2010 <u>RM'000</u>	31.12.2009 <u>RM'000</u>
Segment Revenue		
Revenue from continuing operations:		
Timber Extraction	7,932	3,584
Timber Trading	139,582	147,308
Manufacturing	59,281	50,982
Services & Treatment	24,327	25,520
Others	1,331	659
Total revenue including inter-company sales	<u>232,453</u>	<u>228,053</u>
Elimination of inter-segment sales	<u>(16,007)</u>	<u>(21,957)</u>
Total revenue from continuing operations	<u>216,446</u>	<u>206,096</u>
Revenue from discontinued operations:	-	-
Total	<u>216,446</u>	<u>206,096</u>
Segment Results		
Results from continuing operations:		
Timber Extraction	3,539	1,043
Timber Trading	(811)	(1,491)
Manufacturing	4,158	4,307
Services & Treatment	(3,266)	1,075
Others	3,031	318
Total segment results	<u>6,651</u>	<u>5,252</u>
Eliminations inter company dividend	<u>(2,550)</u>	<u>(870)</u>
Total results from continuing operations	<u>4,101</u>	<u>4,382</u>
Results from discontinued operations:	-	-
Total Segment Results	<u>4,101</u>	<u>4,382</u>
Taxation	<u>(3,935)</u>	<u>(2,473)</u>
Profit/(Loss) for the period from continuing operation	166	1,909
Non-Controlling Interest	<u>(1,271)</u>	<u>(435)</u>
Net profit for equity holders of the holding company	<u>(1,105)</u>	<u>1,474</u>

9. Property, Plant, and Equipment.

Carrying Amount of Revalued Assets

The valuation of property, plant, and equipment was carried out in 2010 and the new value is reflected in the financial statements for year ended 31 December 2010.



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

There are no materials events subsequent to the financial period ended 31 December 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 31 December 2010.

12. Contingent Liabilities – Unsecured

As at 31 December 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 RM44,736,182 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:-

<u>PERIOD</u>	<u>FROM-TO:</u>	<u>AMOUNT TRANSACTED</u>	
		<u>SALES</u> <u>RM'000</u>	<u>PURCHASE</u> <u>RM'000</u>
Q1 2010	1/01/10-31/03/10	20	3,171
Q2 2010	1/04/10-30/06/10	71	2,129
Q3 2010	1/07/10-30/09/10	22	1,429
Q4 2010	1/10/10-31/12/10	38	2,294
TOTAL	1/07/10-30/09/10	151	9,023
(A): Total transactions from 1/7/2009-30/6/2010		190	8,841
Shareholders' mandate for RRPT -1/7/2009-30/6/2		8,750	37,000
Balance of the shareholders' mandate		(8,560)	(28,159)
RRPT balances as at 31-7-2010		72	1,662
(B): Total transactions from 1/7/2010-31/12/2010		60	3,723
Shareholders' mandate for RRPT -1/7/2010-30/6/2		8,750	37,000
Balance of the shareholders' mandate		(8,690)	(33,277)
RRPT balances as at 31-12-2010		-	888



**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 registered total revenue of RM216.45 million for the twelve months ending 31 December 2010, RM10.35 million or 5% more than the RM206.10 million recorded in the corresponding period last year. Three of the group's market segments i.e. Timber Extraction, Manufacturing and Others recorded an increase of RM13.06 million in their turnover. The increase in Timber Extraction segment was mainly attributed to higher volume of logs sold following a larger forest concession area logged. The Manufacturing segment experience higher demand for timber moulding products and improved selling price for the industrial sack kraft paper bags. However, this was offset by the combined RM8.89 million decline in Timber Trading and Services & Treatment segments, caused mainly by lower demand for rough sawn timber from buyers in the Euro zone.

The Group pre-tax profit deteriorated slightly i.e. from RM4.38 million to RM4.10 million. The pre-tax profit for the Timber Extraction, Timber Trading and Others segments increased by RM5.89 million but this was largely offset by RM4.20 million decline in the pre-tax profit recorded by the Manufacturing and Services & Treatment segments. The pre-tax profit for Services & Treatment segment actually shrunk by RM4.34 million, mainly owing to higher cost of sales and lower revenue derived from our kiln drying services.

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

Total revenue for the fourth quarter of 2010 increased by RM6.61 million, from RM50.91 million in the third quarter of 2010, to RM57.52 million, up by 13%. Four of the Group market segments registered an increase of RM7.01 million in their combined turnover but this was slightly offset by a small decline in turnover recorded by the Service & Treatment segment which dropped by RM443,000.

Despite registering higher turnover, the Group recorded a pre-tax loss of RM2.36 million as compared to a pre-tax profit of RM3.16 million in the third quarter of 2010, down by RM5.52 million. This was attributed to higher cost of sales due to additional depreciation of RM2.35 million and year-end adjustments taken up in the fourth quarter of 2010.

17. Prospects for Current Financial Year

Group Performance for the first quarter of year 2011 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
	31/12/2010 RM'000	31/12/2009 RM'000	31/12/2010 RM'000	31/12/2009 RM'000
Current taxation	(117)	(504)	(2,661)	(2,139)
(Over)/Under provision in respect of prior years	(252)	(334)	(286)	(334)
Foreign Taxation	-	-	-	-
Deferred Taxation	(988)	-	(988)	-
	<u>(1,357)</u>	<u>(838)</u>	<u>(3,935)</u>	<u>(2,473)</u>
Our share of results of associated companies	-	-	-	-
	<u>(1,357)</u>	<u>(838)</u>	<u>(3,935)</u>	<u>(2,473)</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% 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 31 December 2010.

22. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 22 February 2011.

23. Group Borrowings

Total Group borrowings as at 31 December 2010 were as follows:-

	<u>RM'000</u>
Long Term Borrowings	
Secured	19,261
Unsecured	0
	<u>19,261</u>
Short Term Borrowings	
Secured	32,708
Unsecured	0
	<u>32,708</u>
Total Borrowings	<u>51,969</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 22 February 2011, 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 MT3-21-222-2006.
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 hearing that was scheduled on 22 February 2011 was postponed to 8 March 2011.
- (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 22 February 2011 was postponed to 8 March 2011.

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 31 December 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



28. Realised and Unrealised Profit/Loss Disclosures

	<u>Current financial period/financial year (RM'000)</u>
Total retained profits/(accumulated losses) of Minho (M) Berhad and its subsidiaries:	
- Realised	(51,442)
- Unrealised	<u>0</u>
	(51,442)
Less: Consolidated Adjustments	<u>0</u>
Total group retained profits/ (accumulated losses as per consolidated accounts	<u>(51,442)</u>

By order of the Board

Klang, Selangor Darul Ehsan.

Dated: 28 February 2010.