



# MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

### CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2009	Preceding Year Corresponding Quarter 31/03/2008	Current Year To Date 31/03/2009	Preceding Year Corresponding Period 31/03/2008
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	40,808	26,039	40,808	26,039
<b>COST OF SALES</b>	(36,930)	(21,461)	(36,930)	(21,461)
<b>GROSS PROFIT</b>	3,878	4,578	3,878	4,578
<b>OTHER INCOME</b>	269	147	269	147
<b>SELLING AND MARKETING EXPENSES</b>	(1,080)	(672)	(1,080)	(672)
<b>ADMINISTRATIVE EXPENSES</b>	(1,091)	(1,465)	(1,091)	(1,465)
<b>PROFIT FROM OPERATIONS</b>	1,976	2,588	1,976	2,588
<b>FINANCE COSTS</b>	(1,948)	(2,017)	(1,948)	(2,017)
<b>PROFIT BEFORE TAXATION</b>	28	571	28	571
<b>INCOME TAX</b>	86	(430)	86	(430)
<b>PROFIT FOR THE PERIOD</b>	<u>114</u>	<u>141</u>	<u>114</u>	<u>141</u>
<b>Attributable to:</b>				
<b>Equity holders of the parent</b>	114	141	114	141
<b>Minority Interest</b>	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<u>114</u>	<u>141</u>	<u>114</u>	<u>141</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (SEN) :</b>				
- Basic	0.05	0.07	0.05	0.07
- Diluted	0.05	0.06	0.05	0.06

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

## CONDENSED CONSOLIDATED BALANCE SHEET

	As At 31/03/2009 (Unaudited) RM'000	As At 31/12/2008 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	85,777	87,062
Prepaid land lease payments	16,886	16,911
Biological assets	165	84
Goodwill on consolidation	98,426	98,426
Deferred tax assets	209	209
	<u>201,463</u>	<u>202,692</u>
<b>Current Assets</b>		
Property development costs	10,525	10,489
Inventories	31,481	36,804
Trade receivables	21,320	19,750
Other receivables	41,965	42,233
Tax recoverable	619	617
Cash and bank balances	26,773	12,730
	<u>132,683</u>	<u>122,623</u>
<b>TOTAL ASSETS</b>	<b><u>334,146</u></b>	<b><u>325,315</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share capital	105,050	105,050
Share premium	33,766	33,766
Other reserve	5,805	5,805
Retained earnings	54,314	54,200
<b>Total Equity</b>	<b><u>198,935</u></b>	<b><u>198,821</u></b>
<b>Non-Current Liabilities</b>		
Borrowings	63,538	63,639
Deferred tax liabilities	8,641	8,727
	<u>72,179</u>	<u>72,366</u>
<b>Current Liabilities</b>		
Borrowings	40,482	40,501
Trade payables	5,914	5,744
Other payables	16,636	7,883
	<u>63,032</u>	<u>54,128</u>
<b>Total Liabilities</b>	<b><u>135,211</u></b>	<b><u>126,494</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>334,146</u></b>	<b><u>325,315</u></b>
<b>Net Assets Per Share (Sen)</b>	91.92	91.87

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent				Minority Interest	Total Equity	
	SHARE CAPITAL RM'000	Non-Distributable		Distributable			
		SHARE PREMIUM RM'000	OTHER RESERVE RM'000	RETAINED EARNINGS RM'000			TOTAL RM'000
<b>At 1 January 2008</b>	105,050	33,766	5,805	44,590	189,211	-	189,211
Profit for the period	-	-	-	141	141	-	141
<b>At 31 March 2008</b>	<u>105,050</u>	<u>33,766</u>	<u>5,805</u>	<u>44,731</u>	<u>189,352</u>	<u>-</u>	<u>189,352</u>
<b>At 1 January 2009</b>	105,050	33,766	5,805	54,200	198,821	-	198,821
Profit for the period	-	-	-	114	114	-	114
<b>At 31 March 2009</b>	<u>105,050</u>	<u>33,766</u>	<u>5,805</u>	<u>54,314</u>	<u>198,935</u>	<u>-</u>	<u>198,935</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.*



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended	
	31/03/2009	31/03/2008
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	28	571
Adjustments for:		
Depreciation of property, plant and equipment	1,310	1,249
Gain on disposal of property, plant and equipment	(77)	(14)
Interest income	(120)	(133)
Finance costs	1,948	2,017
Operating profit before working capital changes	<u>3,089</u>	<u>3,690</u>
Decrease / (increase) in inventories	5,323	(5,040)
(Increase) / decrease in receivables	(1,618)	8,489
Increase in payables	7,315	4,161
Development costs incurred	(36)	(79)
Cash generated from operations	<u>14,073</u>	<u>11,221</u>
Interest paid	(24)	(110)
Income tax paid	(2)	(559)
Net cash generated from operating activities	<u>14,047</u>	<u>10,552</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1)	(8,658)
Payment for planting expenditure	(80)	(1)
Proceeds from disposal of property, plant and equipment	77	83
Interest received	120	133
Net cash from / (used in) investing activities	<u>116</u>	<u>(8,443)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase liabilities	(120)	(15)
Repayment of export credit refinancing	-	(5,666)
Net cash used in financing activities	<u>(120)</u>	<u>(5,681)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	14,043	(3,572)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	12,730	19,513
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>26,773</u>	<u>15,941</u>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.*



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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### A. EXPLANATORY NOTES PURSUANT TO FRS 134

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#### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

#### A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

#### A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding annual financial statements was not qualified.

#### A4. Segmental Information

The company is principally operating in one industry. As a result, no segmental reporting is disclosed.

#### A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review.

#### A6. Changes in Estimates

There were no other changes in estimates that have a material effect in the current quarter results.



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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### A. EXPLANATORY NOTES PURSUANT TO FRS 134

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#### A7. Seasonal and Cyclical Factors

Timbers industry is to a certain extent affected by weather conditions especially on the supply of logs.

#### A8. Dividend Paid

No dividend was paid during the financial quarter under review.

#### A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the preceding annual financial statements.

#### A10. Debt and Equities Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter.

#### A11. Changes in Composition of the Group

There were no change in the composition of the Group during the current quarter under review.

#### A12. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the current quarter as at 31 March 2009 is as follows:

	RM'000
Approved and contracted for	<u>514</u>

#### A13. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets at the date of this report.



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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### A. EXPLANATORY NOTES PURSUANT TO FRS 134

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#### A14. Subsequent Events

There were no material events subsequent to the end of the current quarter ended 31 March 2009.

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### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

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#### B1. Review of Performance

The Group's recorded revenue of RM40.81 million for the current financial period ended 31 March 2009 as compared to RM26.04 million in the prior financial period ended 31 March 2008.

However, the Group's profit before taxation has decreased from RM0.57 million for the prior financial period ended 31 March 2008 to RM0.03 million for the current financial period ended 31 March 2009, a decrease of 95% is mainly attributed to lower sales margin of timber and timber products impacted by the global financial crisis during the current financial period.

#### B2. Variation of Result to Immediate Preceding Quarter

For the current quarter ended 31 March 2009, the Group's revenue has increased to RM40.81 million from RM32.05 million for the immediate preceding quarter ended 31 December 2008 due to demand for the Group's timber continue to be strong.

However, the Group's profit before taxation has decreased to RM0.03 million from RM3.90 million for the respective quarters due to lower sales margin of timber and timber products impacted by the global financial crisis during the current quarter.

#### B3. Company's Prospects

The directors are of the opinion that the performance for the remaining period to the end of financial year is dependent on external factors affecting prices and demand for panel products, moulding products and logs.

#### B4. Profit Forecast and Profit Guarantee

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



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

<b>B5. Income tax</b>	Current Quarter 31/03/2009 <b>RM'000</b>	Current Year To Date 31/03/2009 <b>RM'000</b>
Deferred taxation	<u>(86)</u>	<u>(86)</u>

The effective tax rate for the current quarter and current year to date is lower than the statutory tax rate due to the utilisation of available allowances which can be set off against taxable profits.

#### **B6. Profit or Loss on Sale of Unquoted Investment and Properties**

There were no sales of unquoted investments and properties during the current quarter under review.

#### **B7. Quoted Securities**

There were no purchases or disposal of quoted securities during the current financial year.

#### **B8. Corporate Proposals**

There were no corporate proposal announced but not completed as at the date of this report.

#### **B9. Borrowings**

	As At 31/03/2009	As At 31/12/2008
Short term borrowings:		
Secured	<u>40,482</u>	<u>40,501</u>
Long term borrowings:		
Secured	60,902	61,003
Unsecured	<u>2,636</u>	<u>2,636</u>
	<u>63,538</u>	<u>63,639</u>

The unsecured long term borrowings represent the liability component of the Irredeemable Convertible Preference Shares of RM0.10 each ("ICPS"). There were no movements in the ICPS during the current period under review.

All the Group's borrowings are denominated in Ringgit Malaysia.





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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

#### B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments at the date of this report.

#### B11. Material Litigation

There was no pending material litigation at the date of this report.

#### B12. Dividend Declared

There was no dividend declared for the financial quarter under review.

#### B13. Earnings Per Share

The basic earning per share amounts are calculated by dividing the profit for the period attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2009	Preceding Year Corresponding Quarter 31/03/2008	Current Year To Date 31/03/2009	Preceding Year Corresponding Period 31/03/2008
<b>Basic</b>				
Profit attributable to equity holders of the parent (RM'000)	<u>114</u>	<u>141</u>	<u>114</u>	<u>141</u>
Weighted average number of ordinary shares in issue ('000)	<u>210,100</u>	<u>210,100</u>	<u>210,100</u>	<u>210,100</u>
Basic earnings per share (Sen)	0.05	0.07	0.05	0.07



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA

#### B13. Earnings Per Share (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2009	Preceding Year Corresponding Quarter 31/03/2008	Current Year To Date 31/03/2009	Preceding Year Corresponding Period 31/03/2008
<b>Diluted</b>				
Profit attributable to equity holders of the parent (RM'000)	114	141	114	141
Adjustment for after-tax effect of interest expense on ICPS (RM'000)	33	33	33	33
Adjusted profit attributable to equity holders of the parent (RM'000)	<u>147</u>	<u>174</u>	<u>147</u>	<u>174</u>
Weighted average number of ordinary shares in issue ('000)	210,100	210,100	210,100	210,100
Adjustment for assumed conversion of ICPS ('000)	84,415	84,415	84,415	84,415
Diluted weighted average number of ordinary shares in issue ('000)	<u>294,515</u>	<u>294,515</u>	<u>294,515</u>	<u>294,515</u>
Diluted earnings per share (Sen)	0.05	0.06	0.05	0.06