



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30/09/2009	Preceding Year Corresponding Quarter 30/09/2008	Current Year To Date 30/09/2009	Preceding Year Corresponding Period 30/09/2008
	RM'000	RM'000	RM'000	RM'000
REVENUE	64,242	36,383	165,337	92,484
COST OF SALES	(55,205)	(27,665)	(146,218)	(74,867)
GROSS PROFIT	9,037	8,718	19,119	17,617
OTHER INCOME	46	6	431	470
SELLING AND MARKETING EXPENSES	(864)	(1,701)	(2,942)	(3,843)
ADMINISTRATIVE EXPENSES	(940)	(1,337)	(3,073)	(3,908)
PROFIT FROM OPERATIONS	7,279	5,686	13,535	10,336
FINANCE COSTS	(1,573)	(1,940)	(5,137)	(5,907)
PROFIT BEFORE TAXATION	5,706	3,746	8,398	4,429
INCOME TAX	(1,083)	(1,182)	(1,793)	2,706
PROFIT FOR THE PERIOD	4,623	2,564	6,605	7,135
Attributable to:				
Equity holders of the parent	4,623	2,564	6,605	7,135
Minority Interest	-	-	-	-
PROFIT FOR THE PERIOD	4,623	2,564	6,605	7,135
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (SEN) :				
- Basic	2.20	1.22	3.14	3.40
- Diluted	1.58	0.88	2.28	2.46

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.



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

CONDENSED CONSOLIDATED BALANCE SHEET

	As At 30/09/2009 (Unaudited) RM'000	As At 31/12/2008 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	83,666	87,062
Prepaid land lease payments	16,836	16,911
Biological assets	445	84
Goodwill on consolidation	98,426	98,426
Deferred tax assets	209	209
	<u>199,582</u>	<u>202,692</u>
Current Assets		
Property development costs	10,858	10,489
Inventories	27,295	36,804
Trade receivables	26,493	19,750
Other receivables	29,520	42,233
Tax recoverable	614	617
Cash and bank balances	14,599	12,730
	<u>109,379</u>	<u>122,623</u>
TOTAL ASSETS	<u>308,961</u>	<u>325,315</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Parent		
Share capital	105,050	105,050
Share premium	33,766	33,766
Other reserve	5,805	5,805
Retained earnings	60,805	54,200
Total Equity	<u>205,426</u>	<u>198,821</u>
Non-Current Liabilities		
Borrowings	43,481	63,639
Deferred tax liabilities	10,508	8,727
	<u>53,989</u>	<u>72,366</u>
Current Liabilities		
Borrowings	40,580	40,501
Trade payables	4,064	5,744
Other payables	4,902	7,883
	<u>49,546</u>	<u>54,128</u>
Total Liabilities	<u>103,535</u>	<u>126,494</u>
TOTAL EQUITY AND LIABILITIES	<u>308,961</u>	<u>325,315</u>
Net Assets Per Share (Sen)	95.01	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.



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent				TOTAL	Minority Interest	Total Equity
	Non-Distributable		Distributable				
	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVE	RETAINED EARNINGS			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008	105,050	33,766	5,805	44,590	189,211	-	189,211
Profit for the period	-	-	-	7,135	7,135	-	7,135
At 30 September 2008	<u>105,050</u>	<u>33,766</u>	<u>5,805</u>	<u>51,725</u>	<u>196,346</u>	<u>-</u>	<u>196,346</u>
At 1 January 2009	105,050	33,766	5,805	54,200	198,821	-	198,821
Profit for the period	-	-	-	6,605	6,605	-	6,605
At 30 September 2009	<u>105,050</u>	<u>33,766</u>	<u>5,805</u>	<u>60,805</u>	<u>205,426</u>	<u>-</u>	<u>205,426</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.



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 months ended	
	30/09/2009	30/09/2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,398	4,429
Adjustments for:		
Depreciation of property, plant and equipment	3,844	4,077
Amortisation of prepaid land lease payments	75	75
(Gain)/loss on disposal of property, plant and equipment	(109)	112
Interest income	(182)	(350)
Finance costs	5,137	5,907
Operating profit before working capital changes	<u>17,163</u>	<u>14,250</u>
Decrease / (increase) in inventories	9,509	(13,389)
Decrease in receivables	6,424	16,162
(Decrease) / increase in payables	(5,632)	3,727
Development costs incurred	(369)	(348)
Cash generated from operations	<u>27,095</u>	<u>20,402</u>
Interest paid	(4,618)	(4,628)
Income tax paid	(9)	(2,249)
Net cash generated from operating activities	<u>22,468</u>	<u>13,525</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(240)	(12,099)
Payment for planting expenditure	(357)	(17)
Proceeds from disposal of property, plant and equipment	202	2,001
Interest received	182	350
Net cash used in investing activities	<u>(213)</u>	<u>(9,765)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase liabilities	(386)	(71)
Repayment of BaiDs	(20,000)	-
Repayment of export credit refinancing	-	(7,370)
Net cash used in financing activities	<u>(20,386)</u>	<u>(7,441)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,869	(3,681)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	12,730	19,513
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>14,599</u>	<u>15,832</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.



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A. EXPLANATORY NOTES PURSUANT TO FRS 134

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.

A7. Seasonal and Cyclical Factors

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



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A. EXPLANATORY NOTES PURSUANT TO FRS 134

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 30 September 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.

A14. Subsequent Events

There were no material events subsequent to the end of the current quarter ended 30 September 2009.



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

B1. Review of Performance

The Group's recorded revenue of RM165.3 million for the current financial period ended 30 September 2009 as compared to RM92.5 million in the prior financial period ended 30 September 2008.

The Group's profit before taxation has increased from RM4.4 million for the prior financial period ended 30 September 2008 to RM8.4 million for the current financial period ended 30 September 2009, an increase of 90% is mainly attributed to higher demand for timber and timber products during the current financial period.

B2. Variation of Result to Immediate Preceding Quarter

For the current quarter ended 30 September 2009, the Group's revenue has increased to RM64.2 million from RM60.3 million for the immediate preceding quarter ended 30 June 2009 due to demand for the Group's timbers and timbers products continue to be strong.

The Group's profit before taxation has increased to RM5.7 million from RM2.7 million for the respective quarters due to higher sales margin of timber and timber products 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.

B5. Income tax

	Current Quarter 30/09/2009 RM'000	Current Year To Date 30/09/2009 RM'000
Current taxation	5	13
Deferred taxation	1,078	1,780
	<u>1,083</u>	<u>1,793</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 reinvestment allowances which can be set off against taxable profits.



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

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 30/09/2009 RM'000	As At 31/12/2008 RM'000
Short term borrowings:		
Secured	<u>40,580</u>	<u>40,501</u>
Long term borrowings:		
Secured	40,845	61,003
Unsecured	<u>2,636</u>	<u>2,636</u>
	<u>43,481</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.

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.



MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

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 30/09/2009	Preceding Year Corresponding Quarter 30/09/2008	Current Year To Date 30/09/2009	Preceding Year Corresponding Period 30/09/2008
Basic				
Profit attributable to equity holders of the parent (RM'000)	<u>4,623</u>	<u>2,564</u>	<u>6,605</u>	<u>7,135</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)	2.20	1.22	3.14	3.40
Diluted				
Profit attributable to equity holders of the parent (RM'000)	4,623	2,564	6,605	7,135
Adjustment for after-tax effect of interest expense on ICPS (RM'000)	<u>33</u>	<u>33</u>	<u>99</u>	<u>99</u>
Adjusted profit attributable to equity holders of the parent (RM'000)	<u>4,656</u>	<u>2,597</u>	<u>6,704</u>	<u>7,234</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)	<u>84,415</u>	<u>84,415</u>	<u>84,415</u>	<u>84,415</u>
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)	1.58	0.88	2.28	2.46