



# MAXTRAL INDUSTRY BERHAD

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

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

### CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2009	Preceding Year Corresponding Quarter 31/12/2008	Current Year To Date 31/12/2009	Preceding Year Corresponding Period 31/12/2008
	RM'000	RM'000	RM'000	RM'000
REVENUE	35,333	32,052	200,670	124,536
COST OF SALES	(33,564)	(24,164)	(179,782)	(99,031)
<b>GROSS PROFIT</b>	<b>1,769</b>	<b>7,888</b>	<b>20,888</b>	<b>25,505</b>
OTHER INCOME	113	88	544	558
SELLING AND MARKETING EXPENSES	(909)	(1,349)	(3,851)	(5,192)
ADMINISTRATIVE EXPENSES	(1,183)	(781)	(4,256)	(4,689)
<b>PROFIT/(LOSS) FROM OPERATIONS</b>	<b>(210)</b>	<b>5,846</b>	<b>13,325</b>	<b>16,182</b>
FINANCE COSTS	(1,691)	(1,948)	(6,828)	(7,855)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>(1,901)</b>	<b>3,898</b>	<b>6,497</b>	<b>8,327</b>
INCOME TAX	282	(1,423)	(1,511)	1,283
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(1,619)</b>	<b>2,475</b>	<b>4,986</b>	<b>9,610</b>
<b>Attributable to:</b>				
<b>Equity holders of the parent</b>	<b>(1,619)</b>	<b>2,475</b>	<b>4,986</b>	<b>9,610</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (SEN) :</b>				
- Basic	(0.55)	0.84	1.69	3.26
- Diluted	(0.55)	0.84	1.69	3.26

*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 FOURTH QUARTER ENDED 31 DECEMBER 2009

## CONDENSED CONSOLIDATED BALANCE SHEET

	As At 31/12/2009 (Unaudited) RM'000	As At 31/12/2008 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	82,664	87,061
Prepaid land lease payments	16,810	16,912
Biological assets	596	84
Goodwill on consolidation	98,425	98,425
Deferred tax assets	-	209
	<u>198,495</u>	<u>202,691</u>
<b>Current Assets</b>		
Property development costs	10,843	10,489
Inventories	27,923	36,804
Trade receivables	14,682	19,750
Other receivables	31,735	42,233
Tax recoverable	620	617
Cash and bank balances	19,076	12,730
	<u>104,879</u>	<u>122,623</u>
<b>TOTAL ASSETS</b>	<b><u>303,374</u></b>	<b><u>325,314</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share capital	105,050	105,050
Other reserves	38,120	39,571
Retained earnings	59,185	54,199
<b>Total Equity</b>	<u>202,355</u>	<u>198,820</u>
<b>Non-Current Liabilities</b>		
Borrowings	42,547	63,639
Deferred tax liabilities	11,464	8,727
	<u>54,011</u>	<u>72,366</u>
<b>Current Liabilities</b>		
Borrowings	40,832	40,501
Trade payables	3,745	5,744
Other payables	2,431	7,883
	<u>47,008</u>	<u>54,128</u>
<b>Total Liabilities</b>	<u>101,019</u>	<u>126,494</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>303,374</u></b>	<b><u>325,314</u></b>
<b>Net Assets Per Share (Sen)</b>	96.31	94.63

*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 FOURTH QUARTER ENDED 31 DECEMBER 2009

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent			TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	Non- Distributable OTHER RESERVES RM'000	Distributable RETAINED EARNINGS RM'000	
<b>At 1 January 2008</b>	105,050	39,571	44,589	189,210
Profit for the year	-	-	9,610	9,610
<b>At 31 December 2008</b>	<u>105,050</u>	<u>39,571</u>	<u>54,199</u>	<u>198,820</u>
<b>At 1 January 2009</b>	105,050	39,571	54,199	198,820
Profit for the year	-	-	4,986	4,986
Deferred tax on equity component of ICPS	-	(1,451)	-	(1,451)
<b>At 31 December 2009</b>	<u>105,050</u>	<u>38,120</u>	<u>59,185</u>	<u>202,355</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 FOURTH QUARTER ENDED 31 DECEMBER 2009

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended	
	31/12/2009	31/12/2008
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,497	8,327
Adjustments for:		
Depreciation of property, plant and equipment	5,121	5,332
Amortisation of prepaid land lease payments	101	101
(Gain)/loss on disposal of property, plant and equipment	(38)	130
Property, plant and equipment written off	-	22
Bad debts written off	-	26
Interest income	(249)	(465)
Finance costs	6,828	7,855
Operating profit before working capital changes	<u>18,260</u>	<u>21,328</u>
Decrease /(increase) in inventories	8,881	(16,839)
Decrease in receivables	15,353	15,793
(Decrease)/increase in payables	(7,360)	1,499
Development costs incurred	(354)	(368)
Cash generated from operations	<u>34,780</u>	<u>21,413</u>
Interest paid	(7,158)	(7,855)
Income tax paid	(18)	(2,249)
Net cash generated from operating activities	<u>27,604</u>	<u>11,309</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(603)	(12,985)
Payment for planting expenditure	(506)	(60)
Proceeds from disposal of property, plant and equipment	217	2,014
Interest received	249	465
Net cash used in investing activities	<u>(643)</u>	<u>(10,566)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of BaIDs	(20,088)	-
Repayment of hire purchase liabilities	(527)	(156)
Repayment of export credit refinancing	-	(7,370)
Net cash used in financing activities	<u>(20,615)</u>	<u>(7,526)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	6,346	(6,783)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	12,730	19,513
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u>19,076</u>	<u>12,730</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 FOURTH QUARTER ENDED 31 DECEMBER 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.

#### A7. Seasonal and Cyclical Factors

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



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009

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### A. EXPLANATORY NOTES PURSUANT TO FRS 134

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#### 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

There were no capital commitments for the current quarter under review.

#### 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 31 December 2009.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 RM200.7 million for the current financial year ended 31 December 2009 as compared to RM124.5 million in the prior financial year ended 31 December 2008.

However, the Group's profit before taxation has decreased from RM8.3 million for the prior financial year ended 31 December 2008 to RM6.5 million for the current financial year ended 31 December 2009, a decrease of 22% is mainly attributed to lower sales margin of timber and timber products impacted by the global financial crisis during the current financial year.

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

For the current quarter ended 31 December 2009, the Group's revenue has decreased to RM35.3 million from RM64.2 million for the immediate preceding quarter ended 30 September 2009 due to lower demand for timber and timber products during the current quarter.

The Group's recorded loss before taxation of RM1.9 million as compared to profit before taxation of RM5.7 million for respective quarters due to lower sales margin and demand of timber and timber product 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.

### B5. Income tax

	Current Quarter 31/12/2009 RM'000	Current Year To Date 31/12/2009 RM'000
Current taxation	3	16
Deferred taxation	(284)	1,496
Over provision in prior year	(1)	(1)
	<u>(282)</u>	<u>1,511</u>

The effective tax rate for the current quarter is higher than the statutory tax rate due to certain expenses which are disallowable for tax purposes and the 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.



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### **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 31/12/2009 RM'000	As At 31/12/2008 RM'000
Short term borrowings:		
Secured	<u>40,832</u>	<u>40,501</u>
Long term borrowings:		
Secured	41,384	61,003
Unsecured	<u>1,163</u>	<u>2,636</u>
	<u>42,547</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").

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.





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### 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.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/12/2009	Preceding Year Corresponding Quarter 31/12/2008	Current Year To Date 31/12/2009	Preceding Year Corresponding Period 31/12/2008
<b>Basic</b>				
Profit/ (loss) attributable to equity holders of the parent (RM'000)	<u>(1,619)</u>	<u>2,475</u>	<u>4,986</u>	<u>9,610</u>
Weighted average number of ordinary shares in issue ('000)	210,100	210,100	210,100	210,100
Assumed conversion of ICPS ('000)	<u>84,415</u>	<u>84,415</u>	<u>84,415</u>	<u>84,415</u>
Adjusted 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>
Basic earnings per share (Sen)	(0.55)	0.84	1.69	3.26

#### Diluted

The Group has no potential ordinary shares in issue as at the balance sheet date and therefore, diluted earnings per share is presented as equal to basic earnings per share.