



# MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2011	Preceding Year Corresponding Quarter 31/03/2010	Current Year To Date 31/03/2011	Preceding Year Corresponding Period 31/03/2010
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	8,275	27,465	8,275	27,465
Cost of sales	(9,455)	(27,099)	(9,455)	(27,099)
<b>Gross (loss)/profit</b>	(1,180)	366	(1,180)	366
Other operating income	154	21	154	21
Selling expenses	(390)	(1,181)	(390)	(1,181)
Administrative expenses	(1,706)	(1,205)	(1,706)	(1,205)
<b>Loss from operation</b>	(3,122)	(1,999)	(3,122)	(1,999)
Interest income	30	85	30	85
Finance costs	(1,066)	(1,437)	(1,066)	(1,437)
<b>Loss before taxation from continuing operations</b>	(4,158)	(3,351)	(4,158)	(3,351)
Income tax expense	692	659	692	659
<b>Loss from continuing operations, net of tax</b>	(3,466)	(2,692)	(3,466)	(2,692)
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	(1)	-	(1)	-
<b>Total comprehensive loss for the period</b>	<u>(3,467)</u>	<u>(2,692)</u>	<u>(3,467)</u>	<u>(2,692)</u>
<b>Attributable to: Owners of the parent</b>	<u>(3,467)</u>	<u>(2,692)</u>	<u>(3,467)</u>	<u>(2,692)</u>
<b>Loss per share attributable to owners of the parent (Sen) :</b>				
- Basic	(1.65)	(1.28)	(1.65)	(1.28)
- Diluted	(1.17)	(0.91)	(1.17)	(0.91)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2010 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 FIRST QUARTER ENDED 31 MARCH 2011

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31/03/2011 <b>RM'000</b> <b>(Unaudited)</b>	As At 31/12/2010 <b>RM'000</b> <b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	84,065	85,371
Goodwill on consolidation	98,423	98,423
	<u>182,488</u>	<u>183,794</u>
<b>Current Assets</b>		
Property development costs	11,683	11,658
Inventories	8,834	11,808
Trade receivables	4,116	4,637
Other receivables	46,392	46,450
Tax recoverable	25	20
Cash and bank balances	24,526	2,370
	<u>95,576</u>	<u>76,943</u>
Assets of disposal group classified as held for sale	10,787	10,783
	<u>106,363</u>	<u>87,726</u>
<b>TOTAL ASSETS</b>	<b><u>288,851</u></b>	<b><u>271,520</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Parent</b>		
Share capital	105,050	105,050
Other reserves	38,120	38,120
Retained earnings	45,679	49,146
<b>Total Equity</b>	<b><u>188,849</u></b>	<b><u>192,316</u></b>
<b>Non-Current Liabilities</b>		
Borrowings	21,891	21,512
Deferred tax liabilities	8,802	9,498
	<u>30,693</u>	<u>31,010</u>
<b>Current Liabilities</b>		
Borrowings	60,778	40,897
Trade payables	3,586	3,567
Other payables	4,870	3,630
Taxation	23	18
	<u>69,257</u>	<u>48,112</u>
Liabilities directly associated with disposal group classified as held for sale	52	82
	<u>69,309</u>	<u>48,194</u>
<b>Total Liabilities</b>	<b><u>100,002</u></b>	<b><u>79,204</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>288,851</u></b>	<b><u>271,520</u></b>
<b>Net Assets Per Share (Sen)</b>	89.89	91.54

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2010 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 FIRST QUARTER ENDED 31 MARCH 2011

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent			
	Share Capital RM'000	Non- Distributable Other Reserves RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
<b>At 1 January 2010</b>	105,050	38,120	59,185	202,355
Total comprehensive loss for the period	-	-	(2,692)	(2,692)
<b>At 31 March 2010</b>	<u>105,050</u>	<u>38,120</u>	<u>56,493</u>	<u>199,663</u>
<b>At 1 January 2011</b>	105,050	38,120	49,146	192,316
Total comprehensive loss for the period	-	-	(3,467)	(3,467)
<b>At 31 March 2011</b>	<u>105,050</u>	<u>38,120</u>	<u>45,679</u>	<u>188,849</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 2010 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 FIRST QUARTER ENDED 31 MARCH 2011

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	3 months ended	
	31/03/2011	31/03/2010
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before tax from continuing operations	(4,158)	(3,351)
Loss before tax from discontinued operation	(1)	-
Loss before taxation, total	<u>(4,159)</u>	<u>(3,351)</u>
Adjustments for:		
Depreciation of property, plant and equipment	1,312	1,305
Interest income	(30)	(85)
Finance costs	1,066	1,437
Operating loss before working capital changes	<u>(1,811)</u>	<u>(694)</u>
Decrease in inventories	2,973	14,095
Decrease / (increase) in receivables	573	(4,727)
Increase/(decrease) in payables	1,124	(1,260)
Development costs incurred	(25)	(189)
Cash generated from operations	<u>2,834</u>	<u>7,225</u>
Interest paid	(535)	(576)
Income tax paid	(4)	(5)
Net cash generated from operating activities	<u>2,295</u>	<u>6,644</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6)	(3)
Payment for planting expenditure	(25)	(94)
Interest received	30	85
Net cash used in investing activities	<u>(1)</u>	<u>(12)</u>
<b>Cash flows from financing activities</b>		
Drawdown of term loan	20,000	-
Repayment of hire purchase liabilities	(165)	(144)
Net cash generated from / (used in) financing activities	<u>19,835</u>	<u>(144)</u>
<b>Net increase in cash and cash equivalents</b>	22,129	6,488
<b>Cash and cash equivalents at beginning of financial period</b>	2,404	19,075
<b>Cash and cash equivalents at end of financial period</b>	<u>24,533</u>	<u>25,563</u>

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements of the Company for the year ended 31 December 2010 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 FIRST QUARTER ENDED 31 MARCH 2011

### 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 2010. 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 2010.

#### 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 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Issues Committee Interpretations (IC Interpretations) effective from 1 January 2011.

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to :	
- FRS 1	First Time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemptions for First-time Adopters
- FRS 2	Share-based Payment
- FRS 2	Group Cash-settled Share-based Payment Transactions
- FRS 5	Non-current Assets Held for Sale and Discontinued Operations
- FRS 7	Improving Disclosures about Financial Instruments
- FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
- FRS 138	Intangible Assets
- FRSs	Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-Cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to	
IC Interpretation 9	Reassessment of Embedded Derivatives

The adoption of the above FRSs, Amendments and IC Interpretations do not have any significant financial impact on the Group's results.

#### 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.



# MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

---

### A. EXPLANATORY NOTES PURSUANT TO FRS 134

---

#### 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

The timber 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 carrying amount 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 changes 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 March 2011.



# MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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

#### B1. Review of Performance

The Group's recorded revenue of RM8.3 million for the current financial period ended 31 March 2011 as compared to RM27.5 million in the prior financial period ended 31 March 2010.

The Group's recorded loss before taxation of RM4.2 million for the current financial period ended 31 March 2011 as compare to RM3.4 million in the prior financial period ended 31 March 2010. This is mainly due to lower demand of timber and timber products and the weakening of US Dollar against the Ringgit Malaysia during the current financial period.

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

For the current quarter ended 31 March 2011, the Group's revenue has increased to RM8.3 million from RM7.6 million for the immediate preceding quarter ended 31 December 2010 due to higher demand for timber and timber products during the current quarter.

The Group's recorded loss before taxation of RM4.2 million as compared to RM4.3 million for respective quarters ended 31 December 2010.

#### 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 31/03/2011 RM'000	Current Year To Date 31/03/2011 RM'000
Current taxation	(4)	(4)
Deferred taxation	696	696
	<u>692</u>	<u>692</u>

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



# MAXTRAL INDUSTRY BERHAD

(Company No. 584501-H)

(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

### **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 period.

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

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

#### **B9. Borrowings**

	As At 31/03/2011 <b>RM'000</b>	As At 31/12/2010 <b>RM'000</b>
Short term borrowings:		
Secured	<u>60,778</u>	<u>40,897</u>
Long term borrowings:		
Secured	21,182	20,706
Unsecured	<u>709</u>	<u>806</u>
	<u>21,891</u>	<u>21,512</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.

#### **B12. Dividend Declared**

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





# MAXTRAL INDUSTRY BERHAD

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

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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

#### B13. Loss Per Share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31/03/2011	Preceding Year Corresponding Quarter 31/03/2010	Current Year To Date 31/03/2011	Preceding Year Corresponding Period 31/03/2010
<b>Basic</b>				
Loss attributable to owners of the parent (RM'000)	<u>(3,467)</u>	<u>(2,692)</u>	<u>(3,467)</u>	<u>(2,692)</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 loss per share (Sen)	(1.65)	(1.28)	(1.65)	(1.28)
<b>Diluted</b>				
Loss attributable to owners of the parent (RM'000)	(3,467)	(2,692)	(3,467)	(2,692)
Interest expense on ICPS (RM'000)	9	16	9	16
Adjusted loss attributable to owners of the parent (RM'000)	<u>(3,458)</u>	<u>(2,676)</u>	<u>(3,458)</u>	<u>(2,676)</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 loss per share (Sen)	(1.17)	(0.91)	(1.17)	(0.91)

#### B14. Breakdown of Realised and Unrealised Profits/Losses

The breakdown of the retained earnings of the Group into realised and unrealised profits/losses is as follows:

	As At 31/03/2011 RM'000	As At 31/12/2010 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	54,481	58,644
- Unrealised	<u>(8,802)</u>	<u>(9,498)</u>
Total Group retained earnings as per consolidated accounts	<u>45,679</u>	<u>49,146</u>

#### B15. Comparative Figure

Comparative figure, where applicable, have been modified to conform with the current quarter's presentation.