



# MAXTRAL INDUSTRY BERHAD

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

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | INDIVIDUAL QUARTER                    |   | CUMULATIVE QUARTER                    |  |
|--|---------------------------------------|---|---------------------------------------|--|
|  | Current Year<br>Quarter<br>31/12/2013 | Preceding Year<br>Corresponding Quarter<br>31/12/2012 | Current Year<br>To Date<br>31/12/2013 | Preceding Year<br>Corresponding Year<br>31/12/2012 |
|  | RM'000                                | RM'000  | RM'000                                | RM'000   |
| <b>Continuing operations</b>   |                                       |   |                                       |  |
| Revenue  | 18                                    | 3,000   | 1,704                                 | 15,441   |
| Cost of sales  | (3,677)                               | (5,238)   | (12,047)                              | (25,308)   |
| <b>Gross loss</b>  | (3,659)                               | (2,238)   | (10,343)                              | (9,867)  |
| Other operating (loss) / income  | (23,733)                              | (73)  | 1,656                                 | 1,087  |
| Selling expenses   | (2)                                   | (143)   | (117)                                 | (818)  |
| Administrative expenses  | (63,872)                              | (25,139)  | (66,858)                              | (27,984)   |
| <b>Loss from operations</b>  | (91,266)                              | (27,593)  | (75,662)                              | (37,582)   |
| Interest income  | 9                                     | -   | 17                                    | 6  |
| Finance costs  | (4,978)                               | (1,317)   | (8,407)                               | (4,818)  |
| <b>Loss before taxation from<br/>continuing operations</b>             | (96,235)                              | (28,910)  | (84,052)                              | (42,394)   |
| Income tax expense   | 1,977                                 | (177)   | 707                                   | 3,164  |
| <b>Loss from continuing<br/>operations, net of tax</b>                 | (94,258)                              | (29,087)  | (83,345)                              | (39,230)   |
| <b>Discontinued operations</b>   |                                       |   |                                       |  |
| Profit / (Loss) from discontinued<br>operations, net of tax            | 16,010                                | (2,176)   | 16,010                                | (2,176)  |
| <b>Total comprehensive loss<br/>for the year</b>                       | (78,248)                              | (31,263)  | (67,335)                              | (41,406)   |
| <b>Attributable to:<br/>Owners of the parent</b>                       | (78,248)                              | (31,263)  | (67,335)                              | (41,406)   |
| <b>Loss per share attributable to<br/>owners of the parent (Sen) :</b> |                                       |   |                                       |  |
| - Basic and diluted  | (26.57)                               | (14.88)   | (22.86)                               | (19.71)  |

*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 2012 and the accompanying explanatory notes attached to the interim financial statements.*



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(Incorporated in Malaysia)

## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | As At<br>31/12/2013<br><b>RM'000</b><br><b>(Unaudited)</b> | As At<br>31/12/2012<br><b>RM'000</b><br><b>(Audited)</b> |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-Current Assets</b>   |  |  |
| Property, plant and equipment   | 76   | 68,136   |
| <b>Current Assets</b>   |  |  |
| Inventories   | -  | 3,590  |
| Trade receivables   | 18   | 782  |
| Other receivables   | 7,928  | 11,335   |
| Tax recoverable   | -  | 28   |
| Fixed deposits with licenced banks  | 868  | -  |
| Cash and bank balances  | 772  | 1,082  |
|   | 9,586  | 16,817   |
| Assets of disposal group classified as held for sale                            | 9,466  | 21,678   |
|   | 19,052   | 38,495   |
| <b>TOTAL ASSETS</b>   | <b>19,128</b>  | <b>106,631</b>   |
| <b>EQUITY AND LIABILITIES</b>   |  |  |
| <b>Equity Attributable to Owners of the Parent</b>                              |  |  |
| Share capital   | 147,257  | 105,050  |
| Other reserves  | -  | 40,230   |
| Accumulated losses  | (177,839)  | (110,504)  |
| <b>Total Equity</b>   | <b>(30,582)</b>  | <b>34,776</b>  |
| <b>Non-Current Liabilities</b>  |  |  |
| Borrowings  | -  | 74   |
| Deferred tax liabilities  | -  | 710  |
|   | -  | 784  |
| <b>Current Liabilities</b>  |  |  |
| Borrowings  | 33,910   | 62,348   |
| Trade payables  | 3,745  | 3,297  |
| Other payables  | 3,035  | 3,120  |
| Amount due to Ultimate Holding Company  | 2  | -  |
| Amount due to directors   | 2,274  | 1,631  |
|   | 42,966   | 70,396   |
| Liabilities directly associated with disposal group classified as held for sale | 6,744  | 675  |
|   | 49,710   | 71,071   |
| <b>Total Liabilities</b>  | <b>49,710</b>  | <b>71,855</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>19,128</b>  | <b>106,631</b>   |
| <b>Net (Liabilities) / Assets Per Share (Sen)</b>                               | (14.56)  | 16.55  |

*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 2012 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 2013

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                       | Attributable to Owners of the Parent |                          |                              |                        |
|---------------------------------------|--------------------------------------|--------------------------|------------------------------|------------------------|
|                                       | Non-Distributable                    |                          | Distributable                |                        |
|                                       | Share Capital<br>RM'000              | Other Reserves<br>RM'000 | Accumulated losses<br>RM'000 | Total Equity<br>RM'000 |
| <b>At 1 January 2012</b>              | 105,050                              | 40,230                   | (69,098)                     | 76,182                 |
| Total comprehensive loss for the year | -                                    | -                        | (41,406)                     | (41,406)               |
| <b>At 31 December 2012</b>            | <u>105,050</u>                       | <u>40,230</u>            | <u>(110,504)</u>             | <u>34,776</u>          |
| <b>At 1 January 2013</b>              | 105,050                              | 40,230                   | (110,504)                    | 34,776                 |
| Conversion of ICPS to ordinary shares | 42,207                               | (40,230)                 | (1,977)                      | -                      |
| Total comprehensive loss for the year | -                                    | -                        | (65,358)                     | (65,358)               |
| <b>At 31 December 2013</b>            | <u>147,257</u>                       | <u>-</u>                 | <u>(177,839)</u>             | <u>(30,582)</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 2012 and the accompanying explanatory notes attached to the interim financial statements.*



# MAXTRAL INDUSTRY BERHAD

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

|   | 12 months ended      |                      |
|---|----------------------|----------------------|
|   | 31/12/2013<br>RM'000 | 31/12/2012<br>RM'000 |
| <b>Cash flows from operating activities</b>                     |                      |                      |
| Profit / (loss) before tax from continuing operations           | (84,052)             | (42,393)             |
| Profit / (Loss) before tax from discontinued operations         | 22,184               | (2,153)              |
| Loss before taxation, total                                     | (61,868)             | (44,546)             |
| Adjustments for:  |                      |                      |
| Allowance for impairment loss on biological assets              | -                    | 1,340                |
| Bad debt written off  | 2                    | -                    |
| Depreciation of property, plant and equipment                   | 4,564                | 5,072                |
| Loss / (gain) on disposal of property, plant and equipment      | 31,003               | (319)                |
| Impairment gain on non-trade receivable written back            | (259)                | (705)                |
| Impairment loss on non-trade receivables                        | 10,848               | 25,336               |
| Allowance for slow moving inventories                           | 2,135                | -                    |
| Impairment loss on property, plant and equipment                | 50                   | -                    |
| Plant and equipment written off                                 | 31                   | -                    |
| Property development costs written off                          | 2,199                | -                    |
| Interest income   | (17)                 | (6)                  |
| Finance costs   | 8,407                | 4,818                |
| Operating loss before working capital changes                   | (2,905)              | (9,010)              |
| Decrease in inventories   | 1,455                | 7,977                |
| (Increase) / decrease in receivables                            | (6,314)              | 9,333                |
| Increase / (decrease) in payables                               | (189)                | (7,314)              |
| Increase / (decrease) in amount due to directors                | 656                  | (2,714)              |
| Increase in amount due to ultimate holding company              | 9                    | -                    |
| Development costs incurred                                      | (1)                  | (20)                 |
| Cash used in operations   | (7,289)              | (1,748)              |
| Interest paid   | (5,506)              | (2,461)              |
| Income tax refunded / (paid)                                    | 59                   | (2)                  |
| Net cash used in operating activities                           | (12,736)             | (4,211)              |
| <b>Cash flows from investing activities</b>                     |                      |                      |
| Acquisition of property, plant and equipment                    | -                    | (224)                |
| Proceeds from disposal of property, plant and equipment         | 42,280               | 4,604                |
| Interest received   | 17                   | 12                   |
| Net cash generated from investing activities                    | 42,297               | 4,392                |
| <b>Cash flows from financing activities</b>                     |                      |                      |
| Drawdown of term loan   | -                    | 30,000               |
| Repayment of term loan  | (28,824)             | -                    |
| Repayment of hire purchase liabilities                          | (185)                | (216)                |
| Repayment of BaIDs  | -                    | (20,000)             |
| Repayment of MUNIF / MMTN                                       | -                    | (10,000)             |
| Placement of fixed deposits                                     | (868)                | -                    |
| Net cash used in financing activities                           | (29,877)             | (216)                |
| <b>Net decrease in cash and cash equivalents</b>                | (316)                | (35)                 |
| <b>Cash and cash equivalents at beginning of financial year</b> | 1,089                | 1,125                |
| <b>Cash and cash equivalents at end of financial year</b>       | 773                  | 1,090                |

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 2012 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 2013

### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134

#### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 2012. 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 2012.

#### 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 2012. The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2013. The adoption of these MFRSs and IC Interpretations do not have any significant financial impact on the Group's results.

The Group has not adopted the following MFRSs and Amendments to MFRSs were in issued but not yet effective :-

|  | Effective Date  |
|--|-----------------|
| - Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities  | 1-Jan-14        |
| - Amendments to MFRS 12, Disclosure of Interest in Other Entities: Investment Entities   | 1-Jan-14        |
| - Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities  | 1-Jan-14        |
| - Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities  | 1-Jan-14        |
| - Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets                                   | 1-Jan-14        |
| -Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting | 1-Jan-14        |
| - IC Interpretation 21 Levies  | 1-Jan-14        |
| - MFRS 9, Financial Instruments (Hedge accounting and amendments to MFRS 9, MFRS 7,  | To be announced |
| - Amendments to MFRS 119: Defined benefit plans  | 1-Jul-14        |
| - Annual improvements to MFRSs 2010 – 2012 cycle   |                 |
| MFRS 2, Share-based payment  | 1-Jul-14        |
| MFRS 3, Business combinations  | 1-Jul-14        |
| MFRS 8, Operating Segments   | 1-Jul-14        |
| MFRS 13, Fair value measurement  | 1-Jul-14        |
| MFRS 116, Property, plant and equipment  | 1-Jul-14        |
| MFRS 124, Related party disclosures  | 1-Jul-14        |
| MFRS 138, Intangible assets  | 1-Jul-14        |
| - Annual improvements to MFRSs 2011 – 2013 cycle   |                 |
| MFRS 1, First-time adoption of International Financial Reporting Standards   | 1-Jul-14        |
| MFRS 3, Business combinations  | 1-Jul-14        |
| MFRS 13, Fair value measurement  | 1-Jul-14        |
| MFRS 140, Investment property  | 1-Jul-14        |
| - MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)   | 1-Jan-15        |
| - MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)  | 1-Jan-15        |



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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134

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

Due to the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, in the Reports and Financial Statements for the financial year ended 31 December 2012, the auditor, Messrs PKF had not been able to obtain sufficient appropriate audit evidence to provide a basis of an audit opinion. Accordingly, the did not express an opinion on the financial statements.

Basis for Disclaimer of Opinion:

##### 1. Going Concern

As disclosed in Note 1 to the financial statements, the financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as going concerns. The application of the going concern basis is based on the assumption that the Group and Maxtral Industry Berhad ("MIB") will be able to realise their assets and fulfill their liabilities in the normal course of business.

The Group and MIB had passed a resolution on 14 October 2010 and 27 September 2011 to enter into negotiation to dispose of its 70% equity interest in a subsidiary, Hutan Tropika Sdn. Bhd. ("HTSB"), and the entire or part of the equity interest of its wholly owned subsidiary, Steadmont Development Sdn. Bhd. ("SDSB") respectively, as disclosed in Note 11 to the financial statements, in order to raise funds for the settlement of their obligations to lenders and creditors.

The Board of Directors ("the BOD") of the Group and MIB had on 14 November 2012, announced in Bursa Malaysia Securities Berhad ("Bursa") that they had defaulted on the repayment of its Bridging Term Loan and Term Loan amounting to RM20.0 million and RM30.0 million respectively granted by OSK Investment Bank Berhad. On 28 December 2012, the BOD further announced that they have defaulted to repay the face amount of RM10.0 million Murabahah Underwritten Notes Issuance Facility/Murabahah Medium Term Notes Issuance Facility ("MUNIF/MMTN") as stated in the Note 37 to the financial statements.

The ability of the Group and MIB to continue as going concerns is dependent upon:

- i. The future profitable operations of the Group and MIB to generate sufficient cash in the future to fulfill their obligations as and when they fall due;
- ii. Successful implementation of the Group's proposal that involved the disposal off its 70% equity interest in a subsidiary, HTSB and also the entire or part of the equity interest of tis wholly owned subsidiary, SDSB, respectively;
- iii. Financial support from its lenders and shareholders; and
- iv. The timely and successful formulation and implementation of a Regularisation Plan.

However, the evidence made available to Messrs PKF to confirm the appropriateness of preparing the financial statements on the going concern basis was limited because the significant subsidiary of MIB, Kin Yip Wood Industries Sdn Bhd ("KYWSB"), had not prepared any profit or cash flow projections for an appropriate period subsequent to the financial year ended 31 December 2012. The circumstances of which, together with the appointment of receivers and managers of the properties, assets and undertakings of the subsidiaries of MIB, KYWSB and SDSB, on 20 December 2012 pursuant to the powers contained in the Debenture dated 24 February 2012 and 12 March 2012 upon the defaulted on the repayment of the borrowings of MIB of RM50.0 million (as explained in Note 37 to the financial statements) may adversely affect the chances of successfully implementation of proposals of the Group and MIB as mentioned above. As a result, in the absence of any alternative evidence available to Messrs PKF, Messrs PKF had been unable to form an opinion as to the applicability of the going concern basis.

Should the Group and MIB be unable to achieve future profitable operations and fail to implement the proposals as mentioned above successfully, the going concern basis on which financial statements had been prepared may not be appropriate and adjustments would had to be made to reduce the value of assets to their recoverable amounts and to provide for any further liabilities which might arise, and to reclassify non-current assets and long term liabilities as current assets and liabilities respectively.

##### 2. Impairment of Property, Plant & Equipment

Despite the existence of indication that the property, plant and equipment of the subsidiary company, KYWSB, may be impaired due to the significant decline in net operating cash flows and increase in operating gross loss, the subsidiary company had not made an estimation of the recoverable amount of the property, plant and equipment pursuant to paragraph 9 of the Malaysian Financial Reporting Standard 136, Impairment of Assets, due to the absence of profit or cash flow projections for an appropriate period subsequent to the financial year ended 31 December 2012 to determine its value in use or recent valuation reports by an independent professional valuer for the purposes of determining its fair value less costs to sell, so as to determine the financial impact of impairment of property, plant and equipment of the subsidiary company, if any. Messrs PKF were unable to carry out appropriate audit procedures to obtain sufficient and appropriate audit evidence over the estimation of possible impairment. As such, Messrs PKF could not determine the effect of adjustments, if any, on the financial position of the Group as at 31 December 2012, or on its financial performance for the financial year then ended.

##### 3. Impairment of Investment in Subsidiaries & Amount due from Subsidiaries

As a consequence of the above mentioned matters, Messrs PKF were also unable to determine the effect of the adjustments, if any, on the financial impact of impairment of the investment in subsidiary company of MIB, KYWSB with a carrying amount of RM55,807,298 and also, the amount due from the same subsidiary, of RM21,506,918 respectively as at 31 December 2012.

#### 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 year under review.



## **MAXTRAL INDUSTRY BERHAD**

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### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

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#### **A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134**

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##### **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 valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

##### **A10. Debt and Equities Securities**

Irredeemable Convertible Preference Shares ("ICPS") issued by MIB on 4 August 2003 pursuant to the conditions stipulated in the Annexure A of the Memorandum and Article of Association dated 27 June 2003 constituting up to RM8,441,542 ICPS. On the maturity date on Monday, 5 August 2013, the remaining outstanding ICPS had automatically and/or madatorily been cancelled and converted into new ordinary shares of MIB on the basis of every one (1) ICPS for every one (1) new MIB shares.

##### **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 December 2013.



# MAXTRAL INDUSTRY BERHAD

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

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

#### B1. Review of Performance

The Group's recorded revenue of RM 1.7 million for the current financial year ended 31 December 2013 as compared to RM 15.4 million in the prior financial year ended 31 December 2012.

The Group's recorded loss before taxation of RM 84.1 million for the current financial year ended 31 December 2013 as compared to RM42.4 million in the prior financial year ended 31 December 2012. This is mainly due to loss on disposal of property, plant and equipment during the current financial year.

With reference to the public announcement made on 14 November 2012, the Group's announced default in payment pursuant to Practice Note 1 of Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

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

For the current quarter ended 31 December 2013, the Group's revenue has decreased to RM0.02 million from RM 0.04 million for the immediate preceding quarter ended 30 September 2013.

The Group's recorded loss before taxation of RM 94.3 million as compared to RM 28.9 million for respective quarters ended 31 December 2013 and 30 September 2013 due to loss on disposal of property, plant and equipment during the financial current financial period.

#### 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 supply of 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. Loss before taxation

|   | Individual Quarter                              |   | Cumulative Quarter                              |  |
|---|---|---|---|--|
|   | Current Year<br>Quarter<br>31/12/2013<br>RM'000 | Preceding Year<br>Corresponding Quarter<br>31/12/2012<br>RM'000 | Current Year<br>To Date<br>31/12/2013<br>RM'000 | Preceding Year<br>Corresponding Period<br>31/12/2012<br>RM'000 |
| This has been arrived at after charging/(crediting):-         |   |   |   |  |
| Interest income   | (9)   | -   | (17)  | (6)  |
| Other loss / (income)   | 23,733  | 73  | (1,656)   | (1,087)  |
| Interest expense  | 4,978   | 1,317   | 8,407   | 4,818  |
| Depreciation of property,<br>plant and equipment              | 1,221   | 1,336   | 4,564   | 5,072  |
| Loss / (gain) on disposal of property,<br>plant and equipment | 55,156  | 682   | 31,003  | (319)  |
| Realised foreign exchange<br>loss / (gain)                    | -   | 3   | -   | (5)  |



**MAXTRAL INDUSTRY BERHAD**(Company No. 584501-H)  
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA****B6. Income tax**

|                   | Current<br>Quarter<br>31/12/2013<br>RM'000 | Current Year<br>To Date<br>31/12/2013<br>RM'000 |
|-------------------|--|---|
| Current taxation  | -  | (3)   |
| Deferred taxation | 1,977                                      | 710   |
|                   | <u>1,977</u>                               | <u>707</u>                                      |

The variation noted is mainly due to reversal of taxable temporarily differences.

**B7. 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.

**B8. Quoted Securities**

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

**B9. Corporate Proposals**

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

**B10. Borrowings**

|                        | As At<br>31/12/2013<br>RM'000 | As At<br>31/12/2012<br>RM'000 |
|------------------------|-------------------------------|-------------------------------|
| Short term borrowings: |                               |                               |
| Secured                | 33,910                        | 62,348                        |
| Unsecured              | -                             | -                             |
|                        | <u>33,910</u>                 | <u>62,348</u>                 |
| Long term borrowings:  |                               |                               |
| Secured                | -                             | 74                            |
| Unsecured              | -                             | -                             |
|                        | <u>-</u>                      | <u>74</u>                     |

The unsecured 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.

**B11. Off Balance Sheet Financial Instruments**

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

**MAXTRAL INDUSTRY BERHAD**(Company No. 584501-H)  
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There was no pending material litigation at the date of this report.

**B13. Dividend Declared**

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

**B14. Loss Per Share****Basic**

Basic loss per share amounts are calculated by dividing loss for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

|   | INDIVIDUAL QUARTER                    |   | CUMULATIVE QUARTER                    |  |
|---|---------------------------------------|---|---------------------------------------|--|
|   | Current Year<br>Quarter<br>31/12/2013 | Preceding Year<br>Corresponding Quarter<br>31/12/2012 | Current Year<br>To Date<br>31/12/2013 | Preceding Year<br>Corresponding Year<br>31/12/2012 |
| Loss attributable to owners<br>of the parent (RM'000)         | <u>(78,248)</u>                       | <u>(31,263)</u>                                       | <u>(67,335)</u>                       | <u>(41,406)</u>                                    |
| Weighted average number of<br>ordinary shares in issue ('000) | <u>294,514</u>                        | <u>210,100</u>  | <u>294,514</u>                        | <u>210,100</u>                                     |
| Basic loss per share (Sen)                                    | (26.57)                               | (14.88)   | (22.86)                               | (19.71)  |

**Diluted**

Diluted loss per share amounts are calculated by dividing loss for the financial year, net of tax, attributable to owners of the parent (after adjusting for interest expenses on ICPS) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As the conversion of all potential ordinary shares from ICPS are not dilutive, the diluted loss per shares is equal to the basic loss per share.

**B15. Breakdown of Realised and Unrealised Profits/Losses**

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

|   | As At<br>31/12/2013<br>RM'000                                | As At<br>31/12/2012<br>RM'000 |
|---|--|-------------------------------|
|   | Total accumulated losses of the Company and its subsidiaries |                               |
| - Realised  | (177,839)  | (109,794)                     |
| - Unrealised  | -  | (710)                         |
| Total Group accumulated losses as per consolidated accounts | <u>(177,839)</u>   | <u>(110,504)</u>              |

**B16. Comparative Figure**

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