

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Income Statements**  
**For The Quarter Ended 31 December 2007**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2007 RM'000	31.12.2006 RM'000	31.12.2007 RM'000	31.12.2006 RM'000
Revenue	124,843	62,061	295,511	234,112
Operating Expenses	(115,825)	(43,504)	(259,622)	(196,099)
Other Operating Income	606	382	1,400	1,131
Profit From Operations	<u>9,624</u>	<u>18,939</u>	<u>37,289</u>	<u>39,144</u>
Finance Costs	<u>(251)</u>	<u>(36)</u>	<u>(501)</u>	<u>(116)</u>
Profit Before Tax	9,373	18,903	36,788	39,028
Taxation	694	(1,669)	(3,005)	(3,209)
Profit After Tax	<u>10,067</u>	<u>17,234</u>	<u>33,783</u>	<u>35,819</u>
Attributable to:				
Equity holders of the parent	10,068	17,156	33,670	35,666
Minority interest	(1)	78	113	153
	<u>10,067</u>	<u>17,234</u>	<u>33,783</u>	<u>35,819</u>
Earnings Per Share				
(a) Basic (sen)	6.13	10.45	20.50	21.72
(b) Diluted (sen)	-	-	-	-

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Balance Sheets**  
**As At 31 December 2007**

	<b>UNAUDITED</b> <b>Quarter ended</b> <b>31.12.2007</b> <b>RM'000</b>	<b>AUDITED</b> <b>Year ended</b> <b>31.03.2007</b> <b>RM'000</b> <b>(Restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	159,198	164,479
Land held for property development	35,810	34,907
Prepaid land lease payments	9,370	9,519
Goodwill on consolidation	15,069	15,069
	<u>219,447</u>	<u>223,974</u>
<b>Current assets</b>		
Development property	29,935	27,518
Inventories	44,157	66,941
Trade receivables	49,735	31,226
Other receivables	6,551	6,763
Term deposits	50,990	59,341
Cash and bank balances	11,775	11,758
	<u>193,143</u>	<u>203,547</u>
<b>TOTAL ASSETS</b>	<u><u>412,590</u></u>	<u><u>427,521</u></u>

**(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Balance Sheets**  
**As At 31 December 2007**

	<b>UNAUDITED</b> <b>Quarter ended</b> <b>31.12.2007</b> <b>RM'000</b>	<b>AUDITED</b> <b>Year ended</b> <b>31.03.2007</b> <b>RM'000</b> (Restated)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	131,370	164,213
Retained earnings	143,281	113,716
Capital reserves	549	556
	275,200	278,485
<b>Minority interest</b>	6,828	5,259
<b>Total equity</b>	282,028	283,744
<b>Non- current liabilities</b>		
Borrowings	-	12,157
Other payables	59,063	58,897
Deferred tax liabilities	21,929	19,491
	80,992	90,545
<b>Current liabilities</b>		
Borrowings	24,339	25,818
Trade payables	18,515	24,052
Other payables	6,714	3,360
Taxation	2	2
	49,570	53,232
<b>Total liabilities</b>	130,562	143,777
<b>TOTAL EQUITY AND LIABILITIES</b>	412,590	427,521
Net asset per share	1.68	1.70

**(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Cashflow Statements**  
**For The Quarter Ended 31 December 2007**

	<b>Current Year To Date Ended 31.12.2007 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.12.2006 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and minority interest	36,788	39,028
Adjustments for :		
Allowance for doubtful debts	3	4
Amortisation of prepaid land lease payments	148	148
Depreciation	9,194	7,890
Gain on disposal of property, plant and equipment	(108)	(110)
Interest expenses	1,002	116
Interest income	(1,229)	(541)
Property, plant and equipment written off	1	1
<b>Operating profit before working capital changes</b>	45,799	46,536
Changes in working capital :		
Inventories	22,784	(18,546)
Receivables	(17,901)	(5,970)
Payables	(2,018)	(6,653)
Development property	(2,417)	-
	46,247	15,367
Interest paid	(1,002)	(116)
Income tax paid	(972)	(558)
Net cash generated from operating activities	44,273	14,693
<b>Cash flows from investing activities</b>		
Interest received	1,229	541
Development of land held for property development	(903)	-
Investment in subsidiaries	-	(6,367)
Purchase of property, plant and equipment	(3,931)	(17,368)
Proceeds from disposal of property, plant and equipment	126	170
Net cash used in investing activities	(3,479)	(23,024)

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Cashflow Statements**  
**For The Quarter Ended 31 December 2007**

	<b>Current Year To Date Ended 31.12.2007 RM'000</b>	<b>Preceding Year Corresponding Period Ended 31.12.2006 RM'000</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of preference shares of a subsidiary company	1,456	-
Proceeds from hire purchase	-	12,800
Repayment of hire purchase	(12,800)	-
Proceeds from short term borrowings	-	6,994
Repayment of short term borrowings	(836)	-
Capital repayment	(32,843)	-
Decrease in fixed deposits pledged to bank	48	-
Interim dividend paid	(4,105)	-
Net cash (used in)/generated from financing activities	<u>(49,080)</u>	<u>19,794</u>
<b>Net (decrease)/increase in cash and cash equivalent</b>	<u>(8,286)</u>	<u>11,463</u>
<b>Cash and cash equivalents at beginning of the year</b>	<u>71,045</u>	<u>49,428</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>62,759</u></u>	<u><u>60,891</u></u>
<b>Analysis of cash and cash equivalents</b>		
Fixed deposits	50,990	52,272
Cash and bank balances	<u>11,775</u>	<u>8,673</u>
	62,765	60,945
Fixed deposits pledged as security	<u>(6)</u>	<u>(54)</u>
	<u><u>62,759</u></u>	<u><u>60,891</u></u>

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Quarter Ended 31 December 2007**

	Share Capital RM'000	Consolidation Reserve RM'000	Translation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
<b>Current Year To Date</b>							
<b><u>Ended 31 December 2007</u></b>							
At 1 April 2007	164,213	373	183	113,716	278,485	5,259	283,744
Capital repayment	(32,843)	-	-	-	(32,843)	-	(32,843)
Translation differences	-	-	(7)	-	(7)	-	(7)
Profit for the period	-	-	-	33,670	33,670	113	33,783
Interim dividend paid	-	-	-	(4,105)	(4,105)	-	(4,105)
Investment in a subsidiary company by minority interest	-	-	-	-	-	1,456	1,456
At 31 December 2007	131,370	373	176	143,281	275,200	6,828	282,028

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Quarter Ended 31 December 2007**

	<b>Share Capital RM'000</b>	<b>Consolidation Reserve RM'000</b>	<b>Translation Reserve RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total RM'000</b>	<b>Minority Interests RM'000</b>	<b>Total Equity RM'000</b>
<b>Preceding Year Corresponding Period Ended 31 December 2006</b>							
At 1 April 2006	164,213	61	184	64,316	228,774	543	229,317
Translation differences	-	-	(77)	-	(77)	-	(77)
Acquisition of minority interes	-	-	-	-	-	4,255	4,255
Profit for the period	-	-	-	35,666	35,666	153	35,819
At 31 December 2006	164,213	61	107	99,982	264,363	4,951	269,314

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007)

# EKSONS CORPORATION BERHAD (205814-V)

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2007

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### 1. Accounting policies and methods of computation

The interim financial report is unaudited and has 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 report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2007.

### 2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2007 except for the adoption of the following new/revised FRS's that are effective for the financial periods beginning on or after the following dates :

FRS	Effective for financial period beginning on or after
FRS 117 Leases	1 October 2006
FRS 124 Related Party Disclosures	1 October 2006

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the above FRSs does not result in significant changes in accounting policies of the Group, other than the change discussed below :

(a) FRS 117 : Leases

Prior to 1 April 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance lease in the same way as leases of the other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. Leasehold land held for own use is now classified as operating lease. Lease payments are recognised in the income statement on an accrual basis. The Group has applied this change in accounting policy prospectively.

The effect of the classification is summarized in Note 3 below.



## EKSONS CORPORATION BERHAD (205814-V)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2007

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#### 3. Comparatives

The following comparative amounts have been restated due to the adoption of the FRS 117 :-

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
As at 31 March 2007			
Property, plant and equipment	173,998	(9,519)	164,479
Prepaid land lease payments	-	9,519	9,519

#### 4. Disclosure of audit qualification

There was no qualification on the audit report of the preceding audited financial statements.

#### 5. Seasonality or cyclicity of interim operations

The timber business of the Group is affected by the world demand and supply of plywood. The other operations of the Group are not materially affected by any seasonality or cyclicity factors.

#### 6. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

#### 7. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years.

## EKSONS CORPORATION BERHAD (205814-V)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2007

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#### 8. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period to date.

#### 9. Dividends paid

Details of dividends paid during the financial year-to-date are as follows:-

<b>Interim dividend for the financial year</b>	2007
Approved and declared on	21 November 2007
Date paid	27 December 2007
Number of ordinary shares on which dividends were paid ('000)	164,213
Amount per share	Tax exempt dividend of 2.5 sen
Net dividend paid (RM'000)	4,105

#### 10. Segmental reporting

The Group's segmental report for the financial period to date is as follows :

	Manufacturing RM'000	Trading RM'000	Property and Investment Holdings RM'000	Property Development RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>						
External sales	295,466	1	44	-	-	295,511
Inter-segment sales	100,503	-	7,881	-	(108,384)	-
Total revenue	<u>395,969</u>	<u>1</u>	<u>7,925</u>	<u>-</u>	<u>(108,384)</u>	<u>295,511</u>

## EKSONS CORPORATION BERHAD (205814-V)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2007

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#### 10. Segmental reporting (contd.)

<b>Segment Result</b>	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Property and Investment Holdings RM'000</b>	<b>Property Development RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
Operating profit/(loss) before interest and tax	35,254	41	6,680	(92)	(5,823)	36,060
Interest expense	(501)	-	(1)	-	1	(501)
Interest income	1,009	-	221	-	(1)	1,229
Income taxes	(2,955)	-	(1,551)	-	1,501	(3,005)
Net profit/(loss)	<u>32,807</u>	<u>41</u>	<u>5,349</u>	<u>(92)</u>	<u>(4,322)</u>	<u>33,783</u>

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

All inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

#### 11. Valuations of property, plant and equipment

The valuation of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

#### 12. Material events not reflected in the financial statements for the interim period

There were no material subsequent events to be disclosed as at the date of this report.

#### 13. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period to date, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

## **EKSONS CORPORATION BERHAD (205814-V)**

### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2007**

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#### **14. Changes in contingent liabilities since the last annual balance sheet date**

There were no changes in contingent liabilities of the Company since the last annual balance sheet date as at 31 March 2007. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to a subsidiary company and an associated company of a subsidiary company.

As at 31 December 2007, the amount of banking facilities utilised which were secured by corporate guarantees was RM25 million.

#### **15. Review of the performance of the Group for the period under review and financial year-to-date**

The Group posted a turnover of RM295.5 million for the period under review compared to RM234.1 million in the corresponding period of the previous financial year. Profit before taxation was at RM36.8 million for the period under review as compared to RM39.0 million recorded in the corresponding period of the previous financial year.

The lower margin during the period in review was largely due to a weaker US Dollar against the Ringgit as well as higher production costs.

#### **16. Material changes in the results of the current quarter compared to the results of the immediate preceding quarter**

The Group recorded a turnover of RM124.8 million compared to RM56.6 million for the immediate preceding quarter. The Group's profit before tax was at RM9.4 million for the quarter under review compared to RM12.2 million for the immediate preceding quarter.

The Group's profit margin for the quarter under review was squeezed by a weaker US Dollar and lower average selling price and increased production and selling costs. Also during the quarter, we have sold more to the Middle Eastern market which has a lower margin compared to the US market.

## **EKSONS CORPORATION BERHAD (205814-V)**

### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2007**

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#### **17. Current year prospects**

Demand for the Group's plywood is expected to remain firm for the next few months. Higher fuel and oil based products costs will have an impact on margins. Nevertheless, management's close monitoring of production costs as well as recent investments in new equipment will help in containing production costs.

Globally, plywood prices for the near term, are expected to be steady as markets are expected to remain unchanged. In the longer term, measures taken by the US government to revive its economy should augur well for the industry.

Given the measures taken by the management in containing costs and the firm demand for the Group's plywood, the Board expects the Group's results to be positive for the year.

#### **18. Variance of actual profit from forecast profit**

Not applicable.

#### **19. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and financial period to date**

	<b>Current Quarter Ended 31/12/2007 RM'000</b>
Taxation	
- Current year	1,959
Deferred taxation	
- Current year	1,046
	<u>3,005</u>

The Group's effective tax rate for the financial period to date is lower than the statutory tax rate principally due to the double deduction of freight charges incurred on exports of plywood and the tax incentive available to the subsidiary companies.

## **EKSONS CORPORATION BERHAD (205814-V)**

### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2007**

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#### **20. Profit/(losses) on sale of unquoted investments and/or investment properties**

There were no disposals of unquoted investment and/or investment properties for the financial period to date.

#### **21 Particular of purchase or disposal of quoted securities**

There were no purchases or disposals of quoted securities for the financial period to date.

#### **22. Status of corporate proposal**

There were no corporate proposal announced by the Group which have not been completed as at the date of this report.

#### **23. Group borrowings and debt securities**

Group borrowings as at end of the financial period :

	<b>RM'000</b>
Short term borrowings	
- secured	8,314
- unsecured	16,025
	<u>24,339</u>
Long term borrowings	
- secured	-
	<u><u>24,339</u></u>

All the above borrowings are denominated in local currency.

#### **24. Off balance sheet financial instruments**

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

#### **25. Material Litigation**

Saved as disclosed in the annual financial statements for the year ended 31 March 2007, there was no change in the status of the pending litigation since the last annual balance sheet date to the date of this report.

**EKSONS CORPORATION BERHAD (205814-V)**

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31ST DECEMBER 2007**

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**26. Proposed Dividend**

The Board of Directors does not recommend any interim dividend for the financial quarter ended 31 December 2007. (31 December 2006 : Nil)

**27. Earnings per share**

The earnings per share is calculated as follows :

	<b>Current Year To Date Ended 31/12/2007 RM'000</b>
<b>a. Basic</b>	
Net profit attributable to ordinary shareholders (RM'000)	<u>33,670</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>20.50</u>
<b>b. Diluted</b>	
Not applicable	

BY ORDER OF THE BOARD

Emily Yeo Swee Ming  
Company Secretary

22 February 2008