

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Income Statements
For The Period Ended 30 June 2008

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year To Date	Corresponding
	30.06.2008	Quarter	30.06.2008	Period
	RM'000	30.06.2007	30.06.2007	RM'000
		RM'000		(Restated)
Revenue	97,924	114,067	97,924	114,067
Operating Expenses	(88,570)	(99,195)	(88,570)	(99,195)
Other Operating Income	446	398	446	398
Profit From Operations	<u>9,800</u>	<u>15,270</u>	<u>9,800</u>	<u>15,270</u>
Finance Costs	<u>-</u>	<u>(67)</u>	<u>-</u>	<u>(67)</u>
Profit Before Tax	9,800	15,203	9,800	15,203
Taxation	750	(1,597)	750	(1,597)
Profit After Tax	<u><u>10,550</u></u>	<u><u>13,606</u></u>	<u><u>10,550</u></u>	<u><u>13,606</u></u>
Attributable to:				
Equity holders of the parent	10,605	13,555	10,605	13,555
Minority interests	(55)	51	(55)	51
	<u><u>10,550</u></u>	<u><u>13,606</u></u>	<u><u>10,550</u></u>	<u><u>13,606</u></u>
Earnings Per Share				
(a) Basic (sen)	6.46	8.25	6.46	8.25
(b) Diluted (sen)	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Balance Sheets
As At 30 June 2008

	As at 30.06.2008 RM'000 unaudited	As at 31.03.2008 RM'000 audited (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	155,946	157,346
Land held for property development	21,805	17,571
Prepaid land lease payments	9,431	9,334
Goodwill on consolidation	15,069	15,069
	<u>202,251</u>	<u>199,320</u>
Current assets		
Development property	45,576	48,802
Inventories	61,371	60,422
Investment in marketable securities	3,032	3,013
Trade receivables	42,774	30,490
Other receivables	31,354	24,124
Term deposits	23,720	35,897
Cash and bank balances	23,130	18,378
	<u>230,957</u>	<u>221,126</u>
TOTAL ASSETS	<u><u>433,208</u></u>	<u><u>420,446</u></u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Balance Sheets
As At 30 June 2008

	As at 30.06.2008 RM'000 unaudited	As at 31.03.2008 RM'000 audited (Restated)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	131,370	131,370
Retained earnings	174,818	164,213
Capital reserves	634	691
	<u>306,822</u>	<u>296,274</u>
Minority interests	8,200	7,110
Total equity	<u>315,022</u>	<u>303,384</u>
Non-current liabilities		
Other payables	62,200	59,063
Deferred tax liabilities	3,376	4,297
	<u>65,576</u>	<u>63,360</u>
Current liabilities		
Borrowings	24,296	21,972
Trade payables	19,014	20,885
Other payables	9,020	10,566
Taxation	280	279
	<u>52,610</u>	<u>53,702</u>
Total liabilities	<u>118,186</u>	<u>117,062</u>
TOTAL EQUITY AND LIABILITIES	<u>433,208</u>	<u>420,446</u>
Net asset per share	1.87	1.80

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Cashflow Statements
For The Period Ended 30 June 2008

	3 Months Ended	
	30.06.2008	30.06.2007
	RM'000	RM'000
	unaudited	audited
Cash flows from operating activities		
Profit before taxation and minority interests	9,800	15,203
Adjustments for :		
Allowance for doubtful debts	-	46
Amortisation of prepaid land lease payments	(97)	-
Depreciation	3,012	2,775
Gain on investment in marketable securities	(19)	
Interest expenses included in cost of sales	122	245
Interest income	(369)	(376)
Operating profit before working capital changes	12,449	17,893
Changes in working capital :		
Inventories	(949)	11,797
Receivables	(16,344)	(36,340)
Payables	(3,416)	2,552
Development property	(1,009)	(1,102)
	(9,269)	(5,200)
Interest paid	(122)	(245)
Income tax paid	(261)	(355)
Net cash used in operating activities	(9,652)	(5,800)
Cash flows from investing activities		
Acquisition of subsidiary companies	-	-
Interest received	369	376
Investment in marketable securities	-	(377)
Proceeds from disposal of property, plant and equipment	13	-
Purchase of property, plant and equipment	(1,624)	(1,938)
Net cash used in investing activities	(1,242)	(1,939)

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Cashflow Statements
For The Period Ended 30 June 2008

	3 Months Ended	
	30.06.2008 RM'000 unaudited	30.06.2007 RM'000 audited
Cash flows from financing activities		
Proceeds from issuance of ordinary shares of a subsidiary company	-	755
Proceeds from issuance of preference shares of a subsidiary company	1,145	-
Decrease in fixed deposits pledged to a bank	7	48
Proceeds from short term borrowings net of repayment	2,324	6,839
Capital repayment	-	(32,843)
Net cash generated from/(used in) financing activities	3,476	(25,201)
Net decrease in cash and cash equivalent	(7,418)	(32,940)
Cash and cash equivalents at beginning of the year	54,268	71,045
Cash and cash equivalents at end of the year	46,850	38,105
Analysis of cash and cash equivalents		
Fixed deposits	23,720	26,975
Cash and bank balances	23,130	11,136
	46,850	38,111
Fixed deposits pledged as security	-	(6)
	46,850	38,105

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2008

	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
Current Year To Date							
<u>Ended 30 June 2008</u>							
At 1 April 2008							
As previously stated	131,370	518	173	151,571	283,632	7,110	290,742
Effect of adopting FRS 112	-	-	-	12,642	12,642	-	12,642
At 1 April 2008 (restated)	131,370	518	173	164,213	296,274	7,110	303,384
Translation differences	-	-	(57)	-	(57)	-	(57)
Effect of reduction in tax rate	-	-	-	-	-	-	-
Profit for the year	-	-	-	10,605	10,605	(55)	10,550
Investment in a subsidiary company by minority interests	-	-	-	-	-	1,145	1,145
At 30 June 2008	131,370	518	116	174,818	306,822	8,200	315,022

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2008

	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
Preceding Year Corresponding Year Ended 30 June 2007							
At 1 April 2007 As previously stated	164,213	373	183	113,716	278,485	5,259	283,744
Effect of adopting FRS 112	-	-	-	13,147	13,147	-	13,147
At 1 April 2007 (restated)	164,213	373	183	126,863	291,632	5,259	296,891
Capital repayment exercise	(32,843)	-	-	-	(32,843)	-	(32,843)
Profit for the year (restated)	-	-	-	13,555	13,555	51	13,606
Investment in a subsidiary company by minority interests	-	-	-	-	-	755	755
At 30 June 2007	131,370	373	183	140,418	272,344	6,065	278,409

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008)

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2008

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 2008. 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 2008.

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 2008 except for the adoption of the following new/revised FRS's that are effective for the financial periods beginning on or after 1 July 2007 :

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

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

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2008

2. Changes in Accounting Policies (contd.)

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 112 : Income Taxes

On the amendments to FRS 112, the prohibition on recognition of deferred tax on assets that qualifies for re-investment or other similar allowances in excess of the normal capital allowances under FRS 112₂₀₀₄ has been removed. Hence, entities with unused investment tax allowances or re-investment allowances will have to recognise deferred tax asset on such unused allowances, to the extent that it is probable that future taxable profit will be available against which these unused allowances can be utilised. Any change in policy is required to be accounted for retrospectively.

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

3. Comparatives

The following comparative amounts have been restated due to the adoption of the FRS 112 :-

	As previously reported RM'000	Effect of FRS 112 RM'000	As restated RM'000
Income Statements			
For the period ended 30 June 2007			
Taxation	1,471	126	1,597
Statement Of Changes In Equity			
At 1 April 2007			
Retained earnings	113,716	13,147	126,863
Balance Sheets			
At 31 March 2008			
Deferred tax liabilities	16,939	(12,642)	4,297
Retained earnings	151,571	12,642	164,213

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2008

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.

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 year to date.

9. Dividends paid

There was no dividend paid during the financial period to date.

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2008

10. Segmental reporting

The Group's segmental report for the financial year 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
Segment Revenue						
External sales	97,909	-	15	-	-	97,924
Inter-segment sales	3,300	-	702	-	(4,002)	-
Total revenue	<u>101,209</u>	<u>-</u>	<u>717</u>	<u>-</u>	<u>(4,002)</u>	<u>97,924</u>
Segment Result						
Operating profit/(loss) before interest and tax	9,289	153	347	(235)	(123)	9,431
Interest income	361	-	8	-	-	369
Income taxes	756	-	(6)	-	-	750
Net profit/(loss)	<u>10,406</u>	<u>153</u>	<u>349</u>	<u>(235)</u>	<u>(123)</u>	<u>10,550</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 bought forward without any amendments from the previous annual financial statements.

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year 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 30 JUNE 2008

13. 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 2008. 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 30 June 2008, the amount of banking facilities utilised which were secured by corporate guarantees was RM25 million.

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

The Group recorded a turnover of RM97.9 million compared to RM114.1 million in the corresponding period of the previous financial year. Profit before taxation for the period under review was at RM9.8 million compared to RM15.2 million recorded for the same period in the previous financial year.

Lower sales and higher production costs led to erosion in profit margins.

15. Material changes in the results of the current quarter compared to the results of the immediate preceding quarter

The Group recorded a higher turnover of RM97.9 million for the quarter under review compared to RM66.4 million for the immediate preceding quarter. The Group's profit before taxation was also higher at RM9.8 million compared to RM3.2 million for the immediate preceding quarter.

The Group's revenue and profit before tax were higher due to higher sales, improved average selling price of plywood prices and higher production efficiency.

16. Current year prospects

Prices and demand for plywood are expected to remain steady for the next few months. Going forward, the Middle Eastern market is expected to remain our biggest revenue contributor whilst deliveries to the USA market, is likely to remain low. In order to maintain margins; the timber division will endeavour to reduce cost and improve efficiency.

The product preview of the Group's property development project is expected to commence in September 2008.

Given the above, the Board expects the results of the year to be positive.

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2008

17. Variance of actual profit from forecast profit

Not applicable.

18. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and financial year-to-date

	Current Quarter RM'000	Financial Year-to-date RM'000
Taxation		
- Current year	171	171
- Under provision in prior year	-	
Deferred taxation		
- Current year	(921)	(921)
	<u>(750)</u>	<u>(750)</u>

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

19. 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 year to date.

20. Particular of purchase or disposal of quoted securities

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

21. Status of corporate proposal

On 7 May 2008, the Company's 60% indirect subsidiary, The Atmosphere Sdn. Bhd. (formerly known as Stellar View Development Sdn. Bhd.), entered into a conditional Share Sale and Purchase Agreement with Lien Hoe Corporation Berhad to acquire 100% equity interest in Russella Teguh Sdn. Bhd. for a cash consideration of RM61,000,000.

The acquisition is pending the approval of the Foreign Investment Committee.

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2008**

22. Group borrowings and debt securities

	As at 30.06.2008 RM'000
Short term borrowings	
- secured	11,579
- unsecured	<u>12,717</u>
	<u><u>24,296</u></u>

All the above borrowings are denominated in local currency.

23. Off balance sheet financial instruments

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

24. Material Litigation

Saved as disclosed in the annual financial statements for the year ended 31 March 2008, there was no change in the status of the pending litigation since the last annual balance sheet date to the date of this report.

25. Proposed Dividend

The Board of Directors does not recommend any interim dividend for the financial quarter ended 30 June 2008.
(30 June 2007 : Nil)

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2008**

26. Earnings per share

The earnings per share is calculated as follows :

	Financial Year-to-date RM'000
a. Basic	
Net profit attributable to ordinary shareholders (RM'000)	<u>10,605</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>6.46</u>
b. Diluted	
Not applicable	

BY ORDER OF THE BOARD

Emily Yeo Swee Ming
Company Secretary

26 August 2008