

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.09.2008 RM'000	30.09.2007 RM'000	30.09.2008 RM'000	30.09.2007 RM'000 (Restated)
Revenue	71,250	56,601	169,174	170,668
Operating Expenses	(65,386)	(44,602)	(153,956)	(143,797)
Other Operating Income	318	396	764	794
Profit From Operations	<u>6,182</u>	<u>12,395</u>	<u>15,982</u>	<u>27,665</u>
Finance Costs	<u>-</u>	<u>(183)</u>	<u>-</u>	<u>(250)</u>
Profit Before Tax	6,182	12,212	15,982	27,415
Taxation	874	(2,228)	1,624	(3,951)
Profit After Tax	<u><u>7,056</u></u>	<u><u>9,984</u></u>	<u><u>17,606</u></u>	<u><u>23,464</u></u>
Attributable to:				
Equity holders of the parent	7,110	9,921	17,715	23,350
Minority interests	(54)	63	(109)	114
	<u><u>7,056</u></u>	<u><u>9,984</u></u>	<u><u>17,606</u></u>	<u><u>23,464</u></u>
Earnings Per Share				
(a) Basic (sen)	4.33	6.04	10.79	14.22
(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 September 2008**

	<b>As at 30.09.2008 RM'000 unaudited</b>	<b>As at 31.03.2008 RM'000 audited (Restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	157,599	157,346
Land held for property development	17,513	17,571
Prepaid land lease payments	9,392	9,334
Goodwill on consolidation	15,069	15,069
	<u>199,573</u>	<u>199,320</u>
<b>Current assets</b>		
Development property	50,813	48,802
Inventories	82,864	60,422
Investment in marketable securities	-	3,013
Trade receivables	32,539	30,490
Other receivables	33,908	24,124
Term deposits	38,526	35,897
Cash and bank balances	8,395	18,378
	<u>247,045</u>	<u>221,126</u>
<b>TOTAL ASSETS</b>	<u><u>446,618</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 September 2008**

	<b>As at 30.09.2008 RM'000 unaudited</b>	<b>As at 31.03.2008 RM'000 audited (Restated)</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	131,370	131,370
Retained earnings	181,928	164,213
Capital reserves	666	691
	<u>313,964</u>	<u>296,274</u>
<b>Minority interests</b>	9,851	7,110
<b>Total equity</b>	<u>323,815</u>	<u>303,384</u>
<b>Non-current liabilities</b>		
Other payables	62,200	59,063
Deferred tax liabilities	2,719	4,297
	<u>64,919</u>	<u>63,360</u>
<b>Current liabilities</b>		
Borrowings	34,486	21,972
Trade payables	14,202	20,885
Other payables	9,051	10,566
Taxation	145	279
	<u>57,884</u>	<u>53,702</u>
<b>Total liabilities</b>	<u>122,803</u>	<u>117,062</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>446,618</u>	<u>420,446</u>
Net asset per share	1.91	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 September 2008**

	<b>6 Months Ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>audited</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and minority interests	15,982	27,415
Adjustments for :		
Amortisation of prepaid land lease payments	(58)	92
Depreciation	6,040	5,749
Gain on disposal of property, plant and equipment	-	(21)
Gain on investment in marketable securities	(32)	-
Interest expenses	291	615
Interest income	(686)	(728)
Property, plant and equipment written off	40	-
<b>Operating profit before working capital changes</b>	<b>21,577</b>	<b>33,122</b>
Changes in working capital :		
Inventories	(22,442)	(6,417)
Receivables	(8,166)	23,269
Payables	(8,198)	(2,338)
Development property	(1,953)	(1,768)
	(19,182)	45,868
Interest paid	(291)	(615)
Income tax paid	(643)	(682)
Net cash used in operating activities	(20,116)	44,571
<b>Cash flows from investing activities</b>		
Development of land held for property development	-	(903)
Interest received	686	728
Investment in marketable securities	3,045	-
Proceeds from disposal of property, plant and equipment	-	66
Purchase of property, plant and equipment	(6,332)	(2,994)
Net cash used in investing activities	(2,601)	(3,103)

**(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 September 2008**

	<b>6 Months Ended</b>	
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>audited</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of preference shares of a subsidiary company	2,850	1,109
Decrease in fixed deposits pledged to a bank	6	48
Proceeds from short term borrowings net of repayment	12,514	1,908
Capital repayment	-	(32,843)
Net cash generated from/(used in) financing activities	15,370	(29,778)
<b>Net (decrease)/increase in cash and cash equivalent</b>	<b>(7,347)</b>	<b>11,690</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>54,268</b>	<b>71,045</b>
<b>Cash and cash equivalents at end of the year</b>	<b>46,921</b>	<b>82,735</b>
<b>Analysis of cash and cash equivalents</b>		
Fixed deposits	38,526	67,982
Cash and bank balances	8,395	14,759
	46,921	82,741
Fixed deposits pledged as security	-	(6)
	46,921	82,735

**(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 September 2008**

	<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>Current Year To Date Ended 30 September 2008</b>							
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	-	-	(25)	-	(25)	-	(25)
Profit for the period	-	-	-	17,715	17,715	(109)	17,606
Investment in a subsidiary company by minority interests	-	-	-	-	-	2,850	2,850
At 30 September 2008	131,370	518	148	181,928	313,964	9,851	323,815

**(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 September 2008**

	<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 Year Ended 30 September 2007</b>							
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)
Translation differences	-	-	(4)	-	(4)	-	(4)
Profit for the period (restated)	-	-	-	23,350	23,350	114	23,464
Investment in a subsidiary company by minority interests	-	-	-	-	-	1,109	1,109
At 30 September 2007	131,370	373	179	150,213	282,135	6,482	288,617

**(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 SEPTEMBER 2008

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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 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 Exchanges 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 <sub>2004</sub> Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2



## EKSONS CORPORATION BERHAD (205814-V)

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

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#### 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 112<sub>2004</sub> 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.

The Group has not early adopted the following FRSs and Issues Committee Interpretations which have effective dates as follow :

		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting & Impairment	1 January 2010

#### 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
<b>Income Statements</b>			
For the period ended 30 September 2007			
Taxation	3,699	252	3,951
<b>Statement Of Changes In Equity</b>			
At 1 April 2007			
Retained earnings	113,716	13,147	126,863

## EKSONS CORPORATION BERHAD (205814-V)

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

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#### 3. Comparatives (contd.)

	As previously reported RM'000	Effect of FRS 112 RM'000	As restated RM'000
<b>Balance Sheets</b>			
At 31 March 2008			
Deferred tax liabilities	16,939	(12,642)	4,297
Retained earnings	151,571	12,642	164,213

#### 4. Disclosure of audit qualification

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

#### 5. Seasonality or cyclicalities 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 cyclicalities 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.

## EKSONS CORPORATION BERHAD (205814-V)

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

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#### 9. Dividends paid

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

#### 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
<b>Segment Revenue</b>						
External sales	169,145	-	29	-	-	169,174
Inter-segment sales	6,600	-	1,404	-	(8,004)	-
Total revenue	<u>175,745</u>	<u>-</u>	<u>1,433</u>	<u>-</u>	<u>(8,004)</u>	<u>169,174</u>
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	15,031	153	661	(388)	(161)	15,296
Interest income	669	-	17	-	-	686
Income taxes	1,638	-	(14)	-	-	1,624
Net profit/(loss)	<u>17,338</u>	<u>153</u>	<u>664</u>	<u>(388)</u>	<u>(161)</u>	<u>17,606</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.

**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 September 2008, the amount of banking facilities utilised which were secured by corporate guarantees was RM35.6 million.

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

The Group recorded a higher turnover of RM71.3 million compared to RM56.6 million in the corresponding quarter of the previous financial year. Profit before taxation for the period under review is at RM6.2 million compared to RM12.2 million in the same quarter of the previous financial year.

The Group's turnover for the financial year-to-date is marginally lower at RM169.2 million compared to RM170.7 million for the same period of the previous financial year. Profit before taxation for the six months ended 30 September 2008 is at RM16.0 million compared to RM27.4 million for the same period in the previous financial year.

Lower deliveries to the high premium markets resulted in lower margins for the period under review.

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

The Group's turnover for the quarter under review is at RM71.3 million compared to RM97.9 million for the immediate preceding quarter. The Group's profit before taxation for the quarter under review is at RM6.2 million compared to RM9.8 million for the immediate preceding quarter.

The lower turnover and profit before taxation for the quarter under review compared to the immediate preceding quarter is due mainly to timing of deliveries.

## EKSONS CORPORATION BERHAD (205814-V)

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

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#### 16. Current year prospects

The global economic crisis has curtailed housing starts in a number of major plywood markets and this has slowed demand for our products. Further, tighter financing requirements imposed by financial institutions have resulted in cautious buying among some major plywood purchasers, and hence the softer demand.

Going forward, the Group expects some reduction in the cost of consumables and freight charges as the cost of crude oil is now lower. However the reduction in production cost is expected to lag behind the decline in selling prices and this will cause a compression of profit margins. In view of this, the Group's plywood operations has embarked on cost cutting measures on top of its strict cost controls. Recent upgrading of processing equipment has improved wood recovery at the Group's mills and this will help to mitigate the pressures on profit margins.

The property market in Malaysia is expected to be challenging due to economic uncertainties. The Group will therefore adopt prudent strategies for its project in Seri Kembangan, Selangor.

Having considered the above and bearing unforeseen circumstances, the Board expects the Group's results for the year to be positive.

#### 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

	<b>Current Quarter RM'000</b>	<b>Financial Year-to-date RM'000</b>
Taxation		
- Current year charge/(overprovision)	(157)	14
- Over provision in prior year	(134)	(134)
Deferred taxation		
- Current year	(583)	(1,504)
	<u>(874)</u>	<u>(1,624)</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.

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

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

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

The net gain on disposal of unquoted securities for the current quarter and financial year to date is RM31,885.

There was no sale of properties since the last annual balance sheet 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, TASB 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 approval of the Foreign Investment Committee was received on 10 November 2008.

The acquisition is expected to be completed in 2009.

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

	<b>As at 30.09.2008 RM'000</b>
Short term borrowings	
- secured	15,285
- unsecured	19,201
	<u>34,486</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.

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

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

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**25. Proposed Dividend**

The Board of Directors does not recommend any interim dividend for the financial quarter ended 30 September 2008. (30 September 2007 : tax exempt dividend of 2.5 sen per share)

**26. Earnings per share**

The earnings per share is calculated as follows :

	<b>Financial Year-to-date RM'000</b>
<b>a. Basic</b>	
Net profit attributable to ordinary shareholders (RM'000)	<u>17,715</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>10.79</u>
<b>b. Diluted</b>	
Not applicable	

BY ORDER OF THE BOARD

Emily Yeo Swee Ming  
Company Secretary

25 November 2008