

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Income Statements
For The Period Ended 30 September 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Revenue	64,616	71,250	122,874	169,174
Operating Expenses	(59,782)	(65,386)	(118,077)	(153,956)
Other Operating Income	131	318	410	764
Profit From Operations	<u>4,965</u>	<u>6,182</u>	<u>5,207</u>	<u>15,982</u>
Finance Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit Before Tax	4,965	6,182	5,207	15,982
Taxation	2,549	874	3,659	1,624
Profit After Tax	<u><u>7,514</u></u>	<u><u>7,056</u></u>	<u><u>8,866</u></u>	<u><u>17,606</u></u>
Attributable to:				
Equity holders of the parent	8,433	7,110	10,726	17,715
Minority interests	(919)	(54)	(1,860)	(109)
	<u><u>7,514</u></u>	<u><u>7,056</u></u>	<u><u>8,866</u></u>	<u><u>17,606</u></u>
Earnings Per Share				
(a) Basic (sen)	5.14	4.33	6.53	10.79
(b) Diluted (sen)	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Balance Sheets
As At 30 September 2009

	As at 30.09.2009 RM'000 unaudited	As at 31.03.2009 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	164,144	168,245
Prepaid land lease payments	9,519	9,597
Land held for property development	23,519	23,520
Deferred tax assets	4,270	595
Goodwill on consolidation	14,247	15,008
	<u>215,699</u>	<u>216,965</u>
Current assets		
Property development costs	51,837	50,498
Inventories	82,386	70,020
Trade receivables	29,159	19,125
Other receivables	50,450	34,906
Term deposits	35,131	22,029
Cash and bank balances	9,141	45,253
	<u>258,104</u>	<u>241,831</u>
TOTAL ASSETS	<u><u>473,803</u></u>	<u><u>458,796</u></u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Balance Sheets
As At 30 September 2009

	As at 30.09.2009 RM'000 unaudited	As at 31.03.2009 RM'000 audited
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	131,370	131,370
Retained earnings	196,654	185,928
Capital reserves	852	668
	<u>328,876</u>	<u>317,966</u>
Minority interests	17,021	19,313
Total equity	<u>345,897</u>	<u>337,279</u>
Non-current liabilities		
Other payables	84,152	84,153
	<u>84,152</u>	<u>84,153</u>
Current liabilities		
Borrowings	22,851	14,884
Trade payables	16,233	9,485
Other payables	4,670	12,995
	<u>43,754</u>	<u>37,364</u>
Total liabilities	<u>127,906</u>	<u>121,517</u>
TOTAL EQUITY AND LIABILITIES	<u>473,803</u>	<u>458,796</u>
Net asset per share	2.00	1.94

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Cashflow Statements
For The Period Ended 30 September 2009

	6 Months Ended	
	30.09.09	30.09.08
	RM'000	RM'000
	unaudited	unaudited
Cash flows from operating activities		
Profit before taxation and minority interests	5,207	15,982
Adjustments for :		
Amortisation of prepaid land lease payments	78	(58)
Depreciation	6,511	6,040
Gain on investment in marketable securities	-	(32)
Interest expenses	213	291
Interest income	(211)	(686)
Property, plant and equipment written off	-	40
Operating profit before working capital changes	11,798	21,577
Changes in working capital :		
Inventories	(12,366)	(22,442)
Receivables	(25,362)	(8,166)
Payables	(1,567)	(8,198)
Property development costs	(1,339)	(1,953)
	(28,836)	(19,182)
Interest paid	(213)	(291)
Income tax paid	(258)	(643)
Net cash used in operating activities	(29,307)	(20,116)
Cash flows from investing activities		
Interest received	211	686
Proceeds from disposal of investment securities	-	3,045
Purchase of property, plant and equipment	(2,410)	(6,332)
Net cash used in investing activities	(2,199)	(2,601)

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Cashflow Statements
For The Period Ended 30 September 2009

	30.09.09 RM'000 unaudited	30.09.08 RM'000 unaudited
Cash flows from financing activities		
Decrease in fixed deposits pledged to a bank	-	6
Proceeds from issuance of preference shares of a subsidiary company	529	2,850
Proceeds from short term borrowings net of repayment	7,967	12,514
Net cash generated from financing activities	8,496	15,370
Net decrease in cash and cash equivalent	(23,010)	(7,347)
Cash and cash equivalents at beginning of the year	67,282	54,268
Cash and cash equivalents at end of the year	44,272	46,921
Analysis of cash and cash equivalents		
Fixed deposits	35,131	38,526
Cash and bank balances	9,141	8,395
	44,272	46,921

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 September 2009

	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 September 2009</u>							
At 1 April 2009	131,370	518	150	185,928	317,966	19,313	337,279
Transfer of shares from minority interests of a subsidiary	-	200	-	-	200	-	200
Translation differences	-	-	(16)	-	(16)	-	(16)
Profit for the period	-	-	-	10,726	10,726	(1,860)	8,866
Investment in a subsidiary company by minority interests	-	-	-	-	-	(432)	(432)
At 30 September 2009	<u>131,370</u>	<u>718</u>	<u>134</u>	<u>196,654</u>	<u>328,876</u>	<u>17,021</u>	<u>345,897</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 September 2009

	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 September 2008							
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)
Profit for the period	-	-	-	17,715	17,715	(109)	17,606
Investment in a subsidiary company by minority interests	-	-	-	-	-	1,145	1,145
At 30 September 2008	131,370	518	116	181,928	313,932	8,146	322,078

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2009)

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

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 2009. 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 2009.

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 2009.

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 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendment to FRS 7	Financial Instruments : Disclosures	1 January 2010
Amendment to FRS 8	Operating Segments	1 January 2010
Amendment to FRS 107	Cash Flow Statements	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events After the Balance Sheet Date	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

2. Changes in Accounting Policies (Continued)

		Effective for financial periods beginning on or after
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interests in Joint Ventures	1 January 2010
Amendment to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
Amendment to FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum funding Requirements and their interaction	1 January 2010

3. Disclosure of audit qualification

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

4. 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.

5. 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.

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

6. 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.

7. 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 of the Company for the current financial year to date.

8. Dividends paid

On 20 October 2009, the Board of Directors declared a tax exempt interim dividend of 2 sen per share for the year ending 31 March 2010 (31 March 2009 : Nil).

The interim dividend was paid on 23 November 2009 to shareholders whose names appeared on the Record of Depositors of Eksons Corporation Berhad at the close of business on 10 November 2009.

9. 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
Segment Revenue						
External sales	122,845	-	29	-	-	122,874
Inter-segment sales	5,218	-	924	-	(6,142)	-
Total revenue	<u>128,063</u>	<u>-</u>	<u>953</u>	<u>-</u>	<u>(6,142)</u>	<u>122,874</u>

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

9. Segmental reporting (Continued)

Segment Result	Manufacturing RM'000	Trading RM'000	Property and Investment Holdings RM'000	Property Development RM'000	Eliminations RM'000	Consolidated RM'000
Operating profit/(loss) before interest and tax	9,472	85	187	(4,649)	(99)	4,996
Interest income	209	-	2	-	-	211
Income taxes	3,675	-	(16)	-	-	3,659
Net profit/(loss)	<u>13,356</u>	<u>85</u>	<u>173</u>	<u>(4,649)</u>	<u>(99)</u>	<u>8,866</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.

10. 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.

11. 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 except as disclosed below:

- i) On 11 May 2009, the Group acquired the remaining 200,000 ordinary shares of RM1.00 each representing 0.80% of the issued and paid up share capital of Rajang Plywood (Sabah) Sdn. Bhd. from Mr. Lee Kim Jiung (199,999 ordinary shares) and Ms. Lim Leh Nguk (1 ordinary share) for a cash consideration of RM2.00.

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

12. 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 2009. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 30 September 2009, the amount of banking facilities utilised which were secured by corporate guarantees was RM24 million.

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

Timber

For the quarter ended 30 September 2009, the Group's timber division recorded a higher profit after tax of RM9.8 million as compared to RM6.9 million in the corresponding quarter of the previous financial year. Turnover came in lower at RM64.6 million in the quarter under review when compared to RM71.2 million in the corresponding quarter of the previous financial year. The lower turnover is due to lower sales volume and selling prices.

The higher profit after taxation is mainly due to a larger positive income tax charge following a reduction in provision for deferred taxes. The positive income tax for the quarter under review is RM2.6 million as compared to RM0.9 million in the corresponding quarter of the previous financial year.

The Group's timber division turnover for the 6-month period ended 30 September 2009 stood at RM122.8 million as compared to RM169.1 million achieved for the 6-month period ended 30 September 2008. Profit after taxation for the half-year ended 30 September 2009 and the corresponding period of the previous financial year are RM13.4 million and RM17.3 million respectively. The lower turnover and profit after taxation is due to lower sales volume and selling prices.

Property

For the quarter under review, bookings stepped up upon the maiden launch of The Atmosphere project. Bookings locked-in for the quarter under review were RM86.4 million. Loss after taxation for the quarter under review is RM2.3 million, comprised largely of management and sales promotion and marketing expenses. Loss before taxation for the corresponding quarter in the previous financial year was lower at RM0.2 million.

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

Timber

The Group's timber division achieved a turnover of approximately RM64.6 million which is higher than the immediate preceding quarter's of RM58.2 million. Profit after taxation for the quarter under review is RM9.8 million compared to RM3.6 million in the quarter before this.

The higher turnover and sales was due to higher selling prices and sales volumes.

Property

For the quarter under review, the Group's property division officially launched its project in Seri Kembangan, Selangor. The official launch of The Atmosphere project and several other marketing events that followed led to new bookings for the quarter under review of RM86.4 million. During the immediate preceding quarter bookings were RM23.6 million. Loss after taxation for the quarter under review is RM2.3 million compared to RM2.4 million in the immediate preceding quarter. Marketing and management expenses formed the bulk of the expenses for the quarter under review.

15. Prospects and Outlook

The plywood market is expected to remain unchanged for the near term. Even though plywood prices had shown some recovery, the direction of the market remains uncertain in the medium to longer term. Nevertheless the Board is optimistic that positive margins can be sustained for the Group's timber division.

The local property market remains challenging for the months ahead as the pace of economic recovery remains slow. The property market was also dampened by the return of real property gains tax as was announced by the Prime Minister in his recent budget speech.

Infrastructure and building construction works for the Group's property project is expected to begin in January 2010 and we expect to book in some revenue from units taken up before the end of the current financial year.

Having considered the above, the Board expects a positive result for the financial year ending 31 March 2010.

16. Variance of actual profit from forecast profit

Not applicable.

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

17. 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 charge	8	16
Deferred taxation		
- Current year	<u>(2,557)</u>	<u>(3,675)</u>
	<u>(2,549)</u>	<u>(3,659)</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 some subsidiary companies.

18. 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.

19. Particular of purchase or disposal of quoted securities

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

20. Status of corporate proposal

On 7 May 2008, an indirect 60% owned subsidiary, The Atmosphere 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 approval of the Foreign Investment Committee was received on 10 November 2008.

The acquisition is expected to be completed in Year 2010.

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

21. Group borrowings and debt securities

	As at 30.09.2009 RM'000
Short term borrowings	
- secured	11,833
- unsecured	<u>11,018</u>
	<u><u>22,851</u></u>

All the above borrowings are denominated in local currency.

22. Off balance sheet financial instruments

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

23. Material litigation

There was no material litigation against the Group as at the reporting date.

24. Proposed dividend

The Board of Directors does not recommend any interim dividend for the financial quarter ended 30 September 2009 (30 September 2008 : Nil).

25. 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>10,726</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>6.53</u>
b. Diluted	
Not applicable	

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

26. Subsequent event

There was no material event subsequent to the end of the current quarter.

BY ORDER OF THE BOARD

Emily Yeo Swee Ming
Company Secretary

30 November 2009