

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 31 December 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Revenue	79,967	84,607	243,143	207,481
Operating expenses	(74,597)	(78,940)	(224,054)	(197,017)
Other operating income	256	144	1,026	554
<b>Profit from operations</b>	<b>5,626</b>	<b>5,811</b>	<b>20,115</b>	<b>11,018</b>
Finance costs	-	-	-	-
<b>Profit before tax</b>	<b>5,626</b>	<b>5,811</b>	<b>20,115</b>	<b>11,018</b>
Taxation	(383)	987	4,072	4,646
<b>Profit for the period</b>	<b>5,243</b>	<b>6,798</b>	<b>24,187</b>	<b>15,664</b>
<b>Other Comprehensive Income :</b>				
Foreign currency translation	(11)	3	(15)	(13)
<b>Total comprehensive income for the period</b>	<b>5,232</b>	<b>6,801</b>	<b>24,172</b>	<b>15,651</b>

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 31 December 2010**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To Date	Corresponding
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Parent	4,292	7,287	21,530	18,013
Non-controlling interest	951	(489)	2,657	(2,349)
	<u>5,243</u>	<u>6,798</u>	<u>24,187</u>	<u>15,664</u>
Total comprehensive income attributable to :				
Owners of the Parent	4,281	7,290	21,515	18,000
Non-controlling interest	951	(489)	2,657	(2,349)
	<u>5,232</u>	<u>6,801</u>	<u>24,172</u>	<u>15,651</u>
Earnings Per Share				
(a) Basic (sen)	2.61	4.44	13.11	10.97
(b) Diluted (sen)	-	-	-	-

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 December 2010**

	<b>As at 31.12.2010 RM'000 unaudited</b>	<b>As at 31.03.2010 RM'000 audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	152,010	160,313
Prepaid land lease payments	9,324	9,441
Land held for property development	17,678	17,678
Deferred tax assets	1,367	-
Goodwill on consolidation	26,763	26,763
	<u>207,142</u>	<u>214,195</u>
<b>Current assets</b>		
Property development costs	39,395	44,024
Inventories	115,357	86,286
Trade receivables	29,051	34,852
Other receivables	2,695	2,681
Current tax asset	2,331	2,614
Term deposits	33,188	37,432
Cash and bank balances	19,282	16,421
	<u>241,299</u>	<u>224,310</u>
Non current asset classified as held for sale	2,221	2,001
	<u>243,520</u>	<u>226,311</u>
<b>TOTAL ASSETS</b>	<u><u>450,662</u></u>	<u><u>440,506</u></u>

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As At 31 December 2010**

	<b>As at 31.12.2010 RM'000 unaudited</b>	<b>As at 31.03.2010 RM'000 audited</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	131,370	131,370
Retained earnings	227,364	210,760
Capital reserves	869	884
	<u>359,603</u>	<u>343,014</u>
<b>Non-controlling interest</b>	22,683	20,026
<b>Total equity</b>	<u>382,286</u>	<u>363,040</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	-	2,869
	<u>-</u>	<u>2,869</u>
<b>Current liabilities</b>		
Borrowings	42,230	39,861
Trade payables	22,751	30,585
Other payables	3,395	4,151
	<u>68,376</u>	<u>74,597</u>
<b>Total liabilities</b>	<u>68,376</u>	<u>77,466</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>450,662</u>	<u>440,506</u>
Net asset per share	2.19	2.09
	-	-

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 31 December 2010**

	<b>9 Months Ended</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>unaudited</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	20,115	11,018
Adjustments for :		
Allowance for doubtful debts	-	3
Amortisation of prepaid land lease payments	117	117
Bad debts recovered	(220)	-
Depreciation	10,031	9,825
Interest expenses	524	335
Interest income	(629)	(314)
Loss on disposal of property, plant and equipment	50	-
Property, plant and equipment written off	3	8
<b>Operating profit before working capital changes</b>	<b>29,991</b>	<b>20,992</b>
Changes in working capital :		
Inventories	(29,071)	(10,126)
Receivables	5,788	(37,632)
Payables	(8,605)	3,048
Property development property	4,867	(2,204)
	2,970	(25,922)
Interest paid	(524)	(335)
Interest paid-property development costs	(238)	-
Income tax recovered/(paid)	119	49
Net cash generated from/(used in) operating activities	2,327	(26,208)
<b>Cash flows from investing activities</b>		
Interest received	629	314
Proceeds from disposal of property, plant and equipment	144	-
Purchase of property, plant and equipment	(1,925)	(3,911)
Net cash used in investing activities	(1,152)	(3,597)

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 31 December 2010**

	<b>9 Months Ended</b>	
	<b>31.12.2010</b>	<b>31.12.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>unaudited</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(4,926)	(3,284)
Proceeds from issuance of preference shares of a subsidiary company	-	529
Proceeds from short term borrowings net of repayment	5,730	7,338
Net cash generated from financing activities	804	4,583
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>1,979</b>	<b>(25,222)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>34,752</b>	<b>67,282</b>
<b>Cash and cash equivalents at end of the year</b>	<b>36,731</b>	<b>42,060</b>
<b>Analysis of cash and cash equivalents</b>		
Fixed deposits	33,188	27,287
Cash and bank balances	19,282	14,773
Less : Fixed deposits pledged as security	(1,834)	-
	50,636	42,060
Bank overdraft	(13,905)	-
	36,731	42,060

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Period Ended 31 December 2010**

	← Attributable to owners of the parent →					Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable Consolidation Reserve RM'000	Translation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000		
<b>Current Year To Date</b>							
<b><u>Ended 31 December 2010</u></b>							
At 1 April 2010	131,370	718	166	210,760	343,014	20,026	363,040
<b>Total comprehensive income</b>	-	-	(15)	21,530	21,515	2,657	24,172
<b>Transactions with owners</b>							
Transfer of shares from minority interests of a subsidiary	-	-	-	-	-	-	-
Dividend paid	-	-	-	(4,926)	(4,926)	-	(4,926)
Investment in a subsidiary company by minority interests	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	(4,926)	(4,926)	-	(4,926)
At 31 December 2010	131,370	718	151	227,364	359,603	22,683	382,286

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Period Ended 31 December 2010**

	← Attributable to owners of the parent →				Total	Minority Interests	Total Equity
	Share Capital	Non-Distributable Consolidation Reserve	Translation Reserve	Distributable Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Preceding Year Corresponding Period Ended 31 December 2009</b>							
At 1 April 2009	131,370	518	150	185,928	317,966	19,313	337,279
<b>Total comprehensive income</b>	-	-	(13)	18,013	18,000	(2,349)	15,651
<b>Transactions with owners</b>							
Transfer of shares from minority interests of a subsidiary	-	200	-	-	200	-	200
Interim dividend paid	-	-	-	(3,284)	(3,284)	-	(3,284)
Investment in a subsidiary company by minority interests	-	-	-	-	-	529	529
Disposal of shares in a subsidiary company by minority interests	-	-	-	-	-	(961)	(961)
<b>Total transactions with owners</b>	-	200	-	(3,284)	(3,084)	(432)	(3,516)
At 31 December 2009	131,370	718	137	200,657	332,882	16,532	349,414

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010)**



## EKSONS CORPORATION BERHAD (205814-V)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

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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 2010. 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 2010.

#### 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 2010 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), amendment to FRS and Issues Committee ("IC") Interpretations :

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 127	Consolidated and Separate Financial Statements
FRS 139	Financial Instruments : Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity of Associate Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters Additional Exemptions for First-time Adopters
Amendment to FRS 2	Share-based Payment - Vesting Conditions and Cancellations Group Cash-settled Share-based Payment Transactions
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments : Disclosures Improving Disclosures about Financial Instruments
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Cash Flow Statements
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events After the Balance Sheet Date
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 128	Investments in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interests in Joint Ventures

## EKSONS CORPORATION BERHAD (205814-V)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

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#### 2. Changes in Accounting Policies (Continued)

Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments : Recognition and Measurement, FRS 7: Financial Instruments: Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives
Amendment to FRS 140	Investment Property
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum funding Requirements and their interaction
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives

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 7: Financial Instruments : Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures has been made. Such disclosures will be made in the audited financial statements of the Company.

**2. Changes in Accounting Policies (Continued)**

(b) FRS 8: Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively.

(c) FRS 101: Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

(d) FRS 139 Financial Instruments : Recognition and Measurement

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are recognised on contract date and categorised as fair value through profit or loss.

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 March 2010 are not restated. The adoption of FRS 139 does not have any significant impact on the results of the Group.

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

### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010**

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#### **2. Changes in Accounting Policies (Continued)**

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

		Effective for financial periods beginning on or after
IC Interpretation 14	Determination Whether an Arrangement contains a Lease	1 July 2011
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

The Interpretation above is expected to have no significant impact on the financial statements of the Company upon their initial application.

#### **3. Disclosure of audit qualification**

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

#### **4. 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.

#### **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.

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

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.

## EKSONS CORPORATION BERHAD (205814-V)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

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#### 8. Dividends paid

On 26 May 2010, the Board of Directors proposed a final dividend in respect of the financial year ended 31 March 2010 of 3 sen per share under the single tier system (31 March 2009: Nil).

The final dividend was approved by shareholder during the Company's AGM held on 28 September 2010.

The final dividend was paid on 18 November 2010 to shareholders whose names appeared on the Record of Depositors of Eksons Corporation Berhad at the close of business on 22 October 2010.

#### 9. Segmental reporting

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

	Timber Operations 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	211,970	-	38	31,135	-	243,143
Inter-segment sales	77,026	-	-	-	(77,026)	-
Total revenue	<u>288,996</u>	<u>-</u>	<u>38</u>	<u>31,135</u>	<u>(77,026)</u>	<u>243,143</u>
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	13,644	293	(253)	5,898	(96)	19,486
Interest income	574	-	9	46	-	629
Income taxes	3,385	-	(13)	700	-	4,072
Net profit/(loss)	<u>17,603</u>	<u>293</u>	<u>(257)</u>	<u>6,644</u>	<u>(96)</u>	<u>24,187</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.

**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 2010. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 31 December 2010, the amount of banking facilities utilised which were secured by corporate guarantees was RM43.5 million.

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

For the quarter under review, the Group recorded a turnover of RM80.0 million. Profit after taxation is RM5.2 million. The turnover and profit after taxation for the corresponding quarter of the previous financial year RM84.6 million and RM6.8 million respectively.

The Group's turnover for the current financial year to date and the corresponding quarter of the previous financial year are RM243.1 million and RM207.5 million respectively. The Group's profit after taxation for the financial year to date and the corresponding period of the preceding financial year are RM27.2 million and RM15.7 million respectively.

The performance of the Group's timber and property development divisions for the period under review is as follows:

*Timber*

The timber division's turnover for the 9-month period ended 31 December 2010 is RM212.0 million compared to RM207.4 million achieved for the corresponding period of the previous financial year. Profit after taxation for the period under review is RM17.6 million compared to RM22.8 million achieved for the corresponding quarter of the previous financial year.

The lower margin for the current financial year to date is mainly due to higher production costs especially log costs.

The division's turnover for the quarter under review came in at RM56.0 million which is lower compared to RM84.6 million recorded in corresponding quarter of the previous financial year. Profit after taxation for the quarter under review and the corresponding quarter of the previous financial year are RM3.0 million and RM9.5 million respectively.

The fluctuation noted in the turnover of the quarters under review is mainly due to delays in the arrival of purchasers' vessels for loading.

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

*Property Development*

The property division's turnover to date is RM31.1 million, there was no turnover recorded for the corresponding period of the previous financial year, as construction work had not begun then.

The division recorded a profit after taxation of RM6.6 million for the 9-month period under review compared to a loss of RM5.9 million in the corresponding period of the previous financial year.

For the quarter under review, the division recorded a turnover of RM24.0 million and a profit after taxation of RM2.4 million. For the corresponding quarter of the previous financial year, the division had a loss of RM1.2 million.

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

The Group's turnover and profit after taxation for the quarter under review are RM80.0 million and RM5.2 million respectively. In the immediate preceding quarter the Group's turnover and profit after taxation were RM93.0 million and RM10.4 million respectively.

The performance of the Group's timber and property division for the quarter under review is as follows:

*Timber*

The division's turnover for the quarter under review came in at RM56.0 million which is lower compared to RM85.9 million recorded in the immediate preceding quarter. Profit after taxation is RM3.0 million compared to RM10.2 million in the immediate preceding quarter.

The lower turnover and profit after taxation for the quarter under review is mainly due to lower sales volume. Some deliveries were delayed by the late arrival of customers' vessels.

*Property Development*

Construction activity on the Group's development project has increased as work has begun on more parcels of the project. This has enabled the division to record a higher turnover of RM24.0 million for the quarter under review as compared to RM7.2 million in the immediate preceding quarter. Profit before taxation is also higher at RM3.5 million as compared to RM2.5 million in the immediate preceding quarter.

**15. Prospects and Outlook**

*Timber*

Demand for plywood is expected to remain at current levels for the medium term. The US Dollar exchange rate remains a concern, as it is still depreciating. Nevertheless the division has proven its resilience despite difficult operating and trading conditions in recent years.

## EKSONS CORPORATION BERHAD (205814-V)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

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#### 15. Prospects and Outlook (Continued)

##### *Property Development*

The sentiment of the Klang Valley's property market is currently positive. We will endeavour to take advantage of this by launching new phases in the near future.

Construction activities are proceeding expeditiously on the boulevard shops and shopoffices where completion is expected in stages between mid-2011 to 3rd quarter 2012.

After having considered the above, the Board expects the Group's results to remain positive.

#### 16. Variance of actual profit from forecast profit

Not applicable.

#### 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	(2)	(13)
Deferred taxation		
- Current year	(381)	4,085
	<u>(383)</u>	<u>4,072</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

There was no corporate proposal announced by the Group but not completed at the date of this report.



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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

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**21. Group borrowings and debt securities**

	<b>As at 31.12.2010 RM'000</b>
Short term borrowings	
- secured	27,899
- unsecured	14,331
	<u>42,230</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 have declared an interim dividend of 2.5 sen per share under the single tier system for the financial year ending 31 March 2011 (31 March 2010 : tax exempt interim dividend of 2 sen per share).

The interim dividend will be paid on 18 April 2011 to shareholders whose names appear on the Record of Depositors of the Company at the close of business on 25 March 2011.

A Depositor shall qualify for entitlement to the interim dividend only in respect of:-

- a. Shares transferred into the Depositors' Securities Account before 4.00p.m. on 25 March 2011 in respect of transfers.
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**25. Disclosure requirements pursuant to implementation of FRS 139**

**Part A: Disclosure of derivatives**

As at 31 December 2010, the Group did not hold any financial derivatives.

**Part B: Disclosure of gains/losses arising from fair value changes of financial liabilities**

As at 31 December 2010, the Group did not have any gains/losses arising from fair value changes of financial liabilities.

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

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**25. Disclosure requirements pursuant to implementation of FRS 139 (Continued)**

**Part C: Disclosure of breakdown of realised and unrealised profits or losses**

The Group's realised and unrealised retained profits are as follows:

	<b>As at 31.12.2010 RM'000</b>
Total retained profits of the Company and its subsidiaries:	
- Realised	225,483
- Unrealised	<u>225</u>
	225,708
Add: Consolidation adjustments	<u>1,656</u>
Total group retained profits as per consolidated accounts	<u><u>227,364</u></u>

**26. Earnings per share**

The earnings per share is calculated as follows :

	<b>Financial Year-to-date RM'000</b>
a. <b>Basic</b>	
Net profit attributable to ordinary shareholders (RM'000)	<u>21,530</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>13.11</u>
b. <b>Diluted</b>	
Not applicable	

**27. 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

25 February 2011