

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 March 2012

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year To Date 31.03.2012 RM'000	Preceding Year Corresponding Period 31.03.2011 RM'000
Revenue		98,461	83,147	374,656	326,290
Operating expenses	9	(90,969)	(80,333)	(332,860)	(304,387)
Other operating income	10	1,750	1,076	3,511	2,102
Profit from operations		9,242	3,890	45,307	24,005
Finance costs		-	-	-	-
Profit before tax		9,242	3,890	45,307	24,005
Taxation	19	1,429	1,444	285	5,516
Profit for the period		10,671	5,334	45,592	29,521
Other Comprehensive Income :					
Foreign currency translation		-	(3)	(11)	(18)
Total comprehensive income for the period		10,671	5,331	45,581	29,503

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 March 2012

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.03.2012 RM'000	Preceding Year Corresponding Quarter 31.03.2011 RM'000	Current Year To Date 31.03.2012 RM'000	Preceding Year Corresponding Period 31.03.2011 RM'000
Profit attributable to :					
Owners of the Parent		7,323	2,913	37,685	24,443
Non-controlling interest		3,348	2,421	7,907	5,078
		<u>10,671</u>	<u>5,334</u>	<u>45,592</u>	<u>29,521</u>
Total comprehensive income attributable to :					
Owners of the Parent		7,323	2,910	37,674	24,425
Non-controlling interest		3,348	2,421	7,907	5,078
		<u>10,671</u>	<u>5,331</u>	<u>45,581</u>	<u>29,503</u>
Earnings Per Share					
(a) Basic (sen)	25a	4.46	1.77	22.95	14.88
(b) Diluted (sen)	25b	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 31 March 2012

	As at 31.03.2012 RM'000 unaudited	As at 31.03.2011 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	139,320	148,870
Prepaid land lease payments	9,129	9,286
Land held for property development	18,556	18,223
Deferred tax assets	6,573	2,843
Goodwill on consolidation	26,763	26,763
	<u>200,341</u>	<u>205,985</u>
Current assets		
Property development costs	45,037	37,653
Inventories	100,684	104,156
Trade and other receivables	34,648	24,411
Other current assets	1,536	1,589
Current tax asset	448	2,549
Term deposits	65,811	50,189
Cash and bank balances	66,377	25,962
	<u>314,541</u>	<u>246,509</u>
Non current asset classified as held for sale	-	220
	<u>314,541</u>	<u>246,729</u>
TOTAL ASSETS	<u><u>514,882</u></u>	<u><u>452,714</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 2011)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 31 March 2012

	As at 31.03.2012 RM'000 unaudited	As at 31.03.2011 RM'000 audited
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	131,370	131,370
Retained earnings	256,651	227,176
Capital reserves	855	866
	<u>388,876</u>	<u>359,412</u>
Non-controlling interest	<u>27,575</u>	<u>23,099</u>
Total equity	<u>416,451</u>	<u>382,511</u>
Current liabilities		
Short term borrowings	18,919	23,498
Trade and other payables	42,609	32,800
Other current liabilities	36,673	13,905
Current tax payable	230	-
	<u>98,431</u>	<u>70,203</u>
Total liabilities	<u>98,431</u>	<u>70,203</u>
TOTAL EQUITY AND LIABILITIES	<u>514,882</u>	<u>452,714</u>
Net asset per share	2.37	2.19

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 31 March 2012

	31.03.2012 RM'000 unaudited	31.03.2011 RM'000 audited
Operating activities		
Profit before tax	45,307	24,005
<u>Adjustments for :</u>		
Allowance for impairment loss	142	4
Amortisation of prepaid land lease payments	156	156
Proceeds from court case involved	-	(220)
Depreciation	13,336	13,385
Loss on disposal of property, plant and equipment	36	129
Loss/(Gain) on disposal of non current asset held for sale	20	(741)
Interest expenses included in cost of sales	713	707
Interest income	(1,736)	(830)
Property, plant and equipment written off	1,294	3
Unrealised gain on foreign exchange	(97)	-
Total adjustments	13,864	12,593
Operating cash flows before changes in working capital	59,171	36,598
<u>Changes in working capital :</u>		
(Increase)/decrease in property development costs	(7,716)	5,826
Decrease/(increase) in inventories	3,470	(17,870)
(Increase)/decrease in trade and other receivables	(10,278)	11,180
Decrease in other current assets	53	349
Increase/(decrease) in trade and other payables	9,798	(1,954)
Increase in other current liabilities	22,768	13,905
Total changes in working capital	18,095	11,436
Cash flows from operation	77,266	48,034
Interest paid included in cost of sales	(713)	(707)
Tax paid, net of refund	(1,115)	(131)
Net cash flows from operating activities	75,438	47,196
Investing activities		
Interest received	1,736	830
Proceeds from disposal of non current asset held for sale	200	2,741
Proceeds from disposal of property, plant and equipment	313	119
Purchase of property, plant and equipment	(5,430)	(2,193)
Net cash flows (used in)/from investing activities	(3,181)	1,497

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 31 March 2012

	31.03.2012	31.03.2011
	RM'000	RM'000
	unaudited	audited
Financing activities		
Decrease in fixed deposits pledged to a bank	1,834	-
Dividend paid	(8,210)	(9,032)
Dividend paid to non-controlling interest	(3,431)	(1,000)
Proceeds from short term borrowings, net of repayment	(3,284)	(391)
Net cash used in financing activities	<u>(13,091)</u>	<u>(10,423)</u>
Net increase in cash and cash equivalent	59,166	38,270
Cash and cash equivalents at beginning of the year	<u>73,022</u>	<u>34,752</u>
Cash and cash equivalents at end of the year	<u><u>132,188</u></u>	<u><u>73,022</u></u>
Analysis of cash and cash equivalents		
Fixed deposits	65,811	50,189
Cash and bank balances	66,377	25,962
Less : Fixed deposits pledged as security	<u>-</u>	<u>(1,834)</u>
	132,188	74,317
Bank overdraft	<u>-</u>	<u>(1,295)</u>
	<u><u>132,188</u></u>	<u><u>73,022</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 31 March 2012

	← Attributable to owners of the Company →				Equity attributable to the owners of the Company RM'000	Non- controlling interest RM'000	Total RM'000
	Non-Distributable		Distributable				
	Share Capital RM'000	Consolidation Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000			
Current Year To Date Ended 31 March 2012							
At 1 April 2011	131,370	718	148	227,176	359,412	23,099	382,511
Total comprehensive income	-	-	(11)	37,685	37,674	7,907	45,581
Transactions with owners							
Dividend paid	-	-	-	(8,210)	(8,210)	(3,431)	(11,641)
Total transactions with owners	-	-	-	(8,210)	(8,210)	(3,431)	(11,641)
At 31 March 2012	131,370	718	137	256,651	388,876	27,575	416,451

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 31 March 2012

	← Attributable to owners of the Company →				Equity attributable to the owners of the Company RM'000	Non- controlling interest RM'000	Total RM'000
	Share Capital RM'000	Consolidation Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000			
Preceding Year Corresponding Period Ended 31 March 2011							
At 1 April 2010	131,370	718	166	210,760	343,014	20,026	363,040
Total comprehensive income	-	-	(18)	24,443	24,425	5,078	29,503
Transactions with owners							
Dividend paid	-	-	-	(9,032)	(9,032)	(1,000)	(10,032)
Total transactions with owners	-	-	-	(9,032)	(9,032)	(1,000)	(10,032)
At 31 March 2011	131,370	718	148	226,171	358,407	24,104	382,511

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011)

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012

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 2011. 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 2011.

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 2011 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), amendment to FRS and Issues Committee ("IC") Interpretations :

FRS 124	Related Party Disclosures
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Financial Instruments: Disclosures - Transfer of Financial Assets
Amendments to FRS 112	Income taxes - Deferred Tax Recovery of Underlying Assets

The adoption of the above FRS and Amendments did not have any significant impacts on the financial statements upon their initial application.

The Group has not early adopted the following FRS and IC Interpretations which have effective dates as follow:

		Effective for financial periods beginning on or after
FRS 101	Presentation of Items for Other Comprehensive Income	1 July 2012
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119 (2011)	Employee Benefits	1 January 2013
FRS 127 (2011)	Separate Financial Statements	1 January 2013
FRS 128 (2011)	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The FRS and Interpretation above are expected to have no significant impact on the financial statements of the Group upon their initial application.

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2012**

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.

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 29 February 2012, the Board of Directors approved an interim dividend in respect of the financial year ended 31 March 2012 of 2.5 sen per share under the single tier system (31 March 2011: 2.5 sen per share).

The interim dividend was paid on 25 May 2012 to shareholders whose names appeared on the Record of Depositors of Eksons Corporation Berhad at the close of business on 30 April 2012.

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2012**

9. Operating expenses

	3 months Ended		12 Months Ended	
	31.03.12 RM'000	31.03.2011 RM'000	31.03.12 RM'000	31.03.2011 RM'000
Depreciation	3,323	3,354	13,336	13,385
Amortisation of prepaid land lease payments	39	39	156	156
Interest expenses included in cost of sales	189	183	713	707
Loss on disposal of non current asset held for sale	-	-	20	-
Loss on disposal of property, plant and equipment	(5)	79	36	129
Property, plant and equipment written off	-	-	1,294	3
Allowance for impairment loss on receivables	133	4	142	4
Realised loss on foreign exchange	60	-	76	-
Cost of sales	73,965	63,166	265,898	239,159
Marketing and distribution expenses	10,320	10,164	40,771	40,519
Administration expenses	2,844	3,298	10,025	10,169
Other expenses	101	46	393	156
Total operating expenses	90,969	80,333	332,860	304,387

10. Other operating income

Interest income	603	201	1,736	830
Proceeds from court case resolved	-	-	-	220
Realised gain on foreign exchange	-	-	-	1
Unrealised gain on foreign exchange	97	-	97	-
Gain on disposal of non current asset held for sale	-	741	-	741
Miscellaneous income	1,050	134	1,678	310
Total other operating income	1,750	1,076	3,511	2,102

11. 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
Segment Revenue						
External sales	291,893	-	48	82,715	-	374,656
Inter-segment sales	111,286	-	16,853	41,000	(169,139)	-
Total revenue	<u>403,179</u>	<u>-</u>	<u>16,901</u>	<u>123,715</u>	<u>(169,139)</u>	<u>374,656</u>
Segment Result						
Operating profit/(loss) before interest and tax	22,007	2	16,345	22,288	(17,071)	43,571
Interest income	1,197	-	72	467	-	1,736
Income taxes	3,278	-	-	(2,993)	-	285
Net profit	<u>26,482</u>	<u>2</u>	<u>16,417</u>	<u>19,762</u>	<u>(17,071)</u>	<u>45,592</u>

11. Segmental reporting (Continued)

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.

12. Valuations of property, plant and equipment

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

13. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except as disclosed below:

On 16 June 2011, the Company's subsidiary company, Vibrant Hub Sdn. Bhd. acquired the entire issued and paid up share capital of Oval Rock Sdn. Bhd. ("ORSB") for a cash consideration of RM2.

On 16 August 2011, the Company's subsidiary company, Vibrant Hub Sdn. Bhd. acquired the entire issued and paid up share capital of Primary Project Management Sdn. Bhd. for a cash consideration of RM2.

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

There were no changes in contingent liabilities of the Company since the last annual balance sheet date as at 31 March 2011. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 31 March 2012, the amount of banking facilities utilised which were secured by corporate guarantees was RM18.9 million.

15. Review of the performance of the Group for the period under review and financial year

The Group recorded a profit after taxation of RM10.7 million for the quarter under review on the back of a turnover of RM98.5 million. For the corresponding quarter of the previous financial year, the Group's turnover and profit after taxation were RM83.1 million and RM5.3 million respectively.

The Group ended the 2012 Financial Year with turnover of RM374.7 million and a profit after taxation of RM45.6 million. In the 2011 Financial Year, the Group's turnover and profit after taxation were RM326.3 million and RM29.5 million respectively.

15. Review of the performance of the Group for the period under review and financial year (Continued)

The performance of the Group's timber and property divisions which are the Group's main operating divisions are as follows:

Timber

The division recorded a turnover of RM73.3 million and a profit after taxation of RM2.7 million for the quarter under review. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM65.7 million and RM2.1 million respectively. The higher turnover for the quarter under review was due to higher plywood selling prices. Margins for the quarter under review were lower due to higher cost of logs and production consumables.

For the year under review, the division turned in a turnover of RM291.9 million and a profit after taxation of RM26.5 million. In the previous financial year, the division's turnover and profit after taxation were RM277.7 million and RM19.7 million respectively.

Despite a higher production cost for the year, the division was able to maintain a healthy margin as it was able to pass on most of its cost increases.

Property Development

The division's turnover and profit after taxation for the quarter under review are RM25.1 million and RM8.4 million respectively. In the corresponding period of the previous financial year, the division's turnover and profit after taxation were RM17.4 million and RM3.5 million respectively.

For the year under review, the division's turnover and profit after taxation are RM82.7 million and RM19.8 million respectively. In the previous financial year, the division reported a turnover and profit after taxation of RM48.6 million and RM10.2 million respectively.

The results of the division reflect the progress of construction of the division's sole property development project, The Atmosphere.

16. Material changes in the results of the current financial quarter compared to the results of the preceding quarter

The Group recorded a turnover and profit after taxation of RM98.5 million and RM10.7 million respectively for the quarter under review. In the immediate preceding quarter, the Group's turnover and profit after taxation were RM105.6 million and RM11.0 million.

The performance of the Group's timber and property divisions which are the Group's main operating divisions are as follows:

Timber

The division recorded a lower turnover and profit after taxation for the quarter under review compared to that of the immediate preceding quarter as the plywood market softened due to global economic uncertainties. The division turnover and profit after taxation for the quarter under review are RM73.3 million and RM2.7 million respectively. In the immediate preceding quarter, the division's turnover and profit after taxation were RM91.4 million and RM8.9 million respectively.

**16. Material changes in the results of the current financial quarter compared to the results of the preceding quarter
(Continued)**

Timber

Higher logs and consumables costs also put pressure on the division's margins.

Property Development

The division's turnover and profit after taxation for the quarter under review are RM25.1 million and RM8.4 million respectively. In the immediate preceding quarter, the division's turnover and profit after taxation were RM14.2 million and RM2.1 million respectively.

As mentioned above, the turnover and profit after taxation of the division are a reflection of the progress of work on its current project. As the rate of construction increased during the quarter under review compared to the immediate preceding quarter, the division's turnover and profit after taxation are higher compared to the immediate preceding quarter.

17. Prospects and Outlook

Timber

The plywood market is expected to remain unchanged for the time being. Production levels are expected to be lower as log supply will be tight for the next few months. Further ahead, demand from the North American market, which has already bottomed, is expected to increase as its housing starts improve. Demand from the Middle Eastern and North African market is also expected to improve as it is settling down from its recent political turmoil.

Property Development

The division is expected to complete and handover the balance of its first phase of The Atmosphere before the end of the current calendar year. Thereafter construction work will be focused on the second phase of The Atmosphere that was launched in October 2011. The next phase of The Atmosphere which comprises of SOHOs and office suites is expected to be launched towards the end of 2012 or early 2013.

In the medium term, the local property market is expected to plateau due the steps taken by financial institutions to curb property speculation. The division will be mindful of this and will take into account market sentiments in determining on the launch date of the next phase.

Having considered the above and other factors, the Board expects the Group's margins to remain positive.

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2012**

18. Variance of actual profit from forecast profit

Not applicable.

19. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and financial year

	Current Quarter RM'000	Financial Year RM'000
Taxation		
- Current year charge	(550)	(3,439)
Deferred taxation		
- Current year	<u>1,979</u>	<u>3,724</u>
	<u>1,429</u>	<u>285</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.

20. Status of corporate proposal

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

21. Group borrowings and debt securities

	As at 31.03.2012 RM'000
Short term borrowings	
- secured	5,592
- unsecured	<u>13,327</u>
	<u>18,919</u>

All the above borrowings are denominated in local currency.

22. Material litigation

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

EKSONS CORPORATION BERHAD (205814-V)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012

23. Proposed dividend

The Board of Directors has proposed a final dividend in respect of the financial year ended 31 March 2012, of 2.5 sen per share under single-tier system on 164,213,000 ordinary shares, amounting to a dividend payable of approximately RM4,105,325 (31 March 2011: RM4,105,325). The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

24. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 31 March 2012, 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 March 2012, the Group did not have any gains/losses arising from fair value changes of financial liabilities.

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

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

	As at 31.03.2012 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	241,648
- Unrealised	<u>6,573</u>
	248,221
Add: Consolidation adjustments	<u>8,430</u>
Total group retained profits as per consolidated accounts	<u><u>256,651</u></u>

25. Earnings per share

The earnings per share is calculated as follows :

	Financial Year 31.03.2012 RM'000
a. Basic	
Net profit attributable to ordinary shareholders (RM'000)	<u>37,685</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>22.95</u>
b. Diluted	
Not applicable	

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2012**

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 May 2012