

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

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue		61,501	105,562	209,357	276,195
Operating expenses	10	(59,938)	(96,388)	(189,978)	(241,891)
Other operating income	11	670	857	2,138	1,761
<b>Profit from operations</b>		<u>2,233</u>	<u>10,031</u>	<u>21,517</u>	<u>36,065</u>
Finance costs		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before tax		2,233	10,031	21,517	36,065
Taxation	21	1,743	954	1,692	(1,144)
<b>Profit for the period</b>		<u>3,976</u>	<u>10,985</u>	<u>23,209</u>	<u>34,921</u>
<b>Other Comprehensive Income :</b>					
Foreign currency translation		(3)	5	(19)	(11)
<b>Total comprehensive income for the period</b>		<u><u>3,973</u></u>	<u><u>10,990</u></u>	<u><u>23,190</u></u>	<u><u>34,910</u></u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012)**

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

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
		RM'000	RM'000	RM'000	RM'000
Profit attributable to :					
Owners of the Parent		2,937	10,130	18,084	30,362
Non-controlling interest		1,039	855	5,125	4,559
		<u>3,976</u>	<u>10,985</u>	<u>23,209</u>	<u>34,921</u>
Total comprehensive income attributable to :					
Owners of the Parent		2,934	10,135	18,065	30,351
Non-controlling interest		1,039	855	5,125	4,559
		<u>3,973</u>	<u>10,990</u>	<u>23,190</u>	<u>34,910</u>
Earnings Per Share					
(a) Basic (sen)	27a	1.79	6.17	11.01	18.49
(b) Diluted (sen)	27b	-	-	-	-

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012)**

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

	<b>As at 31.12.2012 RM'000 unaudited</b>	<b>As at 31.03.2012 RM'000 audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	131,381	139,320
Prepaid land lease payments	9,012	9,129
Land held for property development	35,419	18,556
Deferred tax assets	21,790	18,304
Goodwill on consolidation	26,763	26,763
	<u>224,365</u>	<u>212,072</u>
<b>Current assets</b>		
Property development costs	49,280	45,037
Inventories	138,944	100,684
Trade and other receivables	12,476	31,430
Other current assets	6,587	4,753
Current tax asset	408	448
Term deposits	57,680	91,816
Cash and bank balances	37,461	40,373
	<u>302,836</u>	<u>314,541</u>
<b>TOTAL ASSETS</b>	<u><u>527,201</u></u>	<u><u>526,613</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 2012)**

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

	<b>As at 31.12.2012 RM'000 unaudited</b>	<b>As at 31.03.2012 RM'000 audited</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	131,370	131,370
Retained earnings	270,880	256,651
Capital reserves	586	855
	<u>402,836</u>	<u>388,876</u>
<b>Non-controlling interest</b>	32,700	27,575
<b>Total equity</b>	<u>435,536</u>	<u>416,451</u>
<b>Current liabilities</b>		
Short term borrowings	21,284	18,919
Trade and other payables	39,915	42,609
Other current liabilities	19,367	36,673
Current tax payable	216	230
	<u>80,782</u>	<u>98,431</u>
<b>Non current liabilities</b>		
Deferred tax liabilities	10,883	11,731
	<u>10,883</u>	<u>11,731</u>
<b>Total liabilities</b>	<u>91,665</u>	<u>110,162</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>527,201</u>	<u>526,613</u>
Net asset per share	2.45	2.37

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012)**

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

	<b>9 Months Ended</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>unaudited</b>
<b>Operating activities</b>		
Profit before tax	21,517	36,065
<u>Adjustments for :</u>		
Allowance for impairment loss on receivables	-	9
Amortisation of prepaid land lease payments	117	117
Depreciation	9,732	10,013
Interest expenses included in cost of sales	504	524
Interest income	(1,823)	(1,133)
Loss on disposal of property, plant and equipment	-	41
Loss on disposal of non current asset held for sale	-	20
Property, plant and equipment written off	4	1,294
Total adjustments	8,534	10,885
<b>Operating cash flows before changes in working capital</b>	<b>30,051</b>	<b>46,950</b>
<u>Changes in working capital :</u>		
Increase in inventories	(38,260)	(11,661)
(Increase)/decrease in trade and other receivables	18,954	(22,886)
Increase in other current assets	(1,834)	(56)
Increase/(decrease) in trade and other payables	(2,713)	(4,940)
Increase/(decrease) in other current liabilities	(17,306)	27,361
Increase/(decrease) in property development costs	(21,107)	(2,947)
Total changes in working capital	(62,266)	(15,129)
Cash flows from operation	(32,215)	31,821
Interest paid included in cost of sales	(504)	(524)
Tax paid, net of refund	(2,615)	1,160
Net cash flows from operating activities	<u>(35,334)</u>	<u>32,457</u>
<b>Investing activities</b>		
Interest received	1,823	1,133
Proceeds from disposal of non current assets held for sale	-	200
Proceeds from disposal of property, plant and equipment	754	299
Purchase of property, plant and equipment	(2,550)	(5,368)
Net cash flows used in investing activities	<u>27</u>	<u>(3,736)</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012)**

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

	<b>9 Months Ended</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>unaudited</b>
<b>Financing activities</b>		
Dividend paid	(4,105)	(4,105)
Dividend paid to non-controlling interest	-	(2,711)
Proceeds from short term borrowings, net of repayment	2,364	2,812
Net cash flows (used in)/from financing activities	<u>(1,741)</u>	<u>(4,004)</u>
<b>Net increase in cash and cash equivalent</b>	<b>(37,048)</b>	<b>24,717</b>
<b>Cash and cash equivalents at 1 April</b>	<b>132,189</b>	<b>73,021</b>
<b>Cash and cash equivalents at 31 December</b>	<b><u>95,141</u></b>	<b><u>97,738</u></b>
<b>Analysis of cash and cash equivalents</b>		
Fixed deposits	57,680	30,806
Cash and bank balances	37,461	68,766
Less : Fixed deposits pledged as security	-	(1,834)
	<u>95,141</u>	<u>97,738</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012)**

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

	← Attributable to owners of the Company →						Non-controlling interest RM'000	Total RM'000
	Non-Distributable			Distributable				
	Share Capital RM'000	Reserve arising on consolidation RM'000	Translation Reserve RM'000	Retained Profits RM'000	Equity attributable to the owners of the Company RM'000			
<b>Current Year To Date</b>								
<b><u>Ended 31 December 2012</u></b>								
Opening balance at 1 April 2012	131,370	718	137	256,651	388,876	27,575		416,451
<b>Total comprehensive income</b>	-	-	(19)	18,084	18,065	5,125		23,190
<b>Transactions with owners</b>								
Dividend paid	-	-	-	(4,105)	(4,105)	-		(4,105)
Realisation of revaluation reserve	-	(250)	-	250	-	-		-
<b>Total transactions with owners</b>	-	(250)	-	(3,855)	(4,105)	-		(4,105)
Closing balance at 31 December 2012	131,370	468	118	270,880	402,836	32,700		435,536

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012)**

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

	← Attributable to owners of the Company →						Non-controlling interest RM'000	Total RM'000
	Non-Distributable			Distributable				
<b>Preceding Year Corresponding Period Ended 31 December 2011</b>	<b>Share Capital RM'000</b>	<b>Reserve arising on consolidation RM'000</b>	<b>Translation Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Equity attributable to the owners of the Company RM'000</b>			
Opening balance at 1 April 2011	131,370	718	148	227,176	359,412	23,099	382,511	
<b>Total comprehensive income</b>	-	-	(11)	30,362	30,351	4,559	34,910	
<b>Transactions with owners</b>								
Dividend paid	-	-	-	(4,105)	(4,105)	(2,711)	(6,816)	
Total transactions with owners	-	-	-	(4,105)	(4,105)	(2,711)	(6,816)	
Closing balance at 31 December 2011	131,370	718	137	253,433	385,658	24,947	410,605	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2012)



## EKSONS CORPORATION BERHAD (205814-V)

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

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#### 1. Basis of Preparation

The interim financial statement are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012. 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 2012.

#### 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") and amendment to FRS:

FRS 124	Related Party Disclosures
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
Amendments to FRS 112	Income taxes - Deferred Tax Recovery of Underlying Assets

The adoption of the above FRSs 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 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	Employee Benefits (2011)	1 January 2013
FRS 127	Separate Financial Statements (2011)	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Government Loans	1 January 2013
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Improvements to FRSs (2012)	1 January 2013
Amendments to FRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11	Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 101	Presentation of Financial Statements - Improvements to FRSs (2012)	1 January 2013

## EKSONS CORPORATION BERHAD (205814-V)

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

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

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
Amendments to FRS 132	Financial Instruments: Presentation - Improvements to FRSs (2012)	1 January 2013
Amendments to FRS 134	Interim Financial Reporting - Improvements to FRSs (2012)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

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

#### 3. Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

On 4 July 2012, MASB has decided to allow the Transitioning Entities to further defer the adoption of the MFRS Framework for another year. The MFRS Framework will therefore be mandated for all companies for annual period beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015.

#### 4. Disclosure of audit qualification

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

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

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

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#### **5. Seasonality or cyclicalness 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 cyclicalness 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 of the Company for the current financial year to date.

#### **9. Dividends paid**

On 30 May 2012, the Board of Directors proposed a final dividend in respect of the financial year ended 31 March 2012 of 2.5 sen per share under the single tier system (31 March 2012: 2.5 sen per share).

The final dividend was approved by shareholder during the Company's AGM held on 28 September 2012.

The final dividend was paid on 5 November 2012 to shareholders whose names appeared on the Record of Depositors of Eksons Corporation Berhad at the close of business on 10 October 2012.

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

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

**10. Operating expenses**

	3 months Ended		9 Months Ended	
	31.12.12 RM'000	31.12.2011 RM'000	31.12.12 RM'000	31.12.2011 RM'000
Depreciation	3,306	3,348	9,732	10,013
Amortisation of prepaid land lease payments	39	39	117	117
Interest expenses included in cost of sales	157	195	504	524
Loss on disposal of non current asset held for sale	-	-	-	20
Loss on disposal of property, plant and equipment	-	-	-	41
Property, plant and equipment written off	-	-	4	1,294
Allowance for impairment loss on receivables	-	2	-	9
Realised loss on foreign exchange	432	16	3	16
Cost of sales	46,007	77,131	151,720	191,933
Marketing and distribution expenses	7,621	12,600	21,168	30,451
Administration expenses	2,280	2,943	6,458	7,181
Other expenses	96	114	272	292
<b>Total operating expenses</b>	<b>59,938</b>	<b>96,388</b>	<b>189,978</b>	<b>241,891</b>

**11. Other operating income**

Interest income	578	471	1,823	1,133
Miscellaneous income	92	386	315	628
<b>Total other operating income</b>	<b>670</b>	<b>857</b>	<b>2,138</b>	<b>1,761</b>

**12. 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	154,572	-	36	54,749	-	209,357
Inter-segment sales	58,354	-	16,483	-	(74,837)	-
Total revenue	<u>212,926</u>	<u>-</u>	<u>16,519</u>	<u>54,749</u>	<u>(74,837)</u>	<u>209,357</u>
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	5,326	97	(239)	14,620	(110)	19,694
Interest income	1,106	-	136	581	-	1,823
Income taxes	4,193	-	(6)	(2,495)	-	1,692
Net profit/(loss)	<u>10,625</u>	<u>97</u>	<u>(109)</u>	<u>12,706</u>	<u>(110)</u>	<u>23,209</u>

## EKSONS CORPORATION BERHAD (205814-V)

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

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#### 12. 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.

#### 13. 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.

#### 14. 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:

On 6 August 2012, the Company's subsidiary company, Vibrant Hub Sdn. Bhd. acquired the entire issued and paid up share capital of Viva Paradise Sdn. Bhd. for a cash consideration of RM2.

#### 15. Capital commitments

As at 31 December 2012, there were no material capital commitments for capital expenditure by the Group which might have a material impact on the financial position or business of the Group except as disclosed below:

	<b>As at 31.12.2012 RM'000</b>
Approved and contracted for:	
Land held for property development	<u>16,222</u>
	<u>16,222</u>

#### 16. 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 2012. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 31 December 2012, the amount of banking facilities utilised which were secured by corporate guarantees was RM21.3 million.

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

The Group recorded a turnover of RM61.5 million and profit after taxation of RM4.0 million for quarter under review. In the corresponding quarter of the previous financial year, the Group's turnover was RM105.6 million while profit after taxation was at RM11.0 million.

The Group's year to date turnover and profit after taxation are at RM209.4 million and RM23.2 million respectively. In the corresponding period of the previous financial year, the Group's turnover and profit after taxation were at RM276.2 million and RM34.9 million respectively.

The performance of the Group's timber and property development divisions, which are the Group's main divisions, are as follow:

*Timber*

The plywood market is going through a prolonged period of weakness due to economic uncertainties globally. The Group is not spared from its effects and that can be seen in lower sales and margins for its timber division. Nevertheless the division continues to return positive margins largely due to strict cost control measures.

The division recorded a turnover of RM49.5 million and a profit after taxation of RM1.4 million for the quarter under review. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM91.4 million and RM8.9 million respectively.

The division's year to date turnover and profit after taxation are RM154.6 million and RM10.6 million respectively. In the corresponding period of the previous financial year, the division recorded a turnover of RM218.6 million and a profit after taxation of RM23.7 million.

*Property Development*

The division's turnover and profit after taxation for the quarter under review are RM12.0 million and RM2.5 million respectively. The division's turnover and profit after taxation for the corresponding quarter of the previous financial year were RM14.2 million and RM2.1 million respectively.

The division's turnover and profit after taxation for the financial year to date are RM54.8 million and RM12.7 million respectively. In the corresponding period of the previous financial year the division's turnover and profit after taxation were RM57.6 million and RM11.4 million respectively.

The revenue recorded reflects the progress of construction for the Group's property project, The Atmosphere, in Seri Kembangan Selangor. The project's boulevard shops were completed during the quarter under review and are being handed over to purchasers.

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

The Group recorded a turnover of RM61.5 million and profit after taxation of RM4.0 million for quarter under review. In the immediate preceding quarter, the Group's turnover and profit after taxation were RM36.9 million and RM7.7 million respectively.

The performance of the Group's timber and property development divisions, which are the Group's main divisions, are as follow:

*Timber*

The division recorded a turnover of RM49.5 million and a profit after taxation of RM1.4 million for the quarter under review. In the immediate preceding quarter the division's turnover and profit after taxation were RM13.7 million and RM1.6 million respectively.

Higher production cost and selling expenses eroded margins for the period under review and resulted in a lower profit after taxation.

*Property Development*

The division's turnover and profit after taxation for the quarter under review are RM12.0 million and RM2.5 million respectively. In the immediate preceding quarter, the division recorded a turnover and profit after taxation of RM23.2 million and RM6.1 million respectively.

The handing over of the development's boulevard shops to purchasers has commenced whilst the piazza shops offices are expected to be handed over soon.

During the quarter under review, the Group's wholly owned subsidiary, Uomo Donna (Malaysia) Sdn Bhd completed its acquisition of 8 parcels of freehold land measuring a total of 270,433 square metres situated within the Mukim of Rasah, District of Seremban, Negeri Sembilan for a total cash consideration of RM16.2 million.

**19. Prospects and Outlook**

*Timber*

The global plywood market is expected to continue to be soft over the next few months. Locally, the implementation of the minimum wage legislation in Malaysia will increase the Group's manpower costs and it is expected to have a spillover effect on other production costs. The full impact of the new law is expected to be felt in the coming months. In view of this, the division has implemented measures to cushion the impact and keep margins positive.

*Property Development*

As mentioned above, the division has commenced handing over of its boulevard shops and will now increase in efforts in wooing businesses to move to The Atmosphere. Potential tenants are being contacted directly and via reputable property agents.

## EKSONS CORPORATION BERHAD (205814-V)

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

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

Construction work is now on-going for the project's latest phase of shop offices, named Lava, and is expected to be completed on schedule in 2014. The division is expected to launch its next phase which comprise of SOHO and office suites later this year.

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

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

Not applicable.

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

	Current Quarter RM'000	Financial Period-to-date RM'000
Taxation		
- Current year charge	(503)	(2,642)
Deferred taxation		
- Current year	2,246	4,334
	<u>1,743</u>	<u>1,692</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.

#### 22. Status of corporate proposal

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

#### 23. Group borrowings and debt securities

	As at 31.12.2012 RM'000
Short term borrowings	
- secured	5,393
- unsecured	15,891
	<u>21,284</u>

All the above borrowings are denominated in local currency.



## EKSONS CORPORATION BERHAD (205814-V)

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

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#### 24. Material litigation

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

#### 25. Proposed dividend

The Board of Directors does not recommend any interim dividend for the financial quarter ended 31 December 2012. (31 March 2012 : 2.5 sen per share).

#### 26. Disclosure requirements pursuant to implementation of FRS 139

##### Part A: Disclosure of derivatives

As at 31 December 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 December 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:

	<b>As at 31.12.2012 RM'000</b>
Total retained profits of the Company and its subsidiaries:	
- Realised	251,277
- Unrealised	<u>10,907</u>
	262,184
Add: Consolidation adjustments	<u>8,696</u>
Total group retained profits as per consolidated accounts	<u><u>270,880</u></u>

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

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**27. Earnings per share**

The earnings per share is calculated as follows :

	<b>Financial Period-to-date RM'000</b>
<b>a. Basic</b>	
Net profit attributable to ordinary shareholders (RM'000)	<u>18,084</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>11.01</u>
<b>b. Diluted</b>	
Not applicable	

**28. 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

27 February 2013