

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	79,939	111,000	79,939	111,000
Operating expenses	(62,676)	(99,726)	(62,676)	(99,726)
Other operating income	523	713	523	713
Profit from operations	<u>17,786</u>	<u>11,987</u>	<u>17,786</u>	<u>11,987</u>
Finance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before tax	17,786	11,987	17,786	11,987
Taxation	(4,154)	(409)	(4,154)	(409)
Profit for the period	<u>13,632</u>	<u>11,578</u>	<u>13,632</u>	<u>11,578</u>
Other Comprehensive Income :				
Foreign currency translation	(3)	(17)	(3)	(17)
Total comprehensive income for the period	<u><u>13,629</u></u>	<u><u>11,561</u></u>	<u><u>13,629</u></u>	<u><u>11,561</u></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2013

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To Date	Corresponding
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Parent	9,065	9,945	9,065	9,945
Non-controlling interest	<u>4,567</u>	<u>1,633</u>	<u>4,567</u>	<u>1,633</u>
	<u>13,632</u>	<u>11,578</u>	<u>13,632</u>	<u>11,578</u>
Total comprehensive income attributable to :				
Owners of the Parent	9,062	9,928	9,062	9,928
Non-controlling interest	<u>4,567</u>	<u>1,633</u>	<u>4,567</u>	<u>1,633</u>
	<u>13,629</u>	<u>11,561</u>	<u>13,629</u>	<u>11,561</u>
Earnings Per Share				
(a) Basic (sen)	5.52	6.06	5.52	6.06
(b) Diluted (sen)	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2013

	As at 30.06.2013 RM'000 unaudited	As at 31.03.2013 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	126,621	129,374
Prepaid land lease payments	8,934	8,973
Land held for property development	35,600	35,233
Deferred tax assets	21,789	21,789
Goodwill on consolidation	26,763	26,763
	<u>219,707</u>	<u>222,132</u>
Current assets		
Property development costs	54,454	52,240
Inventories	95,994	81,972
Trade and other receivables	27,752	89,387
Other current assets	11,703	5,634
Current tax asset	598	1,092
Term deposits	85,879	46,183
Cash and bank balances	31,030	28,351
	<u>307,410</u>	<u>304,859</u>
TOTAL ASSETS	<u><u>527,117</u></u>	<u><u>526,991</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 2013)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2013

	As at 30.06.2013 RM'000 unaudited	As at 31.03.2013 RM'000 audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,370	131,370
Retained earnings	280,113	271,049
Capital reserves	385	387
	<u>411,868</u>	<u>402,806</u>
Non-controlling interest	35,564	31,997
Total equity	<u>447,432</u>	<u>434,803</u>
Current liabilities		
Short term borrowings	18,574	21,729
Trade and payables	45,106	38,249
Other current liabilities	-	19,377
Current tax payable	1,624	-
	<u>65,304</u>	<u>79,355</u>
Non current liabilities		
Deferred tax liabilities	14,381	12,833
	<u>14,381</u>	<u>12,833</u>
Total liabilities	<u>79,685</u>	<u>92,188</u>
TOTAL EQUITY AND LIABILITIES	<u>527,117</u>	<u>526,991</u>
Net asset per share	2.51	2.45

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2013

	3 Months Ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
	unaudited	unaudited
Operating activities		
Profit before tax	17,786	11,987
<u>Adjustments for:</u>		
Amortisation of prepaid land lease payments	39	39
Depreciation	2,867	3,332
Interest expenses included in cost of sales	161	169
Interest income	(433)	(619)
Property, plant and equipment written off	-	4
Total adjustments	2,634	2,925
Operating cash flows before changes in working capital	20,420	14,912
<u>Changes in working capital:</u>		
Increase in property development costs	(2,580)	(867)
(Increase)/decrease in inventories	(14,022)	16,468
Decrease/(increase) in trade and other receivables	61,634	(45,953)
Increase in other current assets	(6,070)	(1,167)
Increase in trade and payables	6,856	741
Decrease in other current liabilities	(19,377)	(104)
Total changes in working capital	26,441	(30,882)
Cash flows from operation	46,861	(15,970)
Interest paid included in cost of sales	(161)	(169)
Tax paid, net of refund	(489)	(752)
Net cash flows from/(used in) operating activities	46,211	(16,891)
Investing activities		
Interest received	433	619
Proceeds from disposal of property, plant and equipment	2	752
Purchase of property, plant and equipment	(116)	(1,850)
Net cash flows from/(used in) investing activities	319	(479)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2013

	3 Months Ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
	unaudited	unaudited
Financing activities		
Dividend paid to non-controlling interest	(1,000)	-
Proceeds from short term borrowings, net of repayment	(3,155)	3,382
Net cash flows (used in)/from financing activities	(4,155)	3,382
Net increase/(decrease) in cash and cash equivalents	42,375	(13,988)
Cash and cash equivalents at 1 April	74,534	132,188
Cash and cash equivalents at 30 June	116,909	118,200
Analysis of cash and cash equivalents		
Fixed deposits	85,879	72,051
Cash and bank balances	31,030	46,149
	116,909	118,200

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2013

	← Attributable to owners of the Company →						Non-controlling interest RM'000	Total RM'000
	Non-Distributable			Distributable		Equity attributable to the owners of the Company RM'000		
	Share capital RM'000	Consolidation reserve RM'000	Translation reserve RM'000	Retained profits RM'000				
Current Year To Date								
<u>Ended 30 June 2013</u>								
Opening balance at 1 April 2013	131,370	266	122	271,048	402,806		31,997	434,803
Total comprehensive income	-	-	(3)	9,065	9,062		4,567	13,629
Transactions with owners								
Dividend on preference shares	-	-	-	-	-		(1,000)	(1,000)
Total transactions with owners	-	-	-	-	-		(1,000)	(1,000)
Closing balance at 30 June 2013	131,370	266	119	280,113	411,868		35,564	447,432

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2013

	← Attributable to owners of the Company →						Non- controlling interest RM'000	Total RM'000
	Non-Distributable			Distributable		Equity attributable to the owners of the Company RM'000		
	Share capital RM'000	Consolidation reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Equity attributable to the owners of the Company RM'000	Non- controlling interest RM'000	Total RM'000	
Preceding Year Corresponding Period Ended 30 June 2012								
Opening balance at 1 April 2012	131,370	718	137	256,651	388,876	27,575	416,451	
Total comprehensive income	-	-	(17)	9,945	9,928	1,633	11,561	
Closing balance at 30 June 2012	131,370	718	120	266,596	398,804	29,208	428,012	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

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 2013. 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 2013.

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 2013 except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), amendment to FRS and Issues Committee ("IC") Interpretations :

FRS101	Presentation of Items of Other Comprehensive Income (Amendment to FRS 101)
Amendments to FRS 101	Presentation of Financial Statements (Improvements to FRSs (2012))
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
Amendment to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation(Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above FRSs did not have any significant impact on the financial statements upon their initial application.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

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	Offsetting Financial Asset and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities	1 January 2014
FRS 9	Financial Instruments	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. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

On 7 August 2013, 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 2015.

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 2016.

4. Disclosure of audit qualification

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

5. 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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

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

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

10. Operating expenses

	3 months Ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
Depreciation	2,867	3,332
Amortisation of prepaid land lease payments	39	39
Interest expenses included in cost of sales	161	169
Property, plant and equipment written off	-	4
Realised gain on foreign exchange	-	(429)
Cost of sales	50,138	83,567
Marketing and distribution expenses	6,222	10,897
Administration expenses	3,113	2,078
Other expenses	136	69
Total operating expenses	<u>62,676</u>	<u>99,726</u>

11. Other operating income

	3 months Ended	
	30.06.2013	30.06.2012
	RM'000	RM'000
Interest income	433	619
Miscellaneous income	90	94
Total other operating income	<u>523</u>	<u>713</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

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
Segment Revenue						
External sales	49,243	-	12	30,684	-	79,939
Inter-segment sales	29,689	-	4,000	3,355	(37,044)	-
Total revenue	<u>78,932</u>	<u>-</u>	<u>4,012</u>	<u>34,039</u>	<u>(37,044)</u>	<u>79,939</u>
Segment Result						
Operating profit/(loss) before interest and tax	2,054	8	3,934	15,369	(4,012)	17,353
Interest income	282	-	58	93	-	433
Income taxes	(80)	-	(1)	(4,073)	-	(4,154)
Net profit/(loss)	<u>2,256</u>	<u>8</u>	<u>3,991</u>	<u>11,389</u>	<u>(4,012)</u>	<u>13,632</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.

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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

15. Capital commitments

As at 30 June 2013, 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:

	As at 30.06.2013 RM'000
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 2013. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 30 June 2013, the amount of banking facilities utilised which were secured by corporate guarantees was RM18.6 million.

17. Review of the performance of the Group for the period under review

The Group's turnover and profit after taxation for the period under review are RM80.0 million and RM13.6 million respectively. In the corresponding period of the previous financial year the Group's turnover and profit after taxation were RM111.0 million and RM11.6 million respectively.

The performance of the Group's timber and property development divisions which are the Group's core divisions is as follows:

Timber

The division's turnover and profit after taxation for the quarter under review are RM49.2 million and RM2.3 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM91.5 million and RM7.5 million respectively.

The division's turnover for the quarter under review is lower due to a lower volume shipped whilst prices have remained stable. Higher cost of raw materials and production costs also contributed to the lower margin for the period under review.

17. Review of the performance of the Group for the period under review (Continued)

Property Development

The division's turnover and profit after taxation for the quarter under review are RM30.7 million and RM11.4 million respectively. In the corresponding period of the previous financial year, the division's turnover and profit after taxation were RM19.5 million and RM4.1 million respectively.

The higher turnover for the quarter under review is mainly due to recognition of sales from the completion of Phase 2D of The Atmosphere. This phase was completed and handed over to purchasers during the quarter under review. Apart from the above, adjustments to estimated construction cost on completion of Phases 2A-D also contributed to the higher profit after taxation. Final construction costs for these phases were lower than previously estimated.

18. Review of the performance of the Group for the quarter under review and the immediate preceding quarter

The Group's turnover and profit after taxation for the period under review are RM80.0 million and RM13.6 million respectively. In the immediate preceding quarter, the Group's turnover and profit after taxation were RM129.3 million and RM0.3 million respectively.

The performance of the Group's timber division and property development divisions which are the Group's core divisions is as follows:

Timber

The division's turnover and profit after taxation for the quarter under review are RM49.2 million and RM2.3 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM119.7 million and RM0.2 million respectively.

Lower selling expenses and lower repairs and maintenance cost enabled the division to record better margins despite a lower turnover.

Property development

The division's turnover and profit after taxation for the quarter under review are RM30.7 million and RM11.4 million respectively. In the immediate preceding quarter, the division's turnover and profit after taxation were RM9.7 million and RM1.1 million respectively.

The higher turnover was due in part to sales recognised on the completion and hand over of Phase 2D of The Atmosphere to purchasers. The margins of the division were also higher due to adjustments made to the estimated construction cost of the project's completed phases. Previous estimated costs of construction were higher than the project's final construction costs.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

19. Prospects and Outlook

Timber

The demand for plywood is expected to remain unchanged for the near term. In the longer run, the demand for plywood will depend on the outcome of the political unrest in the Middle East and recovery of the European economy. As of now moderate improvements are expected for the Euro Zone, USA and Japan in the coming months.

Property development

Despite a plateau in demand experienced by the local property development currently, the general outlook for this sector remains positive as there is room for growth. The Group is seeking to increase its land bank to capitalise on this.

Having considered the above and other factors, the Board expects the results for the year to be 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	(2,607)	(2,607)
Deferred taxation		
- Current year	(1,547)	(1,547)
	<u>(4,154)</u>	<u>(4,154)</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 not completed at the date of this report.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

23. Group borrowings and debt securities

	As at 30.06.2012 RM'000
Short term borrowings	
- secured	5,692
- unsecured	12,882
	<u>18,574</u>

All the above borrowings are denominated in local currency.

24. Material litigation

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

25. Proposed dividend

The Board of Directors has proposed a final dividend in respect of the financial year ended 31 March 2013, of 3 sen per share under single-tier system on 164,213,000 ordinary shares, amounting to a dividend payable of approximately RM4,926,390 (31 March 2012: RM4,105,325). The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

26. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 June 2013, the Group did not hold any financial derivatives.

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

As at 30 June 2013, 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 30.06.2013 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	267,214
- Unrealised	7,408
	<u>274,622</u>
Add: Consolidation adjustments	<u>5,491</u>
Total group retained profits as per consolidated accounts	<u><u>280,113</u></u>

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2013

27. Earnings per share

The earnings per share is calculated as follows :

	Financial period-to-date RM'000
a. Basic	
Net profit attributable to ordinary shareholders (RM'000)	<u>9,065</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>5.52</u>
b. Diluted	
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

23 August 2013