

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	50,259	36,856	130,198	147,856
Operating expenses	(43,414)	(30,314)	(106,090)	(130,040)
Other operating income	1,105	755	1,628	1,468
<b>Profit from operations</b>	<u>7,950</u>	<u>7,297</u>	<u>25,736</u>	<u>19,284</u>
Finance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before tax	7,950	7,297	25,736	19,284
Taxation	(253)	358	(4,407)	(51)
<b>Profit for the period</b>	<u>7,697</u>	<u>7,655</u>	<u>21,329</u>	<u>19,233</u>
<b>Other Comprehensive Income :</b>				
Foreign currency translation	(10)	1	(13)	(16)
<b>Total comprehensive income for the period</b>	<u><u>7,687</u></u>	<u><u>7,656</u></u>	<u><u>21,316</u></u>	<u><u>19,217</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 September 2013**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To Date	Corresponding
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Parent	8,030	5,732	17,095	15,147
Non-controlling interest	(333)	1,923	4,234	4,086
	<u>7,697</u>	<u>7,655</u>	<u>21,329</u>	<u>19,233</u>
Total comprehensive income attributable to :				
Owners of the Parent	8,020	5,733	17,082	15,131
Non-controlling interest	(333)	1,923	4,234	4,086
	<u>7,687</u>	<u>7,656</u>	<u>21,316</u>	<u>19,217</u>
Earnings Per Share				
(a) Basic (sen)	4.89	3.49	10.41	9.22
(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 September 2013**

	<b>As at 30.09.2013 RM'000 unaudited</b>	<b>As at 31.03.2013 RM'000 audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	124,102	129,374
Prepaid land lease payments	8,895	8,973
Land held for property development	35,557	35,233
Deferred tax assets	21,789	21,789
Goodwill on consolidation	26,763	26,763
	<u>217,106</u>	<u>222,132</u>
<b>Current assets</b>		
Property development costs	56,798	52,240
Inventories	124,141	81,972
Trade and other receivables	28,042	89,387
Other current assets	10,311	5,634
Current tax asset	570	1,092
Term deposits	65,610	46,183
Cash and bank balances	24,083	28,351
	<u>309,555</u>	<u>304,859</u>
<b>TOTAL ASSETS</b>	<u><u>526,661</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 September 2013**

	<b>As at 30.09.2013 RM'000 unaudited</b>	<b>As at 31.03.2013 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	288,143	271,049
Capital reserves	375	387
	<u>419,888</u>	<u>402,806</u>
Non-controlling interest	35,231	31,997
<b>Total equity</b>	<u>455,119</u>	<u>434,803</u>
<b>Current liabilities</b>		
Short term borrowings	16,089	21,729
Trade and other payables	38,796	38,249
Other current liabilities	1,285	19,377
Current tax payable	979	-
	<u>57,149</u>	<u>79,355</u>
<b>Non current liabilities</b>		
Deferred tax liabilities	14,393	12,833
	<u>14,393</u>	<u>12,833</u>
<b>Total liabilities</b>	<u>71,542</u>	<u>92,188</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>526,661</u>	<u>526,991</u>
Net asset per share	2.56	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 September 2013**

	<b>6 Months Ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>audited</b>
<b>Operating activities</b>		
Profit before tax	25,736	19,284
<u>Adjustments for:</u>		
Amortisation of prepaid land lease payments	78	78
Depreciation	5,734	6,426
Interest expenses	299	347
Interest income	(979)	(1,245)
Property, plant and equipment written off	1	4
Total adjustments	5,133	5,610
<b>Operating cash flows before changes in working capital</b>	<b>30,869</b>	<b>24,894</b>
<u>Changes in working capital</u>		
Increase in property development cost	(4,882)	(3,278)
Increase in inventories	(42,169)	(26,038)
Decrease in trade and other receivables	61,345	22,866
Increase in other current assets	(4,677)	(2,214)
Increase/ (decrease) in trade and other payables	534	(5,530)
(Decrease)/increase in other current liabilities	(18,092)	(12,726)
Total changes in working capital	(7,941)	(26,920)
Cash flows from operation	22,928	(2,026)
Interest paid included in cost of sales	(299)	(347)
Tax paid, net of refund	(1,347)	(1,579)
Net cash flows from/(used in) operating activities	21,282	(3,952)
<b>Investing activities</b>		
Interest received	979	1,245
Proceeds from disposal of property, plant and equipment	32	752
Purchase of property, plant and equipment	(495)	(2,493)
Net cash flows from/(used in) investing activities	516	(496)

**(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 September 2013**

	<b>6 Months Ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>unaudited</b>	<b>audited</b>
<b>Financing activities</b>		
Dividend paid to non-controlling interest	(1,000)	-
Proceeds from short term borrowings, net of repayment	(692)	(692)
Net cash flows used in financing activities	<u>(1,692)</u>	<u>(692)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	20,106	(5,140)
<b>Cash and cash equivalents at 1 April</b>	<u>74,534</u>	<u>132,189</u>
<b>Cash and cash equivalents at 30 September</b>	<u><u>94,640</u></u>	<u><u>127,049</u></u>
<b>Analysis of cash and cash equivalents</b>		
Fixed deposits	65,610	90,699
Cash and bank balances	<u>24,083</u>	<u>36,350</u>
	<u><u>89,693</u></u>	<u><u>127,049</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 2013)**

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

	← Attributable to owners of the Company →						
	Non-Distributable			Distributable			
	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
<b>Current Year To Date</b>							
<b><u>Ended 30 September 2013</u></b>							
Opening balance at 1 April 2013	131,370	266	122	271,048	402,806	31,997	434,803
<b>Total comprehensive income</b>	-	-	(13)	17,095	17,082	4,234	21,316
<b>Transactions with owners</b>							
Dividend on preference shares	-	-	-	-	-	(1,000)	(1,000)
Total transactions with owners	-	-	-	-	-	(1,000)	(1,000)
Closing balance at 30 September 2013	131,370	266	109	288,143	419,888	35,231	455,119

(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 September 2013**

	← Attributable to owners of the Company →						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	Equity attributable to the owners of the Company RM'000			
<b>Preceding Year Corresponding Period Ended 30 September 2012</b>								
Opening balance at 1 April 2012	131,370	718	137	256,651	388,876	27,575	416,451	
<b>Total comprehensive income</b>	-	-	(16)	15,147	15,131	4,086	19,217	
Closing balance at 30 September 2012	131,370	718	121	271,798	404,007	31,661	435,668	

(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 SEPTEMBER 2013**

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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 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 SEPTEMBER 2013**

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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 Offsetting Financial Asset and Financial Liabilities	1 January 2014
Amendments to FRS 10, Investment Entities FRS 12 and FRS 127	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 SEPTEMBER 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**

On 31 May 2013, the Board of Directors proposed a final dividend in respect of the financial year ended 31 March 2013 of 3 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 Annual General Meeting held on 30 September 2013 and was paid on 4 November 2013 to shareholders whose names appeared on the Record of Depositors of Eksons Corporation Berhad at the close of business on 10 October 2013.

**10. Operating expenses**

	<b>3 months Ended</b>		<b>6 months Ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation	2,867	3,094	5,734	6,426
Amortisation of prepaid land lease payments	39	39	78	78
Interest expenses included in cost of sales	138	178	299	347
Property, plant and equipment written off	1	-	1	4
Realised loss/(gain) on foreign exchange	7	-	7	(429)
Cost of sales	32,701	22,146	82,839	105,713
Marketing and distribution expenses	5,555	2,650	11,777	13,547
Administration expenses	1,969	2,100	5,082	4,178
Other expenses	137	107	273	176
<b>Total operating expenses</b>	<b>43,414</b>	<b>30,314</b>	<b>106,090</b>	<b>130,040</b>

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

**11. Other operating income**

	3 months Ended		6 months Ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	546	626	979	1,245
Miscellaneous income	559	129	649	223
<b>Total other operating income</b>	<b>1,105</b>	<b>755</b>	<b>1,628</b>	<b>1,468</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	97,070	-	24	33,104	-	130,198
Inter-segment sales	39,847	-	9,000	3,355	(52,202)	-
Total revenue	<u>136,917</u>	<u>-</u>	<u>9,024</u>	<u>36,459</u>	<u>(52,202)</u>	<u>130,198</u>
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	9,687	637	8,831	14,603	(9,001)	24,757
Interest income	696	-	90	193	-	979
Income taxes	(160)	-	(4)	(4,243)	-	(4,407)
Net profit/(loss)	<u>10,223</u>	<u>637</u>	<u>8,917</u>	<u>10,553</u>	<u>(9,001)</u>	<u>21,329</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.

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

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**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.

**15. Capital commitments**

As at 30 September 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:

	<b>As at 30.09.2013 RM'000</b>
Approved and contracted for:	
Land held for property development	16,222
Approved and not contracted for:	
Land held for property development	<u>25,529</u>
	<u><u>41,751</u></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 September 2013, the amount of banking facilities utilised which were secured by corporate guarantees was RM3.92 million.

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

The Group's turnover and profit after taxation for the quarter under review are RM50.2 million and RM7.7 million respectively. In the corresponding quarter of the previous financial year, the Group's turnover and profit after taxation were RM36.9 million and RM7.7 million respectively.

The Group's turnover and profit after taxation for the first half of the current financial year are RM130.2 million and RM21.3 million respectively. In the corresponding period of the previous financial year, the Group's turnover and profit after taxation were RM147.9 million and RM19.2 million respectively.

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

*Timber*

The timber division recorded a profit after taxation of RM8.0 million on the back of a turnover of RM47.8 million for the quarter under review. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM13.7 million and RM1.6 million respectively.

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

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

*Timber (continued)*

The division's turnover and profit after taxation for the first six months of the current financial year are RM97.1 million and RM10.2 million respectively. In the corresponding period of the previous financial year, the division's turnover and profit after taxation were RM105.1 million and RM9.2 million respectively.

The higher margins recorded is mainly due to improved selling prices during the period under review.

*Property development*

The division's turnover and loss after taxation for quarter under review are RM2.4 million and RM0.8 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM23.2 million and RM6.1 million respectively.

The division's turnover and profit after taxation for the first half of the current financial year were RM33.1 million and RM10.6 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM42.7 million and RM10.1 million respectively.

The division has a lower turnover for the period under review as it has completed and handed over the bulk of the units under The Atmosphere project. Curbs on lending imposed by financial institutions and a soft property market dampened sales of the remaining stock units of the division.

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

The Group's turnover and profit after taxation for the quarter under review are RM50.2 million and RM7.7 million respectively. In the immediate preceding quarter, the Group's turnover and profit after taxation were RM79.9 million and RM13.6 million respectively.

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

*Timber*

The timber division recorded a profit after taxation of RM8.0 million on the back of a turnover of RM47.8 million for the quarter under review. In the immediate preceding quarter, the division's turnover and profit after taxation were RM49.2 million and RM2.2 million respectively.

Higher plywood selling prices and lower selling costs during the quarter under review enabled the division to achieve better margins.

*Property development*

The division's turnover and loss after taxation for quarter under review are RM2.4 million and RM0.8 million respectively. In the immediate preceding quarter, the division's turnover and profit after taxation were RM30.7 million and RM11.4 million respectively.

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

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**18. Review of the performance of the Group for the quarter under review and immediate preceding quarter (continued)**

A lower turnover is reported for the quarter under review as the bulk of the division's current project has already been delivered and handed over to purchasers before the current quarter. As mentioned above, a tighter credit market for properties has caused a dampening of sales of the division's unsold stock units.

**19. Prospects and Outlook**

*Timber*

The plywood market is expected to remain at current levels in the medium term as there are no catalysts for an uptrend. Production costs of the Group's timber division are expected to remain stable as production costs are well under control. This will help towards maintaining a positive margin for the division.

*Property development*

The Group maintains a positive outlook of the property market in the longer term despite it being soft currently and will continue to look for new lands to increase its land bank. In line with this, the Company's subsidiary, Viva Paradise Sdn Bhd had on 7th November 2013, entered into a sales and purchase agreement with Bee Hing Engineering Sdn Bhd to acquire a piece of freehold land held under GM 478 Lot 574, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan measuring approximately 6.5 acres for a cash consideration of RM26,049,309.09. The Group has plans for a residential development on this land. This acquisition is expected to be completed by March 2014.

On 18 November 2013, the Company's subsidiary, Russella Teguh Sdn. Bhd., entered into a sales and purchase agreement with Lembah Penchala Sdn. Bhd. for the disposal of land measuring approximately 14.64 acres held under Lot HS (D) 251946, PT No. 78699, Mukim and Daerah of Petaling, Selangor Darul Ehsan identified as Phase 3, The Atmosphere, situated along Jalan Putra Permai, Bandar Putra Permai, Seri Kembangan, Selangor Darul Ehsan for a total cash consideration of RM140,273,318.00. This property was part of the land bank of the Group's property development division and was intended to be developed with a mix of commercial and retail components. However in view of the appreciation of value of the land, the Group has decided to dispose the property. This disposal is expected to be completed in 2014.

The proceeds of the disposal will enable the Group to acquire new lands for development.

Having taken into account the above among other factors, the Board is of the view that the Group's margin will remain positive for the current financial year.

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

Not applicable.

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

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

	<b>Current Quarter RM'000</b>	<b>Financial Period-to-date RM'000</b>
Taxation		
- Current year charge	(240)	(2,847)
Deferred taxation		
- Current year	(13)	(1,560)
	<u>(253)</u>	<u>(4,407)</u>

The Group's effective tax rate for the financial year to date is lower than the statutory tax rate principally due to the tax incentives available to some subsidiary companies.

**22. Status of corporate proposal**

On 30 October 2013, the Board of Directors had announced that the Company intends to seek shareholders' approval at an Extraordinary General Meeting ("EGM") on a proposed share buy-back. The proposed share buy-back is subject to the approval of shareholders at the forthcoming EGM of the Company which will be held on 6 December 2013 at 3 pm at Belmont Marco Polo Hotel, Jalan Clinic, 91008 Tawau, Sabah.

**23. Group borrowings and debt securities**

	<b>As at 30.09.2013 RM'000</b>
Short term borrowings	
- secured	3,922
- unsecured	12,167
	<u>16,089</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 does not recommend any interim dividend for the financial quarter ended 30 September 2013. (30 September 2012 : Nil).



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

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

**Part A: Disclosure of derivatives**

As at 30 September 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 September 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:

	<b>As at 30.09.2013 RM'000</b>
Total retained profits of the Company and its subsidiaries:	
- Realised	274,727
- Unrealised	<u>7,396</u>
	282,123
Add: Consolidation adjustments	<u>6,020</u>
Total group retained profits as per consolidated accounts	<u><u>288,143</u></u>

**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>17,095</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>10.41</u>
<b>b. Diluted</b>	
Not applicable	

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

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**28. Subsequent event**

There was no material event subsequent to the end of the current quarter except the following:

- 1) On 7 November 2013, the Company's subsidiary, Viva Paradise Sdn Bhd entered into a sale and purchase agreement with Bee Hing Engineering Sdn Bhd to acquire a piece of freehold land held under GM 478 Lot 574, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan measuring approximately 6.5 acres for a cash consideration of RM26,049,309.09.
- 2) On 20 November 2013, the Company's subsidiary, Russella Teguh Sdn Bhd entered into a sale and purchase agreement with Lembah Penchala Sdn Bhd for disposal of land measuring approximately 14.64 acres held under Lot HS(D) 251946, PT NO. 78699, Mukim and Daerah of Petaling, Selangor Darul Ehsan identified as Phase 3, The Atmosphere, situated along Jalan Putra Permai, Bandar Putra Permai, Seri Kembangan, Selangor Darul Ehsan for a total cash consideration of RM140,273,318.00.
- 3) On 30 October 2013, the Board of Directors had announced that the Company intends to seek shareholders' approval at an Extraordinary General Meeting ("EGM") on a proposed share buy-back. The proposed share buy-back is subject to the approval of shareholders at the forthcoming EGM of the Company which will be held on 6 December 2013 at 3 pm at Belmont Marco Polo Hotel, Jalan Clinic, 91008 Tawau, Sabah.

BY ORDER OF THE BOARD

Emily Yeo Swee Ming  
Company Secretary

27 November 2013