

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	81,924	79,939	81,924	79,939
Operating expenses	(78,227)	(62,676)	(78,227)	(62,676)
Other operating income	401	523	401	523
Profit from operations	4,098	17,786	4,098	17,786
Finance costs	-	-	-	-
Profit before tax	4,098	17,786	4,098	17,786
Taxation	(155)	(4,154)	(155)	(4,154)
Profit for the period	3,943	13,632	3,943	13,632
Other Comprehensive Income :				
Foreign currency translation	-	(3)	-	(3)
Total comprehensive income for the period	3,943	13,629	3,943	13,629

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2014

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To Date	Corresponding
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Profit attributable to :				
Owners of the Parent	4,351	9,065	4,351	9,065
Non-controlling interest	(408)	4,567	(408)	4,567
	<u>3,943</u>	<u>13,632</u>	<u>3,943</u>	<u>13,632</u>
Total comprehensive income attributable to :				
Owners of the Parent	4,351	9,062	4,351	9,062
Non-controlling interest	(408)	4,567	(408)	4,567
	<u>3,943</u>	<u>13,629</u>	<u>3,943</u>	<u>13,629</u>
Earnings Per Share				
(a) Basic (sen)	2.65	5.52	2.65	5.52
(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 2014)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2014

	As at 30.06.2014 RM'000 unaudited	As at 31.03.2014 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	116,741	119,434
Prepaid land lease payments	8,778	8,817
Land held for property development	60,966	60,966
Deferred tax assets	20,563	20,563
Goodwill on consolidation	26,763	26,763
	<u>233,811</u>	<u>236,543</u>
Current assets		
Property development costs	39,662	33,988
Properties held for sale	30,300	30,300
Inventories	139,934	146,842
Trade and other receivables	41,380	40,509
Other current assets	6,019	5,635
Current tax asset	1,927	1,374
Term deposits	7,010	7,982
Cash and bank balances	71,801	50,942
	<u>338,033</u>	<u>317,572</u>
TOTAL ASSETS	<u><u>571,844</u></u>	<u><u>554,115</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 2014)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2014

	As at 30.06.2014 RM'000 unaudited	As at 31.03.2014 RM'000 audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,370	131,370
Retained earnings	289,360	285,009
Capital reserves	381	381
	<u>421,111</u>	<u>416,760</u>
Non-controlling interest	32,361	32,769
Total equity	<u>453,472</u>	<u>449,529</u>
Current liabilities		
Short term borrowings	22,457	30,010
Trade and payables	23,944	22,894
Other current liabilities	37,740	37,848
Current tax payable	10	10
	<u>84,151</u>	<u>90,762</u>
Non current liabilities		
Deferred tax liabilities	13,844	13,824
Term loan	20,377	-
	<u>34,221</u>	<u>13,824</u>
Total liabilities	<u>118,372</u>	<u>104,586</u>
TOTAL EQUITY AND LIABILITIES	<u>571,844</u>	<u>554,115</u>
Net asset per share	2.56	2.54

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2014

	3 Months Ended	
	30.06.2014	30.06.2013
	RM'000	RM'000
	unaudited	unaudited
Operating activities		
Profit before tax	4,098	17,786
<u>Adjustments for:</u>		
Amortisation of prepaid land lease payments	39	39
Depreciation	2,827	2,867
Interest expense included in cost of sales	146	161
Interest expense included in administrative expenses	234	-
Interest income	(353)	(433)
Total adjustments	2,893	2,634
Operating cash flows before changes in working capital	6,991	20,420
<u>Changes in working capital:</u>		
Increase in property development costs	(5,674)	(2,580)
(Increase)/decrease in inventories	6,907	(14,022)
Decrease/(increase) in trade and other receivables	(869)	61,634
Increase in other current assets	(384)	(6,070)
Increase in trade and payables	1,049	6,856
Decrease in other current liabilities	(107)	(19,377)
Total changes in working capital	922	26,441
Cash flows from operation	7,913	46,861
Interest paid included in cost of sales	(146)	(161)
Interest paid included in other expenses	(234)	-
Tax paid, net of refund	(689)	(489)
Net cash flows from/(used in) operating activities	<u>6,844</u>	<u>46,211</u>
Investing activities		
Interest received	353	433
Proceeds from disposal of property, plant and equipment	-	2
Purchase of property, plant and equipment	(135)	(116)
Net cash flows from/(used in) investing activities	<u>218</u>	<u>319</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2014

	3 Months Ended	
	30.06.2014	30.06.2013
	RM'000	RM'000
	unaudited	unaudited
Financing activities		
Dividend paid to non-controlling interest	-	(1,000)
Drawdown of term loan	20,378	-
Proceeds from short term borrowings, net of repayment	(7,553)	(3,155)
Net cash flows (used in)/from financing activities	12,825	(4,155)
Net increase/(decrease) in cash and cash equivalents	19,887	42,375
Cash and cash equivalents at 1 April	58,924	74,534
Cash and cash equivalents at 30 June	78,811	116,909
Analysis of cash and cash equivalents		
Fixed deposits	7,010	85,879
Cash and bank balances	71,801	31,030
	78,811	116,909

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2014

	← 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			
Current Year To Date								
<u>Ended 30 June 2014</u>								
Opening balance at 1 April 2014	131,370	266	115	285,009	416,760	32,769	449,529	
Total comprehensive income	-	-	-	4,351	4,351	(408)	3,943	
Closing balance at 30 June 2014	131,370	266	115	289,360	421,111	32,361	453,472	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2014

	← 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				
Preceding Year Corresponding Period Ended 30 June 2013								
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 2014)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

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 2014. 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 2014.

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 2014 except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), amendment to FRS and Issues Committee ("IC") Interpretations :

Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities	1 January 2014
Amendments to FRS 132, Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136, Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to FRS 139, Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21, Levies	1 January 2014
Amendments to FRS 2, FRS 3, FRS 8, FRS 116, FRS 124 and FRS 138, Annual Improvements 2010-2012 Cycle	1 July 2014
Amendments to FRS 3, FRS 13, FRS 140, Annual Improvements 2011-2013 Cycle	1 July 2014
Amendments to FRS 119, Defined Benefits Plans: Employee Contributions	1 July 2014

The adoption of the above FRSs did not have any significant impact 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 annual periods beginning on or after
Amendments to FRS 116 and FRS 138, Clarification of Accetable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 11, Accounting for Acquisition of Interest in Joint Operations	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

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 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be preparing its financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2016. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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.

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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

10. Operating expenses

	3 months Ended	
	30.06.2014 RM'000	30.06.2013 RM'000
Depreciation	2,827	2,867
Amortisation of prepaid land lease payments	39	39
Interest expenses included in cost of sales	146	161
Interest expenses included in administrative expenses	234	-
Cost of sales	60,545	50,138
Marketing and distribution expenses	11,075	6,222
Administration expenses	2,910	3,113
Other expenses	451	136
Total operating expenses	<u>78,227</u>	<u>62,676</u>

11. Other operating income

	3 months Ended	
	30.06.2014 RM'000	30.06.2013 RM'000
Interest income	353	433
Miscellaneous income	48	90
Total other operating income	<u>401</u>	<u>523</u>

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	76,064	-	12	5,848	-	81,924
Inter-segment sales	46,009	-	-	-	(46,009)	-
Total revenue	<u>122,073</u>	<u>-</u>	<u>12</u>	<u>5,848</u>	<u>(46,009)</u>	<u>81,924</u>
Segment Result						
Operating profit/(loss) before interest and tax	4,804	(15)	(33)	(1,010)	-	3,746
Interest income	306	-	45	1	-	352
Income taxes	(105)	-	(2)	(48)	-	(155)
Net profit/(loss)	<u>5,005</u>	<u>(15)</u>	<u>10</u>	<u>(1,057)</u>	<u>-</u>	<u>3,943</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

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 brought 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.

15. Capital commitments

As at 30 June 2014, 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 30.06.2014 RM'000
Approved and contracted for:	
Land held for property development	16,222
	<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 2014. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 30 June 2014, the amount of banking facilities utilised which were secured by corporate guarantees was RM42.2 million.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

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 RM81.9 million and RM3.9 million respectively. In the corresponding period of the previous financial year, the Group's turnover and profit after taxation were RM80.0 million and RM13.6 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 RM76.1 million and RM5.0 million respectively. In the corresponding quarter of the previous financial year the division's turnover and profit after taxation were RM49.2 million and RM2.3 million respectively.

The higher turnover and profit after taxation for the quarter under review are mainly due to a higher volume of plywood shipped.

Property Development

The division's turnover and loss after taxation for the quarter under review are RM5.8 million and RM1.1 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM30.7 million and RM11.4 million respectively.

Lower new sales due to a soft property market lead to the lower turnover and loss after taxation for the quarter under review.

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 RM81.9 million and RM3.9 million respectively. In the immediate preceding quarter, the Group's turnover and profit after taxation were RM33.6 million and RM0.4 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 RM76.1 million and RM5.0 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM28.1 million and RM1.8 million respectively.

The lower turnover and loss for the immediate preceding quarter was mainly due to the late arrival of buyers' vessels.

Property development

The division's turnover and loss after taxation for the quarter under review are RM5.8 million and RM1.1 million respectively. In the immediate preceding quarter, the division's turnover and profit after taxation were RM5.4 million and RM1.8 million respectively.

The loss for the period under review is mainly due to service charges and expenses incurred for sale and leasing activities at the Group's development project in Seri Kembangan, Selangor.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014**

19. Prospects and Outlook

Timber

The Middle East plywood market is expected to be soft as buyers resort to cautious buying due to the ongoing conflicts in the region. Sales to the region will be low at least until the situation improves there. However, as in previous downturns, the division is well positioned to weather the slowdown.

Property development

The division completed the sale of phase 3 of The Atmosphere after the financial quarter under review and looks forward to increasing its land bank from the proceeds of the sale. Meanwhile the Group's new residential project in Serdang, Selangor is expected to be launched before April 2015.

Having considered the above among other factors, the Board expects the Group's earnings to be positive for the 2015 financial year.

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	(136)	(136)
Deferred taxation		
- Current year	<u>(19)</u>	<u>(19)</u>
	<u>(155)</u>	<u>(155)</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 2014**

23. Group borrowings and debt securities

	As at 30.06.2014 RM'000
Short term borrowings	
- secured	21,845
- unsecured	612
	<u>22,457</u>
Long term borrowings	
- secured	20,377
Total borrowings	<u><u>42,834</u></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 June 2014.

26. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 June 2014, 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 2014, 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 30.06.2014 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	272,386
- Unrealised	6,719
	<u>279,105</u>
Add: Consolidation adjustments	<u>10,255</u>
Total group retained profits as per consolidated accounts	<u><u>289,360</u></u>

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2014

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>4,351</u>
Number of ordinary shares in issue (in thousand)	<u>164,213</u>
Basic profit per ordinary share (sen)	<u>2.65</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

20 August 2014