

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	55,047	81,924	55,047	81,924
Operating expenses	(70,618)	(78,227)	(70,618)	(78,227)
Other operating income	5,945	401	5,945	401
(Loss)/Profit from operations	<u>(9,626)</u>	<u>4,098</u>	<u>(9,626)</u>	<u>4,098</u>
Finance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/Profit before tax	(9,626)	4,098	(9,626)	4,098
Taxation	(26)	(155)	(26)	(155)
(Loss)/Profit for the period	<u>(9,652)</u>	<u>3,943</u>	<u>(9,652)</u>	<u>3,943</u>
Other Comprehensive Income :				
Foreign currency translation	143	-	143	-
Total comprehensive income for the period	<u><u>(9,509)</u></u>	<u><u>3,943</u></u>	<u><u>(9,509)</u></u>	<u><u>3,943</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 2015)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2015 RM'000	30.06.2014 RM'000	30.06.2015 RM'000	30.06.2014 RM'000
(Loss)/Profit attributable to :				
Owners of the Parent	(6,462)	4,351	(6,462)	4,351
Non-controlling interest	<u>(3,190)</u>	<u>(408)</u>	<u>(3,190)</u>	<u>(408)</u>
	<u><u>(9,652)</u></u>	<u><u>3,943</u></u>	<u><u>(9,652)</u></u>	<u><u>3,943</u></u>
Total comprehensive income attributable to :				
Owners of the Parent	(6,319)	4,351	(6,319)	4,351
Non-controlling interest	<u>(3,190)</u>	<u>(408)</u>	<u>(3,190)</u>	<u>(408)</u>
	<u><u>(9,509)</u></u>	<u><u>3,943</u></u>	<u><u>(9,509)</u></u>	<u><u>3,943</u></u>
(Loss)/Earnings Per Share				
(a) Basic (sen)	(3.96)	2.65	(3.96)	2.65
(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 2015)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2015

	As at 30.06.2015 RM'000 unaudited	As at 31.03.2015 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	106,369	109,047
Prepaid land lease payments	8,622	8,661
Land held for property development	44,519	44,519
Deferred tax assets	20,563	20,563
Goodwill on consolidation	11,165	18,790
	<u>191,239</u>	<u>201,581</u>
Current assets		
Properties held for sale	74,425	74,425
Inventories	108,133	137,774
Trade and other receivables	61,782	50,536
Other current assets	5,623	5,915
Current tax asset	847	604
Term deposits	43,827	43,604
Cash and bank balances	96,100	107,753
	<u>390,738</u>	<u>420,611</u>
TOTAL ASSETS	<u><u>581,977</u></u>	<u><u>622,192</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 2015)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2015

	As at 30.06.2015 RM'000 unaudited	As at 31.03.2015 RM'000 audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,370	131,370
Treasury shares	(4,405)	(4,405)
Retained earnings	344,923	351,385
Capital reserves	265	122
	<u>472,153</u>	<u>478,472</u>
Non-controlling interest	40,374	43,564
Total equity	<u>512,527</u>	<u>522,036</u>
Current liabilities		
Short term borrowings	8,532	23,313
Trade and payables	10,589	15,599
Other current liabilities	15,284	19,647
Current tax payable	9,208	15,715
	<u>43,613</u>	<u>74,273</u>
Non current liabilities		
Deferred tax liabilities	10,587	10,633
Term loan	15,250	15,250
	<u>25,837</u>	<u>25,883</u>
Total liabilities	<u>69,450</u>	<u>100,156</u>
TOTAL EQUITY AND LIABILITIES	<u>581,976</u>	<u>622,192</u>
Net asset per share	2.95	2.99

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2015

	3 Months Ended	
	30.06.2015	30.06.2014
	RM'000	RM'000
	unaudited	unaudited
Operating activities		
Profit before tax	(9,626)	4,098
<u>Adjustments for:</u>		
Amortisation of prepaid land lease payments	39	39
Depreciation	2,786	2,827
Interest expense included in cost of sales	143	146
Interest expense included in administrative expenses	258	234
Goodwill written off	7,625	-
Unrealised loss on foreign exchange	(1,859)	-
Interest income	(1,211)	(353)
Total adjustments	7,782	2,893
Operating cash flows before changes in working capital	(1,844)	6,991
<u>Changes in working capital:</u>		
Increase in property development costs	-	(5,674)
(Increase)/decrease in inventories	29,640	6,907
Decrease/(increase) in trade and other receivables	(9,387)	(869)
Increase in other current assets	292	(384)
Increase in trade and payables	(4,867)	1,049
Decrease in other current liabilities	(4,363)	(107)
Total changes in working capital	11,315	922
Cash flows from operation	9,470	7,913
Interest paid included in cost of sales	(143)	(146)
Interest paid included in other expenses	(258)	(234)
Tax paid, net of refund	(689)	(689)
Net cash flows from/(used in) operating activities	8,380	6,844
Investing activities		
Interest received	1,211	353
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(224)	(135)
Net cash flows from/(used in) investing activities	987	218

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2015

	3 Months Ended	
	30.06.2015	30.06.2014
	RM'000	RM'000
	unaudited	unaudited
Financing activities		
Dividend paid to non-controlling interest	-	-
Drawdown of term loan	-	20,378
Proceeds from short term borrowings, net of repayment	(16,541)	(7,553)
Net cash flows (used in)/from financing activities	<u>(16,541)</u>	<u>12,825</u>
Net increase/(decrease) in cash and cash equivalents	(7,174)	19,887
Cash and cash equivalents at 1 April	147,099	58,924
Cash and cash equivalents at 30 June	<u>139,925</u>	<u>78,811</u>
Analysis of cash and cash equivalents		
Fixed deposits	43,827	7,010
Cash and bank balances	96,100	71,801
	<u>139,927</u>	<u>78,811</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2015

	← Attributable to owners of the Company →							Non-controlling interest	Total
	Non-Distributable			Distributable					
	Share Capital RM'000	Reserve arising on consolidation RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	Equity attributable to the owners of the Company RM'000	RM'000	RM'000	
Current Year To Date									
<u>Ended 30 June 2015</u>									
Opening balance at 1 April 2015	131,370	265	(143)	(4,405)	351,385	478,472	43,564	522,036	
Total comprehensive income	-	-	143	-	(6,462)	(6,319)	(3,190)	(9,509)	
Transactions with owners									
Purchase of treasury shares	-	-	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	
Total transactions with owners	-	-	-	-	-	-	-	-	
Closing balance at 30 June 2015	131,370	265	(0)	(4,405)	344,923	472,153	40,374	512,527	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2015

	← Attributable to owners of the Company →							Non-controlling interest	Total
	Non-Distributable			Distributable					
	Share Capital RM'000	Reserve arising on consolidation RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	Equity attributable to the owners of the Company RM'000	RM'000	RM'000	
Current Year To Date									
<u>Ended 31 March 2015</u>									
Opening balance at 1 April 2014	131,370	265	115	-	285,009	416,759	32,769	449,528	
Total comprehensive income	<u>-</u>	<u>-</u>	<u>(258)</u>	<u>-</u>	<u>66,376</u>	<u>66,118</u>	<u>39,995</u>	<u>106,112</u>	
Transactions with owners									
Purchase of treasury shares	-	-	-	(4,405)	-	(4,405)	-	(4,405)	
Dividend paid	-	-	-	-	-	-	(29,200)	(29,200)	
Total transactions with owners	-	-	-	(4,405)	-	(4,405)	(29,200)	(33,605)	
Closing balance at 31 March 2015	<u>131,370</u>	<u>265</u>	<u>(143)</u>	<u>(4,405)</u>	<u>351,385</u>	<u>478,472</u>	<u>43,564</u>	<u>522,036</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2015**

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 2015. 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 2015.

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 2015 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 119: Defined Benefit Plans:	
Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	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
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 9: Financial Instruments	1 January 2018

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 2015**

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 2017.

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 2018. 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 2015

10. Operating expenses

	3 months Ended	
	30.06.2015 RM'000	30.06.2014 RM'000
Depreciation	2,786	2,827
Amortisation of prepaid land lease payments	39	39
Interest expenses included in cost of sales	143	146
Interest expenses included in administrative expenses	258	234
Cost of sales	47,577	60,545
Marketing and distribution expenses	8,129	11,075
Administration expenses	5,510	2,910
Goodwill impairment	7,625	-
Other expenses	(1,451)	451
Total operating expenses	70,618	78,227

11. Other operating income

	3 months Ended	
	30.06.2015 RM'000	30.06.2014 RM'000
Interest income	1,211	353
Miscellaneous income	4,734	48
Total other operating income	5,945	401

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	55,039	-	8	-	-	55,047
Inter-segment sales	40,718	-	-	-	(40,718)	-
Total revenue	<u>95,757</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>(40,718)</u>	<u>55,047</u>
Segment Result						
Operating profit/(loss) before interest and tax	(2,676)	595	(57)	(670)	(7,627)	(10,435)
Interest income	327	-	240	243	-	810
Income taxes	(68)	-	(2)	44	-	(26)
Net profit/(loss)	<u>(2,417)</u>	<u>595</u>	<u>182</u>	<u>(383)</u>	<u>(7,627)</u>	<u>(9,652)</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2015**

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.

15. Capital commitments

As at 30 June 2015, 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 30.06.2015 RM'000
Approved and contracted for:	
Land held for property development	<u>16,222</u>
	<u><u>16,222</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 2015. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 30 June 2015, the amount of banking facilities utilised which were secured by corporate guarantees was RM23.78 million.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2015**

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

The Group's turnover and loss after taxation for the quarter under review are RM55.1 million and RM9.6 million respectively. In the corresponding quarter of the previous financial year, the Group's turnover and profit after taxation were RM81.9 million and RM3.9 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 loss after taxation for the quarter under review are RM55.0 million and RM2.4 million respectively. In the corresponding quarter of the previous financial year the division's turnover and profit after taxation were RM76.1 million and RM5.0 million respectively.

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

Property Development

Due to a soft property market, the division did not record any sales for the quarter under review. Loss after taxation for the quarter under review is RM8.0 million. In the corresponding quarter of the previous financial year, the division's turnover and profit after taxation were RM5.9 million and RM1.1 million respectively.

Inclusive in loss after taxation for the period is a goodwill impairment amounting to RM7.6 million in respect of the Company's subsidiary, The Atmosphere Sdn. Bhd., the goodwill was written off after having considered future revenue of The Atmosphere Sdn. Bhd. which has completed its development.

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

The Group's turnover and loss after taxation for the period under review are RM55.1 million and RM9.6 million respectively. In the immediate preceding quarter, the Group's turnover and profit after taxation were RM53.4 million and RM12.5 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 loss after taxation for the quarter under review are RM55.0 million and RM2.4 million respectively. In the immediate preceding quarter, the division's turnover and profit after taxation were RM36.6 million and RM4.2 million respectively.

The higher turnover for the quarter under review is due to higher volume of plywood shipped. However, margins were squeezed due to higher logs and other production costs for the quarter.

Property development

Due to a soft property market, the division did not record any sales for the period under review. Loss after taxation for the quarter under review is RM8.0 million. In the immediate preceding quarter, the division's turnover and profit after taxation were RM16.9 million and RM7.5 million respectively.

As explained above, inclusive in tax loss for the period is a goodwill impairment amounting to RM7.6 million in respect of the Company's subsidiary, The Atmosphere Sdn. Bhd.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2015**

19. Prospects and Outlook

Timber

The plywood market is expected to remain soft in the near term. However, the appreciation of the US Dollar against the Ringgit is expected to bring some relief as the division's sales is mostly denominated in USD.

Property development

The division is going through its final stages of planning and obtaining approvals for its new residential project in Serdang Selangor. This project is expected to contribute to the Group earnings in the 2017 financial year.

Having considered the above among other factors, the Board expects the Group's earnings to be lower than that of the previous 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	(73)	(73)
Deferred taxation		
- Current year	46	46
	<u>(26)</u>	<u>(26)</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 2015

23. Group borrowings and debt securities

	As at 30.06.2015 RM'000
Short term borrowings	
- secured	8,532
Long term borrowings	
- secured	15,250
Total borrowings	<u>23,782</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 2015.

26. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 June 2015, 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 2015, 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 30.06.2015 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	372,199
- Unrealised	<u>(45)</u>
	372,154
Add: Consolidation adjustments	<u>(27,231)</u>
Total group retained profits as per consolidated accounts	<u>344,923</u>

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2015

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>(6,462)</u>
Number of ordinary shares in issue (in thousand)	<u>163,133</u>
Basic profit per ordinary share (sen)	<u>(3.96)</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

24 August 2015