

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2016

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Revenue		17,898	55,047	17,898	55,047
Operating expenses	10	(26,444)	(70,618)	(26,444)	(70,618)
Other operating income	11	1,714	5,945	1,714	5,945
(Loss)/Profit from operations		<u>(6,832)</u>	<u>(9,626)</u>	<u>(6,832)</u>	<u>(9,626)</u>
Finance costs		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss)/profit before tax		(6,832)	(9,626)	(6,832)	(9,626)
Taxation	21	(112)	(26)	(112)	(26)
(Loss)/profit for the period		<u>(6,944)</u>	<u>(9,652)</u>	<u>(6,944)</u>	<u>(9,652)</u>
Other Comprehensive Income :					
Foreign currency translation		-	143	-	143
Total comprehensive (loss)/income for the period		<u><u>(6,944)</u></u>	<u><u>(9,509)</u></u>	<u><u>(6,944)</u></u>	<u><u>(9,509)</u></u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 June 2016

	Note	Individual Quarter		Cumulative Quarter	
		Current	Preceding	Current	Preceding
		Year	Year	Year	Year
		Quarter	Corresponding	To Date	Corresponding
		Quarter	Period		
		30.06.2016	30.06.2015	30.06.2016	30.06.2015
		RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to :					
Owners of the Parent		(4,988)	(6,462)	(4,988)	(6,462)
Non-controlling interest		(1,956)	(3,190)	(1,956)	(3,190)
		<u>(6,944)</u>	<u>(9,652)</u>	<u>(6,944)</u>	<u>(9,652)</u>
Total comprehensive income attributable to :					
Owners of the Parent		(4,988)	(6,319)	(4,988)	(6,319)
Non-controlling interest		(1,956)	(3,190)	(1,956)	(3,190)
		<u>(6,944)</u>	<u>(9,509)</u>	<u>(6,944)</u>	<u>(9,509)</u>
Earnings Per Share					
(a) Basic (sen)	27a	(3.06)	(3.96)	(3.06)	(3.96)
(b) Diluted (sen)	27b	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2016

	As at 30.06.2016 RM'000 unaudited	As at 31.03.2016 RM'000 audited
ASSETS		
Non-current assets		
Property, plant and equipment	95,389	98,044
Prepaid land lease payments	8,467	8,506
Land held for property development	17,297	17,297
Deferred tax assets	12,776	12,776
Goodwill on consolidation	4,735	11,005
	<u>138,664</u>	<u>147,628</u>
Current assets		
Property development costs	34,846	34,324
Inventories	209,152	201,641
Trade and other receivables	10,315	30,736
Other current assets	10,625	5,760
Current tax asset	1,220	1,165
Term deposits	42,326	50,268
Cash and bank balances	109,465	99,650
	<u>417,949</u>	<u>423,544</u>
TOTAL ASSETS	<u><u>556,613</u></u>	<u><u>571,172</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 2016)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 June 2016

	As at 30.06.2016 RM'000 unaudited	As at 31.03.2016 RM'000 audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,370	131,370
Treasury shares	(4,480)	(4,480)
Retained earnings	342,178	347,166
Capital reserves	266	266
	<u>469,334</u>	<u>474,322</u>
Non-controlling interest	33,799	35,755
Total equity	<u>503,133</u>	<u>510,077</u>
Current liabilities		
Short term borrowings	5,343	8,413
Trade and other payables	8,779	11,903
Other current liabilities	12,469	13,329
Current tax payable	36	-
	<u>26,627</u>	<u>33,645</u>
Non current liabilities		
Deferred tax liabilities	10,643	10,643
Term loan	16,210	16,807
	<u>26,853</u>	<u>27,450</u>
Total liabilities	<u>53,480</u>	<u>61,095</u>
TOTAL EQUITY AND LIABILITIES	<u>556,613</u>	<u>571,172</u>
Net asset per share	2.88	2.91

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2016

	12 Months Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
	unaudited	unaudited
Operating activities		
Loss before tax	(6,832)	(9,626)
<u>Adjustments for :</u>		
Amortisation of prepaid land lease payments	39	39
Depreciation	2,726	2,786
Gain on disposal of property, plant and equipment	(9)	-
Goodwill written off	6,270	7,625
Interest expenses included in cost of sales	-	143
Interest expenses included in administrative expenses	139	258
Interest income	(1,079)	(1,211)
Unrealised foreign exchange	-	(1,859)
Total adjustments	8,086	7,781
Operating cash flows before changes in working capital	1,254	(1,845)
<u>Changes in working capital :</u>		
(Increase)/Decrease in inventories	(7,511)	29,640
Decrease/(Increase) in trade and other receivables	20,421	(9,387)
(Increase)/Decrease in other current assets	(4,865)	292
Decrease in trade and other payables	(4,695)	(4,867)
Decrease in other current liabilities	(860)	(4,363)
Increase in property development costs	(521)	-
Total changes in working capital	1,969	11,315
Cash flows from operation	3,223	9,469
Interest paid included in cost of sales	-	(143)
Interest paid included in administrative expenses	(139)	(258)
Tax paid, net of refund	(132)	(689)
Net cash flows from operating activities	<u>2,952</u>	<u>8,379</u>
Investing activities		
Interest received	1,079	1,211
Proceeds from disposal of property, plant and equipment	9	-
Purchase of property, plant and equipment	(71)	(224)
Net cash flows from investing activities	<u>1,017</u>	<u>987</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 June 2016

	12 Months Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
	unaudited	unaudited
Financing activities		
Proceeds from short term borrowings, net of repayment	(2,096)	(16,541)
Net cash flows used in financing activities	<u>(2,096)</u>	<u>(16,541)</u>
Net increase/(decrease) in cash and cash equivalent	1,873	(7,175)
Cash and cash equivalents at 1 April	149,918	147,102
Cash and cash equivalents at 31 March	<u><u>151,791</u></u>	<u><u>139,927</u></u>
Analysis of cash and cash equivalents		
Fixed deposits	42,326	43,827
Cash and bank balances	<u>109,465</u>	<u>96,100</u>
	<u><u>151,791</u></u>	<u><u>139,927</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 2016)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2016

	← Non-Distributable		Attributable to owners of the Company			Distributable →		Total RM'000
	Share Capital RM'000	Reserve arising on consolidation RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	Distributable Equity attributable to the owners of the Company RM'000	Non- controlling interest RM'000	
Current Year To Date								
Ended 30 June 2016								
Opening balance at 1 April 2016	131,370	266	-	(4,480)	347,166	474,322	35,755	510,077
Total comprehensive income	-	-	-	-	(4,988)	(4,988)	(1,956)	(6,944)
Transactions with owners								
Purchase of treasury shares	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Closing balance at 30 June 2016	131,370	266	-	(4,480)	342,178	469,334	33,799	503,133

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 June 2016

	← Non-Distributable		Attributable to owners of the Company			Distributable →		Total RM'000
	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	Non- controlling interest RM'000	
Preceding Year Corresponding Period Ended 31 March 2016								
Opening balance at 1 April 2015	131,370	266	(143)	(4,405)	351,383	478,471	43,564	522,035
Total comprehensive income	-	-	143	-	(4,217)	(4,074)	(5,809)	(9,883)
Transactions with owners								
Dividends on preference shares	-	-	-	-	-	-	(2,000)	(2,000)
Shares buy back	-	-	-	(75)	-	(75)	-	(75)
Total transactions with owners	-	-	-	(75)	-	(75)	(2,000)	(2,075)
Closing balance at 31 March 2016	131,370	266	-	(4,480)	347,166	474,322	35,755	510,077

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 June 2016**

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 2016. 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 2016.

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 2016 except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), amendment to FRS and Issues Committee ("IC") Interpretations :

	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

The adoption of the above standards, amendments and annual improvement did not have any material effect on the financial performance or position of the Group.

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
FRS 115: Revenue from Contracts with Customers	1 January 2018
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 2016**

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 2018.

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, cancellation, 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 2016**

10. Operating expenses

	3 Months Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Depreciation	2,726	2,786
Amortisation of prepaid land lease payments	39	39
Interest expenses included in cost of sales	-	143
Interest expenses included in administrative expenses	139	258
Goodwill impairment	6,270	7,625
Cost of sales	14,125	47,577
Marketing and distribution expenses	989	8,130
Administration expenses	1,755	5,511
Other expenses	401	(1,451)
Total operating expenses	<u>26,444</u>	<u>70,618</u>

11. Other operating income

	3 months Ended	
	30.06.2016	30.06.2015
	RM'000	RM'000
Interest income	1,079	1,211
Miscellaneous income	635	4,734
Total other operating income	<u>1,714</u>	<u>5,945</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	17,884	-	14	-	-	17,898
Inter-segment sales	1,702	-	-	-	(1,702)	-
Total revenue	<u>19,586</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>(1,702)</u>	<u>17,898</u>
Operating profit/(loss) before interest and tax	3,401	(2)	(45)	(756)	(10,369)	(7,771)
Interest income	654	-	276	9	-	939
Income taxes	(104)	-	(8)	-	-	(112)
Net profit/(loss)	<u>3,951</u>	<u>(2)</u>	<u>223</u>	<u>(747)</u>	<u>(10,369)</u>	<u>(6,944)</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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 June 2016**

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 2016, 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 30.06.2016 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 2016. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 30 June 2016, the amount of banking facilities utilised which were secured by corporate guarantees was RM23.1 million.

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

The Group's turnover and loss after taxation for the quarter under review are RM17.9 million and RM6.9 million respectively. In the corresponding quarter of the previous financial year, the Group's turnover and loss after taxation were RM55.1 million and RM9.6 million respectively.

Included in the loss for the quarter are a goodwill impairment of RM6.3 million and an adjustment to property development cost of RM4.1 million

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

Timber

The timber division's turnover and loss after taxation for the quarter under review is RM17.9 million and RM2.3 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and loss after taxation were RM55.0 million and RM2.4 million respectively.

Included in the loss after taxation for the quarter under review is a goodwill impairment amounting to RM6.3 million in respect of the Company's subsidiary, Rajang Plywood Sawmill Sdn Bhd which has suspended production activity. The division recorded a profit of RM4.0 million before the goodwill impairment.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 June 2016**

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

Property Development

The division's loss after taxation for the quarter under review is RM4.8 million. There were no sales recorded for the quarter under review. In the corresponding quarter of the previous financial year, the division's loss after taxation were RM8.0 million.

The loss after taxation for the quarter under review is mainly due to reassessment of cost allocated to the saleable units amounting to RM4.1 million. The reassessed cost was taken to the income statement.

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

The Group's turnover and loss after taxation for the quarter under review are RM17.9 million and RM6.9 million respectively. In the immediate preceding quarter, the Group's turnover and loss after taxation were RM19.5 million and RM11.4 million respectively.

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

Timber

The timber division's turnover and loss after taxation for the quarter under review are RM17.9 million and RM2.3 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM19.5 million and RM9.9 million respectively.

Included in the loss for the quarter under review is a goodwill impairment of RM6.3 million, in respect of Rajang Plywood Sawmill Sdn Bhd which has suspended production activity. The Group achieved a profit of RM4.0 million before the goodwill write off. In the immediate preceding quarter, the Group had a deferred tax charge of RM7.8 million also for Rajang Plywood Sawmill Sdn Bhd. Apart from the above, the Group also disposed slow moving stocks at lower prices in previous quarter.

Property Development

The division's loss after taxation for the quarter under review is RM4.8 million. There were no sales recorded for the quarter under review as property market continues to be soft. In the immediate preceding quarter, the division's profit after taxation were RM0.9 million. Apart from the above, the charges incurred were mainly administrative in nature.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 June 2016**

19. Prospects and Outlook

Timber

The plywood market is expected to remain lacklustre in the coming months as there is no catalyst for rebound in plywood prices.

Property Development

The division is gearing towards launching its new development in Bukit Serdang, Selangor in 2017. This project is expected to contribute to the Group's earnings in the 2018 financial year. Rental income meanwhile is expected to improve with additional unit rented out.

Apart from the goodwill write off and reallocation of cost for the property sector, the Board expects the Group's earnings to be satisfactory.

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	(112)	(112)
Deferred taxation		
- Current year	-	-
	<u>(112)</u>	<u>(112)</u>

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 2016

23. Group borrowings and debt securities

	As at 30.06.2016 RM'000
Short term borrowings	
- secured	5,343
Long term borrowings	
- secured	16,210
Total borrowings	<u>21,553</u>

All the above borrowings are denominated in Ringgit Malaysia .

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 2016.

26. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 June 2016, 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 2016, the Group did not have any gains/losses arising from fair value changes of financial liabilities.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 June 2016**

26. Disclosure requirements pursuant to implementation of FRS 139 (continued)

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 30.06.2016 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	373,122
- Unrealised	<u>2,133</u>
	375,255
Add: Consolidation adjustments	<u>(33,077)</u>
Total group retained profits as per consolidated accounts	<u><u>342,178</u></u>

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>(4,988)</u>
Number of ordinary shares in issue (in thousand)	<u>163,128</u>
Basic profit per ordinary share (sen)	<u>(3.06)</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

29 August 2016