

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 September 2017

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Revenue		13,708	35,888	63,018	53,786
Operating expenses	10	(15,785)	(39,451)	(75,174)	(65,895)
Other operating income	11	2,247	1,370	3,797	3,084
Profit/ (Loss) before tax		170	(2,193)	(8,359)	(9,025)
Taxation	21	(345)	(125)	(616)	(237)
Loss for the period		(175)	(2,318)	(8,975)	(9,262)
Other Comprehensive Income :					
Foreign currency translation		-	-	-	-
Loss net of tax, representing total comprehensive income		(175)	(2,318)	(8,975)	(9,262)

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 September 2017

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Profit/ (Loss) attributable to :					
Owners of the Parent		81	(2,105)	(8,529)	(7,093)
Non-controlling interest		<u>(256)</u>	<u>(213)</u>	<u>(446)</u>	<u>(2,169)</u>
		<u>(175)</u>	<u>(2,318)</u>	<u>(8,975)</u>	<u>(9,262)</u>
Total comprehensive income attributable to :					
Owners of the Parent		81	(2,105)	(8,529)	(7,093)
Non-controlling interest		<u>(256)</u>	<u>(213)</u>	<u>(446)</u>	<u>(2,169)</u>
		<u>(175)</u>	<u>(2,318)</u>	<u>(8,975)</u>	<u>(9,262)</u>
Earnings Per Share					
(a) Basic (sen)	27a	0.05	(1.31)	(5.30)	(4.41)
(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 2017)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 September 2017

	As at 30.09.2017 RM'000 Unaudited	As at 31.03.2017 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	81,876	87,240
Prepaid land lease payments	8,272	8,350
Land held for property development	17,297	17,297
Deferred tax assets	9,758	9,758
Goodwill on consolidation	4,735	4,735
	<u>121,938</u>	<u>127,380</u>
Current assets		
Property development costs	40,266	38,772
Inventories	159,443	188,973
Trade and other receivables	9,990	20,947
Other current assets	879	866
Current tax asset	1,630	1,515
Term deposits	157,635	114,447
Cash and bank balances	45,861	59,799
	<u>415,704</u>	<u>425,319</u>
TOTAL ASSETS	<u><u>537,642</u></u>	<u><u>552,699</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 2017)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 September 2017

	As at 30.09.2017 RM'000 Unaudited	As at 31.03.2017 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,370	131,370
Treasury shares	(4,651)	(4,485)
Retained earnings	328,938	337,467
Capital reserves	266	266
	<u>455,923</u>	<u>464,618</u>
Non-controlling interest	32,812	33,258
Total equity	<u>488,735</u>	<u>497,876</u>
Current liabilities		
Short term borrowings	9,216	10,068
Trade and other payables	5,155	9,650
Other current liabilities	10,033	10,520
Current tax payable	198	56
	<u>24,602</u>	<u>30,294</u>
Non current liabilities		
Deferred tax liabilities	10,507	10,538
Term loan	13,798	13,991
	<u>24,305</u>	<u>24,529</u>
Total liabilities	<u>48,907</u>	<u>54,823</u>
TOTAL EQUITY AND LIABILITIES	<u>537,642</u>	<u>552,699</u>
Net asset per share	2.83	2.89

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 September 2017

	← Attributable to owners of the Company →				Equity attributable to the owners of the Company	Non- controlling interest	Total
	Share Capital RM'000	Capital Reserve RM'000	Revenue Reserve RM'000	Treasury Shares RM'000	RM'000	RM'000	RM'000
Current Year To Date							
<u>For The Period Ended 30 September 2017</u>							
Opening balance at 1 April 2017	131,370	266	337,467	(4,485)	464,618	33,258	497,876
Loss net of tax, representing total comprehensive income	-	-	(8,529)	-	(8,529)	(446)	(8,975)
Transactions with owners							
Shares buyback	-	-	-	(166)	(166)	-	(166)
Closing balance at 30 September 2017	<u>131,370</u>	<u>266</u>	<u>328,938</u>	<u>(4,651)</u>	<u>455,923</u>	<u>32,812</u>	<u>488,735</u>
Preceding Year							
<u>Corresponding Period</u>							
<u>For The Period Ended 30 September 2016</u>							
Opening balance at 1 April 2016	131,370	266	347,166	(4,480)	474,322	35,755	510,077
Loss net of tax, representing total comprehensive income	-	-	(7,093)	-	(7,093)	(2,169)	(9,262)
Closing balance at 30 September 2016	<u>131,370</u>	<u>266</u>	<u>340,073</u>	<u>(4,480)</u>	<u>467,229</u>	<u>33,586</u>	<u>500,815</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 2017)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 September 2017

	6 Months Ended	
	30.09.2017	30.09.2016
	RM'000	RM'000
	Unaudited	Unaudited
Operating activities		
Loss before tax	(8,359)	(9,025)
<u>Adjustments for :</u>		
Amortisation of prepaid land lease payments	78	78
Depreciation	5,273	5,442
Deposit written off	-	78
Gain on disposal of property, plant and equipment	(376)	(9)
Goodwill impairment	-	6,270
Interest expenses included in cost of sales	42	-
Interest expenses included in administrative expenses	165	275
Interest income	(2,361)	(1,839)
Property, plant and equipment written off	1	66
Total adjustments	2,822	10,361
Operating cash flows before changes in working capital	(5,537)	1,336
<u>Changes in working capital :</u>		
Increase in property development costs	(868)	(892)
Decrease in inventories	29,530	1,873
Decrease in trade and other receivables	10,957	9,202
Increase in other current assets	(12)	(478)
Decrease in trade and other payables	(4,495)	(6,252)
Decrease in other current liabilities	(487)	-
Total changes in working capital	34,625	3,453
Cash flows from operation	29,088	4,789
Interest paid	(834)	(275)
Tax paid, net of refund	(619)	(474)
Net cash flows generated from operating activities	<u>27,635</u>	<u>4,040</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 September 2017

	6 Months Ended	
	30.09.2017	30.09.2016
	RM'000	RM'000
	Unaudited	Unaudited
Investing activities		
Interest received	2,361	1,839
Proceeds from disposal of property, plant and equipment	480	9
Purchase of property, plant and equipment	(14)	(157)
Net cash flows generated from investing activities	<u>2,827</u>	<u>1,691</u>
Financing activities		
Proceeds from short term borrowings, net of repayment	(3,327)	(1,532)
Treasury shares acquired	(166)	-
Net cash flows used in financing activities	<u>(3,493)</u>	<u>(1,532)</u>
Net increase in cash and cash equivalent	26,969	4,199
Cash and cash equivalents at the beginning of the financial period	<u>171,837</u>	<u>149,918</u>
Cash and cash equivalents at the end of the financial period	<u><u>198,806</u></u>	<u><u>154,117</u></u>
Analysis of cash and cash equivalents		
Term deposit	157,635	98,653
Cash and bank balances	45,861	55,464
Bank Overdraft	(4,690)	-
	<u>198,806</u>	<u>154,117</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

1. Basis of Preparation

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 2017. 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 2017.

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 2017 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
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRSs 2014 - 2016 Cycle -Amendments to FRS 12: Disclosure of Interests in Other Entities	1 January 2017

The adoption of the above standards, amendments and annual improvements 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
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4: Applying FRS 9, Financial Instruments with FRS 4, Insurance Contracts	1 January 2018
Amendments to FRS 40: Investment Property	1 January 2018
FRS 9: Financial Instruments (2014)	1 January 2018
Annual Improvements to FRSs 2014 - 2016 Cycle -Amendments to FRS 1: First-time Adoption of MFRS -Amendments to FRS 128: Investment in Associates and Joint Ventures	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 16: Leases	1 January 2019

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 SEPTEMBER 2017**

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 2019. 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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

8. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

In the current quarter, 194,000 ordinary shares were purchased for RM166,168 and retained as treasury shares. The details of the shares bought back as of 30 September 2017 are as follows:

Month	No. of shares bought	Purchase price per share		Average price per share	Total cost
		Lowest	Highest		
September 2017	194,000	RM 0.85	RM 0.85	RM 0.85	RM'000 166

9. Dividends paid

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

10. Operating expenses

	3 Months Ended		6 Months Ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease payments	39	39	78	78
Depreciation	2,607	2,716	5,273	5,442
Deposit written off	-	78	-	78
Goodwill impairment	-	-	-	6,270
Interest expenses included in cost of sales	21	(28)	42	-
Interest expenses included in administrative expenses	(4)	164	165	275
Property, plant and equipment written off	-	66	1	66
Cost of sales	10,434	29,929	59,874	44,054
Marketing and distribution expenses	775	4,713	6,004	5,702
Administration expenses	1,489	1,925	2,863	3,680
Other expenses	424	(151)	874	250
Total operating expenses	15,785	39,451	75,174	65,895

11. Other operating income

	3 Months Ended		6 Months Ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Realised gain on foreign exchange	36	-	48	-
Unrealised gain on foreign exchange	277	-	281	-
Interest income	1,218	760	2,361	1,839
Miscellaneous income	716	610	1,107	1,245
Total other operating income	2,247	1,370	3,797	3,084

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

12. Segmental reporting**For The Period Ended 30 September 2017**

	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	62,991	-	27	-	-	63,018
Inter-segment sales	2,972	-	-	-	(2,972)	-
Total revenue	<u>65,963</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>(2,972)</u>	<u>63,018</u>
Segment Result						
Operating profit/(loss) before interest and tax	(9,503)	(5)	73	(1,078)	-	(10,513)
Interest expense	(42)	-	(212)	(165)	212	(207)
Interest income	1,636	-	917	65	(257)	2,361
Income taxes	(435)	-	(175)	(6)	-	(616)
Net profit/(loss)	<u>(8,344)</u>	<u>(5)</u>	<u>603</u>	<u>(1,184)</u>	<u>(45)</u>	<u>(8,975)</u>

For The Period Ended 30 September 2016

	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	53,759	-	27	-	-	53,786
Inter-segment sales	3,250	-	-	-	(3,250)	-
Total revenue	<u>57,009</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>(3,250)</u>	<u>53,786</u>
Segment Result						
Operating profit/(loss) before interest and tax	1,248	(5)	(193)	(1,270)	(10,369)	(10,589)
Interest expense	-	-	(201)	(74)	-	(275)
Interest income	979	-	728	132	-	1,839
Income taxes	(206)	-	(33)	2	-	(237)
Net profit/(loss)	<u>2,021</u>	<u>(5)</u>	<u>301</u>	<u>(1,210)</u>	<u>(10,369)</u>	<u>(9,262)</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 SEPTEMBER 2017**

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

Except for as disclosed below, 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 2017, 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.

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 2017. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 30 September 2017, the amount of banking facilities utilised which were secured by corporate guarantees was RM23million.

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

The Group's financial results for current quarter and financial year to date are summarised as below:

	Individual Quarter (2nd Quarter)		Variance (%)	Cumulative Quarter		Variance (%)
	30.09.2017 RM'000	30.09.2016 RM'000		30.09.2017 RM'000	30.09.2016 RM'000	
Revenue	13,708	35,888	-62%	63,018	53,786	17%
Loss before interest and tax	(1,031)	(2,818)	-63%	(10,513)	(10,589)	-1%
Profit/ (Loss) before tax	170	(2,193)	-108%	(8,359)	(9,025)	-7%
Loss after tax	(175)	(2,318)	-92%	(8,975)	(9,262)	-3%
Profit/ (Loss) attributable to ordinary equity holders of the owner	81	(2,105)	-104%	(8,529)	(7,093)	20%

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

The Group's turnover and loss after taxation for the six months ended 30 September 2017 are RM63.0 million and RM9.0 million respectively. In the corresponding period of the previous financial year, the Group's turnover and loss after taxation were RM53.8 million and RM9.3 million respectively.

The Group's turnover and loss after taxation for the quarter under review are RM13.7 million and RM0.2 million respectively. In the corresponding quarter of the previous financial year, the Group's turnover and loss after taxation were RM35.9 million and RM2.3 million respectively.

The quarter sees the Group's inventories moving from RM153.8 million in the previous quarter to RM159.4 million as plywood sales slowed down. As a result of lower sale, trade and other receivables decreased by RM29.7 million to RM10.0 million. Meanwhile, property development cost is higher by RM1.1 million to RM40.3 million as the Group's project in Bukit Serdang, Selangor progresses. The Group's bank balance has increased from the previous quarter by RM20.8 million to RM203.5 million. There were no other significant movement in the Consolidated Statement of Financial Position.

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

Timber

The timber division's turnover and loss after taxation for the six months ended 30 September 2017 are RM62.9 million and RM8.3 million respectively. In the corresponding period of the previous financial year, the division's turnover and loss after taxation were RM53.8 million and RM4.3 million respectively.

The division's turnover and profit after taxation for the quarter under review are RM13.7 million and RM0.3 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and loss after taxation were RM35.9 million and RM1.9 million respectively.

The division sales were higher in the previous quarter as it was disposing lower quality plywood. As we are selling less of the lower quality plywood this quarter, our margin improved slightly. Logs supply remained low for most of the quarter with some improvement seen towards the end of the quarter.

Property Development

The division's loss after taxation for the six months ended 30 September 2017 is RM1.2 million. In the corresponding period of the previous financial year, the division's loss after taxation were RM5.3 million.

The division's loss after taxation for the quarter under review is RM0.7 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 was RM0.5 million.

The loss in the previous year's corresponding quarter were mainly due to reassessment of cost allocated to saleable area amounting to RM4.1 million which was taken to the Consolidated Statement of Comprehensive Income.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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

The Group's financial results for current quarter compared with immediate preceding quarter are summarised as below:

	Current Quarter 30.09.2017	Immediate Preceding Quarter 30.06.2017	Variance
	RM'000	RM'000	%
Revenue	13,708	49,310	-72%
Loss before interest and tax	(1,031)	(9,482)	-89%
Profit/ (Loss) before tax	170	(8,529)	-102%
Loss after tax	(175)	(8,810)	-98%
Profit/ (Loss) attributable to owner of the parent	81	(8,610)	-101%

The Group's turnover and loss after taxation for the quarter under review are RM13.7 million and RM0.2 million respectively. In the immediate preceding quarter, the Group's turnover and loss after taxation were RM49.3 million and RM8.8 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 profit after taxation for the quarter under review are RM13.7 million and RM0.3 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM49.3 million and RM8.7 million respectively.

The division's sales were higher in the immediate preceding quarter due the disposal of lower grade utility plywood. There was less of low priced plywood in the current quarter's sales mix and as such margins improved and the quarter registered a slight profit of RM0.3 million.

Property Development

The division's loss after taxation for the quarter under review is RM0.7 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 loss after taxation were RM0.5 million. The expenses incurred were mainly for project management and administrative cost.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

19. Prospects and Outlook

Timber

The weather in our log supply area has been bad and that has affected our production. Log supply has been erratic and is expected to continue to be so in the near term. Meanwhile, the plywood market is expected to remain unchanged for the time being.

Property Development

The division will launch its new development in Bukit Serdang, Selangor in 2018. This project is expected to contribute to the Group's earnings in the 2019 financial year.

After considering the above and other factors including the challenging business environment, the Board remains cautious of the performance of the Group in the months ahead.

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 tax expense	(383)	(647)
- Underprovision in prior year	-	-
	<u>(383)</u>	<u>(647)</u>
Deferred taxation		
- Current deferred tax expense	31	31
- Overprovision in prior year	7	-
	<u>38</u>	<u>31</u>
	<u><u>(345)</u></u>	<u><u>(616)</u></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 SEPTEMBER 2017**

23. Group borrowings and debt securities

	As at 30.09.2017 RM'000
Short term borrowings	
- secured	9,216
Long term borrowings	
- secured	13,798
Total borrowings	<u>23,014</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 September 2017.

26. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 September 2017, 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 2017, 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 30.09.2017 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	361,541
- Unrealised	<u>(468)</u>
	361,073
Add: Consolidation adjustments	<u>(32,135)</u>
Total group retained profits as per consolidated accounts	<u>328,938</u>

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

27. Earnings per share

The earnings per share is calculated as follows :

	Financial Period-to-date RM'000
a. Basic	
Net loss attributable to ordinary shareholders (RM'000)	<u>(8,529)</u>
Number of ordinary shares in issue (in thousand)	<u>160,829</u>
Basic loss per ordinary share (sen)	<u>(5.30)</u>
b. Diluted	
Not applicable	

28. Listing requirement

The quarterly report for financial period ended 30 September 2017 has been reviewed by Company's external auditor.

29 Subsequent event

There was no material event subsequent to the end of the current quarter.

BY ORDER OF THE BOARD

Kimberly Ong Sweet Ee
Company Secretary

28 November 2017