

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 30 June 2018**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Revenue		21,385	49,310	21,385	49,310
Operating expenses	8	(22,415)	(59,389)	(22,415)	(59,389)
Other operating income	9	5,674	1,550	5,674	1,550
Profit/ (Loss) before tax		4,644	(8,529)	4,644	(8,529)
Taxation	19	(600)	(271)	(600)	(271)
<b>Profit/(Loss) from continuing operations</b>		4,044	(8,800)	4,044	(8,800)
Gain from discontinued operation		3	-	3	-
<b>Profit/(Loss) for the period</b>		4,047	(8,800)	4,047	(8,800)
<b>Other Comprehensive Income :</b>					
Foreign currency translation		-	-	-	-
<b>Profit/(Loss) net of tax, representing total comprehensive income</b>		4,047	(8,800)	4,047	(8,800)

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For The Period Ended 30 June 2018**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.06.2018 RM'000	Preceding Year Corresponding Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
Profit/ (Loss) attributable to :					
Owners of the Parent		4,256	(8,610)	4,256	(8,610)
Non-controlling interest		<u>(209)</u>	<u>(190)</u>	<u>(209)</u>	<u>(190)</u>
		<u>4,047</u>	<u>(8,800)</u>	<u>4,047</u>	<u>(8,800)</u>
Total comprehensive income attributable to :					
Owners of the Parent		4,256	(8,610)	4,256	(8,610)
Non-controlling interest		<u>(209)</u>	<u>(190)</u>	<u>(209)</u>	<u>(190)</u>
		<u>4,047</u>	<u>(8,800)</u>	<u>4,047</u>	<u>(8,800)</u>
Earnings/(Loss) Per Share					
(a) Basic (sen)	25a	2.66	(5.35)	2.66	(5.35)
(b) Diluted (sen)	25b	-	-	-	-

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As At 30 June 2018**

	<b>As at 30.06.2018 RM'000 Unaudited</b>	<b>As at 31.03.2018 RM'000 Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	70,526	72,791
Prepaid land lease payments	8,155	8,194
Land held for property development	17,297	17,297
Deferred tax assets	9,758	9,758
Goodwill on consolidation	4,735	4,735
	<u>110,471</u>	<u>112,775</u>
<b>Current assets</b>		
Property development costs	46,220	44,109
Inventories	112,685	113,339
Trade and other receivables	10,591	20,908
Other current assets	712	679
Current tax asset	755	1,144
Investment in securities	82,678	79,206
Term deposits	130,200	115,475
Cash and bank balances	34,492	39,275
	<u>418,333</u>	<u>414,135</u>
<b>TOTAL ASSETS</b>	<u><u>528,804</u></u>	<u><u>526,910</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 2018)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Financial Position**  
**As At 30 June 2018**

	<b>As at 30.06.2018 RM'000 Unaudited</b>	<b>As at 31.03.2018 RM'000 Audited</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	131,370	131,370
Treasury shares	(5,231)	(4,959)
Retained earnings	314,593	318,337
Capital reserves	-	-
	<u>440,732</u>	<u>444,748</u>
<b>Non-controlling interest</b>	<u>32,270</u>	<u>32,478</u>
<b>Total equity</b>	<u>473,002</u>	<u>477,226</u>
<b>Current liabilities</b>		
Short term borrowings	10,674	9,596
Trade and other payables	4,579	7,336
Other current liabilities	9,564	9,733
Current tax payable	350	243
Dividends payable	8,000	-
	<u>33,167</u>	<u>26,908</u>
<b>Non current liabilities</b>		
Deferred tax liabilities	12,172	12,209
Term loan	10,463	10,567
	<u>22,635</u>	<u>22,776</u>
<b>Total liabilities</b>	<u>55,802</u>	<u>49,684</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>528,804</u>	<u>526,910</u>
Net asset per share	2.76	2.90

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Period Ended 30 June 2018**

	← Attributable to owners of the Company →						
	Share Capital RM'000	Capital Reserve RM'000	Revenue Reserve RM'000	Treasury Shares RM'000	Equity attributable to the owners of the Company RM'000	Non- controlling interest RM'000	Total RM'000
<b>Current Period To Date</b>							
<b><u>For The Period Ended 30 June 2018</u></b>							
Opening balance at 1 April 2018	131,370	-	318,337	(4,959)	444,748	32,479	477,227
Loss net of tax, representing total comprehensive income	-	-	4,256	-	4,256	(209)	4,047
<b>Transactions with owners</b>							
Shares buyback	-	-	-	(272)	(272)	-	(272)
Transfer to revenue reserve	-	-	-	-	-	-	-
Dividends payable	-	-	(8,000)	-	(8,000)	-	(8,000)
Closing balance at 30 June 2018	<u>131,370</u>	<u>-</u>	<u>314,593</u>	<u>(5,231)</u>	<u>440,732</u>	<u>32,270</u>	<u>473,002</u>
<b>Preceding Year</b>							
<b><u>Corresponding Period</u></b>							
<b><u>For The Period Ended 30 June 2017</u></b>							
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	-	-	(8,610)	-	(8,610)	(190)	(8,800)
<b>Transactions with owners</b>							
Shares buyback	-	-	-	-	-	-	-
Closing balance at 30 June 2017	<u>131,370</u>	<u>266</u>	<u>328,857</u>	<u>(4,485)</u>	<u>456,008</u>	<u>33,068</u>	<u>489,076</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 2018)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 30 June 2018**

	<b>3 Months Ended</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Operating activities</b>		
Loss before tax	4,644	(8,529)
<u>Adjustments for :</u>		
Amortisation of prepaid land lease payments	39	39
Depreciation	2,282	2,666
Fair value changes in investment in securities	121	-
Interest expenses included in cost of sales	20	21
Interest expenses included in administrative expenses	60	169
Interest income	(1,770)	(1,143)
Property, plant and equipment written off	-	1
Unrealised gain on foreign exchange	(3,485)	-
Unrealised loss on investment in securities	428	-
Total adjustments	(2,305)	1,753
<b>Operating cash flows before changes in working capital</b>	<b>2,339</b>	<b>(6,776)</b>
<u>Changes in working capital :</u>		
Increase in property development costs	(2,111)	(374)
Decrease in inventories	653	35,146
Decrease/(increase) in trade and other receivables	10,318	(16,943)
Increase in other current assets	(33)	(133)
Decrease in trade and other payables	(2,756)	(5,362)
(Decrease)/increase in other current liabilities	(167)	1,940
Total changes in working capital	5,904	14,274
Cash flows from operation	8,243	7,498
Interest paid	(80)	(190)
Tax paid, net of refund	(140)	(267)
Net cash flows generated from operating activities	<u>8,023</u>	<u>7,041</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018)**

**EKSONS CORPORATION BERHAD (205814-V)**  
**Condensed Consolidated Statement of Cash Flows**  
**For The Period Ended 30 June 2018**

	<b>3 Months Ended</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Investing activities</b>		
Interest received	1,746	1,143
Dividend received from investment securities	24	-
Purchase of investment securities	(727)	-
Proceeds from disposal of investment securities	192	-
Purchase of property, plant and equipment	(17)	(14)
Net cash flows generated from investing activities	<u>1,218</u>	<u>1,129</u>
<b>Financing activities</b>		
Proceeds from short term borrowings, net of repayment	979	(350)
Treasury shares acquired	(272)	-
Net cash flows used in financing activities	<u>707</u>	<u>(350)</u>
<b>Net increase in cash and cash equivalent</b>	9,948	7,820
<b>Cash and cash equivalents at the beginning of the financial year</b>	150,408	171,837
<b>Cash and cash equivalents at the end of the financial year</b>	<u><u>160,356</u></u>	<u><u>179,657</u></u>
<b>Analysis of cash and cash equivalents</b>		
Term deposit	130,200	-
Fixed deposit	-	115,486
Cash and bank balances	34,492	67,173
Bank Overdraft	(4,336)	(3,002)
	<u><u>160,356</u></u>	<u><u>179,657</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 2018)**

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of MFRS 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 2018. 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 2018.

**2. Changes in Accounting Policies**

The audited financial statements of the Group for the year ended 31 March 2018 were prepared in accordance with Malaysian Financial Reporting Standards (MFRS). The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2018 except for the adoption of the following new and revised standards effective as at 1 January 2018:

	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRS Standards 2014 - 2016 Cycle:	
(i) Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
(ii) Amendments to MFRS 128: Investments in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018

The Group has adopted the new standards that are relevant and effective for accounting period beginning on or after 1 April 2018. The adoption of these new standards have not resulted in any material impact on the financial statements of the Group as mentioned below:

**MFRS 15 Revenue from Contracts with Customers**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**2. Changes in Accounting Policies (cont'd)**

**MFRS 15 Revenue from Contracts with Customers (cont'd)**

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has concluded that the initial application of MFRS 15 does not have any material financial impacts to the current period and prior period financial statements of the Group.

**MFRS 9 Financial Instruments**

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not required to be restated.

Based on the analysis of the Group’s financial assets and liabilities as at 30 June 2018 on the basis of facts and circumstances that exist at that date, the Group has assessed the impact of MFRS 9 to the Group’s financial statements as follows:

(i) Classification and measurement

The Group does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of MFRS 9. It expects to continue measuring at fair value all financial derivatives currently held at fair value.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

(ii) Impairment

The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group has determined that there will be no significant impact on the Group’s financial statements.

**3. Disclosure of audit qualification**

There was no qualification on the audit report of the preceding audited financial statements.

**4. Seasonality or cyclicity of interim operations**

The timber business of the Group is affected by the world demand and supply of plywood. The other operations of the Group are not materially affected by any seasonality or cyclicity factors.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

**5. 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.

**6. 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.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt, treasury shares and equity securities of the Company for the current financial period to date.

**8. Operating expenses**

	<b>3 Months Ended</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Amortisation of prepaid land lease payments	39	39
Depreciation	2,282	2,666
Interest expenses included in cost of sales	20	21
Interest expenses included in administrative expenses	60	169
Property, plant and equipment written off	-	1
Fair value changes in investment in securities	121	-
Unrealised loss on investment in securities	428	-
Cost of sales	16,474	49,441
Marketing and distribution expenses	845	5,229
Administration expenses	1,691	1,374
Other expenses	455	449
<b>Total operating expenses</b>	<u>22,415</u>	<u>59,389</u>
	-	-

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

**9. Other operating income**

	<b>3 Months Ended</b>	
	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Realised gain on foreign exchange	-	12
Unrealised gain on foreign exchange	3,485	4
Interest income	1,770	1,143
Miscellaneous income	419	391
<b>Total other operating income</b>	<b>5,674</b>	<b>1,550</b>
	-	-

**10. Segmental reporting**

**For The Period Ended 30 June 2018**

	<b>Timber Operations RM'000</b>	<b>Trading RM'000</b>	<b>Property and Investment Holdings RM'000</b>	<b>Property Development RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Segment Revenue</b>						
External sales	21,372	-	13	-	-	21,385
Inter-segment sales	1,603	-	-	-	(1,603)	-
Total revenue	<u>22,975</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>(1,603)</u>	<u>21,385</u>
						-
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	798	(1)	2,689	(532)	3	2,957
Interest expense	(20)	-	(111)	(60)	111	(80)
Interest income	871	-	1,151	44	(296)	1,770
Income taxes	(523)	-	(78)	1	-	(600)
Net profit/(loss)	<u>1,126</u>	<u>(1)</u>	<u>3,651</u>	<u>(547)</u>	<u>(182)</u>	<u>4,047</u>
						-

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018

## 10. Segmental reporting (cont'd)

For The Period Ended 30 June 2017

	Timber Operations RM'000	Trading RM'000	Property and Investment Holdings RM'000	Property Development RM'000	Eliminations RM'000	Consolidated RM'000
<b>Segment Revenue</b>						
External sales	49,296	-	14	-	-	49,310
Inter-segment sales	1,484	-	-	-	(1,484)	-
Total revenue	<u>50,780</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>(1,484)</u>	<u>49,310</u>
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	(8,968)	(2)	(64)	(448)	-	(9,482)
Interest expense	(21)	-	(92)	(77)	-	(190)
Interest income	531	-	590	22	-	1,143
Income taxes	(201)	-	(63)	(7)	-	(271)
Net profit/(loss)	<u>(8,659)</u>	<u>(2)</u>	<u>371</u>	<u>(510)</u>	<u>-</u>	<u>(8,800)</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.

## 11. 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.

## 12. Changes in the composition of the Group

During the quarter under review, the Company's wholly-owned subsidiaries, Chongai Apparel Sdn Bhd (Co. No. 328553-H) and Liaboc Konseps (M) Sdn Bhd (Co. No. 423251-U) ("the Subsidiaries") have commence member's voluntary winding up in pursuant to Section 441 of Companies Act 2016 ("Winding up") on 3 July 2018. These companies have been dormant for a number of years and there is no intention to carry on business or operation in the future.

The winding up of the Subsidiaries are not expected to have any material financial and operational impact on the Group for the financial year to date.

## 13. Capital commitments

As at 30 June 2018, 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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**
**14. 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 2018. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiaries.

As at 30 June 2018, the amount of banking facilities utilised which were secured by corporate guarantees was RM20million.

**15. 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 (1st Quarter)		Variance (%)	Cumulative Quarter (1st Quarter)		Variance (%)
	30.06.2018	30.06.2017		30.06.2018	30.06.2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	21,385	49,310	-57%	21,385	49,310	-57%
Loss before interest and tax	2,957	(9,482)	131%	2,957	(9,482)	131%
Profit/ (Loss) before tax	4,644	(8,529)	154%	4,644	(8,529)	154%
Profit/(loss) after tax	4,044	(8,800)	146%	4,044	(8,800)	146%
Profit/ (Loss) attributable to ordinary equity holders of the owner	4,256	(8,610)	149%	4,256	(8,610)	149%

The Group's turnover and profit after taxation for the quarter under review and current financial year ended 30 June 2018 are RM21.4 million and RM4.0 million respectively. In the corresponding quarter and period of the previous financial year, 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 its main operating divisions, are as follows:

*Timber*

The timber division's turnover and profit after taxation for the quarter under review and current financial period ended 30 June 2018 are RM21.4 million and RM1.1 million respectively. In the corresponding quarter and period of the previous financial year, the division's turnover and loss after taxation were RM49.3 million and RM8.7 million respectively.

Selling prices of plywood improved for the quarter under review and this led to better margins for the division. The higher turnover in the corresponding quarter of the previous financial year was due to the disposal of utility grade plywood.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

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

*Property Development*

The division's loss after taxation for the quarter under review and current financial period ended 30 June 2018 is RM0.5 million. In the corresponding quarter and period of the previous financial period, the division's loss after taxation was also RM0.5 million.

The expense of the division was slightly higher due mainly to marketing expenses incurred for the Affiniti Residences project which was launched after the end of the quarter under review.

**16. 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:

	<b>Current Quarter 30.06.2018</b>	<b>Immediate Preceding Quarter 31.03.2018</b>	<b>Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	21,385	38,778	-45%
Loss before interest and tax	2,957	(6,063)	149%
Profit/ (Loss) before tax	4,644	(4,192)	211%
Profit/(Loss) after tax	4,044	(6,233)	165%
Profit/ (Loss) attributable to owner of the parent	4,256	(6,093)	170%

The Group's turnover and profit after taxation for the quarter under review are RM21.4 million and RM4.0 million respectively. In the immediate preceding quarter, the Group's turnover and loss after taxation were RM38.8 million and RM6.2 million respectively.

The Group's property, plant and equipment is at RM70.5 million, down from RM72.8 million due to depreciation of RM2.3 million for the quarter. The Group's property development cost moved to RM46.2 million from RM44.1 million in the previous quarter in respect of Affiniti Residences' construction which is ongoing.

Meanwhile, the Group's inventories as at 30 June 2018, were marginally down at RM112.7 million down from RM113.3 million from the previous quarter. The Group's borrowings decreased during the quarter under review to RM21.1 million due mainly to the repayment of term loan for the Group's project in Taman Bukit Serdang, Selangor. The Group's cash and bank balances were lower at RM34.9 million from RM39.3 million in the previous quarter mainly due to the placements made in fixed deposits.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

**16. Review of the performance of the Group for the quarter under review and immediate preceding quarter (cont'd)**

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 and current financial period ended 30 June 2018 are RM21.4 million and RM1.1 million respectively. In the corresponding quarter and period of the previous financial year, the division's turnover and loss after taxation were RM38.8 million and RM0.3 million respectively. Included in the loss of the previous period is a RM4.0 million impairment of plant and machinery. Without taking into account the said impairment, the division would have report a profit after tax of RM3.7 million. The lower turnover for the current period is due to a lower volume of plywood shipped out to customers.

*Property Development*

The division's loss after taxation for the quarter under review and current financial year ended 30 June 2018 is RM0.5 million. In the corresponding quarter and period of the previous financial year, the division's loss after taxation was RM0.4 million.

**17. Prospects and Outlook**

*Timber*

Plywood prices are expected to be steady in the months ahead though logs supply remains uncertain.

*Property Development*

The division has launch its new development in Bukit Serdang, Selangor in August 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.

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

Not applicable.

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

	<b>Current Quarter RM'000</b>	<b>Financial Period-to-date RM'000</b>
Taxation		
- Current tax expense	(600)	(600)
- Underprovision in prior year	-	-
	<u>(600)</u>	<u>(600)</u>
Deferred taxation		
- Current deferred tax expense	-	-
- Overprovision in prior year	-	-
	<u>-</u>	<u>-</u>
	<u>(600)</u>	<u>(600)</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2018**

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**20. Status of corporate proposal**

There was no corporate proposal not completed at the date of this report.

**21. Group borrowings and debt securities**

	<b>As at 30.06.2018 RM'000</b>
Short term borrowings - secured	10,674
Long term borrowings - secured	10,463
Total borrowings	<u>21,137</u>

All the above borrowings are denominated in Ringgit Malaysia .

**22. Material litigation**

There was no material litigation against the Group as at the reporting date.

**23. Dividends**

A first tax exempt (single-tier) interim dividend in respect of the financial year ending 31 March 2019 of 5 cent per share on RM160,005,500 ordinary shares, amounting to a dividend payable of RM8,000,275, was declared on 27 June 2018 and paid on 20 July 2018.

**24. Disclosure requirements pursuant to implementation of MFRS 139**

**Part A: Disclosure of derivatives**

As at 30 June 2018, 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 2018, the Group did not have any gains/losses arising from fair value changes of financial liabilities.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
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**25. Earnings per share**

The earnings per share is calculated as follows :

	<b>Financial Period-to-date RM'000</b>
<b>a. Basic</b>	
Net profit attributable to ordinary shareholders (RM'000)	<u>4,256</u>
Number of ordinary shares in issue (in thousand)	<u>159,906</u>
Basic earnings per ordinary share (sen)	<u>2.66</u>
<b>b. Diluted</b>	
Not applicable	

**26. Listing requirement**

The quarterly report for financial period ended 30 June 2018 has been reviewed by Company's external auditor.

**27. Subsequent event**

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

BY ORDER OF THE BOARD

Goh Chooi Woan  
Wong Chooi Fun  
Company Secretaries

27 August 2018