

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 September 2019

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Revenue		3,070	32,871	5,168	54,256
Operating expenses	9	(8,277)	(36,501)	(13,127)	(58,916)
Other operating income	10	5,731	6,122	11,636	11,796
Profit before tax		524	2,492	3,677	7,136
Taxation	20	(417)	(532)	(930)	(1,132)
Profit from continuing operations		107	1,960	2,747	6,004
Gain from discontinued operation		-	-	-	3
Profit for the period		107	1,960	2,747	6,007
Other Comprehensive Income :					
Foreign currency translation		-	-	-	-
Profit net of tax, representing total comprehensive income		107	1,960	2,747	6,007

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 September 2019

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.09.2019 RM'000	Preceding Year Corresponding Quarter 30.09.2018 RM'000	Current Year To Date 30.09.2019 RM'000	Preceding Year Corresponding Period 30.09.2018 RM'000
Profit/ (Loss) attributable to :					
Owners of the Parent		681	2,260	3,786	6,516
Non-controlling interest		(574)	(300)	(1,039)	(509)
		<u>107</u>	<u>1,960</u>	<u>2,747</u>	<u>6,007</u>
Total comprehensive income attributable to :					
Owners of the Parent		681	2,260	3,786	6,516
Non-controlling interest		(574)	(300)	(1,039)	(509)
		<u>107</u>	<u>1,960</u>	<u>2,747</u>	<u>6,007</u>
Earnings Per Share					
(a) Basic (sen)	26a	0.43	1.41	2.37	4.07
(b) Diluted (sen)	26b	-	-	-	-

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 September 2019

	As at 30.09.2019 RM'000 Unaudited	As at 31.03.2019 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	57,345	61,589
Prepaid land lease payments	7,960	8,038
Land held for property development	17,297	17,297
Deferred tax assets	4,091	4,091
Goodwill on consolidation	4,735	4,735
	<u>91,428</u>	<u>95,750</u>
Current assets		
Property development costs	42,905	42,899
Inventories	146,263	114,986
Trade and other receivables	7,865	7,029
Other current assets	943	799
Current tax asset	863	925
Investment in securities	140,579	135,513
Term deposits	51,834	66,043
Cash and bank balances	13,066	32,160
	<u>404,318</u>	<u>400,354</u>
TOTAL ASSETS	<u><u>495,746</u></u>	<u><u>496,104</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 2019)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Financial Position
As At 30 September 2019

	As at 30.09.2019 RM'000 Unaudited	As at 31.03.2019 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,370	131,370
Treasury shares	(5,319)	(5,319)
Retained earnings	299,403	295,617
	<u>425,454</u>	<u>421,668</u>
Non-controlling interest	<u>28,174</u>	<u>28,735</u>
Total equity	<u>453,628</u>	<u>450,403</u>
Current liabilities		
Short term borrowings	8,899	11,708
Trade and other payables	4,313	4,936
Other current liabilities	9,616	9,645
Current tax payable	487	274
	<u>23,315</u>	<u>26,563</u>
Non current liabilities		
Deferred tax liabilities	11,871	11,975
Term loan	6,932	7,163
	<u>18,803</u>	<u>19,138</u>
Total liabilities	<u>42,118</u>	<u>45,701</u>
TOTAL EQUITY AND LIABILITIES	<u>495,746</u>	<u>496,104</u>
Net asset per share	2.66	2.63

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 September 2019

	← Attributable to owners of the Company →				Equity attributable to the owners of the Company RM'000	Non- controlling interest RM'000	Total RM'000
	Share Capital RM'000	Capital Reserve RM'000	Revenue Reserve RM'000	Treasury Shares RM'000			
Current Year To Date							
<u>For The Period Ended 30 September 2019</u>							
Opening balance at 1 April 2019	131,370	-	295,617	(5,319)	421,668	28,735	450,403
Profit net of tax, representing total comprehensive income	-	-	3,786	-	3,786	(1,039)	2,747
Transactions with owners							
Investment in a subsidiary company by non-controlling interest	-	-	-	-	-	478	478
Closing balance at 30 September 2019	131,370	-	299,403	(5,319)	425,454	28,174	453,628
Preceding Year							
<u>Corresponding Period</u>							
<u>For The Period Ended 30 September 2018</u>							
Opening balance at 1 April 2018	131,370	-	318,337	(4,959)	444,748	32,478	477,226
Profit net of tax, representing total comprehensive income	-	-	6,516	-	6,516	(509)	6,007
Transactions with owners							
Shares buyback	-	-	-	(360)	(360)	-	(360)
Dividends paid	-	-	(8,000)	-	(8,000)	-	(8,000)
Closing balance at 30 September 2018	131,370	-	316,853	(5,319)	442,904	31,969	474,873

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 September 2019

	6 Months Ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
	Unaudited	Unaudited
Operating activities		
Loss before tax	3,677	7,136
<u>Adjustments for :</u>		
Amortisation of prepaid land lease payments	78	78
Depreciation	4,246	4,550
Dividend received from short term funds	(21)	-
Loss/(gain) on disposal of property, plant and equipment	1	5
Interest expenses included in cost of sales	1,005	37
Interest expenses included in administrative expenses	245	158
Interest income	(4,214)	(3,652)
Property, plant and equipment written off	-	3
Unrealised gain on foreign exchange	(2,663)	(5,429)
Unrealised gain on investment in securities	(3,880)	(1,762)
Total adjustments	(5,203)	(6,012)
Operating cash flows before changes in working capital	(1,526)	1,124
<u>Changes in working capital :</u>		
Increase in property development costs	(6)	(2,899)
Decrease in inventories	(31,277)	12,604
Decrease in trade and other receivables	(836)	2,250
Increase in other current assets	(144)	(25)
Decrease in trade and other payables	(623)	(4,539)
Increase/(decrease) in other current liabilities	(29)	40
Total changes in working capital	(32,915)	7,431
Cash flows from operation	(34,441)	8,555
Interest paid	(1,250)	(1,215)
Tax paid, net of refund	(283)	85
Net cash flows generated from operating activities	<u>(35,974)</u>	<u>7,425</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019)

EKSONS CORPORATION BERHAD (205814-V)
Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 September 2019

	6 Months Ended	
	30.09.2019	30.09.2018
	RM'000	RM'000
	Unaudited	Unaudited
Investing activities		
Interest received	4,214	3,652
Dividend received from short term funds	21	-
Purchase of investment securities	(411)	(597)
Proceeds from disposal of property, plant and equipment	1,889	19
Purchase of property, plant and equipment	(2)	(34)
Net cash flows generated from investing activities	<u>5,711</u>	<u>3,040</u>
Financing activities		
Dividend paid	-	(8,000)
Proceeds from short term borrowings, net of repayment	(1,795)	(1,074)
Treasury shares acquired	-	(360)
Proceeds from bankers' acceptance, net of repayment	(928)	-
Net cash flows used in financing activities	<u>(2,723)</u>	<u>(9,434)</u>
Net increase in cash and cash equivalent	(32,986)	1,031
Cash and cash equivalents at the beginning of the financial period	<u>91,838</u>	<u>150,408</u>
Cash and cash equivalents at the end of the financial period	<u><u>58,852</u></u>	<u><u>151,439</u></u>
Analysis of cash and cash equivalents		
Term deposit	51,834	132,246
Cash and bank balances	13,066	26,812
Bank Overdraft	(6,048)	(7,619)
	<u>58,852</u>	<u>151,439</u>
	-	-

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2019)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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 2019. 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 2019.

2. Changes in Accounting Policies

The audited financial statements of the Group for the year ended 31 March 2019 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 2019 except for the adoption of the following new and revised standards effective as at 1 January 2019:

	Effective for annual periods beginning on or after
Annual improvements to MFRS Standards 2015-2017 Cycle:	
(i) Amendments to MFRS 3: Business Combinations	1 January 2019
(ii) Amendments to MFRS 11: Joint Arrangements	1 January 2019
(iii) Amendments to MFRS 112: Income Taxes	1 January 2019
(iv) Amendments to MFRS 123: Borrowing Costs	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatment	1 January 2019
MFRS 16: Leases	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendment to MFRS 119: Employee Benefits Plan Amendment, Curtailment or Settlement	1 January 2019

The directors expect that adoption of the above pronouncements will have no impact on the financial statements in the period of initial application except as follows:

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

2. Changes in Accounting Policies (cont'd)

MFRS 16 Leases (cont'd)

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, where as under MFRS 16, the lease payments will be split into principal (which will be presented as financial cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The standard will affect primarily the accounting for the Group's and the Company's operating leases. The Group and the Company have not assessed if there are any adjustments which are necessary because of the treatment of variable lease payments, extension or termination options. It is therefore not practicable at this juncture to estimate the amount of right-to-use assets and liabilities that will have to be recognised on adoption of MFRS 16 and how this may affect the Group's and the Company's profit or loss and classification of cash flows going forward.

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.

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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. Dividends paid

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

9. Operating expenses

	3 Months Ended		6 Months Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease payments	39	39	78	78
Depreciation	2,123	2,268	4,246	4,550
Interest expenses included in cost of sales	989	17	1,005	37
Interest expenses included in administrative expenses	115	98	245	158
Property, plant and equipment written off	-	3	-	3
Fair value changes in investment in securities	-	(121)	-	-
Unrealised loss on investment in securities	-	(428)	-	-
Cost of sales	917	28,564	536	45,037
Marketing and distribution expenses	649	3,414	992	4,259
Administration expenses	1,053	1,979	2,795	3,670
Other expenses	2,392	668	3,230	1,124
Total operating expenses	8,277	36,501	13,127	58,916
	-	-	-	-

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

10. Other operating income

	3 Months Ended		6 Months Ended	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Realised gain on foreign exchange	273	6	273	47
Unrealised gain on foreign exchange	1,513	1,944	2,663	5,429
Unrealised gain on investment in securities	1,483	1,762	3,880	1,762
Rental income	207	270	434	537
Interest income	2,195	1,882	4,235	3,652
Miscellaneous income	60	258	151	369
Total other operating income	5,731	6,122	11,636	11,796
	-	-	-	-
	-	-	-	-

11. Segmental reporting

For The Period Ended 30 September 2019

	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	5,141	-	27	-	-	5,168
Inter-segment sales	2,920	-	-	-	(2,920)	-
Total revenue	<u>8,061</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>(2,920)</u>	<u>5,168</u>
Segment Result						
Operating profit/(loss) before interest and tax	(2,053)	(2)	3,925	(1,696)	-	174
Interest expense	(27)	-	(245)	(978)	518	(732)
Interest income	1,237	-	3,449	67	(518)	4,235
Income taxes	(809)	-	(121)	-	-	(930)
Net profit/(loss)	<u>(1,652)</u>	<u>(2)</u>	<u>7,008</u>	<u>(2,607)</u>	<u>-</u>	<u>2,747</u>

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

11. Segmental reporting (cont'd)

For The Period Ended 30 September 2018

	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	54,229	-	27	-	-	54,256
Inter-segment sales	3,168	-	-	-	(3,168)	-
Total revenue	<u>57,397</u>	<u>-</u>	<u>27</u>	<u>-</u>	<u>(3,168)</u>	<u>54,256</u>
Segment Result						
Operating profit/(loss) before interest and tax	(1,416)	(2)	6,328	(1,231)	3	3,682
Interest expense	(37)	-	(255)	(158)	255	(195)
Interest income	2,029	-	2,172	89	(638)	3,652
Income taxes	(988)	-	(146)	2	-	(1,132)
Net profit/(loss)	<u>(412)</u>	<u>(2)</u>	<u>8,099</u>	<u>(1,298)</u>	<u>(380)</u>	<u>6,007</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.

12. 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.

13. 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.

14. Capital commitments

As at 30 September 2019, 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 SEPTEMBER 2019**

15. 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 2019. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 30 September 2019, the amount of banking facilities utilised which were secured by corporate guarantees was RM20 million.

16. 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 (%)
	30.09.2019 RM'000	30.09.2018 RM'000		30.09.2019 RM'000	30.09.2018 RM'000	
Revenue	3,070	32,871	-91%	5,168	54,256	-90%
(Loss)/profit before interest and tax	(1,085)	725	-250%	174	3,682	-95%
Profit before tax	524	2,495	-79%	3,677	7,139	-48%
Profit after tax	107	1,960	-95%	2,747	6,007	-54%
Profit attributable to ordinary equity holders of the owner	681	2,260	-70%	3,786	6,516	-42%

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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

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 2019 are RM5.1 million and RM1.7 million respectively. In the corresponding period of the previous financial year, the division's turnover and loss after taxation were RM54.2 million and RM0.4 million respectively.

The division's turnover and profit after taxation for the quarter under review are RM3.1 million and RM0.9 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and loss after taxation were RM32.8 million and RM1.5 million respectively.

The division's sales was lower for the quarter under review due to global economic slowdown which led to low demand for plywood. The higher sales in the corresponding quarter of the previous financial year was due to the better selling prices and higher demand for plywood.

Property Development

The division's loss after taxation for the six months ended 30 September 2019 is RM2.6 million. In the corresponding period of the previous financial year, the division's loss after taxation were RM1.3 million. The higher loss for the period under review is due to the interest charges being expensed off in the income statement. In the previous financial period, it was capitalised.

The division's loss after taxation for the quarter under review is RM1.5 million. In the corresponding quarter of the previous financial year, the division's loss after taxation was RM0.8 million. The higher loss for the period under review is due to the interest charges being expensed off in the income statement. In the previous financial period, it was capitalised. There were no sales recorded for the quarter under review. The expenses incurred were mainly for bank interest charges, project management, administrative and marketing cost.

17. 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 30.09.2019	Immediate Preceding Quarter 30.06.2019	Variance
	RM'000	RM'000	%
Revenue	3,070	2,098	46%
(Loss)/profit before interest and tax	(1,085)	1,259	-186%
Profit before tax	524	3,153	-83%
Profit after tax	107	2,640	-96%
Profit attributable to owner of the parent	681	3,105	-78%

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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

The Group's property, plant and equipment is at RM57.3 million, down from RM59.5 million due to depreciation of RM2.2 million for the quarter. The Group's property development cost moved to RM42.9 million from RM42.8 million for the quarter in respect of Affiniti Residences' construction which is ongoing.

Meanwhile, the Group's inventories as at 30 September 2019, moved slightly higher to RM146.2 million from RM131.0 million from the previous quarter due mainly to increase in stock of the timber division. The Group's borrowings decreased during the quarter under review from RM18.2 million to RM15.8 million due mainly to the repayment of term loan for the Group's project in Taman Bukit Serdang, Selangor.

The Group's investment in securities increases from RM138.5 million to RM140.6 million due mainly to the foreign exchange gain during the quarter. The Group's term deposits and cash and bank balances decreased to RM64.9 million from RM84.9 million mainly due to continuous production and slower sales in the timber division during the quarter under review.

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

Timber

The division's turnover and loss after taxation for the quarter under review are RM3.1 million and RM0.9 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM2.1 million and RM0.7 million respectively.

The division's sales was higher for the quarter under review due to an increase in volume sold.

Property Development

The division's loss after taxation for the quarter under review is RM1.5 million. There were no sales recorded for the quarter under review. In the immediate preceding quarter, the division's loss after taxation was RM1.1 million. The higher loss for the period under review is due to the increase in marketing costs.

18. Prospects and Outlook

Timber

Our plywood sales to the Middle East has been delayed due to uncertainties in the region causing shippers to holdback on shipments destined to the region.

Property Development

The division has launch its new development in Bukit Serdang, Selangor in August 2018. Sales activity is ongoing with confirmed sales and purchase agreements growing at a steady pace. Barring unforeseen circumstances we hope that this project will contribute to the Group's earnings in the 2020 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.

19. Variance of actual profit from forecast profit

Not applicable.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

20 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	(417)	(930)
- Underprovision in prior year	-	-
	<u>(417)</u>	<u>(930)</u>
Deferred taxation		
- Current deferred tax expense	-	-
- Overprovision in prior year	-	-
	<u>-</u>	<u>-</u>
	<u>(417)</u>	<u>(930)</u>
	-	-

21. Status of corporate proposal

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

22. Group borrowings and debt securities

	As at 30.09.2019 RM'000
Short term borrowings	
- secured	8,899
Long term borrowings	
- secured	6,932
Total borrowings	<u>15,831</u>

All the above borrowings are denominated in Ringgit Malaysia .

23. Material litigation

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

24. Proposed dividend

The Board of Directors does not recommend any interim dividend for the financial quarter ended 30 September 2019.

25. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 September 2019, 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 2019, the Group did not have any gains/losses arising from fair value changes of financial liabilities.

EKSONS CORPORATION BERHAD (205814-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

26. 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>3,786</u>
Number of ordinary shares in issue (in thousand)	<u>159,966</u>
Basic loss per ordinary share (sen)	<u>2.37</u>
b. Diluted	
Not applicable	

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

28 November 2019