

EKSONS CORPORATION BERHAD (205814-V)

Explanatory notes: Amendment to the Fourth quarterly report of the Group ended 31 March 2020

It has come to the attention of the Board that there were errors in the Notes to the version of the quarterly announcement of the fourth quarter ended 31 March 2020 that was sent to Bursa Malaysia on 30 June 2020. The errors noted in Note 11 was due to the misallocation of Group adjustments for consolidation among the different divisions, which lead to an error in Note 16 under timber operations. The corrections and their comparison to Note 11 and Note 16 are as below. The overall revenue and loss figures are unaffected and remain as announced earlier. The corrected segmental reporting Note 11 now ties to the Amended Consolidated Statement of Comprehensive Income.

**As previously announced**

**11. Segmental reporting**

**For The Period Ended 31 March 2020**

	<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	28,568	-	54	10,752	-	39,374
Inter-segment sales	7,574	-	50,324	3,000	(60,898)	-
Total revenue	<u>36,142</u>	<u>-</u>	<u>50,378</u>	<u>13,752</u>	<u>(60,898)</u>	<u>39,374</u>
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	20,768	(4)	(52,032)	(4,746)	-	(36,014)
Interest expense	(33)	-	(463)	(2,105)	-	(2,601)
Interest income	2,150	-	6,356	27	1,136	9,669
Income taxes	(4,704)	-	(236)	188	-	(4,752)
Net profit/(loss)	<u>18,181</u>	<u>(4)</u>	<u>(46,375)</u>	<u>(6,636)</u>	<u>1,136</u>	<u>(33,698)</u>

**As corrected**

**11. Segmental reporting**

**For The Period Ended 31 March 2020**

	<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	28,568	-	54	10,752	-	39,374
Inter-segment sales	7,574	-	50,324	3,000	(60,898)	-
Total revenue	<u>36,142</u>	<u>-</u>	<u>50,378</u>	<u>13,752</u>	<u>(60,898)</u>	<u>39,374</u>
<b>Segment Result</b>						
Operating profit/(loss) before interest and tax	(22,609)	(4)	(2,844)	15,538	(26,095)	(36,014)
Interest expense	(33)	-	(463)	(2,105)	-	(2,601)
Interest income	2,150	-	6,356	121	(1,230)	7,397
Income taxes	(4,704)	-	(236)	1,622	(1,434)	(4,752)
Net profit/(loss)	<u>(25,196)</u>	<u>(4)</u>	<u>2,813</u>	<u>15,176</u>	<u>(28,759)</u>	<u>(35,970)</u>

**As previously announced**

**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, were as follows:

*Timber*

The timber division recorded a turnover and profit after taxation for the current financial year ended 31 March 2020 of RM28.6 million and RM18.1 million respectively. In the previous financial year, the division's turnover and loss after taxation were RM67.2 million and RM11.0 million respectively.

The division recorded a turnover and profit after taxation for the quarter under review of RM17.5 million and RM21.7 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and loss after taxation were RM2.5 million and RM14.8 million respectively.

The division's sales was higher for the quarter under review due to higher demand for plywood. Included in the loss for the year is an impairment of property, plant and equipment of RM2.5 million in respect of the Group's subsidiaries Rajang Plywood (Sabah) Sdn Bhd and Eksons Biomass Energy Sdn Bhd. Further, the division's inventories were written down by approximately RM11.7 million to reflect net realisable value of the division's stocks.

**As corrected**

**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, were as follows:

*Timber*

The timber division recorded a turnover and loss after taxation for the current financial year ended 31 March 2020 of RM28.6 million and RM25.2 million respectively. In the previous financial year, the division's turnover and loss after taxation were RM67.2 million and RM11.0 million respectively.

The division recorded a turnover and loss after taxation for the quarter under review of RM17.5 million and RM21.5 million respectively. In the corresponding quarter of the previous financial year, the division's turnover and loss after taxation were RM2.5 million and RM14.8 million respectively.

The division's sales was higher for the quarter under review due to higher demand for plywood. Included in the loss for the year is an impairment of property, plant and equipment of RM2.5 million in respect of the Group's subsidiaries Rajang Plywood (Sabah) Sdn Bhd and Eksons Biomass Energy Sdn Bhd. Further, the division's inventories were written down by approximately RM11.7 million to reflect net realisable value of the division's stocks.