

**EKSONS CORPORATION BERHAD (199001014145 (205814-V))**  
**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**For The 2nd Financial Quarter Ended 30 September 2020**

|  | Note | Individual Quarter    |                                      | Cumulative Quarter   |                                     |
|--|------|-----------------------|--------------------------------------|----------------------|-------------------------------------|
|  |      | Current Year Quarter  | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
|  |      | 30.09.2020<br>RM'000  | 30.09.2019<br>RM'000                 | 30.09.2020<br>RM'000 | 30.09.2019<br>RM'000                |
| Revenue  |      | 7,386                 | 3,070                                | 10,365               | 5,168                               |
| Operating expenses   | 9    | (10,462)              | (8,277)                              | (18,730)             | (13,127)                            |
| Other operating income   | 10   | 248                   | 5,731                                | 9,711                | 11,636                              |
| (Loss)/profit before tax   |      | <u>(2,828)</u>        | <u>524</u>                           | <u>1,346</u>         | <u>3,677</u>                        |
| Taxation   | 20   | (103)                 | (417)                                | (224)                | (930)                               |
| <b>(Loss)/profit from continuing operation</b>                           |      | <u>(2,931)</u>        | <u>107</u>                           | <u>1,122</u>         | <u>2,747</u>                        |
| Gain from discontinued operation   |      | -                     | -                                    | -                    | -                                   |
| <b>(Loss)/profit for the period</b>                                      |      | <u>(2,931)</u>        | <u>107</u>                           | <u>1,122</u>         | <u>2,747</u>                        |
| <b>Other Comprehensive Income :</b>                                      |      |                       |                                      |                      |                                     |
| Foreign currency translation   |      | -                     | -                                    | -                    | -                                   |
| <b>(Loss)/profit net of tax, representing total comprehensive income</b> |      | <u><u>(2,931)</u></u> | <u><u>107</u></u>                    | <u><u>1,122</u></u>  | <u><u>2,747</u></u>                 |

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020 )**

**EKSONS CORPORATION BERHAD (199001014145 (205814-V))**  
**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**For The 2nd Financial Quarter Ended 30 September 2020**

|  | Note | Individual Quarter   |                                      | Cumulative Quarter   |                                     |
|--|------|----------------------|--------------------------------------|----------------------|-------------------------------------|
|  |      | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
|  |      | 30.09.2020<br>RM'000 | 30.09.2019<br>RM'000                 | 30.09.2020<br>RM'000 | 30.09.2019<br>RM'000                |
| (Loss)/profit attributable to :              |      |                      |                                      |                      |                                     |
| Owners of the Parent                         |      | (3,034)              | 681                                  | 914                  | 3,786                               |
| Non-controlling interest                     |      | 103                  | (574)                                | 208                  | (1,039)                             |
|  |      | <u>(2,931)</u>       | <u>107</u>                           | <u>1,122</u>         | <u>2,747</u>                        |
| Total comprehensive income attributable to : |      |                      |                                      |                      |                                     |
| Owners of the Parent                         |      | (3,034)              | 681                                  | 914                  | 3,786                               |
| Non-controlling interest                     |      | 103                  | (574)                                | 208                  | (1,039)                             |
|  |      | <u>(2,931)</u>       | <u>107</u>                           | <u>1,122</u>         | <u>2,747</u>                        |
| Earnings Per Share                           |      |                      | -                                    |                      |                                     |
| (a) Basic (sen)                              | B11. | (1.90)               | 0.43                                 | 0.57                 | 2.37                                |
| (b) Diluted (sen)                            | B11. | -                    | -                                    | -                    | -                                   |

**(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)**

**EKSONS CORPORATION BERHAD (199001014145 (205814-V))**  
**Unaudited Condensed Consolidated Statement of Financial Position**  
**As At 30 September 2020**

|                                    | <b>As at<br/>30.09.2020<br/>RM'000<br/>Unaudited</b> | <b>As at<br/>31.03.2020<br/>RM'000<br/>Audited</b> |
|------------------------------------|--|--|
| <b>ASSETS</b>                      |  |  |
| <b>Non-current assets</b>          |  |  |
| Property, plant and equipment      | 57,421   | 61,618   |
| Land held for property development | 17,297   | 17,297   |
|                                    | <u>74,718</u>  | <u>78,915</u>                                      |
| <b>Current assets</b>              |  |  |
| Property development costs         | 43,253   | 40,915   |
| Inventories                        | 118,346  | 121,831  |
| Trade and other receivables        | 3,868  | 9,997  |
| Other current assets               | 12,072   | 9,386  |
| Current tax asset                  | 659  | 1,010  |
| Investment in securities           | 141,657  | 134,140  |
| Term deposits                      | 56,246   | 46,343   |
| Cash and bank balances             | 3,502  | 17,360   |
|                                    | <u>379,603</u>                                       | <u>380,982</u>                                     |
| <b>TOTAL ASSETS</b>                | <u><u>454,321</u></u>                                | <u><u>459,897</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 2020)**

**EKSONS CORPORATION BERHAD (199001014145 (205814-V))**  
**Unaudited Condensed Consolidated Statement of Financial Position**  
**As At 30 September 2020**

|   | <b>As at<br/>30.09.2020<br/>RM'000<br/>Unaudited</b> | <b>As at<br/>31.03.2020<br/>RM'000<br/>Audited</b> |
|---|--|--|
| <b>EQUITY AND LIABILITIES</b>                       |  |  |
| <b>Equity attributable to owners of the Company</b> |  |  |
| Share capital                                       | 131,370  | 131,370  |
| Treasury shares                                     | (5,319)  | (5,319)  |
| Retained earnings                                   | 263,817  | 262,903  |
| Capital reserves                                    | -  | -  |
|   | <u>389,868</u>                                       | <u>388,954</u>                                     |
| <b>Non-controlling interest</b>                     | 19,568   | 26,060   |
| <b>Total equity</b>                                 | <u>409,436</u>                                       | <u>415,014</u>                                     |
| <b>Current liabilities</b>                          |  |  |
| Short term borrowings                               | 7,373  | 8,740  |
| Trade and other payables                            | 4,815  | 5,685  |
| Other current liabilities                           | 11,223   | 11,993   |
| Current tax payable                                 | 245  | 419  |
|   | <u>23,656</u>  | <u>26,837</u>                                      |
| <b>Non current liabilities</b>                      |  |  |
| Deferred tax liabilities                            | 11,154   | 11,272   |
| Term loan   | 10,075   | 6,774  |
|   | <u>21,229</u>  | <u>18,046</u>                                      |
| <b>Total liabilities</b>                            | <u>44,885</u>  | <u>44,883</u>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <u>454,321</u>                                       | <u>459,897</u>                                     |
| Net asset per share                                 | 2.44   | 2.40   |
|   | -  | -  |

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)**

**EKSONS CORPORATION BERHAD (199001014145 (205814-V))**  
**Unaudited Condensed Consolidated Statement Of Changes In Equity**  
**For The 2nd Financial Quarter Ended 30 September 2020**

|  | ← Attributable to owners of the Company → |                              |                              |                              | Equity<br>attributable to<br>the owners of<br>the Company<br>RM'000 | Non-<br>controlling<br>interest<br>RM'000 | Total<br>RM'000 |
|--|---|------------------------------|------------------------------|------------------------------|---|---|-----------------|
|  | Share<br>Capital<br>RM'000                | Capital<br>Reserve<br>RM'000 | Revenue<br>Reserve<br>RM'000 | Treasury<br>Shares<br>RM'000 |   |   |                 |
| <b>Current Year To Date</b>  |   |                              |                              |                              |   |   |                 |
| <b><u>For The Period Ended 30 September 2020</u></b>                             |   |                              |                              |                              |   |   |                 |
| Opening balance at 1 April 2020  | 131,370                                   | -                            | 262,903                      | (5,319)                      | 388,954   | 26,060                                    | 415,014         |
| Loss net of tax, representing<br>total comprehensive income                      | -   | -                            | 914                          | -                            | 914   | 208                                       | 1,122           |
| <b>Transactions with owners</b>  |   |                              |                              |                              |   |   |                 |
| Disposal of an investment in a subsidiary<br>company by non-controlling interest | -   | -                            | -                            | -                            | -   | (6,700)                                   | (6,700)         |
| Closing balance at 30 September 2020   | <u>131,370</u>                            | <u>-</u>                     | <u>263,817</u>               | <u>(5,319)</u>               | <u>389,868</u>  | <u>19,568</u>                             | <u>409,436</u>  |
| <b>Preceding Year</b>  |   |                              |                              |                              |   |   |                 |
| <b><u>Corresponding Period</u></b>   |   |                              |                              |                              |   |   |                 |
| <b><u>For The Period Ended 30 September 2019</u></b>                             |   |                              |                              |                              |   |   |                 |
| Opening balance at 1 April 2019  | 131,370                                   | -                            | 295,617                      | (5,319)                      | 421,668   | 28,735                                    | 450,403         |
| Profit net of tax, representing<br>total comprehensive income                    | -   | -                            | 3,786                        | -                            | 3,786   | (1,039)                                   | 2,747           |
| <b>Transactions with owners</b>  |   |                              |                              |                              |   |   |                 |
| Investment in a subsidiary company<br>by non-controlling interest                | -   | -                            | -                            | -                            | -   | 478                                       | 478             |
| Closing balance at 30 September 2019   | <u>131,370</u>                            | <u>-</u>                     | <u>299,403</u>               | <u>(5,319)</u>               | <u>425,454</u>  | <u>28,174</u>                             | <u>453,628</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 2020)**

**EKSONS CORPORATION BERHAD (199001014145 (205814-V))**  
**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For The 2nd Financial Quarter Ended 30 September 2020**

|   | <b>6 Months Ended</b> |                   |
|---|-----------------------|-------------------|
|   | <b>30.09.2020</b>     | <b>30.09.2019</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>     |
|   | <b>Unaudited</b>      | <b>Audited</b>    |
| <b>Operating activities</b>                                   |                       |                   |
| Profit before tax   | 1,346                 | 3,677             |
| <u>Adjustments for :</u>                                      |                       |                   |
| Amortisation of prepaid land lease payments                   | -                     | 78                |
| Depreciation  | 4,036                 | 4,246             |
| (Gain)/loss on disposal of property, plant and equipment      | (48)                  | 1                 |
| Impairment of property, plant and equipment                   | (44)                  | -                 |
| Interest expenses included in cost of sales                   | 904                   | 1,005             |
| Interest expenses included in administrative expenses         | 130                   | 245               |
| Interest income   | (2,892)               | (4,235)           |
| Unrealised gain on foreign exchange                           | (23)                  | (2,663)           |
| Unrealised gain on investment                                 | (5,518)               | (3,880)           |
| Total adjustments   | (3,455)               | (5,203)           |
| <b>Operating cash flows before changes in working capital</b> | (2,109)               | (1,526)           |
| <u>Changes in working capital :</u>                           |                       |                   |
| Increase in property development costs                        | (2,338)               | (6)               |
| Decrease/(increase) in inventories                            | 3,485                 | (31,277)          |
| Decrease/(increase) in trade and other receivables            | 6,129                 | (836)             |
| Increase in other current assets                              | (2,686)               | (144)             |
| Decrease in trade and other payables                          | (870)                 | (623)             |
| Decrease in other current liabilities                         | (770)                 | (29)              |
| Total changes in working capital                              | 2,950                 | (32,915)          |
| Cash flows from operations                                    | 841                   | (34,441)          |
| Interest paid   | (1,034)               | (1,250)           |
| Tax paid, net of refund                                       | (377)                 | (283)             |
| Net cash flows used in operating activities                   | <u>(570)</u>          | <u>(35,974)</u>   |

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)**

**EKSONS CORPORATION BERHAD (199001014145 (205814-V))**  
**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For The 2nd Financial Quarter Ended 30 September 2020**

|   | <b>6 Months Ended</b> |                      |
|---|-----------------------|----------------------|
|   | <b>30.09.2020</b>     | <b>30.09.2019</b>    |
|   | <b>RM'000</b>         | <b>RM'000</b>        |
|   | <b>Unaudited</b>      | <b>Audited</b>       |
| <b>Investing activities</b>   |                       |                      |
| Interest received   | 2,892                 | 4,214                |
| Investment in securities  | 29                    | 21                   |
| Purchase of investment securities                                       | (7,183)               | (411)                |
| Proceeds from disposal of property, plant and equipment                 | 254                   | 1,889                |
| Purchase of property, plant and equipment                               | -                     | (2)                  |
| Net cash flows generated from investing activities                      | <u>(4,008)</u>        | <u>5,711</u>         |
| <b>Financing activities</b>   |                       |                      |
| Proceeds from bankers' acceptance, net of repayment                     | -                     | (928)                |
| Proceeds from short term borrowings, net of repayment                   | 649                   | (1,795)              |
| Net cash flows generated from /(used in) financing activities           | <u>649</u>            | <u>(2,723)</u>       |
| <b>Net decrease in cash and cash equivalent</b>                         | <b>(3,929)</b>        | <b>(32,986)</b>      |
| <b>Cash and cash equivalents at the beginning of the financial year</b> | <b>58,952</b>         | <b>91,838</b>        |
| <b>Cash and cash equivalents at the end of the financial year</b>       | <b><u>55,023</u></b>  | <b><u>58,852</u></b> |
| <b>Analysis of cash and cash equivalents</b>                            |                       |                      |
| Term deposit  | 56,246                | 51,834               |
| Cash and bank balances  | 3,502                 | 13,066               |
| Bank Overdraft  | (4,725)               | (6,048)              |
|   | <u>55,023</u>         | <u>58,852</u>        |
|   | -                     | -                    |

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)**

**PART A: EXPLANATION NOTES AS PER MFRS 134**

**A1. 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 2020. 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 2020.

**A2. Changes in Accounting Policies**

The audited financial statements of the Group for the year ended 31 March 2020 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 2020 except for the adoption of the following new and revised standards effective as at 1 January 2020:

|   | <b>Effective for annual periods beginning on or after</b> |
|---|---|
| Amendments to MFRS 3: Definition of a Business  | 1 January 2020  |
| Amendments to MFRS 9, MFRS 139 and MFRS 7: <input type="checkbox"/> Interest Rate Benchmark Reform <input type="checkbox"/> | 1 January 2020  |
| Amendments to MFRS 101 and MFRS 108: <input type="checkbox"/> Definition of Material <input type="checkbox"/>               | 1 January 2020  |
| Revised Conceptual Framework for Financial Reporting  | 1 January 2020  |

The application of the above Amendments to MFRSs did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

**Amendments to MFRS 3: Definition of a Business**

The definition of a business in MFRS 3 Business Combinations was amended to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.



**A2. Changes in Accounting Policies (cont'd)**

**Amendments to MFRS 101 and MFRS 108: Definition of Material**

The amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 align the definition of 'material' across the standards and clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

**A3. Disclosure of audit qualification**

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

**A4. 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.

**A5. 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.

**A6. 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.

**A7. 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.

**A8. Dividends paid**

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

**A9. Operating expenses**

|   | 3 Months Ended       |                      | 6 Months Ended       |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30.09.2020<br>RM'000 | 30.09.2019<br>RM'000 | 30.09.2020<br>RM'000 | 30.09.2019<br>RM'000 |
| Depreciation  | 2,011                | 2,162                | 4,036                | 4,324                |
| Interest expenses included in cost of sales                           | 386                  | 989                  | 904                  | 1,005                |
| Interest expenses during the year included in administrative expenses | 33                   | 115                  | 130                  | 245                  |
| Realised (gain)/loss on foreign exchange                              | (70)                 | -                    | -                    | -                    |
| Unrealised (gain)/loss on foreign exchange                            | (933)                | -                    | -                    | -                    |
| Cost of sales   | 4,126                | 917                  | 7,598                | 536                  |
| Marketing and distribution expenses                                   | 617                  | 649                  | 688                  | 992                  |
| Administration expenses   | 4,306                | 1,053                | 5,063                | 2,795                |
| Other expenses  | 11                   | 2,392                | 311                  | 3,230                |
| <b>Total operating expenses</b>                                       | <b>10,462</b>        | <b>8,277</b>         | <b>18,730</b>        | <b>13,127</b>        |
|   |                      | -                    | -                    | -                    |

**A10. Other operating income**

|  | 3 Months Ended       |                      | 6 Months Ended       |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30.09.2020<br>RM'000 | 30.09.2019<br>RM'000 | 30.09.2020<br>RM'000 | 30.09.2019<br>RM'000 |
| Realised gain on foreign exchange                  | 372                  | 273                  | 372                  | 273                  |
| Unrealised gain on foreign exchange                | 23                   | 1,513                | 23                   | 2,663                |
| Unrealised (loss)/gain on investment in securities | (2,259)              | 1,483                | 5,518                | 3,880                |
| Rental income                                      | 272                  | 207                  | 558                  | 434                  |
| Interest income                                    | 1,598                | 2,195                | 2,892                | 4,235                |
| Miscellaneous income                               | 242                  | 60                   | 348                  | 151                  |
| <b>Total other operating income</b>                | <b>248</b>           | <b>5,731</b>         | <b>9,711</b>         | <b>11,636</b>        |
|  | -                    | -                    | -                    | -                    |

**A11. Segmental reporting****For The Period Ended 30 September 2020**

|  | Timber<br>Operations<br>RM'000 | Trading<br>RM'000 | Property<br>and<br>Investment<br>Holdings<br>RM'000 | Property<br>Development<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|--|--------------------------------|-------------------|---|-----------------------------------|------------------------|------------------------|
| <b>Segment Revenue</b>                             |                                |                   |   |                                   |                        |                        |
| External sales                                     | 4,724                          | -                 | 27  | 5,614                             | -                      | 10,365                 |
| Inter-segment sales                                | 226                            | -                 | -   | -                                 | (226)                  | -                      |
| Total revenue                                      | <u>4,950</u>                   | <u>-</u>          | <u>27</u>   | <u>5,614</u>                      | <u>(226)</u>           | <u>10,365</u>          |
| <b>Segment Result</b>                              |                                |                   |   |                                   |                        |                        |
| Operating (loss)/profit<br>before interest and tax | (7,343)                        | (3)               | 4,816   | 1,455                             | 563                    | (512)                  |
| Interest expense                                   | (33)                           | -                 | -   | (1,001)                           | -                      | (1,034)                |
| Interest income                                    | 540                            | -                 | 2,864   | 51                                | (563)                  | 2,892                  |
| Income taxes                                       | (79)                           | -                 | (145)   | -                                 | -                      | (224)                  |
| Net (loss)/profit                                  | <u>(6,915)</u>                 | <u>(3)</u>        | <u>7,535</u>  | <u>505</u>                        | <u>-</u>               | <u>1,122</u>           |

**A11. Segmental reporting (cont'd)****For The Period Ended 30 September 2019**

|  | <b>Timber<br/>Operations<br/>RM'000</b> | <b>Trading<br/>RM'000</b> | <b>Property<br/>and<br/>Investment<br/>Holdings<br/>RM'000</b> | <b>Property<br/>Development<br/>RM'000</b> | <b>Eliminations<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|--|---|---------------------------|--|--|--------------------------------|--------------------------------|
| <b>Segment Revenue</b>                             |   |                           |  |  |                                |                                |
| External sales                                     | 5,141                                   | -                         | 27   | -  | -                              | 5,168                          |
| Inter-segment sales                                | <u>2,920</u>                            | <u>-</u>                  | <u>-</u>   | <u>-</u>                                   | <u>(2,920)</u>                 | <u>-</u>                       |
| Total revenue                                      | <u><u>8,061</u></u>                     | <u><u>-</u></u>           | <u><u>27</u></u>   | <u><u>-</u></u>                            | <u><u>(2,920)</u></u>          | <u><u>5,168</u></u>            |
| <b>Segment Result</b>                              |   |                           |  |  |                                |                                |
| Operating (loss)/profit<br>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                                       | <u>(809)</u>                            | <u>-</u>                  | <u>(121)</u>   | <u>-</u>                                   | <u>-</u>                       | <u>(930)</u>                   |
| Net (loss)/profit                                  | <u><u>(1,652)</u></u>                   | <u><u>(2)</u></u>         | <u><u>7,008</u></u>  | <u><u>(2,607)</u></u>                      | <u><u>-</u></u>                | <u><u>2,747</u></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.

**A12. 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.

**A13. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations except as disclosed below.

During the year, the Group acquired an additional 99,964 ordinary shares and 1,420,977 preference shares of RM4.00 each in Vibrant Hub Sdn Bhd. Following the acquisition of the said shares, the Company's equity holding in Vibrant Hub Sdn. Bhd. increased from 60.52% to 68.06%.

**A14. Capital commitments**

As at 30 September 2020, 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.

**A15. 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 2020. The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES  
(PART A OF APPENDIX 9B)**

**B1. 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<br>(2nd Quarter) |                      | Variance<br>(%) | Cumulative Quarter<br>(2nd Quarter) |                      | Variance<br>(%) |
|---|-------------------------------------|----------------------|-----------------|-------------------------------------|----------------------|-----------------|
|   | 30.09.2020<br>RM'000                | 30.09.2019<br>RM'000 |                 | 30.09.2020<br>RM'000                | 30.09.2019<br>RM'000 |                 |
| Revenue   | 7,386                               | 3,070                | 141%            | 10,365                              | 5,168                | 101%            |
| Profit before interest<br>and tax                                 | (5,994)                             | (1,085)              | -452%           | (512)                               | 174                  | -394%           |
| Profit before tax   | (2,828)                             | 524                  | -640%           | 1,346                               | 3,677                | -63%            |
| Profit after tax  | (2,931)                             | 107                  | -2839%          | 1,122                               | 2,747                | -59%            |
| Profit attributable<br>to ordinary equity<br>holders of the owner | (3,034)                             | 681                  | -546%           | 914                                 | 3,786                | -76%            |

**B1. 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's turnover and loss after taxation for the six months ended 30 September 2020 were RM4.7 million and RM6.9 million respectively. In the corresponding period of the previous financial year, the division's turnover and loss after taxation were RM5.1 million and RM1.7 million respectively.

The division recorded a turnover and loss after taxation for the quarter under review of RM3.1 million and RM3.7 million respectively. In the corresponding quarter and period of the previous financial year, the division's turnover and loss after taxation were RM3.1 million and RM0.9 million respectively.

Sales for the quarter under review remained low as Covid-19 has affected businesses worldwide as well as our plywood markets.

*Property Development*

The division's turnover and profit after taxation for the six months ended 30 September 2020 were RM5.6 million and RM0.5 million respectively. In the corresponding period of the previous financial year, the division's loss after taxation were RM2.6 million.

The division recorded a turnover and profit after taxation for the quarter under review of RM5.1 million and RM0.2 million respectively. In the corresponding quarter and period of the previous financial year, the division's loss after taxation was RM1.5 million and the division recognised no revenue. The revenue was from sales recognised from Viva Paradise Sdn Bhd's Affiniti Residences project which is based on the percentage of completion method.

**B2. 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<br/>Quarter<br/>30.09.2020</b> | <b>Immediate<br/>Preceding<br/>Quarter<br/>30.06.2020</b> | <b>Variance</b> |
|---|---|---|-----------------|
|   | <b>RM'000</b>                             | <b>RM'000</b>   | <b>%</b>        |
| Revenue   | 7,386                                     | 2,979   | 148%            |
| (Loss)/profit before interest and tax             | (5,994)                                   | 5,482   | -209%           |
| (Loss)/profit before tax                          | (2,828)                                   | 4,174   | -168%           |
| (Loss)/profit after tax                           | (2,931)                                   | 4,053   | -172%           |
| (Loss)/profit attributable to owner of the parent | (3,034)                                   | 3,948   | -177%           |

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

*Timber*

The division recorded a turnover and loss after taxation for the quarter under review of RM3.1 million and RM3.7 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM1.6 million and RM3.1 million respectively.

Sales for the quarter under review remained low as Covid-19 has affected businesses worldwide as well as our plywood markets.

*Property Development*

The division recorded a turnover and profit after taxation for the quarter under review of RM5.1 million and RM0.2 million respectively. The turnover recognised was from the Affiniti Residences project in Taman Bukit Serdang, Selangor. In the immediate preceding quarter, the division's turnover and profit after taxation were RM1.3 million and RM0.2 million respectively.

**Material changes in the Condensed Statement of Financial Statements for the quarter under review and the immediate preceding quarter**

The Group's property, plant and equipment were at RM57.4 million, down from RM59.5 million due to depreciation of RM2.1 million for the quarter. The Group's property development cost moved from RM41.5 million to RM43.2 million in the quarter in respect of Affiniti Residences' construction which represents the net movement between cost recognised to the income statement for the sold units and the cost of the ongoing construction.

The Group's trade receivables and other receivables moved from RM2.9 million to RM3.8 million due mainly to sales in property division. The Group's borrowings increased during the quarter under review from RM15.7 million to RM17.4 million due mainly to the drawdown of the bridging loan for the Group's project in Taman Bukit Serdang, Selangor.

The Group's investment in securities increased marginally from RM141.1 million to RM141.2 million due mainly to unrealised gain on investment during the quarter.

**B3. Prospects and Outlook**

Malaysia is recovering from the effects of the Covid-19 pandemic and the Movement Control Order (MCO). We are, at this point in time, unable to determine the full extent of the impact. Given this and other factors affecting the Group we expect the business environment to be challenging and the Board remains cautious of the performance of the Group in the months ahead.

*Timber*

Malaysia is now undergoing a Conditional Movement Control Order (CMCO) due to a spike in Covid-19 cases. Covid-19 has affected businesses worldwide as well as our plywood market. As such we expect sales to continue to be challenging going forward.

*Property Development*

We have commenced recognising the contribution to revenue from our development in Taman Bukit Serdang, Selangor. Sales promotion is still ongoing and expected to increase steadily. The project was delayed by approximately 3 months as a result of the MCO and the subsequent approvals required to start work. Work on the project resumed in early June 2020 and we expect it to be handed over by March 2022. The project is now 23.47% completed.

**B4. Variance of actual profit from forecast profit**

Not applicable.

**B5. 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<br/>Quarter<br/>RM'000</b> | <b>Financial<br/>Period-to-date<br/>RM'000</b> |
|--------------------------------|---------------------------------------|--|
| Taxation                       |                                       |  |
| - Current tax expense          | (103)                                 | (224)  |
| - Overprovision in prior year  | -                                     | -  |
|                                | <u>(103)</u>                          | <u>(224)</u>                                   |
| Deferred taxation              |                                       |  |
| - Current deferred tax expense | -                                     | -  |
| - Overprovision in prior year  | -                                     | -  |
|                                | <u>-</u>                              | <u>-</u>                                       |
|                                | <u>(103)</u>                          | <u>(224)</u>                                   |
|                                | -                                     | -  |

**B6. Status of corporate proposal**

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



**B7. Group borrowings and debt securities**

|                       | <b>As at<br/>30.09.2020<br/>RM'000</b> |
|-----------------------|--|
| Short term borrowings |  |
| - secured             | 7,373                                  |
| Long term borrowings  |  |
| - secured             | 10,075                                 |
| Total borrowings      | <u><u>17,448</u></u>                   |

All the above borrowings are denominated in Ringgit Malaysia .

**B8. Material litigation**

There was no material litigation against the Group as at the reporting date except for the following:-

As previously announced on 3 September 2019, arbitration proceedings (“Arbitration”) were commenced between, The Atmosphere Sdn Bhd (“TASB”) a 60% subsidiary of the Company, as respondent and Multi Builders Sdn Bhd (“MBSB”) as claimant in respect of a settled Liquidated and Ascertained Damages (“LAD”) sum of RM3.9 million.

On 22 June 2020, the Arbitration proceedings commenced and were completed on 23 June 2020. The Arbitrator has given directions for both parties to submit written submissions.

We appealed to the High Court on certain preliminary issues and on 11 September 2020, the High Court ruled in our favour and dismissed the Arbitration.

**B9. Proposed dividend**

Subject to the shareholders' approval at the AGM, a Final Single Tier Dividend for the financial year ended 31 March 2020 via a share dividend distribution of Treasury Shares in the ratio of 1 Treasury Share for every 100 existing Ordinary Shares held (fractions of Treasury Shares will be disregarded) will be credited on 8 December 2020 to depositors whose names appear in the Record of Depositors on 24 November 2020.

**B10. Fair value of financial instruments**

**Part A: Disclosure of derivatives**

As at 30 September 2020, 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 2020, the Group did not have any gains/losses arising from fair value changes of financial liabilities.

**B11. Earnings per share**

The earnings per share is calculated as follows :

|   | Current<br>year Quarter<br>RM'000 | Preceding<br>year Quarter<br>RM'000 | Current<br>year to date<br>RM'000 | Preceding<br>year to date<br>RM'000 |
|---|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| <b>a. Basic</b>   |                                   |                                     |                                   |                                     |
| Net loss attributable to ordinary shareholders (RM'000) | (3,034)                           | 681                                 | 914                               | 3,786                               |
| Number of ordinary shares in issue (in thousand)        | 159,881                           | 159,881                             | 159,881                           | 159,881                             |
| Basic loss per ordinary share (sen)                     | (1.90)                            | 0.43                                | 0.57                              | 2.37                                |
| <b>b. Diluted</b>                                       |                                   |                                     |                                   |                                     |
| Not applicable  |                                   |                                     |                                   |                                     |

**B12. Notes to Condensed Consolidated Statement of Comprehensive Income**

|  | Current<br>Quarter<br>RM'000 | Current year<br>to date<br>RM'000 |
|--|------------------------------|-----------------------------------|
| <b>Net profit is arrived at after take in following items:</b> |                              |                                   |
| a) Interest income   | 1,598                        | 2,892                             |
| b) Other income  | 242                          | 348                               |
| c) Rental income   | 272                          | 558                               |
| d) Interest expense  | (419)                        | (1,034)                           |
| e) Depreciation  | (2,011)                      | (4,036)                           |
| f) Foreign exchange gain - realised and unrealised             | 395                          | 395                               |

**B13. 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

26 November 2020