

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Comprehensive Income
For The 1st Financial Quarter Ended 30 June 2021

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Revenue		20,973	2,979	20,973	2,979
Operating expenses	A9	(19,262)	(8,268)	(19,262)	(8,268)
Other operating income	A10	7,332	9,463	7,332	9,463
Profit before tax		<u>9,043</u>	<u>4,174</u>	<u>9,043</u>	<u>4,174</u>
Taxation	B5	(36)	(121)	(36)	(121)
Profit from continuing operations		<u>9,007</u>	<u>4,053</u>	<u>9,007</u>	<u>4,053</u>
Gain from discontinued operations		-	-	-	-
Profit for the period		<u>9,007</u>	<u>4,053</u>	<u>9,007</u>	<u>4,053</u>
Other Comprehensive Income :					
Foreign currency translation		-	-	-	-
Profit net of tax, representing total comprehensive income		<u><u>9,007</u></u>	<u><u>4,053</u></u>	<u><u>9,007</u></u>	<u><u>4,053</u></u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)

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Unaudited Condensed Consolidated Statement of Comprehensive Income
For The 1st Financial Quarter Ended 30 June 2021

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Profit attributable to :					
Owners of the Parent		7,623	3,948	7,623	3,948
Non-controlling interest		1,384	105	1,384	105
		<u>9,007</u>	<u>4,053</u>	<u>9,007</u>	<u>4,053</u>
Total comprehensive income attributable to :					
Owners of the Parent		7,623	3,948	7,623	3,948
Non-controlling interest		1,384	105	1,384	105
		<u>9,007</u>	<u>4,053</u>	<u>9,007</u>	<u>4,053</u>
Earnings Per Share			-		
(a) Basic (sen)	B11	4.72	2.47	4.72	2.47
(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 2021)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Financial Position
As At 30 June 2021

	As at 30.06.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	51,947	53,814
Land held for property development	17,297	17,297
Deferred tax assets	1,313	1,313
	<u>70,557</u>	<u>72,424</u>
Current assets		
Property development costs	43,259	43,742
Inventories	99,438	104,832
Trade and other receivables	8,226	4,964
Other current assets	34,756	20,227
Current tax asset	965	949
Investment in securities	194,593	163,493
Term deposits	19,753	46,839
Cash and bank balances	7,472	7,653
	<u>408,462</u>	<u>392,699</u>
TOTAL ASSETS	<u><u>479,019</u></u>	<u><u>465,123</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 2021)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Financial Position
As At 30 June 2021

	As at 30.06.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,370	131,370
Treasury shares	(3,356)	(3,356)
Retained earnings	272,377	264,754
	<u>400,391</u>	<u>392,768</u>
Non-controlling interest	21,705	20,321
Total equity	<u>422,096</u>	<u>413,089</u>
Current liabilities		
Short term borrowings	5,513	11,922
Trade and other payables	18,526	9,444
Other current liabilities	14,694	14,720
Current tax payable	340	363
Lease Liability	45	45
	<u>39,118</u>	<u>36,494</u>
Non current liabilities		
Deferred tax liabilities	9,047	9,150
Term loan	8,758	6,390
	<u>17,805</u>	<u>15,540</u>
Total liabilities	<u>56,923</u>	<u>52,034</u>
TOTAL EQUITY AND LIABILITIES	<u>479,019</u>	<u>465,123</u>
Net asset per share	2.48	2.43
	-	-

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement Of Changes In Equity
For The 1st Financial Quarter Ended 30 June 2021

	← 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 June 2021</u>							
Opening balance at 1 April 2021	131,370	-	264,754	(3,356)	392,768	20,321	413,089
Loss net of tax, representing total comprehensive income	-	-	7,623	-	7,623	1,384	9,007
Closing balance at 30 June 2021	<u>131,370</u>	<u>-</u>	<u>272,377</u>	<u>(3,356)</u>	<u>400,391</u>	<u>21,705</u>	<u>422,096</u>
Preceding Year							
<u>Corresponding Period</u>							
<u>For The Financial Year Ended 31 March 2021</u>							
Opening balance at 1 April 2020	131,370	-	262,903	(5,319)	388,954	26,060	415,014
Loss net of tax, representing total comprehensive income	-	-	5,812	-	5,812	(1,037)	4,775
Transactions with owners							
Share dividend distribution	-	-	(1,963)	1,963	-	-	-
Acquisition of non-controlling interest interest in a subsidiary	-	-	(1,998)	-	(1,998)	(4,702)	(6,700)
Closing balance at 31 March 2021	<u>131,370</u>	<u>-</u>	<u>264,754</u>	<u>(3,356)</u>	<u>392,768</u>	<u>20,321</u>	<u>413,089</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 2021)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Cash Flows
For The 1st Financial Quarter Ended 30 June 2021

	3 Months Ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
	Unaudited	Audited
Operating activities		
Profit before tax	9,043	4,174
<u>Adjustments for :</u>		
Depreciation	1,630	2,025
(Gain)/loss on disposal of property, plant and equipment	(10)	24
Interest expenses	509	2,602
Interest income	(394)	(1,294)
Property, plant and equipment written off	25	-
Unrealised (gain)/loss on foreign exchange	(976)	933
Unrealised gain on investment	(4,557)	(7,777)
Total adjustments	(3,773)	(3,487)
Operating cash flows before changes in working capital	5,270	687
<u>Changes in working capital :</u>		
Decrease/(increase) in property development costs	484	(582)
Decrease/(increase) in inventories	5,394	(103)
(Increase)/decrease in trade and other receivables	(3,262)	7,099
(Increase)/decrease in other current assets	(14,529)	15
Increase/(decrease) in trade and other payables	9,082	(2,317)
Decrease in other current liabilities	(26)	(599)
Total changes in working capital	(2,857)	3,513
Cash flows from operations	2,413	4,200
Interest paid	(509)	(2,602)
Tax paid, net of refund	(179)	(377)
Net cash flows generated from operating activities	<u>1,725</u>	<u>1,221</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Cash Flows
For The 1st Financial Quarter Ended 30 June 2021

	3 Months Ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
	Unaudited	Audited
Investing activities		
Interest received	394	1,294
Investment in securities	(25,567)	(171)
Proceeds from disposal of property, plant and equipment	229	59
Purchase of property, plant and equipment	(8)	-
Net cash flows (used in)/generated from investing activities	<u>(24,952)</u>	<u>1,182</u>
Financing activities		
Proceeds from short term borrowings, net of repayment	(4,051)	155
Net cash flows (used in)/generated from financing activities	<u>(4,051)</u>	<u>155</u>
Net (decrease) /increase in cash and cash equivalent	(27,278)	2,558
Cash and cash equivalents at the beginning of the financial year	49,941	58,952
Cash and cash equivalents at the end of the financial year	<u>22,663</u>	<u>61,510</u>
Analysis of cash and cash equivalents		
Term deposit	19,753	53,819
Cash and bank balances	7,472	12,496
Bank Overdraft	(4,562)	(4,805)
	<u>22,663</u>	<u>61,510</u>
	-	-

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)

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 2021. 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 2021.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the year ended 31 March 2021 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 2021 except for the adoption of the following new and revised standards effective as at 1 January 2021:

	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: □ Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

The above standards, amendments and annual improvements do not have significant impact on the financial reporting of the Group.

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	
	30.06.2021	30.06.2020
	RM'000	RM'000
Depreciation	1,630	2,025
Loss on disposal of property, plant and equipment	-	24
Interest expenses	509	2,602
Realised loss on investment in securities	-	70
Unrealised loss on foreign exchange	-	933
Cost of sales	13,228	1,448
Marketing and distribution expenses	315	71
Administration expenses	3,261	363
Other expenses	319	732
Total operating expenses	19,262	8,268
	-	-

A10. Other operating income

	3 Months Ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Realised gain on investment in securities	1,021	-
Unrealised gain on foreign exchange	976	-
Unrealised gain on investment in securities	4,557	7,777
Rental income	314	286
Interest income	394	1,294
Miscellaneous income	70	106
Total other operating income	<u>7,332</u>	<u>9,463</u>
	-	-

A11. Segmental reporting**For The Period Ended 30 June 2021**

	Timber Operations RM'000	Property and Investment Holdings RM'000	Property Development RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
External sales	9,947	-	11,026	-	20,973
Inter-segment sales	45	-	-	(45)	-
Total revenue	<u>9,992</u>	<u>-</u>	<u>11,026</u>	<u>(45)</u>	<u>20,973</u>
Segment Result					
Operating (loss)/profit before interest and tax	(2,273)	6,415	4,671	345	9,158
Interest expense	-	(86)	(423)	-	(509)
Interest income	77	636	26	(345)	394
Income taxes	16	(52)	-	-	(36)
Net (loss)/profit	<u>(2,180)</u>	<u>6,913</u>	<u>4,274</u>	<u>-</u>	<u>9,007</u>

A11. Segmental reporting (cont'd)**For The Period Ended 30 June 2020**

	Timber Operations RM'000	Property and Investment Holdings RM'000	Property Development RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
External sales	1,636	-	1,343	-	2,979
Inter-segment sales	226	-	-	(226)	-
Total revenue	<u>1,862</u>	<u>-</u>	<u>1,343</u>	<u>(226)</u>	<u>2,979</u>
Segment Result					
Operating (loss)/profit before interest and tax	(3,239)	6,104	2,296	321	5,482
Interest expense	(33)	(463)	(2,106)	-	(2,602)
Interest income	152	1,435	28	(321)	1,294
Income taxes	(52)	(69)	-	-	(121)
Net (loss)/profit	<u>(3,172)</u>	<u>7,007</u>	<u>218</u>	<u>-</u>	<u>4,053</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.

A14. Capital commitments

As at 30 June 2021, 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 30 June 2021. 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 (1st Quarter)		Variance (%)	Cumulative Quarter (1st Quarter)		Variance (%)
	30.06.2021 RM'000	30.06.2020 RM'000		30.06.2021 RM'000	30.06.2020 RM'000	
Revenue	20,973	2,979	604%	20,973	2,979	604%
Profit before interest and tax	9,158	5,482	67%	9,158	5,482	67%
Profit before tax	9,043	4,174	117%	9,043	4,174	117%
Profit after tax	9,007	4,053	122%	9,007	4,053	122%
Profit attributable to ordinary equity holders of the owner	7,623	3,948	93%	7,623	3,948	93%

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 division recorded a turnover and loss after taxation for the quarter under review of RM9.9 million and RM2.2 million respectively. In the corresponding quarter and period of the previous financial year, the division's turnover and loss after taxation were RM1.6 million and RM3.2 million respectively.

The turnover for the current quarter was higher than previous corresponding quarter because sales and production were suspended during the corresponding quarter due to the Movement Control Order by the Malaysian Government. The loss recorded for the quarter under review was mainly due to the division operating at a low capacity and thus recorded a loss due to fixed cost incurred.

Property Development

The division recorded a turnover and profit after taxation for the quarter under review of RM11.0 million and RM4.3 million respectively. In the corresponding quarter and period of the previous financial year, the division's turnover and profit after taxation were RM1.3 million and RM0.2 million respectively. The revenue was from sales recognised from one of the Group's projects being the Affiniti Residences project which is based on the percentage of completion method. The turnover and profit after taxation for the current quarter was higher than previous corresponding quarter as work was suspended for a longer time in the previous corresponding quarter due to the Movement Control Order 1.0.

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:

	Current Quarter 30.06.2021	Immediate Preceding Quarter 31.03.2021	Variance
	RM'000	RM'000	%
Revenue	20,973	11,991	75%
Profit/(loss) before interest and tax	9,158	(7,295)	226%
Profit/(loss) before tax	9,043	(8,969)	201%
Profit/(loss) after tax	9,007	(5,719)	257%
Profit/(loss) attributable to owner of the parent	7,623	(2,552)	399%

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 RM9.9 million and RM2.2 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM6.4 million and RM4.7 million respectively.

The increase in turnover for the current quarter as compared to immediate preceding quarter was due to a higher volume plywood delivered in the current quarter. The division was operating at a low capacity and thus recorded a loss due to fixed cost incurred by the division.

Property Development

The division recorded a turnover and profit after taxation for the quarter under review of RM11.0 million and RM4.3 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 loss after taxation were RM5.5 million and RM10.5 million respectively. The revenue was from sales recognised from one of the Group's projects being the Affiniti Residences project which is based on the percentage of completion method. The loss for the immediate preceding quarter was mainly due to a write down of our inventories and cost of affordable units charged out.

B3. Prospects and Outlook

Timber

The timber operations of the Group is under Phase 2 of the National Recovery Plan (“NRP”). Under the Phase 2 of the NRP, our timber operations have been operating under restrictions which hampered production. We expect sales to continue to be challenging.

Property Development

The Group’s Affiniti Residences project which slowed down since 1 June 2021, due to the implementation of the Full Movement Control Order, have just restarted ramping up construction activities under the new SOPs issued by the Malaysian government. Our sales gallery remains closed under Phase 1 of the NRP and this has affected new sales. As such we have moved to extend our digital promotions to include virtual tours of our show houses whilst waiting for relaxation of the SOPs by the authorities.

We are, at this point in time, unable to determine the full extent of the impact of the NRP. 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.

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

	Current Quarter RM'000	Financial Period-to-date RM'000
Taxation		
- Current tax expense	(36)	(36)
- Overprovision in prior year	-	-
	<u>(36)</u>	<u>(36)</u>
Deferred taxation		
- Current deferred tax expense	-	-
- Overprovision in prior year	-	-
	<u>-</u>	<u>-</u>
	<u>(36)</u>	<u>(36)</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

	As at 30.06.2021 RM'000
Short term borrowings	
- secured	5,513
Long term borrowings	
- secured	8,758
Total borrowings	<u>14,271</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.

B9. Proposed dividend

The Board of Directors does not recommend any interim dividend for the financial year ended 31 March 2022.

B10. Fair value of financial instruments

Part A: Disclosure of derivatives

As at 30 June 2021, 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 2021, 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 year Quarter RM'000	Preceding year Quarter RM'000	Current year to date RM'000	Preceding year to date RM'000
a. Basic				
Net gain attributable to ordinary shareholders (RM'000)	7,623	3,948	7,623	3,948
Number of ordinary shares in issue (in thousand)	159,881	159,881	159,881	159,881
Basic gain per ordinary share (sen)	4.77	2.47	4.77	2.47

b. Diluted

Not applicable

B12. Notes to Condensed Consolidated Statement of Comprehensive Income

Net profit is arrived at after take in following items:	Current Quarter RM'000	Current year to date RM'000
a) Interest income	394	394
b) Other income	70	70
c) Rental income	314	314
d) Interest expense	(509)	(509)
e) Depreciation	(1,630)	(1,630)
f) Foreign exchange gain - realised and unrealised	976	976

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 August 2021