

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Comprehensive Income
For The 2nd Financial Quarter Ended 30 September 2021

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Revenue		31,030	7,386	52,003	10,365
Operating expenses	A9.	(38,572)	(10,462)	(57,834)	(18,730)
Other operating income	A10.	(3,327)	248	4,005	9,711
(Loss)/profit before tax		<u>(10,869)</u>	<u>(2,828)</u>	<u>(1,826)</u>	<u>1,346</u>
Taxation	B5.	(93)	(103)	(129)	(224)
(Loss)/profit from continuing operation		<u>(10,962)</u>	<u>(2,931)</u>	<u>(1,955)</u>	<u>1,122</u>
Gain from discontinued operation		-	-	-	-
(Loss)/profit for the period		<u>(10,962)</u>	<u>(2,931)</u>	<u>(1,955)</u>	<u>1,122</u>
Other Comprehensive Income :					
Foreign currency translation		-	-	-	-
(Loss)/profit net of tax, representing total comprehensive income		<u><u>(10,962)</u></u>	<u><u>(2,931)</u></u>	<u><u>(1,955)</u></u>	<u><u>1,122</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 2nd Financial Quarter Ended 30 September 2021

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
(Loss)/profit attributable to :					
Owners of the Parent		(11,314)	(3,034)	(3,691)	914
Non-controlling interest		352	103	1,736	208
		<u>(10,962)</u>	<u>(2,931)</u>	<u>(1,955)</u>	<u>1,122</u>
Total comprehensive income attributable to :					
Owners of the Parent		(11,314)	(3,034)	(3,691)	914
Non-controlling interest		352	103	1,736	208
		<u>(10,962)</u>	<u>(2,931)</u>	<u>(1,955)</u>	<u>1,122</u>
Earnings Per Share			-		
(a) Basic (sen)	B11.	(7.01)	(1.90)	(2.29)	0.57
(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 September 2021

	As at 30.09.2021 RM'000 Unaudited	As at 31.03.2021 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	50,189	53,814
Land held for property development	17,297	17,297
Deferred tax assets	1,313	1,313
	<u>68,799</u>	<u>72,424</u>
Current assets		
Property development costs	25,367	43,742
Inventories	97,674	104,832
Trade and other receivables	5,385	4,964
Other current assets	43,774	20,227
Current tax asset	824	949
Investment in securities	194,336	163,493
Term deposits	16,541	46,839
Cash and bank balances	5,800	7,653
	<u>389,701</u>	<u>392,699</u>
TOTAL ASSETS	<u><u>458,500</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 September 2021

	As at 30.09.2021 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	261,063	264,754
	<u>389,077</u>	<u>392,768</u>
Non-controlling interest	<u>22,057</u>	<u>20,321</u>
Total equity	<u>411,134</u>	<u>413,089</u>
Current liabilities		
Short term borrowings	2,868	11,922
Trade and other payables	6,073	9,444
Other current liabilities	15,229	14,720
Current tax payable	340	363
Lease liability	45	45
	<u>24,555</u>	<u>36,494</u>
Non current liabilities		
Deferred tax liabilities	8,916	9,150
Term loan	13,895	6,390
	<u>22,811</u>	<u>15,540</u>
Total liabilities	<u>47,366</u>	<u>52,034</u>
TOTAL EQUITY AND LIABILITIES	<u>458,500</u>	<u>465,123</u>
Net asset per share	2.41	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 2nd Financial Quarter Ended 30 September 2021

	← Attributable to owners of the Company →				Equity attributable to the owners of the Company	Non- controlling interest	Total
	Share Capital RM'000	Capital Reserve RM'000	Revenue Reserve RM'000	Treasury Shares RM'000	RM'000	RM'000	RM'000
Current Year To Date							
<u>For The Period Ended 30 September 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	-	-	(3,691)	-	(3,691)	1,736	(1,955)
Transactions with owners							
Disposal of an investment in a subsidiary company by non-controlling interest	-	-	-	-	-		-
Closing balance at 30 September 2021	<u>131,370</u>	<u>-</u>	<u>261,063</u>	<u>(3,356)</u>	<u>389,077</u>	<u>22,057</u>	<u>411,134</u>
Preceding Year							
<u>Corresponding Period</u>							
<u>For The Period Ended 30 September 2020</u>							
Opening balance at 1 April 2020	131,370	-	262,903	(5,319)	388,954	26,060	415,014
Profit net of tax, representing total comprehensive income	-	-	914	-	914	208	1,122
Transactions with owners							
Disposal of an investment in a subsidiary 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>

(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 2nd Financial Quarter Ended 30 September 2021

	6 Months Ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
	Unaudited	Audited
Operating activities		
(Loss)/profit before tax	(1,826)	1,346
<u>Adjustments for :</u>		
Depreciation	3,333	4,036
Gain on disposal of property, plant and equipment	(20)	(48)
Impairment of property, plant and equipment	-	(44)
Interest expenses	625	1,034
Interest income	(1,232)	(2,892)
Property, plant and equipment written off	25	-
Unrealised loss/(gain) on foreign exchange	4,751	(23)
Unrealised gain on investment	(1,956)	(5,518)
Total adjustments	5,526	(3,455)
Operating cash flows before changes in working capital	3,700	(2,109)
<u>Changes in working capital :</u>		
Decrease/(increase) in property development costs	18,375	(2,338)
Decrease in inventories	7,158	3,485
(Increase)/decrease in trade and other receivables	(421)	6,129
Increase in other current assets	(23,547)	(2,686)
Increase/(decrease) in trade and other payables	(3,371)	(870)
Increase/(decrease) in other current liabilities	509	(770)
Total changes in working capital	(1,297)	2,950
Cash flows from operations	2,403	841
Interest paid	(625)	(1,034)
Tax paid, net of refund	(261)	(377)
Net cash flows generated from/(used in) operating activities	<u>1,517</u>	<u>(570)</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 2nd Financial Quarter Ended 30 September 2021

	6 Months Ended	
	30.09.2021	30.09.2020
	RM'000	RM'000
	Unaudited	Audited
Investing activities		
Interest received	1,232	2,892
Investment in securities	(33,640)	(7,154)
Proceeds from disposal of property, plant and equipment	299	254
Purchase of property, plant and equipment	(11)	-
Net cash flows used in investing activities	<u>(32,120)</u>	<u>(4,008)</u>
Financing activities		
Proceeds from short term borrowings, net of repayment	<u>1,163</u>	<u>649</u>
Net cash flows generated from financing activities	<u>1,163</u>	<u>649</u>
Net decrease in cash and cash equivalent	(29,440)	(3,929)
Cash and cash equivalents at the beginning of the financial year	<u>49,941</u>	<u>58,952</u>
Cash and cash equivalents at the end of the financial year	<u><u>20,501</u></u>	<u><u>55,023</u></u>
Analysis of cash and cash equivalents		
Term deposit	16,541	56,246
Cash and bank balances	5,800	3,502
Bank Overdraft	(1,840)	(4,725)
	<u>20,501</u>	<u>55,023</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 period 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		6 Months Ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Depreciation	1,703	2,011	3,333	4,036
Interest expenses	116	419	625	1,034
Property, plant and equipment written off	25	-	25	-
Realised loss/(gain) on foreign exchange	201	(70)	201	-
Realised loss on investment in securities	919	-	919	-
Unrealised loss on foreign exchange	4,751	(933)	4,751	-
Cost of sales	25,161	4,126	38,638	7,598
Marketing and distribution expenses	400	616	715	688
Administration expenses	5,242	4,282	8,503	5,063
Other expenses	54	11	124	311
Total operating expenses	38,572	10,462	57,834	18,730
	-	-	-	-

A10. Other operating income

	3 Months Ended		6 Months Ended	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Realised loss on investment in securities	(1,021)	-	-	-
Realised gain on foreign exchange	-	372	-	372
Unrealised (loss)/gain on foreign exchange	(976)	23	-	23
Unrealised (loss)/gain on investment in securities	(2,601)	(2,259)	1,956	5,518
Rental income	368	272	682	558
Interest income	838	1,598	1,232	2,892
Miscellaneous income	65	242	135	348
Total other operating income	(3,327)	248	4,005	9,711
	-	-	-	-

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

	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	18,485	-	-	33,518	-	52,003
Inter-segment sales	175	-	-	-	(175)	-
Total revenue	<u>18,660</u>	<u>-</u>	<u>-</u>	<u>33,518</u>	<u>(175)</u>	<u>52,003</u>
Segment Result						
Operating (loss)/profit before interest and tax	(4,438)	-	(3,990)	5,287	708	(2,433)
Interest expense	-	-	(625)	-	-	(625)
Interest income	178	-	1,711	51	(708)	1,232
Income taxes	(7)	-	(122)	-	-	(129)
Net (loss)/profit	<u>(4,267)</u>	<u>-</u>	<u>(3,026)</u>	<u>5,338</u>	<u>-</u>	<u>(1,955)</u>

A11. Segmental reporting (cont'd)

For The Period Ended 30 September 2020

	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	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>
Segment Result						
Operating (loss)/profit 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>

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 September 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 31 March 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 (2nd Quarter)		Variance (%)	Cumulative Quarter (2nd Quarter)		Variance (%)
	30.09.2021 RM'000	30.09.2020 RM'000		30.09.2021 RM'000	30.09.2020 RM'000	
Revenue	31,030	7,386	320%	52,003	10,365	402%
Loss before interest and tax	(11,591)	(5,994)	-93%	(2,433)	(512)	-375%
(Loss)/profit before tax	(10,869)	(2,828)	-284%	(1,826)	1,346	-236%
(Loss)/profit after tax	(10,962)	(2,931)	-274%	(1,955)	1,122	-274%
(Loss)/profit attributable to ordinary equity holders of the owner	(11,314)	(3,034)	-273%	(3,691)	914	-504%

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 2021 were RM18.4 million and RM4.3 million respectively. In the corresponding period of the previous financial year, the division's turnover and loss after taxation were RM4.7 million and RM6.9 million respectively.

The division recorded a turnover and loss after taxation for the quarter under review of RM8.5 million and RM2.1 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 RM3.7 million respectively.

The turnover for the quarter under review was higher than the corresponding quarter as production conditions were better. There were fewer restrictions due to Covid-19 prevention measures for the quarter under review. 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's turnover and profit after taxation for the six months ended 30 September 2021 were RM33.5 million and RM5.3 million respectively. In the corresponding period of the previous financial year, the division's turnover and profit after taxation were RM5.6 million and RM0.5 million respectively.

The division recorded a turnover and profit after taxation for the quarter under review of RM22.5 million and RM1.1 million respectively. In the corresponding quarter and period of the previous financial year, the division's turnover and profit after taxation were RM5.1 million and RM0.2 million. 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:

	Current Quarter 30.09.2021	Immediate Preceding Quarter 30.06.2021	Variance
	RM'000	RM'000	%
Revenue	31,030	20,973	48%
(Loss)/profit before interest and tax	(11,591)	9,158	-227%
(Loss)/profit before tax	(10,869)	9,043	-220%
(Loss)/profit after tax	(10,962)	9,007	-222%
(Loss)/profit attributable to owner of the parent	(11,314)	7,623	-248%

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 RM8.5 million and RM2.1 million respectively. In the immediate preceding quarter, the division's turnover and loss after taxation were RM9.9 million and RM2.2 million respectively.

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

Property Development

The division recorded a turnover and profit after taxation for the quarter under review of RM22.5 million and RM1.1 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 RM11.0 million and RM4.3 million respectively. The revenue was from sales recognised from Viva Paradise Sdn Bhd's Affiniti Residences project which is based on the percentage of completion method.

B3. Prospects and Outlook

Timber

The timber operations of the Group are based in Sabah which has moved to Phase 4 of the National Recovery Plan, with fewer restrictions. We hope that will lead to recovery in operations. However, in the medium term we expect sales to continue to be challenging.

Property Development

Work at our development in Taman Bukit Serdang has ramped up since August 2021 as the government has relaxed SOPs. We have also relaunched sales and leasing operations at our commercial project, The Atmosphere, we hope to see positive results in the coming months.

We are at this point unable to fully determine the impact of the Covid-19 prevention measures. 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	(93)	(129)
- Overprovision in prior year	-	-
	<u>(93)</u>	<u>(129)</u>
Deferred taxation		
- Current deferred tax expense	-	-
- Overprovision in prior year	-	-
	<u>-</u>	<u>-</u>
	<u>(93)</u>	<u>(129)</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 30.09.2021 RM'000
Short term borrowings	
- secured	2,868
Long term borrowings	
- secured	13,895
Total borrowings	<u>16,763</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 presently recommend any interim dividend for the financial year ended 31 March 2022.

B10. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 September 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 September 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	Preceding year quarter	Current year to date	Preceding year to date
	RM'000	RM'000	RM'000	RM'000
a. Basic				
Net (loss)/gain attributable to ordinary shareholders (RM'000)	(11,314)	(3,034)	(3,691)	914
Number of ordinary shares in issue (in thousand)	161,480	159,881	161,480	159,881
Basic (loss)/gain per ordinary share (sen)	(7.01)	(1.90)	(2.29)	0.57
b. Diluted				
Not applicable				

B12. Notes to Condensed Consolidated Statement of Comprehensive Income

	Current quarter RM'000	Current year to date RM'000
Net profit is arrived at after take in following items:		
a) Interest income	838	1,232
b) Other income	65	135
c) Rental income	368	682
d) Interest expense	(116)	(625)
e) Depreciation	(1,703)	(3,333)
f) Foreign exchange loss - realised and unrealised	(4,952)	(4,952)

B13. Subsequent event

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

BY ORDER OF THE BOARD

Goh Chooi Woan
Teo Soon Mei
Company Secretaries

22 November 2021