

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Comprehensive Income
For The 1st Financial Quarter Ended 30 June 2022

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Revenue		17,943	20,973	17,943	20,973
Operating expenses	A9.	(42,182)	(19,262)	(42,182)	(19,262)
Other operating income	A10.	10,534	7,332	10,534	7,332
(Loss)/profit before tax		(13,705)	9,043	(13,705)	9,043
Taxation	B5.	(10)	(36)	(10)	(36)
(Loss)/profit after tax		(13,715)	9,007	(13,715)	9,007
(Loss)/profit net of tax, representing total comprehensive (expense)/income		(13,715)	9,007	(13,715)	9,007

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022)

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Unaudited Condensed Consolidated Statement of Comprehensive Income
For The 1st Financial Quarter Ended 30 June 2022

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to :					
Owners of the Parent		(14,572)	7,623	(14,572)	7,623
Non-controlling interest		857	1,384	857	1,384
		<u>(13,715)</u>	<u>9,007</u>	<u>(13,715)</u>	<u>9,007</u>
Total comprehensive (expense)/income attributable to :					
Owners of the Parent		(14,572)	7,623	(14,572)	7,623
Non-controlling interest		857	1,384	857	1,384
		<u>(13,715)</u>	<u>9,007</u>	<u>(13,715)</u>	<u>9,007</u>
(Loss)/earnings Per Share					
(a) Basic (sen)	B11.	(9.02)	4.72	(9.02)	4.72
(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 2022)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Financial Position
As At 30 June 2022

	As at 30.06.2022 RM'000 Unaudited	As at 31.03.2022 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	42,516	43,319
Land held for property development	17,297	17,297
Deferred tax assets	-	-
	<u>59,813</u>	<u>60,616</u>
Current assets		
Property development costs	27,015	32,537
Inventories	87,895	85,619
Trade and other receivables	12,260	18,064
Other current assets	27,894	23,266
Current tax asset	1,041	1,091
Investment in securities	181,531	190,305
Term deposits	5,776	18,975
Cash and bank balances	14,922	8,911
	<u>358,334</u>	<u>378,768</u>
TOTAL ASSETS	<u><u>418,147</u></u>	<u><u>439,384</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 2022)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Financial Position
As At 30 June 2022

	As at 30.06.2022 RM'000 Unaudited	As at 31.03.2022 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	234,734	249,306
	<u>362,748</u>	<u>377,320</u>
Non-controlling interest	22,001	21,144
Total equity	<u>384,749</u>	<u>398,464</u>
Current liabilities		
Short term borrowings	1,549	4,876
Trade and other payables	8,620	10,461
Other current liabilities	12,951	13,130
Current tax payable	1,127	1,164
Lease liability	37	37
	<u>24,284</u>	<u>29,668</u>
Non current liabilities		
Deferred tax liabilities	7,094	7,196
Term loan	2,020	4,056
Lease liability	-	-
	<u>9,114</u>	<u>11,252</u>
Total liabilities	<u>33,398</u>	<u>40,920</u>
TOTAL EQUITY AND LIABILITIES	<u>418,147</u>	<u>439,384</u>
Net asset per share	2.38	2.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement Of Changes In Equity
For The 1st Financial Quarter Ended 30 June 2022

	← Attributable to owners of the Company →				Non-controlling interest RM'000	Total RM'000
	Share Capital RM'000	Revenue Reserve RM'000	Treasury Shares RM'000	Equity attributable to the owners of the Company RM'000		
Current Year To Date						
<u>For The Period Ended 30 Jun 2022</u>						
Opening balance at 1 April 2022	131,370	249,306	(3,356)	377,320	21,144	398,464
(Loss)/profit net of tax, representing total comprehensive (expense)/income	-	(14,572)	-	(14,572)	857	(13,715)
Transactions with owners						
Shares dividend distribution	-	-	-	-	-	-
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	-	-
Closing balance at 31 March 2022	<u>131,370</u>	<u>234,734</u>	<u>(3,356)</u>	<u>362,748</u>	<u>22,001</u>	<u>384,749</u>
Preceding Year						
<u>Corresponding Period</u>						
<u>For The Period Ended 31 March 2022</u>						
Opening balance at 1 April 2021	131,370	264,754	(3,356)	392,768	20,321	413,089
(Loss)/profit net of tax, representing total comprehensive (expense)/income	-	(15,448)	-	(15,448)	823	(14,625)
Transactions with owners						
Shares dividend distribution	-	-	-	-	-	-
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	-	-
Closing balance at 31 March 2022	<u>131,370</u>	<u>249,306</u>	<u>(3,356)</u>	<u>377,320</u>	<u>21,144</u>	<u>398,464</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 2022)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Cash Flows
For The 1st Financial Quarter Ended 30 June 2022

	3 Months Ended	
	30.06.2022	31.03.2022
	RM'000	RM'000
	Unaudited	Audited
Operating activities		
Loss before tax	(13,705)	(14,068)
<u>Adjustments for :</u>		
Depreciation	870	5,961
Gain on disposal of property, plant and equipment	-	(732)
Impairment of property, plant and equipment	-	3,759
Impairment of trade and other receivables	-	368
Interest expenses	82	1,012
Interest income	(1,088)	(2,753)
Inventories written off	-	166
Inventories written down	-	2,418
Property, plant and equipment written off	-	25
Dividend income from short term funds	-	(2)
Unrealised gain on foreign exchange	(8,956)	(3,398)
Unrealised loss on investment	21,249	8,605
Total adjustments	12,157	15,429
Operating cash flows before changes in working capital	(1,548)	1,361
<u>Changes in working capital :</u>		
Decrease in property development costs	5,522	11,205
(Increase)/decrease in inventories	(2,276)	16,629
Decrease/(increase) in trade and other receivables	5,805	(13,465)
Increase in other current assets	(4,628)	(3,039)
(Decrease)/increase in trade and other payables	(1,840)	1,017
Decrease in other current liabilities	(179)	(1,589)
Total changes in working capital	2,404	10,758
Cash flows from operations	856	12,119
Interest paid	(82)	(1,012)
Tax paid, net of refund	(99)	(539)
Net cash flows generated from operating activities	<u>675</u>	<u>10,568</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022)

EKSONS CORPORATION BERHAD (199001014145 (205814-V))
Unaudited Condensed Consolidated Statement of Cash Flows
For The 1st Financial Quarter Ended 30 June 2022

	3 Months Ended	
	30.06.2022	31.03.2022
	RM'000	RM'000
	Unaudited	Audited
Investing activities		
Interest received	1,088	416
Dividend received from short term funds	-	2
Investment in securities	(3,519)	(29,685)
Proceeds from disposal of property, plant and equipment	-	1,615
Purchase of property, plant and equipment	(67)	(134)
Net cash flows used in investing activities	<u>(2,498)</u>	<u>(27,786)</u>
Financing activities		
Repayment of lease liabilities, net	-	(8)
Repayment of short term borrowings, net of repayment	(2,180)	(9,028)
Withdrawal of fixed deposit pledged for bank guarantees	-	2
Net cash flows used in financing activities	<u>(2,180)</u>	<u>(9,034)</u>
Net decrease in cash and cash equivalent	(4,003)	(26,252)
Cash and cash equivalents at the beginning of the financial year	23,305	49,557
Cash and cash equivalents at the end of the financial year	<u>19,302</u>	<u>23,305</u>
Analysis of cash and cash equivalents		
Term deposit	5,776	18,975
Cash and bank balances	14,922	8,911
Bank Overdraft	(1,014)	(4,199)
Deposit pledged for BG	(382)	(382)
	<u>19,302</u>	<u>23,305</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022)

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 2022. 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 2022.

A2. Changes in Accounting Policies

The audited financial statements of the Group for the year ended 31 March 2022 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 2022 except for the adoption of the following new and revised standards effective as at 1 January 2022:

	Effective for annual period beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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 plywood manufacturing 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	
	30.06.2022	30.06.2021
	RM'000	RM'000
Depreciation	870	1,630
Interest expenses	82	509
Realised loss on foreign exchange	557	-
Realised loss on investment in securities	1,610	-
Unrealised loss on investment in securities	21,249	-
Cost of sales	14,648	13,228
Marketing and distribution expenses	490	315
Administration and other expenses	2,676	3,580
Total operating expenses	42,182	19,262

A10. Other operating income

	3 Months Ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Realised gain on investment in securities	-	1,021
Unrealised gain on foreign exchange	8,956	976
Unrealised gain on investment in securities	-	4,557
Rental income	270	314
Interest income	1,088	394
Miscellaneous income	220	70
Total other operating income	<u>10,534</u>	<u>7,332</u>

A11. Segmental reporting**For The Period Ended 30 June 2022**

	Plywood Manufacturing RM'000	Property and Investment Holdings RM'000	Property Development RM'000	Eliminations RM'000	Consolidated RM'000
Segment Revenue					
External sales	4,603	-	13,340	-	17,943
Inter-segment sales	148	-	-	(148)	-
Total revenue	<u>4,751</u>	<u>-</u>	<u>13,340</u>	<u>(148)</u>	<u>17,943</u>
Segment Result					
Segment (loss)/profit	(2,226)	(14,870)	2,696	(311)	(14,711)
Interest expense	-	(59)	(96)	73	(82)
Interest income	66	1,071	24	(73)	1,088
Net loss before taxation					(13,705)
Income taxes					(10)
Net loss after taxation					<u>(13,715)</u>

A11. Segmental reporting (cont'd)**For The Period Ended 30 June 2021**

	Plywood Manufacturing 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					
Segment (loss)/profit	(2,273)	6,415	4,671	345	9,158
Interest expense	-	(86)	(423)	-	(509)
Interest income	77	636	26	(345)	394
Net profit before taxation					9,043
Income taxes					(36)
Net profit after taxation					<u>9,007</u>

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

All inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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 2022, 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 2022. 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**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 (%)
	30.06.2022 RM'000	30.06.2021 RM'000		30.06.2022 RM'000	30.06.2021 RM'000	
Revenue	17,943	20,973	-14%	17,943	20,973	-14%
Profit/(Loss) before interest and tax	(13,623)	9,552	-243%	(13,623)	9,552	-243%
Profit/(Loss) before tax	(13,705)	9,043	-252%	(13,705)	9,043	-252%
Profit/(Loss) after tax	(13,715)	9,007	-252%	(13,715)	9,007	-252%
Profit/(Loss) attributable to ordinary equity holders of the owner	(14,572)	7,623	-291%	(14,572)	7,623	-291%

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 plywood manufacturing and property development divisions, which are its main operating divisions, were as follows:

Plywood manufacturing

The plywood manufacturing division's revenue and loss after taxation for the three months ended 30 June 2022 were RM4.6 million and RM2.1 million respectively. In the corresponding period of the previous financial year, the division's revenue and loss after taxation were RM9.9 million and RM2.2 million respectively.

The revenue for the quarter under review was lower than the corresponding quarter due to lower demand. Despite a lower revenue, the losses remained the same due to management of cost on raw material and operating cost.

Property Development

The division's revenue and profit after taxation for the three months ended 30 June 2022 were RM13.3 million and RM2.6 million respectively. In the corresponding period of the previous financial year, the division's revenue and profit after taxation were RM11.0 million and RM4.3 million respectively. Whilst revenue increased by 21%, profit after taxation is lower due to higher cost of sales.

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 30.06.2022	Immediate Preceding Quarter 31.03.2022	Variance
	RM'000	RM'000	%
Revenue	17,943	19,855	-10%
Loss before interest and tax	(13,623)	(30,011)	55%
Loss before tax	(13,705)	(30,253)	55%
Loss after tax	(13,715)	(30,532)	55%
Loss attributable to owner of the parent	(14,572)	(29,508)	51%

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

Plywood manufacturing

The division recorded a revenue and loss after taxation for the quarter under review of RM4.6 million and RM2.1 million respectively. In the immediate preceding quarter, the division's revenue and loss after taxation were RM7.6 million and RM5.3 million respectively.

The immediate preceding quarter loss of RM5.3 million included an impairment of RM3.8 million.

Property Development

The division recorded revenue and profit after taxation for the quarter under review of RM13.3 million and RM2.6 million respectively. In the immediate preceding quarter, the division's revenue and loss after taxation were RM12.3 million and RM2.2 million respectively.

The immediate preceding quarter loss of RM2.2 million included an impairment of RM2.4 million.

B3. Prospects and Outlook

Plywood manufacturing

The plywood manufacturing operations of the Group are based in Sabah. The operating environment due to global economic uncertainty as a result of inflationary pressures and the Ukraine war remains unpredictable and challenging despite the improvement in prices. While demand remains positive, increases in cost of raw materials, high fuel cost, limited manpower supply and unreliable logistics continue to pose challenges for the business.

Property Development

With the continuing sales and leasing activities at our commercial project The Atmosphere, and the continuing sales activities of Affiniti, sales remains encouraging. The impending opening of the MRT station at Putra Permai by early 2023 will help in our sales and leasing efforts for The Atmosphere.

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	(10)	(10)
- Overprovision in prior year	-	-
	<u>(10)</u>	<u>(10)</u>
Deferred taxation		
- Current deferred tax income	-	-
- Overprovision in prior year	-	-
	<u>(10)</u>	<u>(10)</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 30.06.2022 RM'000
Short term borrowings	
- secured	1,549
Long term borrowings	
- secured	2,020
Total borrowings	<u>3,569</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

There was no dividend declared or paid during the quarter under review.

B10. Disclosure requirements pursuant to implementation of FRS 139

Part A: Disclosure of derivatives

As at 30 June 2022, 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 2022, 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)	(14,572)	7,623	(14,572)	7,623
Number of ordinary shares in issue (in thousand)	161,480	161,480	161,480	161,480
Basic (loss)/gain per ordinary share (sen)	(9.02)	4.72	(9.02)	4.72

b. Diluted

Not applicable

B12. Notes to Condensed Consolidated Statement of Comprehensive Income

	Current year to date RM'000
Net profit is arrived at after take in following items:	
a) Interest income	1,088
b) Other income	220
c) Rental income	270
d) Interest expense	(82)
e) Depreciation	(870)
f) Foreign exchange gain - unrealised	8,956
g) Foreign exchange loss - realised	(557)
h) Investment in securities loss - unrealised	(21,249)
i) Investment in securities loss - realised	(1,610)

B13. Subsequent event

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

BY ORDER OF THE BOARD

Chua Siew Chuan
Lim Lih Chau
Company Secretaries

23 August 2022