

**FOR IMMEDIATE RELEASE**

**EKSONS CORPORATION BERHAD**

- *75% hike in 1Q revenue*

**Kuala Lumpur, 28 August 2006** – Eksons Corporation Bhd (“Eksons”) today released its unaudited first quarter financial results for the period ended 30 June 2006.

The company reported revenue of RM89.39 million for the quarter, up 75% compared to RM51.10 million achieved in the corresponding quarter last year. However, profit before tax was RM8.00 million, down 2% from the RM8.20 million recorded in the same quarter last year. Nevertheless, revenue and pretax profit was 12% and 10% higher than the RM79.70 million and RM7.16 million recorded during the last quarter of financial year ended 31 March 2006 respectively.

According to the company’s results announcement dispatched to Bursa today, it attributed the increase in revenue to higher demand for its plywood and higher plywood prices. However, production margins were squeezed by higher fuel and petrol chemical prices. The company also took advantage of the strong demand for plywood to dispose its lower grade inventories which carry lower margins.

On the outlook for the company, a spokesperson from Eksons said that “demand for value-added timber products should continue to be strong from major timber consuming countries such as the US, Japan, China and the Middle East. The Malaysian timber industry is also expected to continue benefiting from the lower production from the Indonesian producers.”

To mitigate higher production costs, Eksons has commissioned the installation of a biomass co-generation plant to replace the diesel powered generators at Tawau plant. This biomass plant, which is targeted to be commissioned in mid-2007, will substantially reduce the cost of electricity and steam generation. The Company has recently added a new production line which has increased its production capacity by about 12% or 2,500 cubic meters per month.

On 4 July 2006, the Company announced a proposed capital repayment in cash of up to RM0.20 per ordinary share of RM1.00 each in the Company via a reduction of the share capital of the Company pursuant to Section 64 of the Companies Act 1965. The proposal is subject to approval of the relevant authorities and shareholders of the Company. “This proposed capital repayment is in line with the Company’s intention to reward shareholders as our financial position strengthens,” said the spokesperson.



***About Eksons Corporation Bhd (Eksons)***

Eksons is involved in the manufacture and trading of plywood and related products. Productions are carried out via two plants in Sibu, Sarawak, and Tawau Sabah with a combined capacity of approximately 22,500 cubic metres per month. Almost 100% of its products are exported, mainly to the US, Middle East and Africa.

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Contact :

**Mr. Tang Seng Fatt**  
**Director,**  
**Eksons Corporation Berhad**

Tel : +(603) 2161-1223

Fax : +(603) 2161-1213

Email : tangsf@eksons.com.my