

**FOR IMMEDIATE RELEASE**

**EKSONS CORPORATION BERHAD**

- *Shareholders approved 20 sen/share capital repayment*

**Tawau, Sabah, 28 September 2006** – Eksons Corporation Bhd (“Eksons”) held today its 16th Annual General Meeting as well as an Extraordinary General Meeting (EGM).

During the EGM, shareholders approved a 20% capital reduction on its share capital pursuant to Section 64 of the Companies Act. Following the capital reduction, the company will make a repayment of 20 sen per ordinary share to its shareholders amounting to a total of RM32.843 million. This will be paid with internally generated funds. Upon completion of the exercise, the share capital of Eksons will be reduced from RM164.213 million comprising 164.213 million ordinary shares of RM1.00 each, to RM131.370 million comprising 164.213 million ordinary shares of RM0.80 each.

According to the Circular to Shareholders, the rationale to implement the capital repayment is to “reward its shareholders for their continuous support for the Company”. Eksons has not declared any dividends since its backdoor listing in year 2000.

The Circular further explains that the decision was taken after given due consideration of its healthy balance sheet with low gearing ratio of 0.09x as at 31 March 2006, future financial obligations as well as future working capital requirements. Despite high investment costs, Eksons has been successful in reducing its debt position.

This capital repayment will be conditional upon relevant authorities and the High Court and is expected to be completed by the first half of 2007.

“We do not expect any major capital expenditure in the near term, as we have just completed our Tawau plant expansion which added 2,500 cubic metre in production capacity per month,” said Eksons’ Group Managing Director Mr. Tay Hua Sin. “With the increased capacity coupled with the rising trend of plywood prices, we are confident of achieving a sustainable income stream going forward,” he added.

Eksons reported a 75% hike in revenue to RM89.39 million during the first quarter of the current financial year, while profit before tax was 2% lower at RM8.0 million. It attributed the increase in revenue to higher demand for its plywood as well as higher plywood prices, while production margins were narrower due to higher fuel and petrol chemical prices.

As a long term solution to its dependence to diesel fuel as a power source to its Tawau plant, Eksons is constructing a three megawatt biomass co-generation power plant using wood chip as feedstock. The power plant will be commissioned by mid-2007, and will bring forth significant long term cost benefit to the Group.

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

Eksons was listed on the Main Board of Bursa Malaysia. Its principal activity is the manufacture and trading of plywood and related products. It specialises in producing plywood with thickness of below 3mm. Productions are carried out via two plants in Tawau, Sabah and Sibul, Sarawak with a combined capacity of 22,500 cubic metres per month. Approximately 90% of its products are exported, mainly to the US, Middle East and Africa.

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