

**MEDIA RELEASE : EMBARGO UNTIL 5.00PM, 31 May 2007**

**EKSONS CORPORATION BERHAD**

- *FY2007 profit before tax rose 118%*
- *Capital repayment of RM0.20 will be paid on 22 June 2007*
- *Eksons sets dividend policy*
- *Eksons contributes in emission reduction efforts*

**Kuala Lumpur, 31 May 2007** – Eksons Corporation Bhd (“Eksons”) today announced its unaudited fourth quarter results for the period ended 31 March 2007.

For the fourth quarter under review, Eksons’ profit before taxation jumped 118% to RM15.7 million compared with RM7.2 million recorded in the corresponding quarter of the previous financial year. Revenue for the quarter rose 19.4% to RM95.2 million from the same quarter last year.

For the full financial year period under review, Eksons reported profit before taxation of RM54.7 million, 68% higher compared to RM32.6 million last year whilst revenue was RM329.3 million, an increase of 16% compared with RM283.2 million achieved last year.

According to Eksons’ Executive Director Mr. Tang Seng Fatt, “*our strong performance was a result of higher plywood prices during the year as well as higher sales volume*”.

On the company’s profit prospects, Tang elaborates “*we expect plywood prices to improve again in the short to medium term on the back of a recovery in global demand, particularly from the US. We believe this should mitigate the impact of further strengthening of the Ringgit against the US Dollar*”.

According to the announcement to Bursa Malaysia, Eksons also expects profit for current financial year 2008 to be boosted by a full year impact arising from the 20% capacity expansion in the Tawau plywood mill to 150,000 cubic metre per annum installed in July 2006, as well as lower generation costs arising from its biomass power plant.

The recently commissioned three megawatt biomass power plant, built at a cost of RM25 million, utilises wood chip as fuel input and will immediately phase out the existing diesel powered generators. *“As we have abundant wood chip and other waste products, the running cost of this new biomass power plant is significantly lower compared to our existing diesel generators. Hence we foresee a substantial savings on our utility cost at the Tawau mill,”* said Tang.

*“Not only is this power plant project going to reduce our operation cost, this is also a way for us to contribute toward the reduction in emission of green house gases,”* explained Tang.

As this project is sanctioned by the United Nations Framework Convention on Climate Change (UNFCCC) as an approved green house gas emission reduction programme, Eksons, as the project owner, will be entitled to claim for Certified Emission Reductions (CER) under the Kyoto Protocol Clean Development Mechanism, or commonly known as Carbon Credit. Eksons has engaged an international CDM specialist EcoSecurities Ltd to oversee the CER application process. When approved, this will generate additional income stream to Eksons over the longer term.

On the corporate front, Eksons' capital repayment of RM0.20 per ordinary share of RM1.00 each in Eksons has received confirmation by the High Court of Sabah and Sarawak at Tawau on 15 May 2007. The entitlement date of the capital repayment is on 8 June 2007 whilst payment is expected to be made on 22 June 2007. The capital repayment, amounting to RM32.84 million, will be paid with internally generated cash, pursuant to a reduction in the share capital of Eksons in accordance to Section 64 of the Companies Act.

Aside from the capital repayment to reward shareholders, the Company is also proposing "to implement a dividend policy from financial year 2008 onwards, setting a target dividend payment of 15% of its net earning" after consideration of capital expenditure for expansion plans and future cash flow requirements. The Company also expects more dividends to be paid if circumstances permit.

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

EKSONS is one the largest manufacturers of thin plywood of below 3mm thickness in Malaysia. Productions are carried out via two plants in Sibul, Sarawak, and Tawau Sabah with a combined capacity of approximately 285,000 cubic metre per annum. Over 90% of its products are exported, mainly to the US, Middle East and Africa.

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