

Eksons HI profit jumps 28%

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PETALING JAYA: Eksons Corp Bhd reported a 27.5% jump in first-half net profit to RM23.6mil, thanks to higher profit margin for plywood and energy cost savings.

Earnings per share improved to 14.37 sen versus 11.27 sen a year earlier although revenue slipped marginally to RM170.7mil from RM172.1mil. The company declared its first tax-exempt interim dividend of 2.5 sen a share.

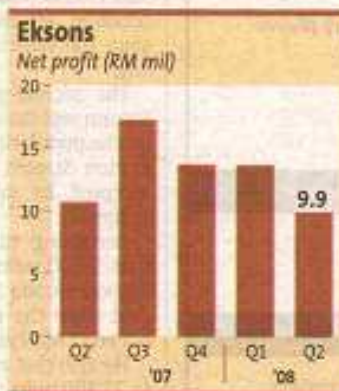
For the second quarter ended Sept 30, net profit fell 7.5% to RM9.9mil from RM10.7mil a year earlier. Revenue was down 31.5% to RM56.6mil from RM82.7mil.

Executive director Tang Seng Fatt told StarBiz that the margin improvement was due to more shipments to the United States, where pricing was at a premium versus other markets.

"The US market demands a higher quality plywood, hence the premium pricing," he said, adding that Eksons also saved at least RM2mil after the commissioning of its biomass plant early this year.

"The estimated cost savings were based on diesel prices in the previous quarter. If you look at the present diesel prices, which have increased by 15% to 20%, the savings could be more," Tang said.

Eksons is one of Malaysia's largest manufac-



Source: Bursa Malaysia

turers of thin plywood of under 3mm. More than 90% of the output is exported, mainly to the United States, the Middle East, Taiwan and Africa.

In a statement, Eksons said plywood prices were expected to stabilise following plans by some Malaysian producers to cut output.

Demand in the next few months was anticipated to remain "good" as the deterioration in housing starts in the United States was unlikely to have an adverse impact on Eksons.

"In fact, the company's regular buyers from the US started placing orders again a few months ago," it said.