



Condensed Consolidated Income Statement For The Period Ended 30 Sept 2008

	Note	Individual Quarter		Cumulative Quarter	
		Current Year 3rd Quarter 30-Sep-08	Preceding Year Corresponding Quarter 30-Sep-07	Current Year To-Date 30-Sep-08	Preceding Year Corresponding Year-To-Date 30-Sep-07
		RM '000	RM '000	RM '000	RM '000
Revenue	9	22,475	20,912	66,235	56,437
Other income		399	347	966	1,214
Changes in inventories of finished goods		865	388	(1,917)	(4,441)
Finished goods purchased		(19,602)	(18,882)	(54,788)	(44,824)
Depreciation		(54)	(69)	(145)	(224)
Other expenses		(2,385)	(1,332)	(5,334)	(4,375)
Finance costs		(24)	(29)	(90)	(83)
Profit before tax		1,674	1,335	4,927	3,704
Income tax expense	21	(624)	(318)	(1,390)	(905)
Profit for the period		1,050	1,017	3,537	2,799
Attributable to:					
Equity holders of the parent		1,050	1,017	3,537	2,799
Minority interest		-	-	-	-
		1,050	1,017	3,537	2,799
Earnings per share attributable to equity holders of the parent (sen):					
(i) Basic	29	<u>0.15</u>	<u>0.14</u>	<u>0.50</u>	<u>0.39</u>
(ii) Diluted	29	<u>0.12</u>	<u>0.11</u>	<u>0.39</u>	<u>0.31</u>
Dividend per share		nil	nil	nil	nil

The condensed consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2007 and the attached accompanying explanatory notes.



MARCO HOLDINGS BERHAD

(Incorporated in Malaysia - 8985-P)

Additional Information

(The figures have not been audited)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year 3rd Quarter 30-Sep-08	Preceding Year Corresponding Quarter 30-Sep-07	Current Year To-Date 30-Sep-08	Preceding Year Corresponding Year-To-Date 30-Sep-07
		RM '000	RM '000	RM '000	RM '000
1 (a)	Profit / (Loss) from operations	1,698	1,364	5,017	3,787
2 (b)	Gross interest income	267	221	728	600
3 (c)	Gross interest expense	(24)	(29)	(90)	(83)

**MARCO HOLDINGS BERHAD**

(Incorporated in Malaysia - 8985-P)

**Condensed Consolidated Balance Sheet
As at 30 Sept 2008**

	Note	As At 30-Sep-08	As At 31-Dec-07
		RM '000	RM '000
ASSETS			
Non-Current Assets			
Property, plant and equipment		152	246
Deferred tax assets		592	677
Land Held for Development	10	45,247	45,247
Intangible Assets		281	263
		<u>46,272</u>	<u>46,433</u>
Current Assets			
Inventories		4,010	5,902
Trade receivables		2,706	3,529
Other receivables		8,317	6,843
Short term placements		29,631	28,775
Cash and bank balances		2,472	4,629
		<u>47,136</u>	<u>49,678</u>
TOTAL ASSETS		<u>93,408</u>	<u>96,111</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share Capital	7	71,235	71,235
Share Premium		25,556	25,556
Revaluation Reserve		1,210	1,210
Retained earnings		(13,552)	(14,453)
Total equity		<u>84,449</u>	<u>83,548</u>
Non-current liabilities			
Deferred tax liabilities		-	85
Current Liabilities			
Trade payables		121	379
Other payables		4,998	7,231
Bills payables		2,974	4,203
Tax Payable		866	665
		<u>8,959</u>	<u>12,478</u>
Total liabilities		<u>8,959</u>	<u>12,563</u>
TOTAL EQUITY AND LIABILITIES		<u>93,408</u>	<u>96,111</u>
Net assets per share (RM)		0.12	0.12

The condensed consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2007 and the attached accompanying explanatory notes.

**MARCO HOLDINGS BERHAD**

(Incorporated in Malaysia - 8985-P)

**Condensed Consolidated Cash Flow Statements
For the Period ended 30 Sept 2008**

(The figures have not been audited)

	9 months ended 30-Sep-08	9 months ended 30-Sep-07
	RM '000	RM '000
Net Profit before tax	4,927	3,704
Adjustment for non-cash items :-		
Depreciation	145	224
Interest expense	90	83
Interest income	(728)	(600)
Other non-cash items	173	(692)
Operating profit before changes in working capital	4,607	2,719
Changes in working capital:		
<i>Net change in current assets</i>	1,113	339
<i>Net change in current liabilities</i>	(6,692)	(1,623)
Cash generated from operations	(972)	1,435
Tax paid	(1,234)	(786)
Interest paid	(90)	(83)
Net cash generated from operations	(2,296)	566
Cash Flow from Investing Activities		
Dividends & Interest received	728	600
Purchase of property, plant and equipment	(70)	(7)
Proceeds from disposal of property, plant and equipment	-	-
Dividend Paid	(2,636)	(2,600)
Rights Issue Expenses	-	-
	(1,978)	(2,007)
Cash Flow from Financing Activity		
Decreased in Fixed Deposits pledged to Bank	-	-
Proceeds from issuance of shares	-	-
Rights Issue Expenses	-	-
Repayment of Short Term Borrowings	-	-
Dividend Paid	-	-
Drawdown of Short Term Borrowings	2,974	4,663
	2,974	4,663
Net Changes in Cash & Cash Equivalents	(1,300)	3,222
Cash & Cash Equivalents at beginning of year	33,403	27,822
Cash & Cash Equivalents at end of the year	32,103	31,044
Cash and cash equivalents comprise :-		
Fixed deposits	29,631	23,492
Cash and bank balances	2,472	7,552
Less : Fixed Deposits pledged to bank	-	-
Bank overdraft	-	-
	32,103	31,044

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statement for the year ended 31st December 2007 and the attached accompanying explanatory notes.



MARCO HOLDINGS BERHAD

(Incorporated in Malaysia - 8985-P)

Condensed Consolidated Statement of Changes in Equity for the Period Ended 30 Sept 2008

	Note	←-----Attributable to Equity Holders of the Parent-----→					Total Equity
		Share Capital	←-----Non-Distributable-----→ Share Premium	Revaluation Reserve	Accumulated Losses		
		RM '000	RM '000	RM '000	RM '000	RM '000	
Balance as at 1 January 2007		71,235	25,556	449	(15,875)	81,365	
Profit for the period		-	-	-	2,799	2,799	
Dividend		-	-	-	(2,600)	(2,600)	
At 30 Sept 2007		<u>71,235</u>	<u>25,556</u>	<u>449</u>	<u>(15,676)</u>	<u>81,564</u>	
At 1 January 2008		71,235	25,556	1,210	(14,453)	83,548	
Profit for the period		-	-	-	3,537	3,537	
Dividend		-	-	-	(2,636)	(2,636)	
At 30 Sept 2008		<u><u>71,235</u></u>	<u><u>25,556</u></u>	<u><u>1,210</u></u>	<u><u>(13,552)</u></u>	<u><u>84,449</u></u>	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2007 and the attached accompanying explanatory notes.



Part A – Explanatory Notes Pursuant to FRS 134

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. 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 December 2007.

2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007.

3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

4 Comments About Seasonal or Cyclical Factors

There were no material seasonal or cyclical factors affecting the performance of the Group for the financial quarter ended 30 Sept 2008.

5 Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the financial quarter ended 30 Sept 2008.

6 Changes In Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

8 Dividend Paid

First and final dividend in respect of the year ended 31 December 2007 of 0.5 sen per share less 26% Malaysian Income Tax on 712,353,800 ordinary shares was paid on 8th August 2008 to depositors registered in the Record of Depositors, amounting to RM2,635,709.



9 Segmental Information

	9 months ended	9 months ended
	30 Sept 2008	30 Sept 2007
	RM '000	RM '000
Segment Revenue		
Investment	-	-
Property Investment	-	-
Distribution of timepiece and Consumer information products	66,235	56,437
Others	-	-
Total revenue including inter-segment sales	66,235	56,437
Eliminations of inter-segment sales	-	-
Total Revenue	66,235	56,437
Segment Results (Profit before Tax)		
Investment	3,401	3,414
Property Investment	-	-
Distribution of timepiece and Consumer information products	5,142	3,906
Others	(2)	(2)
	8,541	7,318
Eliminations	(3,614)	(3,614)
Total Results	4,927	3,704

10 Carrying Amount of Revalued Assets

The valuations of land and buildings have been brought forward, without amendment, from the financial statements for the year ended 31 December 2007.

11 Subsequent Events

There were no material events subsequent to the end of the current quarter that has not been reflected in these condensed financial statements.

12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.

13 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2007.

14 Capital Commitments

The amount of commitments for the purchase of office equipment not provided for in the financial statements as at 30 Sept 2008 is as follows:

	RM'000
Approved and contracted for	52
Approved but not contracted for	166
	<hr/>
	218
	<hr/> <hr/>



15 Related Party Transactions

Group	From 26 June 2008 To 30 Sept 2008 RM'000	Estimated Value Approved under Shareholders' Mandate from 26 June 2008 to the date of next AGM RM'000
Purchase of goods from Marco Marketing Pte. Ltd., a company in which Directors of a subsidiary, Tan Han Chuan and Tan Ching Ching, have interests	387	11,500
Sales of goods to Marco Marketing Pte. Ltd., a company in which Directors of a subsidiary, Tan Han Chuan and Tan Ching Ching, have interests	2,498	11,500

16 Subsequent Events

There were no material events subsequent to the end of the current quarter.

Part B – Explanatory Notes Pursuant to Appendix 9B Of the Listing Requirements of BMSB

17 Performance Review

The Group's revenue for the current financial period ended 30 Sept 2008 of RM66,234,538 was 17% higher as compared to RM56,436,985 registered in the corresponding period of 2007. Increased in revenue was contributed by increased in overall sales volume from both its local and Indochina region, as a result of relatively stronger brand image of the brands carried by the Group.

The Group's pre-tax profit for the period ended 30 Sept 2008 of RM4,926,961 was 33% higher than that of the previous corresponding period of RM3,703,463. The increase in pre-tax profit is in line with the increase in revenue.

18 Comment on Material Change in Profit Before Taxation

Profit before taxation for the current quarter ended 30 Sept 2008 of RM1,673,764 was slightly higher as compared to RM1,660,617 registered in the immediate preceding quarter ended 30 June 2008. The marginal increase was due to overall better sales achievement from both its local and Indochina region.



19 Commentary on Prospects

The outlook for Malaysian economy has been increasingly affected by the global downturn in the wake of the current global financial crisis and economic uncertainties. Malaysian economy is believed to have hit recession and this has greatly affected the retail market in the second half of 2008. As global financial crisis continues to unfold, the Group's performance is expected to moderate in view of the tougher market conditions. The Board of Directors however believes that despite an imminent slowdown, the longer term prospects of the Group remains positive given the diversity of our products and the geographical spread of the Group's businesses.

20 Profit Forecast and Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

21 Taxation

	9 months ended 30/9/2008 RM '000	9 months ended 30/9/2007 RM '000
Income Tax	1,390	905
Tax expense	1,390	905
Profit/(loss) before taxation	4,927	3,703
Tax at statutory rate (26%) (2007:27%)	1,281	1,000
-Deferred Tax (Assets)/ Liabilities	138	80
-(Over)/Under provision of taxation	(45)	(89)
-Effects of expenses not deductible/(deductible) for tax purpose	88	25
-Expenses double deducted for tax purpose	(72)	(111)
Tax expense	1,390	905

The effective tax rates for the current quarters was higher than the statutory tax rate principally due to certain expenses which could not be deducted for tax purpose.

22 Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments and properties in the financial quarter ended 30 Sept 2008.

23 Quoted Securities

- (a) There were no purchase and disposal of quoted securities in the financial quarter ended 30 Sept 2008.
- (b) There were no investments in quoted securities in the financial quarter ended 30 Sept 2008.



24 Corporate Proposal

There were no corporate proposals announced but not completed.

25 Group Borrowings and Debt Securities

	As at 30.9.2008 RM'000
Short term borrowings – secured	2,974
Total	<u>2,974</u>

26 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the latest practicable date, which is not earlier than 7 days from date of issue of this quarterly report.

27 Changes in Material Litigation

The Group does not have any material litigation, which would materially and adversely affect the financial position of the Group.

28 Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 30 September 2008.

29 Earning Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	Current Quarter 30/9/2008 RM '000	Current Year- To-Date 30/9/2008 RM '000
Net profit for the period (RM'000)	1,050	3,537
Weighted average number of ordinary shares in issue ('000)	712,354	712,354
Basic earnings per share (sen)	0.15	0.50



29 Earning Per Share (Cont'd)

(b) Diluted

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares after share split, i.e. assuming full exercise of the Warrants.

	Current Quarter 30/9/2008 RM '000	Current Year- To-Date 30/9/2008 RM '000
Net profit for the period (RM'000)	1,050	3,537
Weighted average number of ordinary shares in issue ('000)	712,354	712,354
Number of Warrants	354,720	354,720
Effects of dilution: Warrants	(161,236)	(161,236)
Adjusted weighted average number of ordinary shares in issue and issuable	905,837	905,837
Diluted earnings per share (sen)	0.12	0.39

30 Authorisation for Issue

The condensed financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 November 2008.

By order of The Board

Siew Cheau Sheang
Finance and Administration Manager

Kuala Lumpur
Date : 14 November 2008