

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2008**

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|--|--|
| | Current Year Quarter 30.06.2008 RM | Preceding Year Corresponding Quarter 30.06.2007 RM | Current Year Quarter 30.06.2008 RM | Preceding Year Corresponding Quarter 30.06.2007 RM |
| Revenue | 29,836,235 | 42,337,575 | 61,097,944 | 76,884,434 |
| Cost of sales | <u>(21,597,922)</u> | <u>(31,387,183)</u> | <u>(42,703,470)</u> | <u>(55,067,421)</u> |
| Gross profit | 8,238,313 | 10,950,392 | 18,394,474 | 21,817,013 |
| Other operating income | 15,748 | 190,955 | 293,053 | 351,128 |
| Administrative expenses | (2,696,861) | (3,104,369) | (5,936,925) | (5,951,284) |
| Selling and marketing Expenses | (3,079,264) | (2,561,382) | (5,893,401) | (5,202,062) |
| Other operating expenses | <u>(159,337)</u> | <u>(77,695)</u> | <u>(397,785)</u> | <u>(281,934)</u> |
| Profit from operations | 2,318,599 | 5,397,901 | 6,459,416 | 10,732,861 |
| Finance costs | <u>(304,172)</u> | <u>(181,675)</u> | <u>(576,862)</u> | <u>(382,050)</u> |
| Profit before taxation | 2,014,427 | 5,216,226 | 5,882,554 | 10,350,811 |
| Taxation | <u>(352,871)</u> | <u>(196,842)</u> | <u>(812,036)</u> | <u>154,524</u> |
| Net profits for the period | <u><u>1,661,555</u></u> | <u><u>5,019,384</u></u> | <u><u>5,070,518</u></u> | <u><u>10,505,335</u></u> |
| Attributable to: | | | | |
| Equity holders of the Company | 1,624,101 | 5,022,294 | 5,025,611 | 10,526,748 |
| Minority Interests | <u>37,454</u> | <u>(2,910)</u> | <u>44,907</u> | <u>(21,413)</u> |
| | <u><u>1,661,555</u></u> | <u><u>5,019,384</u></u> | <u><u>5,070,518</u></u> | <u><u>10,505,335</u></u> |
| Earnings per share attributable to equity holders of the Company: | | | | |
| - Basic (sen) | 0.97 | 2.99 | 2.99 | 6.27 |

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007

EKOWOOD INTERNATIONAL BERHAD (301735-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2008

| | As At 30.06.2008 RM | As At 31.12.2007 RM |
|---|------------------------------------|------------------------------------|
| ASSETS | | |
| Non-current Assets | | |
| Property, Plant & Equipment | 60,213,489 | 59,757,483 |
| Prepaid land lease payments | 6,514,691 | 6,345,791 |
| Intangible assets | 174,989 | 218,196 |
| Deferred tax assets | 564,172 | 564,172 |
| | <u>67,467,341</u> | <u>66,885,642</u> |
| Current Assets | | |
| Inventories | 91,452,059 | 84,879,656 |
| Trade receivables | 44,905,799 | 51,798,523 |
| Other receivables | 4,025,674 | 3,293,457 |
| Due from customers on contract | 4,803,132 | 3,508,701 |
| Taxation recoverable | 1,304,300 | 1,111,405 |
| Cash and bank balances | 2,712,469 | 3,792,307 |
| | <u>149,203,433</u> | <u>148,384,049</u> |
| TOTAL ASSETS | <u><u>216,670,774</u></u> | <u><u>215,269,691</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 84,000,000 | 84,000,000 |
| Share premium | 3,854,541 | 3,854,541 |
| Reserves | 73,379,590 | 72,707,584 |
| | <u>161,234,131</u> | <u>160,562,125</u> |
| Minority Interests | 343,669 | 283,838 |
| Total Equity | <u>161,577,800</u> | <u>160,845,963</u> |
| Non-current Liabilities | | |
| Deferred tax liabilities | 2,395,877 | 2,430,874 |
| Borrowings | 9,250,000 | 4,523,788 |
| | <u>11,645,877</u> | <u>6,954,662</u> |
| Current Liabilities | | |
| Borrowings | 20,035,811 | 21,832,998 |
| Trade payables | 10,218,572 | 12,429,330 |
| Other payables | 8,939,653 | 13,177,576 |
| Tax payable | 26,181 | 29,162 |
| Dividend payable | 4,226,880 | - |
| | <u>43,447,097</u> | <u>47,469,066</u> |
| Total Liabilities | 55,092,974 | 54,423,728 |
| TOTAL EQUITY AND LIABILITIES | <u><u>216,670,774</u></u> | <u><u>215,269,691</u></u> |

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2008**

| | ← Attributable to equity holders of the Company → | | | | | Minority Interest | Total Equity | |
|--------------------------------|---|------------------------|--------------------------------------|-----------------------|----------------------------|----------------------|-----------------|--------------------|
| | ← Non-distributable → | | | Distributable | | | | |
| | Share capital RM | Share premium RM | Foreign Exchange reserve RM | ESOS reserve RM | Retained Earnings RM | | | Total RM |
| At 1 January 2007 | 84,000,000 | 3,854,541 | (509,882) | 151,893 | 57,887,309 | 145,383,861 | 245,812 | 145,629,673 |
| Foreign exchange difference | - | - | 209,344 | - | - | 209,344 | (800) | 208,544 |
| Share-based payment under ESOS | - | - | - | 137,766 | - | 137,766 | - | 137,766 |
| Dividend payable | - | - | - | - | (4,200,000) | (4,200,000) | - | (4,200,000) |
| Profit for the period | - | - | - | - | 10,526,748 | 10,526,748 | (21,413) | 10,505,335 |
| At 30 June 2007 | <u>84,000,000</u> | <u>3,854,541</u> | <u>(300,538)</u> | <u>289,659</u> | <u>64,214,057</u> | <u>152,057,719</u> | <u>223,599</u> | <u>152,281,318</u> |
| At 1 January 2008 | 84,000,000 | 3,854,541 | (658,235) | 515,696 | 72,850,123 | 160,562,125 | 283,838 | 160,845,963 |
| Foreign exchange difference | - | - | (235,786) | - | - | (235,786) | 14,924 | (220,862) |
| Share-based payment under ESOS | - | - | - | 109,061 | - | 109,061 | - | 109,061 |
| Dividend payable | - | - | - | - | (4,226,880) | (4,226,880) | - | (4,226,880) |
| Profit for the period | - | - | - | - | 5,025,611 | 5,025,611 | 44,907 | 5,070,518 |
| At 30 June 2008 | <u>84,000,000</u> | <u>3,854,541</u> | <u>(894,021)</u> | <u>624,757</u> | <u>73,648,854</u> | <u>161,234,131</u> | <u>343,669</u> | <u>161,577,800</u> |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007

EKOWOOD INTERNATIONAL BERHAD (301735-D)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2008**

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|--|--|
| | Current Year Quarter 30.06.2008 | Preceding Year Corresponding Quarter 30.06.2007 | Current Year Quarter 30.06.2008 | Preceding Year Corresponding Quarter 30.06.2007 |
| Cash Flows from Operating Activities | | | | |
| Profit before taxation | 2,014,425 | 5,216,226 | 5,882,554 | 10,350,811 |
| Adjustment for : | | | | |
| Depreciation of property, plant & equipment | 1,161,632 | 1,162,931 | 2,325,943 | 2,307,674 |
| (Gain) / Loss on disposal of property, plant & equipment | (67,485) | (18,295) | (101,029) | 20,988 |
| Prepaid land lease payments | 33,921 | 37,550 | 67,016 | 75,100 |
| Government grant receivable | - | (38,110) | - | (11,962) |
| Property, plant and equipment written off | - | 913 | - | 56,134 |
| Amortisation of intangible assets | 21,604 | 21,604 | 43,207 | 43,207 |
| Unrealised loss / (gain) on foreign exchange | 253,650 | (96,192) | 62,730 | (143,208) |
| Bad debts written off | - | 387 | - | 387 |
| Provision for doubtful debts | 26 | - | 109,966 | - |
| Share options granted under ESOS | 27,015 | 36,772 | 109,061 | 137,766 |
| Interest expense | 304,172 | 181,675 | 576,862 | 382,050 |
| Interest income | (404) | (335) | (801) | (335) |
| Operating cash flows before working capital changes | 3,748,556 | 6,505,126 | 9,075,509 | 13,218,612 |
| (Increase) / decrease in inventories | (1,443,743) | 3,496,053 | (5,667,431) | 7,593,771 |
| Decrease / (increase) in receivables | 1,271,643 | (4,420,164) | 6,070,251 | (3,328,901) |
| Decrease / (increase) in due from customers on contract | 535,687 | 1,654,965 | (1,294,430) | (722,713) |
| Increase / (decrease) in payables | 215,698 | (683,645) | (6,426,231) | (4,588,054) |
| Increase in holding company | 435,591 | 482,603 | 639,736 | 830,977 |
| Decrease in short term borrowings | (459,276) | (2,318,081) | (42,559) | (4,586,236) |
| Cash generated from operations | 4,304,156 | 4,716,857 | 2,354,845 | 8,417,456 |
| Government grant received | - | 466,117 | - | 660,103 |
| Interest paid | (304,172) | (181,675) | (576,862) | (382,050) |
| Taxation paid | (610,756) | (1,000,000) | (1,044,089) | (2,154,687) |
| Interest received | 404 | 335 | 801 | 335 |
| Net cash generated from operating activities | 3,389,632 | 4,001,634 | 734,695 | 6,541,157 |
| Cash Flows from Investing Activities | | | | |
| Placement of deposit with financial institution | 36,514 | - | 36,514 | - |
| Purchase of property, plant & equipment | (1,654,414) | (2,998,159) | (3,251,647) | (5,912,248) |
| Proceeds from disposal of property, plant & equipment | 182,908 | 42,850 | 338,704 | 60,085 |
| Net cash used in investing activities | (1,434,992) | (2,955,309) | (2,876,429) | (5,852,163) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from term loans | - | - | 4,726,212 | - |
| Net cash generated from financing activities | - | - | 4,726,212 | - |
| Net increase in cash and cash equivalents | 1,954,640 | 1,046,325 | 2,584,478 | 688,994 |
| Cash and cash equivalents at beginning of period | 1,074,577 | (39,011) | 1,496,027 | (406,962) |
| Effect of exchange rate differences | (803,761) | (329,340) | (1,855,049) | 395,942 |
| Cash and cash equivalents at end of period | 2,225,456 | 677,974 | 2,225,456 | 677,974 |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007