

**EKOWOOD INTERNATIONAL BERHAD (301735-D)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2008 RM	Preceding Year Corresponding Quarter 30.09.2007 RM	Current Year Quarter 30.09.2008 RM	Preceding Year Corresponding Quarter 30.09.2007 RM
Revenue	29,008,756	35,963,640	90,106,700	112,848,074
Cost of sales	<u>(22,475,771)</u>	<u>(25,286,107)</u>	<u>(65,179,241)</u>	<u>(80,353,528)</u>
Gross profit	6,532,985	10,677,533	24,927,459	32,494,546
Other operating income	30,087	(8,873)	323,140	342,254
Administrative expenses	(2,768,727)	(2,830,181)	(8,705,652)	(8,781,465)
Selling and marketing Expenses	(2,851,597)	(2,793,779)	(8,744,998)	(7,995,841)
Other operating expenses	<u>(292,496)</u>	<u>(109,729)</u>	<u>(690,281)</u>	<u>(391,663)</u>
Profit from operations	650,252	4,934,971	7,109,668	15,667,831
Finance costs	<u>(459,680)</u>	<u>(224,494)</u>	<u>(1,036,542)</u>	<u>(606,544)</u>
Profit before taxation	190,572	4,710,477	6,073,126	15,061,287
Taxation	<u>(179,325)</u>	<u>(756,227)</u>	<u>(991,361)</u>	<u>(601,704)</u>
Net profit for the period	<u>11,247</u>	<u>3,954,250</u>	<u>5,081,765</u>	<u>14,459,583</u>
Attributable to:				
Equity holders of the Company	11,010	3,953,627	5,036,621	14,480,373
Minority Interests	<u>237</u>	<u>623</u>	<u>45,144</u>	<u>(20,790)</u>
	<u>11,247</u>	<u>3,954,250</u>	<u>5,081,765</u>	<u>14,459,583</u>
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)	0.01	2.35	3.00	8.62

**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 SEPTEMBER 2008**

	<b>As At 30.09.2008 RM</b>	<b>As At 31.12.2007 RM</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant & Equipment	59,424,099	59,757,483
Prepaid land lease payments	6,479,121	6,345,791
Intangible assets	153,386	218,196
Deferred tax assets	564,172	564,172
	<u>66,620,778</u>	<u>66,885,642</u>
<b>Current Assets</b>		
Inventories	95,370,879	84,879,656
Trade receivables	40,311,686	51,798,523
Other receivables	3,478,198	3,293,457
Due from customers on contract	4,291,666	3,508,701
Taxation recoverable	1,127,637	1,111,405
Cash and bank balances	3,267,623	3,792,307
	<u>147,847,689</u>	<u>148,384,049</u>
<b>TOTAL ASSETS</b>	<u><u>214,468,467</u></u>	<u><u>215,269,691</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	84,000,000	84,000,000
Share premium	3,854,541	3,854,541
Reserves	73,066,308	72,707,584
	<u>160,920,849</u>	<u>160,562,125</u>
<b>Minority Interests</b>	332,611	283,838
<b>Total equity</b>	<u>161,253,460</u>	<u>160,845,963</u>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	2,481,339	2,430,874
Borrowings	9,250,000	4,523,788
	<u>11,731,339</u>	<u>6,954,662</u>
<b>Current Liabilities</b>		
Borrowings	22,158,922	21,832,998
Trade payables	10,424,087	12,429,330
Other payables	8,900,659	13,177,576
Tax payable	-	29,162
	<u>41,483,668</u>	<u>47,469,066</u>
<b>Total Liabilities</b>	53,215,007	54,423,728
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>214,468,467</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 THIRD QUARTER ENDED 30 SEPTEMBER 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
<b>At 1 January 2007</b>	84,000,000	3,854,541	(509,882)	151,893	57,887,309	145,383,861	245,812	145,629,673
Foreign exchange difference	-	-	(1,351,711)	-	-	(1,351,711)	6,225	(1,345,486)
Share-based payment under ESOS	-	-	-	200,388	-	200,388	-	200,388
Dividend paid	-	-	-	-	(4,200,000)	(4,200,000)	-	(4,200,000)
Profit for the period	-	-	-	-	14,480,373	14,480,373	(20,790)	14,459,583
<b>At 30 September 2007</b>	<u>84,000,000</u>	<u>3,854,541</u>	<u>(1,861,593)</u>	<u>352,281</u>	<u>68,167,682</u>	<u>154,512,911</u>	<u>231,247</u>	<u>154,744,158</u>
<b>At 1 January 2008</b>	84,000,000	3,854,541	(658,235)	515,696	72,850,123	160,562,125	283,838	160,845,963
Foreign exchange difference	-	-	(615,976)	-	-	(615,976)	3,629	(612,347)
Share-based payment under ESOS	-	-	-	164,959	-	164,959	-	164,959
Dividend paid	-	-	-	-	(4,226,880)	(4,226,880)	-	(4,226,880)
Profit for the period	-	-	-	-	5,036,621	5,036,621	45,144	5,081,765
<b>At 30 September 2008</b>	<u>84,000,000</u>	<u>3,854,541</u>	<u>(1,274,211)</u>	<u>680,655</u>	<u>73,659,864</u>	<u>160,920,849</u>	<u>332,611</u>	<u>161,253,460</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 THIRD QUARTER ENDED 30 SEPTEMBER 2008**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2008	Preceding Year Corresponding Quarter 30.09.2007	Current Year Quarter 30.09.2008	Preceding Year Corresponding Quarter 30.09.2007
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	190,572	4,710,477	6,073,126	15,061,287
Adjustment for :				
Depreciation of property, plant & equipment	1,153,793	1,161,767	3,479,736	3,469,441
(Gain) / Loss on disposal of property, plant & equipment	5	(27,496)	(101,024)	(6,508)
Amortisation of prepaid land lease payments	35,569	37,550	102,585	112,650
Government grant receivable	-	33,527	-	21,565
Property, plant and equipment written off	-	1,674	-	57,808
Amortisation of intangible assets	21,603	21,603	64,810	64,810
Unrealised (gain)/loss on foreign exchange	(39,333)	14,935	23,397	(128,273)
Bad debts written off	-	(4,248)	-	(3,861)
Provision for doubtful debts	281,504	(19,517)	391,470	(19,517)
Share options granted under ESOS	55,898	62,622	164,959	200,388
Interest expense	459,680	223,879	1,036,542	605,929
Interest income	(2,556)	(2,953)	(3,357)	(3,288)
Operating cash flows before working capital changes	2,156,735	6,213,820	11,232,244	19,432,431
(Increase)/decrease in inventories	(4,371,715)	(7,203,481)	(10,039,146)	390,290
Decrease in receivables	4,333,451	2,170,233	10,403,702	(1,158,668)
Decrease/(Increase) in due from customers on contract	511,466	(2,096,409)	(782,964)	(2,819,122)
Increase/(Decrease) in payables	206,963	2,239,661	(6,219,268)	(2,348,393)
Increase in holding company	100,488	454,488	740,224	1,285,465
Increase in short term borrowings	907,885	9,880,765	865,326	5,294,529
Cash generated from operations	3,845,273	11,659,077	6,200,118	20,076,532
Government grant received	-	40,995	-	701,098
Interest paid	(459,680)	(223,879)	(1,036,542)	(605,929)
Taxation refund/(paid)	57,438	(1,189,000)	(986,651)	(3,343,687)
Interest received	2,556	2,953	3,357	3,288
Net cash generated from operating activities	3,445,587	10,290,146	4,180,282	16,831,302
<b>Cash Flows from Investing Activities</b>				
Withdrawal of deposit with financial institution	-	-	36,514	-
Purchase of property, plant & equipment	(366,718)	(4,608,068)	(3,618,365)	(10,520,316)
Proceeds from disposal of property, plant & equipment	3	106,542	338,707	166,627
Net cash used in investing activities	(366,715)	(4,501,526)	(3,243,144)	(10,353,689)
<b>Cash Flows from Financing Activities</b>				
Dividend Paid	(4,226,880)	(4,200,000)	(4,226,880)	(4,200,000)
Proceeds from term loans	-	-	4,726,212	-
Net cash generated/(used in) from financing activities	(4,226,880)	(4,200,000)	499,332	(4,200,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,148,008)</b>	<b>1,588,620</b>	<b>1,436,470</b>	<b>2,277,613</b>
Cash and cash equivalents at beginning of period	2,225,456	677,974	1,496,027	(406,962)
Effect of exchange rate differences	477,813	(1,642,961)	(1,377,236)	(1,247,018)
<b>Cash and cash equivalents at end of period</b>	<b>1,555,261</b>	<b>623,633</b>	<b>1,555,261</b>	<b>623,633</b>

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