

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	As At 30.06.2010 RM	As At 31.12.2009 RM
ASSETS		
Non-current Assets		
Property, Plant & Equipment	58,617,468	60,726,626
Other Investment	25,000	25,000
Intangible assets	131,783	131,783
Deferred tax assets	962,278	1,319,105
	<u>59,736,529</u>	<u>62,202,514</u>
Current Assets		
Inventories	83,255,682	91,548,929
Trade receivables	22,798,213	18,809,801
Other receivables	2,784,699	2,968,614
Amount due from customers on contract	1,288,241	1,403,405
Derivative asset	10,030	-
Tax recoverable	734,655	651,736
Cash and bank balances	1,877,905	3,548,385
	<u>112,749,426</u>	<u>118,930,870</u>
TOTAL ASSETS	<u><u>172,485,955</u></u>	<u><u>181,133,384</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	50,803,163	60,678,896
	<u>138,657,705</u>	<u>148,533,437</u>
Minority Interests	189,667	242,601
Total equity	<u><u>138,847,372</u></u>	<u><u>148,776,038</u></u>
Non-current Liabilities		
Deferred tax liabilities	4,597,657	4,830,070
	<u>4,597,657</u>	<u>4,830,070</u>
Current Liabilities		
Borrowings	17,267,216	14,274,576
Trade payables	4,377,433	4,183,219
Other payables	7,396,277	9,067,865
Tax payable	-	1,616
	<u>29,040,926</u>	<u>27,527,276</u>
Total Liabilities	33,638,583	32,357,346
TOTAL EQUITY AND LIABILITIES	<u><u>172,485,955</u></u>	<u><u>181,133,384</u></u>

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2010 RM	Preceding Year Corresponding Quarter 30.06.2009 RM	Current Year Quarter 30.06.2010 RM	Preceding Year Corresponding Quarter 30.06.2009 RM
Revenue	15,804,145	18,384,564	35,067,660	35,050,086
Cost of sales	<u>(14,893,785)</u>	<u>(15,918,703)</u>	<u>(32,563,701)</u>	<u>(29,868,939)</u>
Gross profit	910,359	2,465,861	2,503,959	5,181,147
Other operating income	160,338	209,173	373,782	234,546
Administrative expenses	(2,134,499)	(2,222,135)	(4,294,165)	(4,890,424)
Selling and marketing Expenses	(1,267,431)	(1,515,195)	(2,812,697)	(3,413,000)
Other operating expenses	<u>(166,468)</u>	<u>(35,212)</u>	<u>(496,713)</u>	<u>(219,639)</u>
Loss from operations	(2,497,701)	(1,097,508)	(4,725,834)	(3,107,370)
Finance costs	<u>(125,706)</u>	<u>(191,705)</u>	<u>(389,758)</u>	<u>(423,260)</u>
Loss before taxation	(2,623,407)	(1,289,213)	(5,115,592)	(3,530,630)
Taxation	<u>(405,437)</u>	<u>(466,325)</u>	<u>(219,497)</u>	<u>(593,970)</u>
Loss for the period	<u><u>(3,028,844)</u></u>	<u><u>(1,755,538)</u></u>	<u><u>(5,335,089)</u></u>	<u><u>(4,124,600)</u></u>
Other Comprehensive Income net of tax				
Foreign currency translation differences	<u>(1,734,292)</u>	<u>(131,767)</u>	<u>(4,628,789)</u>	<u>(464,425)</u>
	<u>(1,734,292)</u>	<u>(131,767)</u>	<u>(4,628,789)</u>	<u>(464,425)</u>
Total Comprehensive Income	<u><u>(4,763,136)</u></u>	<u><u>(1,887,305)</u></u>	<u><u>(9,963,878)</u></u>	<u><u>(4,589,025)</u></u>
Loss attributable to:				
Equity holders of the Company	(3,026,709)	(1,751,078)	(5,328,429)	(4,119,506)
Minority Interests	<u>(2,135)</u>	<u>(4,460)</u>	<u>(6,660)</u>	<u>(5,094)</u>
	<u><u>(3,028,844)</u></u>	<u><u>(1,755,538)</u></u>	<u><u>(5,335,089)</u></u>	<u><u>(4,124,600)</u></u>
Total Comprehensive Income attributable to:				
Equity holders of the Company	(4,739,681)	(1,888,741)	(9,910,944)	(4,589,871)
Minority Interests	<u>(23,455)</u>	<u>1,436</u>	<u>(52,934)</u>	<u>846</u>
	<u><u>(4,763,136)</u></u>	<u><u>(1,887,305)</u></u>	<u><u>(9,963,878)</u></u>	<u><u>(4,589,025)</u></u>
Earnings per share attributable to equity holders of the Company:				
- Basic (sen)	(1.80)	(1.04)	(3.17)	(2.45)

The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009

EKWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2010	Preceding Year Corresponding Quarter 30.06.2009	Current Year Quarter 30.06.2010	Preceding Year Corresponding Quarter 30.06.2009
Cash Flows from Operating Activities				
Loss before taxation	(2,623,407)	(1,289,213)	(5,115,592)	(3,530,630)
Adjustment for :				
Depreciation of property, plant & equipment	1,515,789	1,373,550	3,031,735	2,737,743
Gain on disposal of property, plant & equipment	(15,679)	(50,678)	(15,679)	(44,652)
Inventories written off	-	(1,614)	-	127,142
Unrealised loss/(gain) on foreign exchange	144,710	(56,047)	410,826	(56,744)
Provision for doubtful debts	-	(49,252)	-	(57,001)
Share options granted under ESOS	9,181	40,719	27,141	80,991
Interest expense	125,706	191,705	389,758	423,260
Interest income	-	(572)	(1,428)	(528)
Operating cash flows before working capital changes	(843,700)	158,598	(1,273,239)	(320,419)
Decrease in inventories	2,397,868	5,863,904	4,359,636	7,731,368
Decrease /(Increase) in receivables	(1,005,229)	260,567	(5,623,474)	4,946,208
Decrease/(Increase) in amount due from customers on contract	(182,268)	401,018	115,165	1,579,454
Decrease in payables	(593,056)	(1,032,959)	(1,492,907)	(3,701,095)
Increase in holding company	293,753	362,843	516,299	494,535
Cash (used in) / generated from operations	67,368	6,013,971	(3,398,520)	10,730,051
Interest paid	(125,706)	(191,705)	(389,758)	(423,260)
Taxation paid	(109,045)	-	(182,168)	1,161,794
Taxation refunded	-	(202,251)	-	(394,491)
Interest received	-	572	1,428	528
Net cash (used in) / generated from operating activities	(167,383)	5,620,587	(3,969,018)	11,074,622
Cash Flows from Investing Activities				
Placement of deposit with financial institution	-	(121)	-	(10,247)
Purchase of property, plant & equipment	(274,451)	(732,112)	(974,495)	(1,241,317)
Proceeds from disposal of property, plant & equipment	50,000	121,300	50,000	126,079
Net cash used in investing activities	(224,451)	(610,933)	(924,495)	(1,125,485)
Cash Flows from Financing Activities				
Repayment of term loans	(1,250,000)	(1,250,000)	(2,500,000)	(2,500,000)
(Decrease) / Increase in short term borrowings	836,000	(4,543,196)	4,542,000	(10,432,703)
Drawdown of revolving credits	-	700,000	-	2,500,000
Net cash (used in) / generated from financing activities	(414,000)	(5,093,196)	2,042,000	(10,432,703)
Net decrease in cash and cash equivalents	(805,834)	(83,542)	(2,851,513)	(483,566)
Cash and cash equivalents at beginning of period	1,412,476	(435,384)	3,447,788	797,909
Effect of exchange rate differences	234,310	(456,125)	244,677	(1,289,394)
Cash and cash equivalents at end of period	<u>840,952</u>	<u>(975,051)</u>	<u>840,952</u>	<u>(975,051)</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 June 2010

	← Attributable to equity holders of the parent →					Minority interest	Total equity	
	← Non-distributable →		Distributable					
	Share capital RM	Share premium RM	Foreign Exchange reserve RM	ESOS reserve RM	Retained profits RM			Total RM
At 1 January 2009	84,000,000	3,854,541	(710,271)	736,553	69,402,547	157,283,370	289,042	157,572,412
Foreign exchange difference	-	-	(470,365)	-	-	(470,365)	5,940	(464,425)
Share-based payment under ESOS	-	-	-	80,991	-	80,991	-	80,991
Dividend payable	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(4,119,506)	(4,119,506)	(5,094)	(4,124,600)
At 30 June 2009	<u>84,000,000</u>	<u>3,854,541</u>	<u>(1,180,636)</u>	<u>817,544</u>	<u>65,283,041</u>	<u>152,774,490</u>	<u>289,888</u>	<u>153,064,378</u>
At 1 January 2010	84,000,000	3,854,541	(911,849)	869,556	60,721,189	148,533,437	242,601	148,776,038
Effect arising from adoption of FRS 139	-	-	-	-	8,071	8,071	-	8,071
At 1 January 2010, as restated	<u>84,000,000</u>	<u>3,854,541</u>	<u>(911,849)</u>	<u>869,556</u>	<u>60,729,260</u>	<u>148,541,508</u>	<u>242,601</u>	<u>148,784,109</u>
Foreign exchange difference	-	-	(4,582,515)	-	-	(4,582,515)	(46,274)	(4,628,789)
Share-based payment under ESOS	-	-	-	27,141	-	27,141	-	27,141
Total comprehensive loss for the period	-	-	-	-	(5,328,429)	(5,328,429)	(6,660)	(5,335,089)
At 30 June 2010	<u>84,000,000</u>	<u>3,854,541</u>	<u>(5,494,364)</u>	<u>896,697</u>	<u>55,400,831</u>	<u>138,657,705</u>	<u>189,667</u>	<u>138,847,372</u>

Notes:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Report for the year ended 31st December 2009