

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 June 2014 RM	Preceding Year Corresponding Quarter 30 June 2013 RM	Current Year Quarter 30 June 2014 RM	Preceding Year Corresponding Quarter 30 June 2013 RM
Revenue	10,572,636	12,269,595	20,339,776	25,098,732
Cost of sales	<u>(9,090,978)</u>	<u>(10,609,064)</u>	<u>(17,515,892)</u>	<u>(21,264,294)</u>
Gross profit	1,481,658	1,660,531	2,823,884	3,834,438
Other income	216,788	268,793	984,366	342,657
Other items of expenses				
Administrative expenses	(959,028)	(1,709,085)	(2,560,789)	(3,205,835)
Selling and marketing expenses	(352,725)	(698,655)	(971,985)	(1,524,669)
Finance costs	(216,554)	(174,302)	(399,056)	(342,999)
Other expenses	<u>(1,146,739)</u>	<u>(53,911)</u>	<u>(1,255,959)</u>	<u>(205,768)</u>
Loss before tax	(976,600)	(706,629)	(1,379,539)	(1,102,176)
Income tax	<u>115,205</u>	<u>(10,570)</u>	<u>123,079</u>	<u>(27,611)</u>
Loss after tax	<u>(861,395)</u>	<u>(717,199)</u>	<u>(1,256,460)</u>	<u>(1,129,787)</u>
Other Comprehensive Income:				
<i>Item that may be recycled to profit or loss:</i>				
Foreign currency translation differences	<u>(308,525)</u>	<u>332,418</u>	<u>(369,695)</u>	<u>169,203</u>
	<u>(308,525)</u>	<u>332,418</u>	<u>(369,695)</u>	<u>169,203</u>
Total Comprehensive loss for the period	<u>(1,169,920)</u>	<u>(384,781)</u>	<u>(1,626,155)</u>	<u>(960,584)</u>
Loss attributable to:				
Owner of the parent	(855,768)	(622,463)	(1,224,314)	(1,010,201)
Non-controlling interests	<u>(5,627)</u>	<u>(94,736)</u>	<u>(32,146)</u>	<u>(119,586)</u>
	<u>(861,395)</u>	<u>(717,199)</u>	<u>(1,256,460)</u>	<u>(1,129,787)</u>
Total comprehensive loss attributable to:				
Owner of the parent	(1,306,720)	(75,820)	(1,765,445)	(720,314)
Non-controlling interests	<u>136,800</u>	<u>(308,961)</u>	<u>139,290</u>	<u>(240,270)</u>
	<u>(1,169,920)</u>	<u>(384,781)</u>	<u>(1,626,155)</u>	<u>(960,584)</u>
Basic loss per share attributable to owners of the parent				
- (sen per share)	(0.51)	(0.37)	(0.73)	(0.60)
Diluted (sen)	-	-	-	-

The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2014**

	As At 30.06.2014 RM	As At 31.12.2013 RM
Assets		
Non-current assets		
Property, plant and equipment	42,592,267	44,615,464
Other Investment	25,000	25,000
Intangible assets	401,783	401,783
Deferred tax assets	732,618	609,150
	<u>43,751,668</u>	<u>45,651,397</u>
Current assets		
Inventories	75,496,910	77,629,054
Trade and other receivables	18,754,889	17,914,464
Prepaid operating expenses	825,880	207,869
Amount due from customers for contract	1,264,461	1,146,868
Derivative asset	5,259	-
Taxation recoverable	342,864	327,753
Cash and bank balances	1,663,357	2,842,227
	<u>98,353,620</u>	<u>100,068,235</u>
Total assets	<u>142,105,288</u>	<u>145,719,632</u>
Equity and liabilities		
Current liabilities		
Bank borrowings	16,250,287	18,101,974
Trade and other payables	6,198,585	6,320,748
Derivative liability	-	68,512
Amount due to customers for contract	488,666	434,494
	<u>22,937,539</u>	<u>24,925,728</u>
Net current assets	75,416,081	75,142,507
Non-current liabilities		
Deferred tax liabilities	4,096,116	4,096,116
	<u>4,096,116</u>	<u>4,096,116</u>
Total liabilities	<u>27,033,655</u>	<u>29,021,844</u>
Net assets	<u>115,071,633</u>	<u>116,697,788</u>
Equity attributable to owners of the parents		
Share capital	84,000,000	84,000,000
Share premium	3,854,541	3,854,541
Other reserves	1,406,344	1,947,475
Retained earnings	27,827,873	29,052,187
	<u>117,088,758</u>	<u>118,854,203</u>
Non-controlling interests	<u>(2,017,125)</u>	<u>(2,156,415)</u>
Total equity	<u>115,071,633</u>	<u>116,697,788</u>
Total equity and liabilities	<u>142,105,288</u>	<u>145,719,632</u>

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.

EKOWOOD INTERNATIONAL BERHAD (301735-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2014**

	Equity, total RM	Equity attributable to owners of the parent, total RM	Attributable to owners of the parent				Foreign currency translation reserve RM	Non-controlling interests RM
			Share capital RM	Share premium RM	Retained earnings RM	Non-Distributable		
At 1 January 2013	118,730,407	120,092,332	84,000,000	3,854,541	32,404,862	(167,071)	(1,361,925)	
Total comprehensive loss for the period	(960,584)	(720,314)	-	-	(1,010,201)	289,887	(240,270)	
At 30 June 2013	<u>117,769,823</u>	<u>119,372,018</u>	<u>84,000,000</u>	<u>3,854,541</u>	<u>31,394,661</u>	<u>122,816</u>	<u>(1,602,195)</u>	
At 1 January 2014	116,697,788	118,854,203	84,000,000	3,854,541	29,052,187	1,947,475	(2,156,415)	
Total comprehensive loss for the period	(1,626,155)	(1,765,445)	-	-	(1,224,314)	(541,131)	139,290	
At 30 June 2014	<u>115,071,633</u>	<u>117,088,758</u>	<u>84,000,000</u>	<u>3,854,541</u>	<u>27,827,873</u>	<u>1,406,344</u>	<u>(2,017,125)</u>	

Notes:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2013.

**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW
FOR THE QUARTER ENDED 30 JUNE 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2014	Preceding Year Corresponding Quarter 30.06.2013	Current Year Quarter 30.06.2014	Preceding Year Corresponding Quarter 30.06.2013
Operating activities				
Loss before tax	(976,600)	(706,629)	(1,379,539)	(1,102,176)
Adjustment for :				
Depreciation of property, plant & equipment	826,548	892,963	1,657,278	1,770,152
Gain on disposal of property, plant & equipment	(37,991)	(55,228)	(250,061)	(55,228)
Impairment loss on inventories	1,128,820	-	1,129,108	-
Reversal of allowance for doubtful debts	-	-	(180,332)	-
Net fair value loss / (gain) on derivative	(21,957)	20	(73,771)	(16,515)
Unrealised loss/(gain) on foreign exchange	77,057	53,241	(32,894)	119,924
PPE written off	1	-	352	-
Interest expense	216,554	174,301	399,056	342,999
Interest income	-	19	-	19
Operating cash flows before changes in working capital	1,212,432	358,687	1,269,197	1,059,175
Changes in working capital:				
Decrease in inventories	145,051	3,045,604	1,003,036	3,615,099
Increase in receivables	(1,084,581)	(1,240,890)	(1,327,056)	(3,767,214)
Increase in amount due from customers on contract	(107,018)	(1,108,188)	(63,421)	(1,152,103)
Increase/(decrease) in payables	136,537	(184,989)	(178,005)	(168,435)
Increase/(decrease) in amount due to holding company	(1,132,250)	12,490	55,841	408,434
Cash generated from operations	(829,829)	882,714	759,592	(5,044)
Interest paid	(216,554)	(174,301)	(399,056)	(342,999)
Taxation	(6,750)	(3,750)	(15,500)	(7,500)
Interest received	-	(19)	-	(19)
Net cash (used in) / generated from operating activities	(1,053,133)	704,644	345,036	(355,562)
Investing activities				
Withdrawal of pledged deposits	1,610	-	1,820	-
Purchase of property, plant & equipment	(95,024)	(98,116)	(106,187)	(415,688)
Proceeds from disposal of property, plant & equipment	71,000	85,228	721,000	85,228
Net cash generated from /(used in) investing activities	(22,414)	(12,888)	616,633	(330,460)
Financing Activities				
Net drawdown / (repayment) of bankers' acceptances	2,908,000	(345,772)	3,375,000	1,504,621
Net repayment of foreign currency trade credit	(1,581,205)	(729,347)	(4,256,522)	(110,928)
Net Drawdown / (repayment) of revolving credits	(200,000)	(400,000)	200,000	(200,000)
Net cash (used in) /generated from financing activities	1,126,795	(1,475,119)	(681,522)	1,193,693
Net (decrease) / increase in cash and cash equivalents	51,248	(783,363)	280,147	507,671
Cash and cash equivalents at beginning of period	856,579	714,477	813,219	(485,094)
Effect of exchange rate changes	(209,124)	1,315	(399,637)	(90,568)
Effect of exchange rate changes on cash and cash equivalents	25,785	(12,132)	30,758	(11,711)
Cash and cash equivalents at end of period	724,488	(79,703)	724,487	(79,702)

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.