

HeveaBoard Berhad (275512-A)
Consolidated Income Statements
For the 2nd Quarter Ended 30 June 2008

The following financial results have not been audited.

	INDIVIDUAL QUARTER 3-MONTH ENDED		CUMULATIVE QUARTER 6-MONTH ENDED	
	CURRENT YEAR QUARTER ENDED 30.06.2008 RM	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.06.2007 RM	CURRENT YEAR PERIOD TO-DATE 30.06.2008 RM	PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 30.06.2007 RM
REVENUE	95,396,596	70,402,712	171,549,541	129,224,638
COST OF SALES	<u>(87,223,004)</u>	<u>(64,077,756)</u>	<u>(156,928,201)</u>	<u>(115,459,542)</u>
	8,173,592	6,324,956	14,621,340	13,765,096
	8.568%	8.98%	8.52%	10.65%
OTHER INCOME/ (LOSS)	(1,572,322)	4,174,281	5,286,322	3,227,336
SELLING AND DISTRIBUTION COST	(981,689)	(1,075,991)	(2,024,039)	(2,053,990)
ADMINISTRATIVE EXPENSES	(2,773,506)	(3,519,316)	(6,143,327)	(6,761,086)
FINANCE COSTS	<u>(3,742,504)</u>	<u>(3,540,953)</u>	<u>(7,355,039)</u>	<u>(7,410,276)</u>
PROFIT/ (LOSS) BEFORE TAXATION ("PBT")	(896,429)	2,362,977	4,385,257	767,080
TAXATION	<u>(71,250)</u>	<u>(95,859)</u>	<u>(187,315)</u>	<u>(265,882)</u>
PROFIT/ (LOSS) AFTER TAXATION ("PAT")	<u>(967,679)</u>	<u>2,267,118</u>	<u>4,197,942</u>	<u>501,198</u>
ATTIBUTABLE TO : HEVEABOARD'S SHAREHOLDERS	<u>(967,679)</u>	<u>2,267,118</u>	<u>4,197,942</u>	<u>501,198</u>
EARNINGS PER SHARE (NOTE 13)				
- BASIC (SEN)	(1.07)	2.83	4.64	0.63
- DILUTED (SEN)	N/A	N/A	N/A	N/A

HeveaBoard Berhad (275512-A)
Consolidated Balance Sheet
AS AT 30 JUNE 2008

	As At 30.06.2008 RM	As At 31.12.2007 RM
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	341,519,508	347,892,025
OTHER INVESTMENTS	15,000	15,000
PREPAID LEASE PAYMENTS	10,745,873	10,914,281
GOODWILL ON CONSOLIDATION	2,945,751	2,945,751
	<u>355,226,132</u>	<u>361,767,057</u>
CURRENT ASSETS		
INVENTORIES	52,417,133	38,409,527
TRADE RECEIVABLES	41,107,756	33,175,523
OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS	7,621,120	6,944,956
TAX REFUNDABLE	869,781	943,951
CASH AND BANK BALANCES	830,934	1,936,698
	<u>102,846,724</u>	<u>81,410,655</u>
TOTAL ASSETS	<u>458,072,856</u>	<u>443,177,712</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL	90,400,000	80,000,000
SHARE PREMIUM	15,525,893	12,885,893
RETAINED PROFITS	41,200,159	37,002,217
SHAREHOLDERS' EQUITY	<u>147,126,052</u>	<u>129,888,110</u>
NON-CURRENT LIABILITIES	127,681,165	154,242,243
DEFERRED TAXATION	<u>7,759,000</u>	<u>7,759,000</u>
	<u>135,440,165</u>	<u>162,001,243</u>
CURRENT LIABILITIES		
TRADE PAYABLES	37,261,896	24,312,555
OTHER PAYABLES AND ACCRUALS	31,074,344	42,378,930
AMOUNT OWING TO RELATED PARTIES	704,023	10,574,016
SHORT-TERM BORROWINGS	96,107,772	61,877,156
BANK OVERDRAFTS	10,255,828	12,128,797
PROVISION FOR TAXATION	102,777	16,905
	<u>175,506,640</u>	<u>151,288,359</u>
TOTAL LIABILITIES	<u>310,946,804</u>	<u>313,289,602</u>
TOTAL EQUITY AND LIABILITIES	<u>458,072,856</u>	<u>443,177,712</u>
NET ASSETS PER SHARE (RM)**	1.63	1.62

** Net Assets per share is calculated based on total assets minus total liabilities divided by the number of ordinary shares of RM1.00 each in issue as at 30 June 2008 and 31 December 2007, respectively.

HeveaBoard Berhad (275512-A)
Consolidated Cash Flow Statement
For the Period Ended 30 June 2008

	Current Year Period to-date 30.06.2008 RM	Preceding Year Corresponding Period to-date 30.06.2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	4,385,257	767,080
Adjustments for:-		
Lease rental	103,641	103,641
Depreciation of property, plant and equipment	11,957,709	11,457,955
Interest expense	6,803,052	6,726,744
Interest income	(21,635)	(28,063)
Unrealised gain on foreign exchange	(4,288,661)	(3,148,566)
Operating profit before working capital changes	18,939,363	15,878,791
(Increase)/ Decrease in inventories	(14,007,604)	(3,589,032)
(Increase)/ Decrease in trade and other receivables	(8,608,396)	(9,700,199)
Increase/ (Decrease) in trade and other payables	1,644,755	7,341,586
CASH FROM OPERATIONS	(2,031,882)	9,931,146
Income tax paid	(207,841)	(315,745)
Income tax refund	180,568	2,437,524
Interest paid	(6,803,052)	(6,726,744)
NET CASH FROM OPERATING ACTIVITIES	(8,862,207)	5,326,181
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	21,635	28,063
Purchase of property, plant and equipment	(2,809,474)	(1,987,100)
NET CASH FOR INVESTING ACTIVITIES	(2,787,839)	(1,959,037)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net drawdown of bankers' acceptances	12,975,662	9,986,607
Repayment of term loans	(471,071)	(8,287,568)
Repayment of hire purchase obligations	(3,257,347)	(3,085,289)
Proceeds from Private Placement & Warrants Conversion	13,040,000	-
Net repayment to from related parties	(9,869,993)	(857,279)
NET CASH FROM/ (FOR) FINANCING ACTIVITIES	12,417,251	(2,243,529)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	767,205	1,123,615
CASH AND CASH EQUIVALENTS AT 1 JANUARY 2008/2007	(10,192,099)	(7,089,769)
CASH AND CASH EQUIVALENTS AT 30 June 2008/2007	(9,424,894)	(5,966,154)
Cash and cash equivalents comprises the following:		
Cash and bank balances	830,934	4,646,756
Bank overdrafts	(10,255,828)	(10,612,910)
	(9,424,894)	(5,966,154)

HeveaBoard Berhad (275512-A)**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the 2nd Quarter Ended 30 June 2008

	<u>Share Capital</u> RM	<u>Share Premium</u> RM	<u>Retained Profits</u> RM	<u>Dividend Paid</u> RM	<u>Total</u> RM
Balance as at 1 January 2008	80,000,000	12,885,893	37,002,217	-	129,888,110
Proceed from issuance of shares	10,400,000	2,640,000	-		13,040,000
Profit attributable to shareholders	-	-	4,197,942	-	4,197,942
Balance as at 30 June 2008	<u>90,400,000</u>	<u>15,525,893</u>	<u>41,200,159</u>	-	<u>147,126,052</u>
Balance as at 1 January 2007	80,000,000	12,885,893	33,105,258	-	125,991,151
Profit attributable to shareholders	-	-	501,198	-	501,198
Balance as at 30 June 2007	<u>80,000,000</u>	<u>12,885,893</u>	<u>33,606,456</u>	-	<u>126,492,349</u>