

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED BALANCE SHEETS

	Group As at 31.12.2007 RM'000	Group As at 31.12.2006 audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	60,366	57,966
Investment property	182	182
Investment	-	1,326
Goodwill	3,192	3,186
Deferred tax assets	448	727
	64,188	63,387
Current assets		
Inventories	26,082	21,683
Trade and other receivables	42,247	25,785
Tax recoverable	671	881
Fixed deposits with licensed banks	9,478	5,457
Cash and Bank Balances	6,882	7,181
	85,360	60,987
TOTAL ASSETS	149,548	124,374
EQUITY AND LIABILITIES		
Share capital	42,008	40,008
Reserves	2,725	2,893
Retained profits	13,991	9,152
Total capital and reserves attributable to equity holders of the parent	58,724	52,053
Minority interests	3,159	3,563
Total equity	61,883	55,616
Non-current liabilities		
Long-term bank borrowings	16,300	18,120
Hire purchase and lease creditors	1,735	636
Deferred tax	2,529	1,848
Total non-current liabilities	20,564	20,604
Current liabilities		
Trade and other payables	14,982	9,205
Hire purchase and lease creditors	623	411
Short-term borrowings	50,324	36,984
Current portion of long-term loans	913	1,168
Tax liabilities	259	386
Total current liabilities	67,101	48,154
Total liabilities	87,665	68,758
TOTAL EQUITY AND LIABILITIES	149,548	124,374
Net Assets Per Share (RM)	0.70	0.65

The above Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 months ended		Year to date ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	28,015	17,288	102,940	62,580
Other expenses	(186)	(275)	(362)	(1,055)
Other income	324	139	1,841	2,397
Finance costs	(1,128)	(918)	(4,195)	(3,001)
Profit / (Loss) before taxation	2,525	(2,845)	5,449	(9,657)
Taxation	(1,302)	480	(1,291)	469
Profit / (Loss) for the period	1,223	(2,365)	4,158	(9,188)
Attributable to:				
Equity holders of the parent	1,451	(2,232)	4,839	(8,919)
Minority interest	(228)	(133)	(681)	(269)
Profit / (Loss) for the period	1,223	(2,365)	4,158	(9,188)
Earning / (Loss) per share				
- basic (sen)	1.78	(2.79)	6.02	(11.15)
- diluted (sen)	*	*	*	*

* Diluted earnings per ordinary share are not presented for the financial year as there is an anti-dilutive effect on the conversion of all dilutive potential ordinary shares into ordinary shares.

The above Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	12 months ended	
	31.12.2007	31.12.2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	5,449	(9,657)
Adjustments for non-cash and non operating items	9,368	(6,760)
Operating profit / (loss) before working capital changes	14,817	(2,897)
Changes in working capital		
Net changes in current assets	(21,154)	3,727
Net changes in current liabilities	5,725	(1,160)
Taxation paid	(249)	(754)
Net cash outflow from operating activities	(861)	(1,084)
Net cash (outflow) / inflow from investing activities	(6,549)	(11,447)
Net cash inflow from financing activities	10,051	11,975
(Decrease) / Increase in cash and cash equivalents	2,641	(556)
Opening cash and cash equivalents	8,485	9,040
Effect of exchange rate changes	(1)	1
Closing cash and cash equivalents	11,125	8,485

The above Consolidated Cash flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share premium & other capital reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Sub-total RM'000	Minority interest RM'000	Total RM'000
At 1 January 2007	40,008	2,895	(2)	9,152	52,053	3,563	55,616
Profit for the period	2,000	-	(168)	4,839	6,671	(404)	6,267
At 31 December 2007	42,008	2,895	(170)	13,991	58,724	3,159	61,883
			-				
At 1 January 2006	40,008	2,895	(2)	15,218	58,119	3,832	61,951
Effects of FRS 3	-	-	-	3,653	3,653	-	3,653
Restated balance	40,008	2,895	(2)	18,871	61,772	3,832	65,604
Currency translation differ	-	-	-	-	-	-	-
Loss for the period	-	-	-	(8,919)	(8,919)	(269)	(9,188)
Dividend	-	-	-	(800)	(800)	-	(800)
At 31 December 2006	40,008	2,895	(2)	9,152	52,053	3,563	55,616

The above Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standard (FRS) Standard No. 134 - Interim Financial Reporting and paragraph 9.22 and Appendix 9B of The Bursa Malaysia Listing Requirements and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2006 except for the changes arising from the adoption of the following new and revised FRS issued by MASB that are effective for financial year beginning on or after 1 January 2007.

FRS 117	Leases
FRS 124	Related Party Disclosures

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The adoption of the above standards does not have significant financial impact on the Group.

A2. Auditors' Report

The auditors' report of the preceding annual financial statements for the financial year ended 31 December 2006 was not subject to any audit qualification.

A3. Seasonal/Cyclical Factors

The operations of the Group were not affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual and extraordinary items for the financial period under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial years which have a material effect in the financial period under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A6. Debt or Equity Securities

On 30 November 2007, the Company increased its issued and paid-up share capital from RM40,008,000 to RM42,008,000 by the issuance of 4,000,000 new ordinary shares of RM0.50 each pursuant to a private placement.

The total number of unexercised share options as at 31 December 2007 was 11,938,000 and there were no further exercise of any share from 31 December 2007 up to the date of this report.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review.

A7. Dividend Paid

There were no dividends paid during the current quarter.

A8. Segmental Reporting

Segmental information for the financial period ended 31 December 2007:-

Revenue	External RM'000	Inter-segment RM'000	Total RM'000
Trading	66,679	-	66,679
Manufacturing	36,261	63,841	100,102
Elimination : Inter-segment Revenue	-	(63,841)	(63,841)
Total revenue	102,940	-	102,940

RESULTS	Total RM'000
Trading	2,832
Manufacturing	2,508
Others	109
Profit before taxation	5,449
Taxation	(1,291)
Profit for the financial period	4,158

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without any amendments from the preceding annual financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A10. Material Subsequent Events

There were no material events subsequent to the current quarter ended 31 December 2007 up to the date of this announcement which is likely to substantially affect the results of the operations of the Group.

A11. Changes in Composition of the Group

During the second quarter ended 30 June 2007, Emas Kiara Industries Berhad had further invest in Advance Technical Fabric Sdn Bhd ("ATF") its wholly owned subsidiary by the subscription of 4,000,000 ordinary shares of RM1.00 each at par for cash in the share capital of ATF. Upon completion of the allotment, the total paid-up share capital of ATF is now RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each fully paid-up.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM47.55 million to licensed banks for banking facilities granted to certain subsidiary companies. Consequently, the Company is contingently liable for the amount of banking facilities utilized by these subsidiary companies totaling RM22.56 million as at 31 December 2007.

A13. Capital Commitments

No capital commitments as at the date of report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS**

B1. Review of Performance

The Group recorded 62% increase in revenue to RM28.02 million for the current quarter ended 31 December 2007 as compared to previous year corresponding quarter of RM17.28 million. The Group registered a profit before tax of RM2.53 million for the current quarter as compared to a loss before taxation of RM2.84 million recorded in fourth quarter 2006.

B2. Comparison with Preceding Quarter's Results

The Group registered a 4% decrease in revenue to RM28.02 million for the current quarter as compared to RM29.05 million registered in preceding quarter. The Group registered a profit before taxation for the current quarter of RM2.53 million as compared to RM2.13 million in the preceding quarter.

B3. Prospects

Business condition further improved during the fourth quarter and in view of the potential for export and projects under Ninth Malaysia Plan, the demand for the Group's products are expected to continue to improve in financial year 2008.

The Group will continue with its various marketing initiatives and strategies and effective cost management measures to further improve the Group's results.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended 31.12.2007 RM '000	Year Ended 31.12.2006 RM '000
Current Year Taxation		
- in Malaysia	395	140
- Outside Malaysia	-	25
In respect of prior year	(7)	202
Deferred Taxation		
- originating / reversal	886	(741)
- in respect of prior year	17	(96)
	<u>1,291</u>	<u>(470)</u>

The Group's effective tax rate in current year is lower than the statutory rate due to the utilization of the brought forward capital allowances, reinvestment allowances and unabsorbed tax losses.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS**

B6. Sale of Investments and/or Properties

There were no profits on sale of investments and/or properties in the current financial quarter and financial year to-date.

B7. Quoted Securities

There was no purchase or disposal of quoted securities in the current financial quarter under and financial year to-date.

B8. Status of Corporate Proposal

Proposed Private Placement

On 2 November 2007, the Company announced a proposed private placement of up to 10% of the Company's issued and paid-up share capital. The approval from the Securities Commission has been obtained vide its letter dated 9 November 2007.

The first tranche of private placement involving 4,000,000 ordinary shares of RM0.50 was allotted and issued on 30 November 2007.

Proposed Acquisition of 51% Equity Interest In Carimin Sdn Bhd

Proposed Waiver from Mandatory General Offer

Proposed Secondary Placement

Proposed Increase in the Authorised Share Capital of the Company

On 27 November 2007, the Company announced that it had entered in a conditional sale and purchase agreement with vendors of Carimin Sdn Bhd ("CSB"), namely Cipta Pantas Sdn Bhd and Mokhtar Bin Hashim to acquire 510,000 ordinary shares of RM1.00 each in CSB representing 51% equity interest in CSB for a purchase consideration of RM25,000,000 to be satisfied wholly by the issuance of 51,000,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 per share.

In addition, the Company is proposing to increase its authorised share capital from RM50,000,000 comprising 100,000,000 EKIB shares to RM100,000,000 comprising 200,000,000 EKIB shares by way of creation of an additional 100,000,000 EKIB shares.

On 26 February 2008, the Company announced to extend the timeline for submission of the applications pertaining to the Proposals to the relevant authorities for a further three months from 26 February 2008.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B9. Borrowings

The Group's borrowings as at 31 December 2007 were as follows:

			As at 31.12.2007
			RM'000
Secured			
Short Term borrowings		denominated in Ringgit Malaysia	51,237
Short Term - Hire purchase and lease creditor		denominated in Ringgit Malaysia	623
Long Term borrowings		denominated in Ringgit Malaysia	16,300
Long Term - Hire Purchase and lease creditor		denominated in Ringgit Malaysia	1,735
Total			<u>69,895</u>

B10. Off Balance Sheet Financial Instruments

As at the date of this report, the Group had entered into the following outstanding foreign currency contracts to hedge its foreign currencies commitment :-

Currency	Contract Type	Contract	Contract Period	Outstanding	RM'000
		Amount FC'000		Contract Amount FC'000	
USD	Sell	250	06/02/2008-06/08/2008	250	808

The Group does not foresee any significant credit and market risks associated with the above forward exchange contract as it is entered into with approved financial institutions.

There is no cash requirement for the above forward exchange contract.

The Group is exposed to currency risk as a result of the Group's transactions with trade receivables and payables. The Group uses foreign exchange contracts to hedge certain exposure. These contracts are short-term in nature and as such, the Group does not calculate the difference between the contract rates and the spot rates and therefore do not take up the difference in the Income Statement for the current financial period.

B11. Material Litigations

As at the date of this report, the Group is not engaged in any litigation which might materially affect the position of the Group.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B12. Dividend

The Board does not recommend any dividend for the financial quarter under review.

B13. Profit/(loss) Per Share

Basic profit/(loss) per share of the Group is calculated by dividing the net profit/(loss) for the financial period by the weighted average number of shares in issue during the period.

	<u>3 months ended</u>		<u>12 months ended</u>	
	31.12.07	31.12.06	31.12.07	31.12.06
Profit/(loss) attributable to equity holders of the parent (RM'000)	1,451	(2,232)	4,839	(8,919)
Weighted average number of shares in issue ('000)	81,407	80,016	80,367	80,016
Basic profit/(loss) per share (sen)	1.78	(2.79)	6.02	(11.15)

* Diluted earnings per ordinary share are not presented for the financial year as there is an anti-dilutive effect on the conversion of all dilutive potential ordinary shares into ordinary shares.