

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group As at 31.03.2010 RM'000	Group As at 31.12.2009 Audited RM'000
ASSETS		
Property, plant and equipment	72,407	69,484
Investment property	170	171
Goodwill	3,103	3,103
Long Term Receivables	834	-
Deferred tax assets	99	99
	76,613	72,857
Current assets		
Inventories	42,685	31,908
Trade and other receivables	79,533	70,039
Current tax asset	54	117
Derivative financial asset	58	-
Fixed deposits with licensed banks	9,348	11,378
Cash and Bank Balances	5,811	17,138
	137,489	130,580
Asset Held for Sale	1,956	11,906
	139,445	142,486
TOTAL ASSETS	216,058	215,343
EQUITY AND LIABILITIES		
Share capital	42,008	42,008
Reserve	1,868	2,254
Retained profits	35,651	33,281
Total capital and reserves attributable to equity holders of the parent	79,527	77,543
Minority interests	766	1,016
Total equity	80,293	78,559
Non-current liabilities		
Borrowings	20,088	19,782
Deferred tax liabilities	3,299	3,634
Total non-current liabilities	23,387	23,416
Current liabilities		
Trade and other payables	43,404	48,808
Borrowings	67,622	63,306
Liabilities for company held for sale		92
Derivative financial liabilities	68	-
Current Tax liabilities	1,284	1,162
Total current liabilities	112,378	113,368
Total liabilities	135,765	136,784
TOTAL EQUITY AND LIABILITIES	216,058	215,343
Net Assets Per Share (RM)	0.95	0.92

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		Year to date ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	57,316	28,856	57,316	28,856
Operating expenses	(54,216)	(25,950)	(54,216)	(25,950)
Other income	837	420	837	420
Finance costs	(1,338)	(1,230)	(1,338)	(1,230)
Profit before taxation	2,599	2,096	2,599	2,096
Taxation	(144)	(248)	(144)	(248)
Profit for the period	2,455	1,848	2,455	1,848
Comprehensive Income :				
Translation of foreign operations	(554)	-	(554)	-
Total comprehensive income for the period	1,901	1,848	1,901	1,848
Profit for the period attributable to:				
Equity holders of the parent	2,459	2,004	2,459	2,004
Non controlling interests	(4)	(156)	(4)	(156)
	2,455	1,848	2,455	1,848
Total comprehensive income attributable to:				
Equity holders of the parent	(554)	-	(554)	-
Non controlling interests	-	-	-	-
	1,901	1,848	1,901	1,848
Earning per share				
- basic (sen)	2.93	2.39	2.93	2.39
- diluted (sen)	2.66	na	2.66	na

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 months ended	
	31.03.2010	31.03.2009
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,599	2,096
Adjustments for non-cash and non operating items	3,054	2,395
Operating profit before working capital changes	5,653	4,491
Changes in working capital		
Net changes in current assets	(20,339)	4,103
Net changes in current liabilities	(5,350)	(4,410)
Taxation paid	(285)	(474)
Net cash inflow from operating activities	(20,321)	3,710
Net cash outflow from investing activities	4,296	(1,566)
Net cash (outflow)/inflow from financing activities	3,585	(4,238)
(Decrease)/increase in cash and cash equivalents	(12,440)	(2,094)
Opening cash and cash equivalents	24,109	22,089
Effect of exchange rate changes	(515)	(2)
Closing cash and cash equivalents	11,154	19,993

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Capital Reserve	Share Option Reserve	Translation reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non Controlling interest RM'000	Total RM'000
At 31 December 2009	42,008	2,890	4	-	(640)	33,280	77,542	1,017	78,559
Effect from adoption of FRS 139	-	-	-	-	-	(88)	(88)	-	(88)
At 1 January 2010 (restated)	42,008	2,890	4	-	(640)	33,192	77,454	1,017	78,471
Profit for the period	-	-	-	-	-	2,459	2,459	(4)	2,455
Comprehensive income for the period	-	-	-	-	(554)	-	(554)	-	(554)
Recognition of Share Option Expenses	-	-	-	168	-	-	168	-	168
Effect from disposal of subsidiary	-	-	-	-	-	-	-	(247)	(247)
At 31 March 2010	42,008	2,890	4	168	(1,194)	35,651	79,527	766	80,293
At 1 January 2009	42,008	2,890	4	-	(271)	24,940	69,571	2,423	71,994
Currency translation differences	-	-	-	-	(369)	-	(369)	(27)	(396)
Loss recognised directly in equity	-	-	-	-	(369)	-	(369)	(27)	(396)
Profit for the period	-	-	-	-	-	9,545	9,545	(1,520)	8,025
Total recognised income & expense for the financial year	-	-	-	-	(369)	9,545	9,176	(1,547)	7,629
Change in equity interest in a subsidiary	-	-	-	-	-	55	55	141	196
Dividend	-	-	-	-	-	(1,260)	(1,260)	-	(1,260)
At 31 December 2009	42,008	2,890	4	-	(640)	33,280	77,542	1,017	78,559

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
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 2009.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2009 except for the adoption of the following new / revised Financial Reporting Standard ("FRS") applicable to the Group, effective for the financial period beginning 1 January 2010:

FRS 7	Financial Instrument: Disclosure
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statement (revised in 2009)
FRS 123	Borrowing Costs
FRS 139	Financial Instrument: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standard
Amendment to FRS 2	Share based payment - Vesting Condition and Cancellations
Amendment to FRS 7	Financial Instrument: Disclosure

The adoption of the new FRS does not have significant impact on the interim financial report of the Group, except as presented below:-

(a) FRS 139: Financial Instrument: Recognition and Measurement

The adoption of FRS 139 has resulted in changes to the accounting policies relating to recognition and measurement of financial instruments. A financial instrument is recognised in the financial statement when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investment and available for sale financial assets.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings and other liabilities which include financial guarantee contracts.

Derivatives

Derivative contracts are initially recognised at fair value on the date of the derivative contract entered into and subsequently re-measured at fair value at each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedge relationship. Derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A2. Auditors' Report

The auditors' report of the preceding annual financial statements for the financial year ended 31 December 2009 was not subject to any audit qualification.

A3. Seasonal/Cyclical Factors

The operations of the Group were not materially 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.

A6. Debt or Equity Securities

There were no 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.

The Company had proposed a first and final tax exempt dividend of 3% per ordinary share for the financial year ended 31 December 2009, subject to shareholders approval at the coming Annual General Meeting.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A8. Segmental Reporting

Segmental information for the financial period ended 31 March 2010:-

Revenue	External RM'000	Inter-segment RM'000	Total RM'000
Trading	54,814		54,814
Manufacturing	2,502	25,879	28,381
Elimination : Inter-segment Revenue	-	(25,879)	(25,879)
Total revenue	<u>57,316</u>	<u>-</u>	<u>57,316</u>

RESULTS	Total RM'000
Trading	399
Manufacturing	2,433
Others	<u>(233)</u>
Profit before taxation	2,599
Taxation	<u>(144)</u>
Profit for the financial period	<u>2,455</u>

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward from the preceding annual financial statements less accumulated depreciation and impairment losses.

A10. Material Subsequent Events

There were no material events subsequent to the current quarter ended 31 December 2009 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

On 2 March 2010, the Group has disposed off its legal capital contribution in Emas Kiara Vietnam Joint Venture Company and effectively ceased to be a subsidiary of the Group.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM79.30 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 RM44.86 million as at 31 March 2010.

A13. Capital Commitments

Capital Expenditure	:	Plant and Equipment	RM'000
		Approved and contracted for	<u>853</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded 99% increase in revenue to RM57.3 million for the current quarter ended 31 March 2010 as compared to previous year corresponding quarter of RM28.9 million. The Group registered a profit before tax of RM2.6 million for the current quarter as compared to profit before taxation of RM2.1 million recorded in first quarter of 2009.

The increase in revenue registered during the current quarter was due to substantial progress of an overseas project.

B2. Comparison with Preceding Quarter's Results

The Group registered 1% increase in revenue to RM57.3 million for the current quarter as compared to RM56.9 million registered in preceding quarter. The Group registered a profit before taxation for the current quarter of RM2.6 million as compared to RM3.6 million in the preceding quarter.

The lower profit before taxation for the current quarter was mainly due to unexpected additional costs caused by adverse weather for the overseas project.

B3. Prospects

In view of potential for exports and global emphasis on the environment, interest in the Group's environmental engineering products and services are expected to continue in financial year 2010. In spite of the difficult worldwide economic condition, the Group is expected to be able to maintain its performance this financial year.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended 31.03.2010 RM '000	Year Ended 31.03.2009 RM '000
Current Year Taxation		
- in Malaysia	524	223
In respect of prior year	(45)	25
Deferred Taxation		
- originating / reversal	(335)	-
	<u>144</u>	<u>248</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 MARCH 2010
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
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B6. Sale of Investments and/or Properties

The Group's subsidiary companies, Khidmat Edar (M) Sdn Bhd ("KESB") and Fibre Innovation Technology Sdn Bhd ("FIT"), have on 19 October 2009 entered into two separate Sale and Purchase Agreements with Carperis International Malaysia Manufacturing Sdn Bhd to dispose off two factories in Rawang, Selangor for a total consideration of RM9 million. These properties were classified as Asset Held For Sale in the Group's audited financial statements for the year ended 31 December 2009. In 2009, the Group recognised an impairment charge of RM195,463 for FIT's factory, representing the difference between its carrying value then and the consideration. The disposals of both factories were completed during the current financial quarter. The Group registered a gain of RM290,064 from the disposal of KESB's factory while no further loss was registered for the disposal of FIT's factory during the current financial quarter.

The Group has on 2 March 2010 disposed off its legal capital contribution in Emas Kiara Vietnam Joint Venture Company for a total cash consideration of USD280,000 and registered a loss from the disposal of RM15,596 during the current financial quarter.

B7. Quoted Securities

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

B8. Status of Corporate Proposal

Proposed Acquisition of 33% equity interest in Fibre Innovation Technology Sdn Bhd

On 29 January 2010, the Company announced that it has entered into a Conditional Sale and Purchase Agreement with Mr Kwun Young Hwan to acquire of the remaining 33% share capital equivalent to 3,300,000 ordinary shares of RM1.00 each of Fibre Innovation Technology Sdn Bhd ("FIT") for a total cash consideration of RM30,000.

The Company has received the approval from MITI for the Proposed Acquisition on 30 March 2010 and the Proposed Acquisition was completed on 15 April 2010.

B9. Borrowings

The Group's borrowings as at 31 March 2010 were as follows:

		As at 31.03.2010 RM'000
Secured		
Short Term borrowings	denominated in Ringgit Malaysia	65,231
Short Term - Hire purchase	denominated in Ringgit Malaysia	2,391
Long Term borrowings	denominated in Ringgit Malaysia	15,102
Long Term - Hire Purchase	denominated in Ringgit Malaysia	4,986
Total		<u>87,710</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B10. Off Balance Sheet Financial Instruments

Derivative Contracts

As at 31 March 2010, the foreign currency contracts which have been entered into by the Group to manage its exposure to foreign exchange rate risk are as follows:

Forward Currency Contract	Contract Value (RM'000)	Fair Value (RM'000)
US Dollar (Sell Contract) - Less than 1 year	1,753	1,695
US Dollar (Buy Contract) - Less than 1 year	1,784	1,725
EURO Dollar (Buy Contract) - Less than 1 year	161	151
TOTAL	3,697	3,572

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 trade receivables and payables in foreign currencies. The Group enters into foreign exchange contract when there is a need to hedge certain exposure. These contracts are typically of short-term nature.

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.

B12. Dividend

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2010
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B13. Earnings 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>Year to date ended</u>	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Profit/(loss) attributable to equity holders of the parent (RM'000)	2,459	2,004	2,459	2,004
Weighted average number of shares in issue ('000)	84,016	84,016	84,016	84,016
Weighted average number of share deemed to have issued on ESOS grant date ('000)	8,460	-	8,460	-
Weighted average number of share for diluted earnings per share ('000)	92,476	84,016	92,476	84,016
Basic earnings per ordinary share (sen)	2.93	2.39	2.93	2.39
Diluted earnings per ordinary share (sen)	2.66	na	2.66	na