

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

	<b>Group As at 31.12.2010  RM'000</b>	<b>Group As at 31.12.2009  Audited RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	9,706	69,484
Investment property	-	171
Goodwill	-	3,103
Long Term Receivables	2,312	-
Deferred tax assets	-	99
	12,018	72,857
<b>Current assets</b>		
Inventories	32,233	31,908
Trade and other receivables	63,330	70,039
Current tax asset	975	117
Derivative financial asset	76	-
Fixed deposits with licensed banks	19,310	11,378
Cash and Bank Balances	4,838	17,138
	120,762	130,580
Asset Held for Sale	2,498	11,906
Disposal Group Held for Sale	66,183	
	189,443	142,486
<b>TOTAL ASSETS</b>	201,461	215,343
<b>EQUITY AND LIABILITIES</b>		
Share capital	42,730	42,008
Reserve	1,772	2,254
Retained profits	39,302	33,281
<b>Total capital and reserves attributable to equity holders of the parent</b>	83,804	77,543
Minority interests	763	1,016
<b>Total equity</b>	84,567	78,559
<b>Non-current liabilities</b>		
Borrowings	19,136	19,782
Deferred tax liabilities	3,903	3,634
<b>Total non-current liabilities</b>	23,039	23,416
<b>Current liabilities</b>		
Trade and other payables	29,403	48,808
Borrowings	63,514	63,306
Liabilities for company held for sale	-	92
Current Tax liabilities	938	1,162
<b>Total current liabilities</b>	93,855	113,368
<b>Total liabilities</b>	116,894	136,784
<b>TOTAL EQUITY AND LIABILITIES</b>	201,461	215,343
Net Assets Per Share (RM)	0.98	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 DECEMBER 2010  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		Year to date ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	31,666	56,941	175,126	137,452
Operating expenses	(30,109)	(52,578)	(165,759)	(123,726)
Other income	2,118	483	5,605	1,953
Finance costs	(1,345)	(1,238)	(5,321)	(4,823)
<b>Profit before taxation</b>	<b>2,330</b>	<b>3,608</b>	<b>9,651</b>	<b>10,856</b>
Taxation	(1,055)	(1,875)	(2,088)	(2,830)
<b>Profit for the period</b>	<b>1,275</b>	<b>1,733</b>	<b>7,563</b>	<b>8,026</b>
<b>Comprehensive Income :</b>				
Translation of foreign operations	(90)	-	(626)	-
<b>Total comprehensive income for the period</b>	<b>1,185</b>	<b>1,733</b>	<b>6,937</b>	<b>8,026</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	1,266	2,803	7,570	9,545
Non controlling interests	9	(1,070)	(7)	(1,519)
	1,275	1,733	7,563	8,026
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	(90)	-	(626)	-
Non controlling interests	-	-	-	-
	<b>1,185</b>	<b>1,733</b>	<b>6,937</b>	<b>8,026</b>
Earning per share				
- basic (sen)	1.49	3.34	8.98	11.36
- diluted (sen)	1.42	na	8.83	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 DECEMBER 2010**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	12 months ended	
	31.12.2010	31.12.2009
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,651	10,856
Adjustments for non-cash and non operating items	10,842	17,904
Operating profit before working capital changes	20,493	28,760
Changes in working capital		
Net changes in current assets	(6,238)	(31,857)
Net changes in current liabilities	(9,887)	28,540
Taxation paid	(2,535)	(1,539)
<b>Net cash inflow from operating activities</b>	1,833	23,904
<b>Net cash inflow/(outflow) from investing activities</b>	6,091	(22,334)
<b>Net cash outflow from financing activities</b>	(5,178)	(6,924)
<b>Decrease in cash and cash equivalents</b>	2,746	(5,354)
<b>Opening cash and cash equivalents</b>	16,418	22,089
<b>Effect of exchange rate changes</b>	(617)	(317)
<b>Closing cash and cash equivalents</b>	18,547	16,418

*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 DECEMBER 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
<b>At 31 December 2009</b>	42,008	2,890	4	-	(640)	33,280	77,542	1,017	78,559
Effect from adoption of FRS 139	-	-	-	-	-	(88)	(88)	-	(88)
<b>At 1 January 2010 (restated)</b>	<b>42,008</b>	<b>2,890</b>	<b>4</b>	<b>-</b>	<b>(640)</b>	<b>33,192</b>	<b>77,454</b>	<b>1,017</b>	<b>78,471</b>
Profit for the period	-	-	-	-	7,570	7,570	7,570	(7)	7,563
Comprehensive income for the period	-	-	-	-	(626)	-	(626)	-	(626)
Effect from disposal of subsidiary	-	-	-	-	-	-	-	(247)	(247)
Dividend	-	-	-	-	(1,485)	(1,485)	(1,485)	-	(1,485)
Recognition of Share Option Expenses	-	-	-	169	-	25	169	-	169
Cancellation of Share Option	-	-	-	(25)	-	-	-	-	-
Share Option Exercise	722	79	-	(79)	-	722	722	-	722
<b>At 31 December 2010</b>	<b>42,730</b>	<b>2,969</b>	<b>4</b>	<b>65</b>	<b>(1,266)</b>	<b>39,302</b>	<b>83,804</b>	<b>763</b>	<b>84,567</b>
<b>At 1 January 2009</b>	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)
<b>At 31 December 2009</b>	<b>42,008</b>	<b>2,890</b>	<b>4</b>	<b>-</b>	<b>(640)</b>	<b>33,280</b>	<b>77,542</b>	<b>1,017</b>	<b>78,559</b>

*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 DECEMBER 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 DECEMBER 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

During the current financial period, the Company has increased its issued and paid up share capital from RM42,008,000 to RM42,730,100 by the allotment of 1,444,200 ordinary shares of RM0.50 pertaining to the exercise of 1,444,200 options under the Employees' Share Option Scheme.

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

A7. Dividend Paid

The Company had paid a first and final tax exempt dividend of 3% per ordinary share for the financial year ended 31 December 2009 on 26 July 2010.

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

A8. Segmental Reporting

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

Revenue	External RM'000	Inter-segment RM'000	Total RM'000
Trading	151,477		151,477
Manufacturing (Disposal Group Held for Sale)*	23,649	81,515	105,164
Elimination : Inter-segment Revenue	-	(81,515)	(81,515)
Total revenue	<u>175,126</u>	<u>-</u>	<u>175,126</u>
RESULTS			Total RM'000
Trading			4,482
Manufacturing (Disposal Group Held for Sale)*			6,701
Others			<u>(1,532)</u>
Profit before taxation			9,651
Taxation			<u>(2,088)</u>
Profit for the financial period			<u>7,563</u>

Note \*:

Persuant to the Proposed Disposal of the Group's geosynthetic manufacturing business as disclosed under note B8, the Manufacturing business will be discontinued upon the completion of the Proposed Disposal.

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 2010 up to the date of this announcement which is likely to substantially affect the results of the operations of the Group.

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

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.

On 15 April 2010, the Company has completed the acquisition of the remaining 33% equity interest in Fibre Innovation Technology Sdn Bhd ("FIT"). FIT is now a wholly owned subsidiary of the Group.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM87.84 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 RM38.23 million as at 31 December 2010.

A13. Capital Commitments

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



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

B1. Review of Performance

The Group recorded 44% decrease in revenue to RM31.7 million for the current quarter ended 31 December 2010 as compared to previous year corresponding quarter of RM56.9 million. The Group registered a profit before tax of RM2.33 million for the current quarter as compared to profit before taxation of RM3.61 million recorded in fourth quarter of 2009. The higher revenue registered during fourth quarter of 2009 was due to higher project revenue recognised for India project.

The Group recorded 27% increase in revenue to RM175 million for the financial year ended 31 December 2010 as compared to previous financial year ended 31 December 2009. However the Group registered a lower profit before tax of RM9.65 million for the current financial year as compared to previous financial year due to higher revenue of lower margin product.

B2. Comparison with Preceding Quarter's Results

The Group registered 5.7% decrease in revenue to RM31.7 million for the current quarter as compared to RM33.6 million registered in preceding quarter. The Group registered a profit before taxation for the current quarter of RM2.33 million as compared to RM1.55 million in the preceding quarter with better margins arising from product sales mix.

B3. Prospects

In view of the Proposed Disposal as disclosed in Note B8 below, the Group will continue with its business operation and is expected to continue registering positive results.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended 31.12.2010 RM '000	Year Ended 31.12.2009 RM '000
Current Year Taxation		
- in Malaysia	2,480	2,110
- Outside Malaysia	-	268
In respect of prior year	(82)	(73)
Deferred Taxation		
- originating / reversal	(310)	480
- in respect of prior year	-	45
	<u>2,088</u>	<u>2,830</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.

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**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 Carpets 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 first financial quarter. The Group registered a gain of RM290,064 from the disposal of KESB's factory.

The Group has on 2 March 2010 disposed off its equity interest in Emas Kiara Vietnam Joint Venture Company for a total cash consideration of USD280,000. This disposal has resulted in a loss of RM15,596 registered during the first 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**

The Company and its relevant subsidiaries had on 10 November 2010 entered into a Sale and Purchase Agreement with Tencate Geosynthetics Asia Sdn Bhd ("Purchaser") to divest their geosynthetic manufacturing business comprising land and buildings, plant and machinery, equipment, spareparts, intellectual property rights, and goodwill for a total cash consideration of RM100 million. Upon completion of the Proposed Disposal, Emas Kiara and the Vendors shall retain their business related to installation and engineering services of the products. On the same day, the following agreements were also entered into:

- i) a Distributor Agreement where the Purchaser appoints Emas Kiara Marketing Sdn Bhd ("EKMSB"), Kiaratex Exports Pte Ltd and Raswill Representative Pte Ltd to jointly act as the exclusive distributors of the Products in the Northeast Indian states of Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura for a period of seven (7) years.
- ii) a Supply Agreement between EKMSB and the Purchaser where EKMSB agrees to purchase geosynthetic products exclusively from the Purchaser for period of seven (7) years.

The Proposed Disposal is currently pending the approval of the shareholders of the Company at an Extraordinary General Meeting to be held on 28 February 2011.

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
**LISTING REQUIREMENTS**

B9. Borrowings

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

		As at 31.12.2010 RM'000
Secured		
Short Term borrowings	denominated in Ringgit Malaysia	60,788
Short Term - Hire purchase	denominated in Ringgit Malaysia	2,727
Long Term borrowings	denominated in Ringgit Malaysia	14,925
Long Term - Hire Purchase	denominated in Ringgit Malaysia	4,212
Total		<u><u>82,652</u></u>

B10. Off Balance Sheet Financial Instruments

Derivative Contracts

As at 31 December 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	1,188	1,171
EURO Dollar (Sell Contract) - Less than 1 year	2,214	2,155
<b>TOTAL</b>	<b>3,402</b>	<b>3,326</b>

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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010**  
**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. 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>	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Profit/(loss) attributable to equity holders of the parent (RM'000)	1,266	2,803	7,570	9,545
Weighted average number of shares in issue ('000)	85,141	84,016	84,317	84,016
Weighted average number of share deemed to have issued on ESOS grant date ('000)	3,807	-	1,389	-
Weighted average number of share for diluted earnings per share ('000)	88,948	84,016	85,706	84,016
Basic earnings per ordinary share (sen)	1.49	3.34	8.98	11.36
Diluted earnings per ordinary share (sen)	1.42	na	8.83	na

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
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B 14 Retained Profit

The breakdown of retained profit of the Group as at reporting date, into realised and unrealised is as follows:

	As at 31.12.2010 RM'000	As at 30.09.2010 RM'000
Total retained profits/(accumulated losses)		
- Realised	39,555	37,142
- Unrealised	(4,391)	(3,571)
Total share of retained profits from associates		
- Realised	-	-
- Unrealised	-	-
Total share of retained profits from jointly controlled entities		
- Realised	-	-
- Unrealised	-	-
Total before consolidated adjustments		
- Realised	39,555	37,142
- Unrealised	(4,391)	(3,571)
Less : Consolidation adjustments	4,138	4,665
Total retained profits as per consolidated accounts	39,302	38,236

The determination of realised and unrealised profits is based on the Guidance of Special Matter No 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.