

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group As at 31.03.2011 RM'000	Group As at 31.12.2010 Audited RM'000
ASSETS		
Property, plant and equipment	9,761	9,707
Long Term Receivables	2,323	2,288
Deferred tax assets	559	-
	12,643	11,995
Current assets		
Inventories	27,911	32,261
Trade and other receivables	75,038	63,256
Current tax asset	877	1,010
Derivative financial asset	9	76
Fixed deposits with licensed banks	70,853	19,310
Cash and Bank Balances	9,011	4,838
	183,699	120,751
Asset Held for Sale	2,498	2,498
Disposal Group Held for Sale	-	66,183
	186,197	189,432
TOTAL ASSETS	198,840	201,427
EQUITY AND LIABILITIES		
Share capital	43,665	42,730
Reserve	1,896	1,772
Retained profits	60,049	39,531
Total capital and reserves attributable to equity holders of the parent	105,610	84,033
Minority interests	259	538
Total equity	105,869	84,571
Non-current liabilities		
Borrowings	11,987	19,136
Deferred tax liabilities	341	3,912
Total non-current liabilities	12,328	23,048
Current liabilities		
Trade and other payables	26,969	29,711
Borrowings	42,273	63,173
Derivative financial liabilities	48	1
Current Tax liabilities	11,353	923
Total current liabilities	80,643	93,808
Total liabilities	92,971	116,856
TOTAL EQUITY AND LIABILITIES	198,840	201,427
Net Assets Per Share (RM)	1.21	0.98

The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	22,027	57,316	22,027	57,316
Operating expenses	(26,597)	(54,216)	(26,597)	(54,216)
Other income	33,381	837	33,381	837
Finance costs	(1,502)	(1,338)	(1,502)	(1,338)
Profit before taxation	27,309	2,599	27,309	2,599
Taxation	(7,081)	(144)	(7,081)	(144)
Profit for the period	20,228	2,455	20,228	2,455
Comprehensive Income :				
Translation of foreign operations	(33)	(554)	(33)	(554)
Total comprehensive income for the period	20,195	1,901	20,195	1,901
Profit for the period attributable to:				
Equity holders of the parent	20,506	2,459	20,506	2,459
Non controlling interests	(278)	(4)	(278)	(4)
	20,228	2,455	20,228	2,455
Total comprehensive income attributable to:				
Equity holders of the parent	(33)	(554)	(33)	(554)
Non controlling interests	-	-	-	-
	20,195	1,901	20,195	1,901
Earning per share				
- basic (sen)	23.71	2.93	23.71	2.93
- diluted (sen)	22.90	2.92	22.90	2.92

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended	
	31.03.2011	31.03.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,309	2,599
Adjustments for non-cash and non operating items	(30,780)	3,054
Operating profit before working capital changes	(3,471)	5,653
Changes in working capital		
Net changes in current assets	8,945	(20,339)
Net changes in current liabilities	(3,126)	(5,350)
Taxation paid	(524)	(285)
Net cash inflow from operating activities	1,824	(20,321)
Net cash inflow/(outflow) from investing activities	87,742	4,296
Net cash outflow from financing activities	(27,950)	3,585
Decrease in cash and cash equivalents	61,616	(12,440)
Opening cash and cash equivalents	14,188	24,109
Effect of exchange rate changes	(38)	(515)
Closing cash and cash equivalents	75,766	11,154

The above Condensed Consolidated Cash flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
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 2010	42,730	2,969	4	65	(1,266)	39,531	84,033	538	84,571
Total comprehensive income for the financial year					(33)	20,506	20,473	(279)	20,194
Share option granted				169			169		169
Share option exercised	935	102		(102)			935		935
Share option cancelled				(12)		12	-		-
Dividends							-		-
Dividends paid to minority interests							-		-
At 31 March 2011	43,665	3,071	4	120	(1,299)	60,049	105,610	259	105,869
At 31 December 2009									
- as previously reported	42,008	2,890	4	-	(640)	33,280	77,542	1,017	78,559
- effect of adopting FRS 139						(88)	(88)		(88)
As restated 1 January 2010	42,008	2,890	4	-	(640)	33,192	77,454	1,017	78,471
Total comprehensive income for the financial year					(626)	7,574	6,948	(7)	6,941
Disposal of a subsidiary							-	(247)	(247)
Share option granted				169			169		169
Share option exercised	722	79		(79)			722		722
Share option cancelled				(25)		25	-		-
Dividends						(1,260)	(1,260)		(1,260)
Dividends paid to minority interests							-	(225)	(225)
At 31 December 2010	42,730	2,969	4	65	(1,266)	39,531	84,033	538	84,571

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 2010

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
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 2010.

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 2010 except for the adoption of the following new / revised Financial Reporting Standard ("FRS"), IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to the Group, effective for the financial period beginning 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standard (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters
Amendment to FRS 1	Additional Exemptions for First-Time Adopters
Amendment to FRS 2	Scope of FRS 2 and FRS 3 (Revised)
Amendment to FRS 2	Group Cash-settled Share-based Payment Transaction
Amendment to FRS 7	Improving Disclosures about Financial Instruments
Amendment to FRS 138	Consequential Amendments Arising from FRS 3
IC Interpretation 4	Determining Whether An Arrangement Contain a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to FRSs (2010) issued in November 2010	

The adoption of the new FRS does not have significant impact on the interim financial report of the Group.

A2. Auditors' Report

The auditors' report of the preceding annual financial statements for the financial year ended 31 December 2010 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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

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 RM42,730,100 to RM43,665,450 by the allotment of 1,870,700 ordinary shares of RM0.50 pertaining to the exercise of 1,870,700 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

There were no dividends paid during the current quarter.

On 19 April 2011, the directors declared a special tax-exempt dividend of 24% or RM0.12 per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2011. The dividend is payable on 6 June 2011 to shareholders whose name appear in the Record of Depositors at the close of business on 23 May 2011.

A8. Segmental Reporting

Segmental information for the financial period ended 31 March 2011:-

Revenue	External RM'000	Inter-segment RM'000	Total RM'000
Trading	13,847		13,847
Manufacturing *	8,180	12,535	20,715
Elimination : Inter-segment Revenue	-	(12,535)	(12,535)
Total revenue	<u>22,027</u>	<u>-</u>	<u>22,027</u>
RESULTS			Total RM'000
Trading			(2,045)
Manufacturing *			24,719
Others			<u>4,634</u>
Profit before taxation			27,308
Taxation			<u>(7,081)</u>
Profit for the financial period			<u>20,227</u>

Note *:

Persuant to the divestment of the Group's geosynthetic manufacturing business as disclosed under note B8, the Manufacturing business was discontinued upon the completion of the divestment.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

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 March 2011 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

There were no material changes in the composition of the Group during the financial period to-date.

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM44.58 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 RM7.47 million as at 31 March 2011.

A13. Capital Commitments

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded 61.6% decrease in revenue to RM22 million for the current quarter ended 31 March 2011 as compared to previous year corresponding quarter of RM57.3 million due to delivery to a major project during the previous corresponding quarter. The Group registered a profit before tax of RM27.3 million for the current quarter as compared to profit before tax of RM2.6 million recorded in first quarter of 2010.

The significantly higher profit before tax registered during first quarter of 2011 was due to completion of divestment of the Group's geosynthetic manufacturing business in mid March 2011 which resulted in a gain of RM23.4 million recognised in the first quarter under review as per the table below:

	Result from Operations RM'000	Effects from Divestment RM'000	Total Group Result RM'000
Revenue	22,027	-	22,027
Operating / Incidental expenses	(24,346)	(2,251)	(26,597)
Other income	556	32,825	33,381
Finance costs	(1,386)	(116)	(1,502)
Profit before taxation	(3,149)	30,458	27,309
Taxation	(96)	(6,985)	(7,081)
Profit for the period	(3,245)	23,473	20,228

B2. Comparison with Preceding Quarter's Results

The Group registered 30.4% decrease in revenue to RM22 million for the current quarter as compared to RM31.7 million registered in preceding quarter. The Group registered a higher profit before tax for the current quarter of RM27.3 million as compared to RM2.3 million in the preceding quarter due to the gain from the divestment of the Group's geosynthetic manufacturing business recognised in the current quarter under review.

B3. Prospects

Post completion of the divestment of its geosynthetic manufacturing business, the Group will continue with the business of securing and implementing projects for the design, engineering and installation services for geosynthetic products. The Group will also explore other business opportunities.

B4. Profit Forecast

Not applicable for the Group.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B5. Taxation

	Period Ended 31.03.2011 RM '000	Period Ended 31.03.2010 RM '000
Current Period Taxation		
- in Malaysia	11,209	524
In respect of prior year	2	(45)
Deferred Taxation		
- originating / reversal	(4,130)	(335)
	<u>7,081</u>	<u>144</u>

The Group's effective tax rate in the current period is higher than the statutory rate due to the reversal of Reinvestment Allowance, Investment Tax Allowance, Industrial Building Allowance and Balancing Charges incurred arising from the divestment of the Group's geosynthetic manufacturing business.

B6. Sale of Unquoted Investments and/or Properties

Other than the divestment of the Group's geosynthetic manufacturing business as disclosed under note B8, there was no other sale of unquoted investment and/or properties during the current financial quarter under review and the financial year to-date.

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 divestment, 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 divestment was approved by the shareholders of the Company on 28 February 2011 and was completed on 18 March 2011.

There was no corporate proposal announced but not completed as at 30 May 2011.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B9. Borrowings

The Group's borrowings as at 31 March 2011 were as follows:

		As at 31.03.2011 RM'000
Secured		
Short Term borrowings	denominated in Ringgit Malaysia	41,861
Short Term - Hire purchase	denominated in Ringgit Malaysia	412
Long Term borrowings	denominated in Ringgit Malaysia	10,722
Long Term - Hire Purchase	denominated in Ringgit Malaysia	1,265
Total		<u>54,260</u>

B10. Off Balance Sheet Financial Instruments

Derivative Contracts

As at 31 March 2011, 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	3,431	3,422
EURO Dollar (Sell Contract) - Less than 1 year	2,194	2,242
TOTAL	5,625	5,664

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 2011
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>	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Profit/(loss) attributable to equity holders of the parent (RM'000)	20,506	2,459	20,506	2,459
Weighted average number of shares in issue ('000)	86,486	84,016	86,486	84,016
Weighted average number of share deemed to have issued on ESOS grant date ('000)	3,065	329	3,065	329
Weighted average number of share for diluted earnings per share ('000)	89,551	84,345	89,551	84,345
Basic earnings per ordinary share (sen)	23.71	2.93	23.71	2.93
Diluted earnings per ordinary share (sen)	22.90	2.92	22.90	2.92

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 31.03.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits/(accumulated losses)		
- Realised	59,030	38,834
- Unrealised	(413)	(4,377)
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	59,030	38,834
- Unrealised	(413)	(4,377)
Less : Consolidation adjustments	1,432	5,074
Total retained profits as per consolidated accounts	60,049	39,531

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.