

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Group As at 31.03.2013  RM'000</b>	<b>Group As at 31.12.2012  Audited RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	17,388	17,664
	17,388	17,664
<b>Current assets</b>		
Inventories	7,385	6,450
Trade and other receivables	39,581	34,376
Tax recoverable	1,128	1,081
Derivative financial asset	-	-
Fixed deposits with licensed banks	45,160	49,235
Cash and Bank Balances	9,239	8,364
	102,493	99,506
<b>TOTAL ASSETS</b>	<b>119,881</b>	<b>117,170</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	44,622	44,622
Reserve	1,962	2,042
Retained profits	34,744	36,379
<b>Total capital and reserves attributable to equity holders of the parent</b>	<b>81,328</b>	<b>83,043</b>
Non-controlling interest	244	276
<b>Total equity</b>	<b>81,572</b>	<b>83,319</b>
<b>Non-current liabilities</b>		
Borrowings	5,963	5,899
Deferred tax liabilities	25	25
<b>Total non-current liabilities</b>	<b>5,988</b>	<b>5,924</b>
<b>Current liabilities</b>		
Trade and other payables	31,578	27,105
Borrowings	737	816
Current tax payable	6	6
<b>Total current liabilities</b>	<b>32,321</b>	<b>27,927</b>
<b>Total liabilities</b>	<b>38,309</b>	<b>33,851</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>119,881</b>	<b>117,170</b>
Net Assets Per Share (RM)	0.91	0.93

*The Condensed Consolidate Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	3 months ended		Year to date ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	9,671	4,695	9,671	4,695
Operating expenses	(11,770)	(8,152)	(11,770)	(8,152)
Other income	517	726	517	726
Share of results of jointly controlled entities and associates	-	-	-	-
Finance costs	(83)	(37)	(83)	(37)
<b>Profit/(loss) before taxation</b>	<b>(1,665)</b>	<b>(2,768)</b>	<b>(1,665)</b>	<b>(2,768)</b>
Taxation	(3)	(99)	(3)	(99)
<b>Profit/(loss) for the period</b>	<b>(1,668)</b>	<b>(2,867)</b>	<b>(1,668)</b>	<b>(2,867)</b>
<b>Comprehensive Income/(loss) :</b>				
Translation of foreign operations	(79)	(60)	(79)	(60)
<b>Total comprehensive income/(loss) for the period</b>	<b>(1,747)</b>	<b>(2,927)</b>	<b>(1,747)</b>	<b>(2,927)</b>
<b>Profit/(loss) for the period attributable to:</b>				
Equity holders of the parent	(1,636)	(2,866)	(1,636)	(2,866)
Non controlling interests	(32)	(1)	(32)	(1)
	<b>(1,668)</b>	<b>(2,867)</b>	<b>(1,668)</b>	<b>(2,867)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(1,715)	(2,926)	(1,715)	(2,926)
Non controlling interests	(32)	(1)	(32)	(1)
	<b>(1,747)</b>	<b>(2,927)</b>	<b>(1,747)</b>	<b>(2,927)</b>
Earning per share				
- basic (sen)	(1.83)	(3.21)	(1.83)	(3.21)

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>3 months ended</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(1,665)	(2,768)
Adjustments for non-cash and non operating items	173	1,610
Net change in inventories and receivables	(4,835)	95
Net change in payables	2,744	(3,577)
Taxation paid	80	(1,117)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(3,503)</b>	<b>(5,757)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	48	94
Purchase of property, plant and equipment	(1)	(682)
Proceed from disposal of other investment	-	(8)
Purchase of other investment	(6)	-
Net change in deposit with licensed banks	(28)	3
Interest received	426	326
<b>Net cash inflow/(outflow) from investing activities</b>	<b>438</b>	<b>(267)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	219	838
Repayment of borrowings	(225)	(170)
Interest paid	(78)	(20)
Dividend paid	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(83)</b>	<b>648</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,148)</b>	<b>(5,376)</b>
<b>Opening cash and cash equivalents</b>	<b>55,904</b>	<b>61,236</b>
<b>Effect of exchange rate changes</b>	<b>(71)</b>	<b>(58)</b>
<b>Closing cash and cash equivalents</b>	<b>52,685</b>	<b>55,802</b>

*The above Condensed Consolidated Cash flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Other Reserve	Share Option Reserve	Retained profits RM'000	Sub-total RM'000	Non-controlling interest RM'000	Total RM'000
<b>At 1 January 2013</b>	44,622	3,175	(1,336)	202	36,379	83,042	276	83,318
Profit after taxation for the financial year	-	-	-	-	(1,635)	(1,635)	(32)	(1,667)
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation	-	-	(79)	-	-	(79)	-	(79)
Total comprehensive income for the financial year	-	-	(79)	-	(1,635)	(1,714)	(32)	(1,746)
<b>At 31 December 2012</b>	<b>44,622</b>	<b>3,175</b>	<b>(1,415)</b>	<b>202</b>	<b>34,744</b>	<b>81,328</b>	<b>244</b>	<b>81,572</b>
<b>Balance as at 31.12.2011 / 01.01.2012</b>	44,622	3,175	(1,012)	21	44,387	91,193	374	91,567
Profit after taxation for the financial year	-	-	-	-	(6,014)	(6,014)	(90)	(6,104)
Other comprehensive income for the financial year, net of tax:								
- Foreign currency translation	-	-	(324)	-	-	(324)	-	(324)
Total comprehensive income for the financial year	-	-	(324)	-	(6,014)	(6,338)	(90)	(6,428)
Contribution by and distribution to owners of the Company								
- Share option granted and vested	-	-	-	181	-	181	-	181
- Tax-exempt dividend of RM0.02 per ordinary share	-	-	-	-	(1,785)	(1,785)	-	(1,785)
Loss on accretion of interest in subsidiary	-	-	-	-	(209)	(209)	39	(170)
Subscription of shares in subsidiary by NCI	-	-	-	-	-	-	25	25
Dividend paid to non-controlling interest	-	-	-	-	-	-	(72)	(72)
<b>At 31 December 2012</b>	<b>44,622</b>	<b>3,175</b>	<b>(1,336)</b>	<b>202</b>	<b>36,379</b>	<b>83,042</b>	<b>276</b>	<b>83,318</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 2012*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**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 accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

As at the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC interpretation were issued but not yet effective and have not been applied by the Group:

As at the date of authorization of these interim financial statements, the following MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

	<i><b>Effective for annual period beginning on or after</b></i>
<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>	
MFRS 9 : Financial Instruments	1 January 2015
Amendment to MFRS 9 : Mandatory Effective Date of MFRS 9 and Transition	1 January 2015
Amendment to MFRS 10, MFRS 12 and MFRS 127 : Investment Entities	1 January 2014
Amendment to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment to MFRS 9 : Mandatory Effective Date of MFRS 9 and Transition	1 January 2015

These standards and amendments are expected to have no material impact on the financial statements of the group upon its initial application.

A2. Auditors’ Report

The auditors’ report of the preceding annual financial statements for the financial year ended 31 December 2012 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.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

A6. Debt or Equity Securities

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 was no dividend paid during the current quarter.

A8. Segmental Reporting

Segmental information for the financial period ended 31 March 2013 :-

Revenue	External RM'000	Others RM'000	Total RM'000
Trading & Installation	9,118	-	9,118
Lighting	553	-	553
	<u>9,671</u>	<u>-</u>	<u>9,671</u>
RESULTS			Total RM'000
Trading & Installation			(378)
Lighting			(158)
Others			<u>(1,129)</u>
Profit before taxation			(1,665)
Taxation			<u>(3)</u>
Profit for the financial period			<u><u>(1,668)</u></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 March 2013 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 MARCH 2013**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

A11. Changes in Composition of the Group

The Company has on 8 March 2013 acquired additional 60% equity interest in Melody Eco Park Sdn Bhd making it a wholly owned subsidiary.

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

A12. Contingent Liabilities

The Company has given corporate guarantees amounting to RM20.90 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 RM6.63 million as at 31 March 2013

A13. Capital Commitments

	<b>RM'000</b>
Capital expenditure in respect of purchase of property, plant and equipment:	
Contracted but not provided for	160

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
**LISTING REQUIREMENTS**

B1. Review of Performance (Quarter 1, 2013 vs. Quarter 1, 2012)

The Group recorded an increase in revenue to RM9.7 million for the current quarter ended 31 March 2013 as compared to previous year corresponding quarter of RM4.7 million. The Group registered a lower loss before tax of RM1.67 million for the current quarter as compared to loss before tax of RM2.77 million recorded in first quarter of 2012.

The progress on projects secured involving engineering and installation services of geosynthetic products contributed to the higher revenue for the current quarter while the lighting business has just commenced in mid 2012.

The higher loss before taxation for the first quarter of 2012 was mainly contributed by higher impairment of trade receivables.

B2. Comparison with Preceding Quarter's Results (Quarter 1, 2013 vs. Quarter 4, 2012)

The Group registered a decrease in revenue to RM9.7 million for the current quarter as compared to RM13.8 million registered in preceding quarter. The Group registered a lower loss before tax for the current quarter of RM1.67 million as compared to loss before tax of RM2.69 million in the preceding quarter.

Higher revenue registered for previous quarter was mainly due to the progress of on-going engineering and installation services of geosynthetic projects as well as commencement of new projects secured. Higher loss before taxation for the preceding quarter was mainly contributed by impairment of slow moving stocks for RM0.7 million and an additional RM1.0 million on costs for India project.

B3. Prospects

The Group will continue to be actively involved with the geosynthetic business by securing more projects of engineering and installation services.

The Group will continue to expand its lighting and electrical engineering business with various agencies secured.

The Group has accepted an offer to acquire an industrial land approximately 80 acres in Kota Kinabalu Industrial Park from KKIP Sdn Bhd, a company owned by the State Government of Sabah. The Sales & Purchase Agreement and Joint-Venture Agreement to develop the said land are pending finalisation.

B4. Profit Forecast

Not applicable for the Group.

B5. Taxation

	Year Ended 31.03.2013 RM '000	Year Ended 31.03.2012 RM '000
Current Period Taxation		
- in Malaysia	3	15
In respect of prior year		
- Income Tax	-	(5)
Deferred Taxation		
- originating / reversal	-	89
	<u>3</u>	<u>99</u>



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
**LISTING REQUIREMENTS**

B6. Status of Corporate Proposal

Take-Over Offer by Mr Wong Kong Foo ("Offeror")

On 12 March 2013, the Board of Directors of Emas Kiara Industries Berhad ("EKIB") received a notice of conditional take-over offer from Kenanga Investment Bank Berhad, on behalf of Mr Wong Kong Foo to acquire:

- (i) all the remaining 35,939,856 EKIB shares representing approximately 40.27% of the issued and paid up share capital of EKIB, which are not owned by the Offeror and persons who have irrevocably undertaken not to accept the Offer; and
- (ii) any new EKIB shares that may be issued arising from the exercise, before the close of the Offer, of the outstanding options granted by EKIB to the eligible directors and employees of EKIB and its subsidiaries under its employees' share option scheme;

for a cash consideration of RM0.45 per EKIB shares.

The Take-Over offer has closed on 10 May 2013 with 5,251,122 shares being accepted.

Letter of Offer for the Proposed Acquisition of A Piece of Industrial Land in Kota Kinabalu Industrial Park, Sabah and the Proposed Joint Venture on the Said Land

On 25 March 2013, the Company announced that its wholly owned subsidiaries, Noblecorp Lands Sdn Bhd ("Noblecorp") had accepted an offer by K.K.I.P Sdn Bhd ("KKIP"), a company owned by the State Government of Sabah, to acquire a piece of industrial land approximately 80 acres in Kota Kinabalu Industrial Park, Sabah ("Land") from KKIP ("Proposed Acquisition").

Shareholders' approval will be sought pursuant to the provisions under Chapter 10.07 and 10.13 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the Proposed Acquisition.

B7. Borrowings

The Group's borrowings as at 31 March 2013 were as follows:

		As at 31.03.2013 RM'000
Secured		
Short Term borrowings	denominated in Ringgit Malaysia	280
Short Term - Hire purchase	denominated in Ringgit Malaysia	457
Long Term borrowings	denominated in Ringgit Malaysia	5,178
Long Term - Hire Purchase	denominated in Ringgit Malaysia	786
Total		<u>6,701</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
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B8. Material Litigation

Emas Kiara Sdn Bhd ("Plaintiff"), a wholly-owned subsidiary of EKIB, filed a Writ of Summons and Statement of Claim against Michael Joseph Monteiro and Heng Ji Keng, the Receivers and Managers of Lembah Beringin Sdn Bhd (Receivers and Managers appointed) (In Liquidation) ("Defendants"), at Kuala Lumpur High Court vide Civil Suit No. 22NCVC-722-06/2012 ("Suit"). In respond, a defence and counter claim application dated 13 July 2012 was filed by the Defendants. The Defendants had also filed an application to strike out the Suit.

The Plaintiff went on to file an Application for Recusal of the Defendants' solicitors ("Application of Recusal") but the Court had on 4 October 2012 dismissed the Application of Recusal. The Plaintiff made an appeal to the Court of Appeal but on 6 November 2012 decided to withdraw its appeal.

Farcoll Estate Sdn Bhd and 7 Others ("Farcoll") had on 17 October 2012 served a Notice of Application To Intervene the Suit. Following thereto, the Plaintiff filed an Application for Injunction and an Application to Leave in the Winding-up Court to include Lembah Beringin Sdn Bhd (In Liquidation) as the third defendant in the Suit. During the hearing date on 20 December 2012, the Court allowed the Plaintiff's Application to Leave to include Lembah Beringin Sdn Bhd as a party to the Suit. Subsequent to that, an application to amend the Writ of Summons and Statement of Claim was filed by the Plaintiff in the Court on 27 December 2012 to include Lembah Beringin Sdn Bhd as a party to the Suit and was allowed by the Court and the Writ of Summons and Statement of Claims was thereafter amended accordingly.

Further to that, the Plaintiff filed an application for the extension of time to file a further affidavit for the Application for Injunction ("Notice of Extension"). The Court had fixed 2 April 2013 as the date for case management before the Court pending service of the Notice of Extension to the solicitors of Farcoll of which was served on the solicitors of Farcoll on 6 March 2013. The Defendants' Notice of Application for Striking Out and the Plaintiff's Notice of Application for Injunction were both fixed for case management on 2 April 2013 of which later fixed for case management on 2 May 2013. On 2 May 2013 the Plaintiff's application for extension of time was allowed by the Court in which Further Affidavit was filed and served to the respective parties.

The Court fixed 16 May 2013 as the next case management date and a decision has been reached vide a consent order with the following:-

1. Messrs Satha & Co (the stakeholder and solicitor for Farcoll) undertakes to hold all the issue of documents of titles ("IDTs") to the properties under 8 Sale & Purchase Agreements all dated 20 July 2012 ("Properties") as stakeholder and to deliver the IDTs to the Plaintiff together with the appropriate Memorandum of Transfer executed in favour of the Plaintiff in the event that the Plaintiff is successful in obtaining an order for specific performance in the Suit and the purchase consideration of RM84 million shall have been paid by the Plaintiff;
2. The stakeholder agreed that the stakeholder shall not release the IDTs until the disposal of any appeal brought by either party including the Interveners against the decision made in this Suit to the Court of Appeal and/or Federal Court including an application for leave to appeal but does not include an application for review ("Appeal Process");
3. The Interveners undertakes not to develop the Properties until the disposal of the Suit and where an appeal has been filed upon the expiry of the Appeal Process;
4. The Defendants shall within fourteen (14) days from 16 May 2013 furnish the particulars of the uncaveated Properties to the Plaintiff;
5. The Plaintiff undertakes not to file any caveat on the uncaveated Properties;
6. The Parties be given liberty to apply to Court should they require clarification.

The next case management date has been fixed on 17 July 2013.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2013**  
**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
**LISTING REQUIREMENTS**

B9. Dividend

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

B10. 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>	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Profit/(loss) attributable to equity holders of the parent (RM'000)	(1,636)	(2,866)	(1,636)	(2,866)
Weighted average number of shares in issue ('000)	89,245	89,245	89,245	89,245
Basic earnings per ordinary share (sen)	(1.83)	(3.21)	(1.83)	(3.21)

\* 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.

B 11. Retained Profit

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

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits/(accumulated losses)		
- Realised	32,306	40,158
- Unrealised	(9)	(97)
Total before consolidated adjustments		
- Realised	32,306	40,158
- Unrealised	(9)	(97)
Less : Consolidation adjustments	2,447	(3,682)
Total retained profits as per consolidated accounts	34,744	36,379

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.

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S**  
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B 12. Profit for the period

	3 month ended	Year to date
	31.03.2013	31.03.2013
	RM ' 000	RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	426	426
Depreciation and amortisation	(203)	(203)
Provision for doubtful debts	(238)	(238)
Bad debts written off	-	-
Provision for inventories	(90)	(90)
Foreign exchange gain / (loss)	15	15

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.