

PART A: EXPLANATORY NOTES AS PER FRS 134

A1. Basis of Preparation of Interim Financial Reports

The interim financial statements are prepared in accordance with the requirements of the Financial Reporting Standards ("FRS") 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the Company's annual audited financial statements for the year ended 31 December 2008.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

At the date of authorisation of these interim financial statements, the following FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Presentation and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The adoption of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS 139.

A3. Qualification of Financial Statements

The preceding year annual financial statements were not subject to any qualification.

A4. Seasonal and Cyclical Factors

The Group's results were not materially affected by any major seasonal or cyclical factors.

A5. Unusual and Extraordinary Items

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cashflows during the current quarter under review.

A6. Material Changes in Estimates

There were no significant changes in estimates reported in prior financial years which have a material effect in the current quarter.

A7. Debts and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back, and repayment of debts and debts equity securities during the financial quarter under review.

A8. Dividends Paid

No dividends were paid during the current quarter.

A9. Valuation of Property, Plant and Equipment

There is no revaluation of property, plant and equipment, as the Group does not adopt a revaluation policy on property, plant and equipment.

A10. Subsequent Events

There were no materials events subsequent to the quarter under review.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

A12. Contingent Liabilities

There were no changes in contingent liabilities during the current quarter since the last audited financial statements.

A13. Capital Commitment

There were no material capital commitments for the Group as at the current quarter end.

A14. Segmental Information

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2009 RM'000	Preceding Year Corresponding Quarter 31.03.2008 RM'000	Current Year Quarter 31.03.2009 RM'000	Preceding Year Corresponding Quarter 31.03.2008 RM'000
Segmental Revenue				
Manufacturing	12,891	13,626	12,891	13,626
Marketing and trading	25	4,401	25	4,401
Revenue from continuing operations	12,916	18,027	12,916	18,027
Discontinued operations	-	978	-	978
Total revenue	<u>12,916</u>	<u>19,005</u>	<u>12,916</u>	<u>19,005</u>
Results				
Investment holding	(119)	(443)	(119)	(443)
Manufacturing	(144)	975	(144)	975
Marketing and trading	60	87	60	87
Profit/(Loss) before tax	(203)	619	(203)	619
Income tax (expense)/credit	(22)	116	(22)	116
Profit/(Loss) from continuing operations	(225)	735	(225)	735
Loss from discontinued operations	(184)	(402)	(184)	(402)
Loss for the period	<u>(409)</u>	<u>333</u>	<u>(409)</u>	<u>333</u>

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of Performance for the Quarter Ended 31 March 2009

B1 should be read in conjunction with A14 above.

In total, the Group recorded turnover of RM12.916 million for the first quarter ended 31 March 2009 ("Q1 2009") compared to RM18.027 million for the corresponding quarter in 2008 ("Q1 2008"). The security seals business, revenue declined by 5% from RM13.626 million in Q1 2008 to RM12.891 million in Q1 2009 mainly due to the slowdown in the shipping, logistics and airlines industries. The impact however is mitigated by higher sales from the US market.

Although the overall gross profit margin has been reduced, the savings from the cost cutting exercise offsetted the declining margins.

B2. Variation of Results Against Preceding Quarter

	Current Quarter 31.03.2009 RM'000	Preceding Quarter 31.12.2008 RM'000
Segmental Revenue		
Manufacturing	12,891	13,132
Marketing and trading	25	8
Revenue from continuing operations	12,916	13,140
Discontinued operations	-	132
Total revenue	<u>12,916</u>	<u>13,272</u>
Results		
Investment holding	(119)	(1,302)
Manufacturing	(144)	(1,014)
Marketing and trading	60	(116)
Loss before tax	(203)	(2,432)
Income tax (expense)/credit	(22)	22
Loss from continuing operations	(225)	(2,410)
Loss from discontinued operations	(184)	(16,822)
Loss for the period	<u>(409)</u>	<u>(19,232)</u>

With the current global economic climate, the Group registered consistent revenue trend as opposed to RM13.140 million in preceding quarter ended 31 December 2008 ("Q4 2008"). Our cost saving measures started to show favorable results. Net loss for Q1 2009 was RM0.409 million against RM19.232 million in Q4 2008.

The substantial losses in Q4 2008 was mainly due to certain extraordinary items as below:

- Property, plant and equipment written-off totaling to RM1.148 million due to relocation of ABRIC's corporate office; and
- Recognition of impairment loss on precision metal parts machineries and inventories written off amounting to RM14.975 million and RM1.075 million respectively resulted from discontinuation of the precision metal parts division.

B3. Current Year Prospect

The effect of the current global economic crisis has resulted in lower sales in Q1 2009. Moving forward, we expect our market share in Europe and the US to pick up owing to our aggressive sales and marketing initiatives implemented since the beginning of 2009.

Although the global economic condition will continue to be tough and challenging, the Group's focus on the core business-security seals, the continual cost cutting measures and prudent cash and risk management will produce positive results for 2009.

B4. Profit Forecast or Profit Guarantee

The Group has not provided any quarterly profit forecast for the period under review.

B5. Income Tax Expense/(Credit)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2009 RM'000	Preceding Year Corresponding Quarter 31.03.2008 RM'000	Current Year to Date 31.03.2009 RM'000	Preceding Year Corresponding Period 31.03.2008 RM'000
Estimated tax payable:				
Current year:				
Malaysian	-	-	-	-
Foreign	-	(13)	-	(13)
Over/(Under)provision in prior years:				
Malaysian	-	129	-	129
Foreign	(11)	-	(11)	-
	(11)	116	(11)	116
Deferred tax - Foreign	(11)	-	-	-
	<u>(22)</u>	<u>116</u>	<u>(11)</u>	<u>116</u>

B6. Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties during the period under review.

B7. Quoted and Marketable Investments

There were no investments in quoted securities as at the period under review.

B8. Status of Corporate Proposals

There were no significant corporate events during and subsequent to the period under review.

B9. Group Borrowings

The Group borrowings as at the end of the reporting period are as follows:

	RM'000
Secured	
Bank overdraft	393
Bankers acceptances	2,604
Revolving credits	17,841
Long-term borrowings	20,904
	<u>41,742</u>
Unsecured	
Bank overdraft	1,840
Revolving credits	17,124
	<u>18,964</u>
Total	<u><u>60,706</u></u>

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	48,275
Thai Baht	12,431
	<u>60,706</u>

B10. Off Balance Sheet Financial Instruments

There were no outstanding amounts of the forward foreign exchange contracts as at the date of this report.

B11. Dividend

No dividends has been paid, proposed or declared during the quarter under review.

B12. Earnings/(Loss) Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Profit/(Loss) attributable to ordinary equity holders of the Company (RM'000):				
Profit/(Loss) from continuing operations	(174)	560	(174)	560
Loss from discontinued operations	(184)	(402)	(184)	(402)
	<u>(358)</u>	<u>158</u>	<u>(358)</u>	<u>158</u>
Number of ordinary shares ('000)	99,052	99,052	99,052	99,052
Basic earnings/(loss) per share (sen):				
Continuing operations	(0.18)	0.57	(0.18)	0.57
Discontinued operations	(0.19)	(0.41)	(0.19)	(0.41)
	<u>(0.36)</u>	<u>0.16</u>	<u>(0.36)</u>	<u>0.16</u>

The fully diluted earnings per share has not been presented as the warrants and options over unissued ordinary shares granted pursuant to the Executives' Share Option Scheme have anti-dilutive effect as the exercise price of the warrants/options is above the average market value of the Company's shares during the year.

By order of the Board,
Dato' Ong Eng Lock
 Executive Chairman
 Kuala Lumpur