

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 Main Market Listing Requirements (“Main LR”) 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
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
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
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefits Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The adoption of the above Amendment to FRSs, 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.

FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group for allocation of resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business segments. The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements, if any.

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

On 26 June 2009, the Company subscribed for an additional 20,000,000 new ordinary shares of RM1.00 each in Abric International Sdn. Bhd. (formerly known as Abric Micromechanics Sdn. Bhd.) ("AISB") at par for a total consideration of RM20,000,000 and increased its investment in AISB from RM18,200,000 to RM38,200,000 by way of capitalisation of the amount owing by AISB to the Company.

On 29 July 2009, the Company acquired 15,000 ordinary shares of RM1.00 each representing 15% equity interest in CabRICT Energy Sdn. Bhd. ("CESB") from Dato' Murad Muhamed Hashim for a total consideration of RM15,000. Consequent thereto, CESB became a wholly-owned subsidiary of the Company.

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 30.09.2009 RM	Preceding Year Corresponding Quarter 30.09.2008 RM	Current Year Quarter 30.09.2009 RM	Preceding Year Corresponding Quarter 30.09.2008 RM
Segmental Revenue				
Manufacturing	14,182	15,355	39,628	43,431
Marketing and trading	58	2,162	125	10,349
Revenue from continuing operations	14,240	17,517	39,753	53,780
Discontinued operations	-	447	-	2,294
Total revenue	14,240	17,964	39,753	56,074
Results				
Investment holding	(63)	(89)	(302)	(990)
Manufacturing	330	(427)	(178)	(79)
Marketing and trading	51	(12)	77	130
Profit/(Loss) before tax	318	(528)	(403)	(939)
Income tax credit/(expense)	(7)	245	(29)	356
Profit/(Loss) from continuing operations	311	(283)	(432)	(583)
Profit/(Loss) from discontinued operations	(175)	(563)	(409)	(1,659)
Profit/(Loss) for the period	136	(846)	(841)	(2,242)

PART B: ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS (“MAIN LR”)**B1. Review of Performance for the Quarter Ended 30 September 2009**

B1 should be read in conjunction with A14 above.

The Group recorded turnover from security seals business of RM14.182 million for the third quarter ended 30 September 2009 (“Q3 2009”) compared to RM15.355 million for the corresponding quarter in 2008 (“Q3 2008”), representing 8% drop in sales.

Owing to savings from various cost-cutting measures, increase efficiencies and improved gross profit margin, the Group closed the quarter with RM0.318 million profit before tax in Q3 2009 as opposed to pre-tax loss of RM0.528 million in Q3 2008.

On a cumulative basis, the Group turnover for the 9 months period declined by 9% from RM43.431 million in 2008 to RM39.628 million in 2009. The lower turnover was mainly due to lower sales from Asia Pacific market.

B2. Variation of Results Against Preceding Quarter

	Current Quarter 30.09.2009 RM	Preceding Quarter 30.06.2009 RM
Segmental Revenue		
Manufacturing	14,182	12,555
Marketing and trading	58	42
Revenue from continuing operations	<u>14,240</u>	<u>12,597</u>
Results		
Investment holding	(63)	(120)
Manufacturing	330	(364)
Marketing and trading	51	(34)
Profit/(Loss) before tax	318	(518)
Income tax credit/(expense)	(7)	-
Profit/(Loss) from continuing operations	311	(518)
Profit/(Loss) from discontinued operations	<u>(175)</u>	<u>(50)</u>
Profit/(Loss) for the period	<u>136</u>	<u>(568)</u>

Revenue from security seals business increased by 13%, from RM12.555 million for the preceding quarter ended 30 June 2009 (“Q2 2009”) to RM14.182 million in Q3 2009. The upsurge was mainly due to deliveries made to our shipping and logistics customers, on top of favorable revenue growth from the US market.

This translated to profit before tax of RM0.318 million in Q3 2009 compared to pre-tax loss of RM0.518 million in Q2 2009. Improved performance was driven by higher gross profit margin contributed by certain market segments.

B3. Current Year Prospect

The Group had seen positive trends during Q3 2009 in terms of orders and revenue growth, especially from the Europe and US markets. Based on this trend, it is expected that demand for Group's security seals will continue to grow during the final quarter of 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 30.09.2009 RM	Preceding Year Corresponding Quarter 30.09.2008 RM	Current Year Quarter 30.09.2009 RM	Preceding Year Corresponding Quarter 30.09.2008 RM
Estimated tax payable:				
Current year:				
Malaysian	-	-	-	-
Foreign	7	10	7	27
Over/(Under)provision in prior years:				
Malaysian	-	(255)	-	(384)
Foreign	-	-	11	1
	7	(245)	18	(356)
Deferred tax – Foreign	-	-	11	-
	<u>7</u>	<u>(245)</u>	<u>29</u>	<u>(356)</u>

The effective tax rate as calculated above is lower than the prevailing statutory tax rate principally due to utilisation of unabsorbed tax losses and capital allowances as well as tax incentives available to a subsidiary company.

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	-
Trust receipts	1,194
Bankers acceptances	819
Revolving credits	18,320
Long-term borrowings	19,532
	39,865
Unsecured	
Bank overdraft	1,967
Revolving credits	17,430
	19,397
Total	59,262

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	46,683
Thai Baht	12,579
	59,262
	59,262

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as of the date of this announcement.

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	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Profit/(Loss) attributable to ordinary equity holders of the Company (RM'000):				
Profit/(Loss) from:				
Continuing operations	347	(425)	(258)	(968)
Discontinued operations	(175)	(563)	(409)	(1,659)
	<u>172</u>	<u>(988)</u>	<u>(667)</u>	<u>(2,627)</u>
Number of ordinary shares ('000)	99,052	99,052	99,052	99,052
Basic earnings/(loss) per share (sen):				
Continuing operations	0.35	(0.43)	(0.26)	(0.98)
Discontinued operations	(0.18)	(0.57)	(0.41)	(1.67)
	<u>0.17</u>	<u>(1.00)</u>	<u>(0.67)</u>	<u>(2.65)</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