

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2013

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year to Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
Continuing operations					
Revenue	A14	20,065	18,321	20,065	18,321
Other income		334	255	334	255
Depreciation		(1,873)	(1,726)	(1,873)	(1,726)
Other expenses		(17,180)	(15,147)	(17,180)	(15,147)
Finance costs		(511)	(491)	(511)	(491)
Interest income		1	-	1	-
Profit before tax		836	1,212	836	1,212
Income tax	B5	(70)	(92)	(70)	(92)
Profit for the period from continuing operations		766	1,120	766	1,120
Discontinued operations					
Loss for the year from discontinued operations		(126)	(136)	(126)	(136)
Profit for the period	B6	640	984	640	984
Attributable to:					
Owners of the Company		610	856	610	856
Non-controlling interests		30	128	30	128
		<u>640</u>	<u>984</u>	<u>640</u>	<u>984</u>
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)					
Basic					
Continuing operations		0.75	1.00	0.75	1.00
Discontinued operations		(0.13)	(0.14)	(0.13)	(0.14)
Total		0.62	0.86	0.62	0.86
Diluted					
Continuing operations		N/A	0.99	N/A	0.99
Discontinued operations		N/A	(0.14)	N/A	(0.14)
		<u>N/A</u>	<u>0.85</u>	<u>N/A</u>	<u>0.85</u>

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year to Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
Profit for the year	640	984	640	984
Other comprehensive income/(loss)				
Exchange differences on translation of foreign operations	714	(500)	714	(500)
		-		-
Total comprehensive income for the year, net of tax	1,354	484	1,354	484
Total comprehensive income attributable to:				
Owners of the Company	849	409	849	409
Non-controlling interests	505	75	505	75
	1,354	484	1,354	484

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2012

	Note	31.03.2013 Unaudited RM'000	31.12.2012 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		42,906	43,489
Investment Properties		2,624	2,624
Goodwill on consolidation		9,926	9,926
Deferred tax assets		1,601	1,523
Total Non-Current Assets		<u>57,057</u>	<u>57,562</u>
Current Assets			
Inventories		21,980	19,658
Receivables		23,306	21,983
Derivative financial assets	B9	-	-
Cash and bank balances		4,984	4,472
Total Current Assets		<u>50,270</u>	<u>46,113</u>
Total Assets		<u><u>107,327</u></u>	<u><u>103,675</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital		29,715	29,715
Reserves		17,064	16,214
Equity attributable to owners of the Company		46,779	45,929
Non-controlling interests		9,008	8,503
Total Equity		<u>55,787</u>	<u>54,432</u>
Non-Current Liabilities			
Hire-purchase payables - non-current portion	B8	3,149	3,543
Long-term borrowings - non-current portion	B8	10,932	11,641
Deferred tax liabilities		96	96
Total Non-Current Liabilities		<u>14,177</u>	<u>15,280</u>
Current Liabilities			
Payables		15,653	14,230
Derivative financial liabilities	B9	-	3
Borrowings	B8	21,710	19,730
Total Current Liabilities		<u>37,363</u>	<u>33,963</u>
Total Liabilities		<u>51,540</u>	<u>49,243</u>
Total Equity and Liabilities		<u><u>107,327</u></u>	<u><u>103,675</u></u>
Net Assets Per Share (RM)		<u><u>0.47</u></u>	<u><u>0.46</u></u>

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

ABRIC BERHAD
(Company No: 187259-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2013**

	Issued capital RM'000	Share premium RM'000	Translation adjustment account RM'000	Capital reserve RM'000	Warrant reserve RM'000	Revaluation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total RM'000
As at 1 January 2012	29,715	4,746	(4,143)	2,011	832	-	179	11,927	45,267	8,006	53,273
Profit for the period	-	-	-	-	-	-	-	856	856	128	984
Other comprehensive loss	-	-	(447)	-	-	-	-	-	(447)	(53)	(500)
Total comprehensive income/(loss) for the year, net of tax	-	-	(447)	-	-	-	-	856	409	75	484
As at 31 March 2012	<u>29,715</u>	<u>4,746</u>	<u>(4,590)</u>	<u>2,011</u>	<u>832</u>	<u>-</u>	<u>179</u>	<u>12,783</u>	<u>45,676</u>	<u>8,081</u>	<u>53,757</u>
As at 1 January 2013	29,715	4,746	(6,332)	2,011	832	289	179	14,490	45,930	8,503	54,433
Profit for the period	-	-	-	-	-	-	-	610	610	30	640
Other comprehensive income	-	-	239	-	-	-	-	-	239	475	714
Total comprehensive income for the year, net of tax	-	-	239	-	-	-	-	610	849	505	1,354
As at 31 March 2013	<u>29,715</u>	<u>4,746</u>	<u>(6,093)</u>	<u>2,011</u>	<u>832</u>	<u>289</u>	<u>179</u>	<u>15,100</u>	<u>46,779</u>	<u>9,008</u>	<u>55,787</u>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements
for the year ended 31 December 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2013

	3 months ended 31.03.2013 RM'000	3 months ended 31.03.2012 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax for the period from:		
Continuing operations	836	1,212
Discontinued operations	(126)	(136)
Adjustments for:		
Depreciation	1,983	1,841
Finance costs	511	491
Gain on disposal of property, plant and equipment	-	(11)
Allowance for slow-moving inventories	121	(229)
Allowance for doubtful debts	3	-
Other non-cash items	2	4
Fair value gain on financial derivatives	(3)	-
Interest income	(1)	-
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	3,326	3,172
(Increase)/Decrease in:		
Inventories	(2,055)	(113)
Receivables	(1,230)	(2,248)
Increase/(Decrease) in payables	<hr/> 840	<hr/> 1,638
Cash Generated From Operations	881	2,449
Income tax paid	<hr/> (63)	<hr/> (64)
Net Cash Flows From Operating Activities	<hr/> 818	<hr/> 2,385
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	-	28
Additions to property, plant and equipment	(681)	(1,190)
Interest income	<hr/> 1	<hr/> -
Net Cash Flows Used In Investing Activities	<hr/> (680)	<hr/> (1,162)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Net proceed/(repayment) of long-term loan	(709)	(683)
Finance costs paid	(511)	(491)
Payment of hire-purchase payables	(434)	(353)
Net change in bank borrowings	1,983	(310)
Increase in cash and cash equivalents-restricted	<hr/> 5	<hr/> -
Net Cash from/(Used In) Financing Activities	<hr/> 334	<hr/> (1,837)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	472	(614)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,281	5,747
Effect of changes in exchange rates	<hr/> 26	<hr/> (48)
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note)	<hr/> <hr/> 3,779	<hr/> <hr/> 5,085
Note:		
Cash and cash equivalents comprise the followings:		
Cash and bank balances	4,984	6,007
Less: Restricted cash and bank balances	<hr/> (1,205)	<hr/> (922)
	<hr/> <hr/> 3,779	<hr/> <hr/> 5,085

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2012

PART A: EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of Preparation of Interim Financial Statements

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

A2. Changes in Accounting Policies

Standards issued but not yet effective

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

		Effective for annual period beginning on or after
Amendments to MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127	Consolidated and Separate Financial Statements : Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

A3. Qualification of Financial Statements

The preceding year annual audited 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 period 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 issuance or repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter ended 31 March 2013.

The Company had on 23 May 2013, announced its proposal to purchase up to 10% of its issued and paid-up share capital, subject to the approval by its shareholders at the forthcoming Annual General Meeting.

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 material events subsequent to the quarter under review.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial period.

A12. Contingent Liabilities

As of to-date, the Company has given unsecured corporate guarantees totaling RM11,297,929 to certain financial institutions for term loan and other credit facilities granted to certain subsidiary companies. Accordingly, the Company is contingently liable to the financial institution to the extent of the amount of credit facilities utilised by the said subsidiary companies. The financial guarantees have not been recognised since the fair value on initial recognition is negligible.

A13. Capital Commitment

As of the date of this report, the Group has capital commitment not provided for in this report as follows:

	RM'000
Approved and contracted for:	
Purchase of machineries to be utilised in production of security seals	<u>885,395</u>

A14. Segmental Information

For management purposes, the Group is organised as one integrated business segment. The Group however, reviews sales performance by geographical market:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Asia Pacific	9,445	7,893	9,445	7,893
America	7,000	6,722	7,000	6,722
Europe	3,620	3,706	3,620	3,706
	<u>20,065</u>	<u>18,321</u>	<u>20,065</u>	<u>18,321</u>

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

For the first quarter 2013 (“Q1 2013”), the Group recorded revenue of RM20.065 million, which represents an increase of 9.5% as compared to revenue of RM18.321 million for the corresponding quarter of the preceding year (“Q1 2012”). Revenue from Asia Pacific region increased by 19.6% and the America region showed an improvement of 3.4% in sales as well. The European markets reduced in revenue by 2.3%.

Despite the increase in revenue in Q1 2013, the Group generated a lower profit before tax than Q1 2012. This is mainly due to higher raw materials costs and direct labour costs which affected the margins from sales. In addition, the Group’s strategies in exploring and expanding into new markets such as Middle East and America regions, resulted in higher operating expenses.

B2. Variation of Results Against Preceding Quarter

	Current Quarter 31.03.2013 RM’000	Preceding Quarter 31.12.2012 RM’000
Revenue	<u>20,065</u>	<u>17,460</u>
Results		
Profit before tax	836	751
Income tax (expense)/income	<u>(70)</u>	<u>188</u>
Profit from continuing operations	766	939
Loss for the period from discontinued operations	<u>(126)</u>	<u>(150)</u>
Profit for the period	<u>640</u>	<u>789</u>

The Group reported revenue of RM20.065 million in Q1 2013, which represents an increase of 14.9% as compared to RM17.460 million for the fourth quarter of 2012 (“Q4 2012”).

B3. Prospects of the Group

The Group expects that the sales momentum from the Asia Pacific and America regions will continue to increase in the coming quarters of the current financial year. The slowdown in the European economy, together with the shrinking purchasing power in Europe continue to be a challenge for the Group.

The rising operating expenses especially in raw materials and personnel costs continue to pose challenges to the Group. In particular, the implementation of minimum wages in Malaysia and increase in minimum wages in Thailand have significantly increased the direct labour costs for the Group. In the coming months, the Group will focus on implementing actions to mitigate the effects of these rising costs through various productivity improvements and cost-cutting measures.

B4. Profit Forecast or Profit Guarantee

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

B5. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000
Estimated tax payable:				
Current year:				
Malaysian	62	64	62	64
Foreign	37	-	37	-
(Under)/Over provision in prior years:				
Malaysian	-	-	-	-
Foreign	-	-	-	-
	99	64	99	64
Deferred tax:				
Current year:				
Malaysian				
Foreign	(29)	28	(29)	28
	<hr/>	<hr/>	<hr/>	<hr/>
	70	92	70	92
	<hr/>	<hr/>	<hr/>	<hr/>

Domestic current income tax is calculated at the statutory tax rate of 25% of the taxable profit for the period. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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 non-taxable income.

B6. Profit for the Period

Profit for the period is arrived at after the following (credit)/charges:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000
Allowance for slow-moving inventories/ (no longer required)	32	(229)	32	(229)
Loss/(Gain) on disposal of property, plant and equipment	-	(11)	-	(11)
Fair value loss/(gain) on financial derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

B7. Status of Corporate Proposals

There were no outstanding corporate proposals as at the date of this report.

B8. Group Borrowings

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

	Current RM'000	Non-current RM'000	Total RM'000
Secured			
Revolving credit	11,572	-	11,572
Long-term borrowings	5,550	8,382	13,932
Hire-purchase payables	1,698	3,149	4,847
	<u>18,820</u>	<u>11,531</u>	<u>30,351</u>
Unsecured			
Bank overdraft	1,195	-	1,195
Long-term borrowings	195	2,550	2,745
Revolving credit	1,500	-	1,500
	<u>2,890</u>	<u>2,550</u>	<u>5,440</u>
	<u>21,710</u>	<u>14,081</u>	<u>35,791</u>

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	23,745
Thai Baht	12,044
	<u>35,791</u>

B9. Derivative Financial Instruments

Forward foreign currency contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuations in foreign currency exchange rates on specific transactions.

Forward foreign currency contracts are recognised on the contract dates and are measured at fair value with changes in fair value are recognised in profit or loss.

The outstanding forward foreign currency contracts as at 31 March 2013 are as follows:

Type of Derivative	Notional Value RM'000	Fair Value RM'000	Net Fair Value Loss RM'000
Forward foreign currency contracts			
- Less than 1 year	10	10	-

Any forward foreign currency contracts, entered by the Group, were executed with creditworthy financial institutions in Malaysia.

There have been no changes since the end of the previous financial year in respect of the following:

- (i) the Group's exposures to credit risk, market risk and liquidity risk;
- (ii) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (iii) the risk management policies in place for mitigating and controlling the risks associated with financial derivatives contracts; and
- (iv) the related accounting policies.

B10. Dividend

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

B11. Disclosure of Realised and Unrealised Profits or Losses

The breakdown of the retained profits of the Group into realised and unrealised profits, pursuant to the directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000
Total retained profits of the Group:		
Realised	12,753	10,687
Unrealised	2,505	2,151
	15,258	12,838
Less: Consolidated adjustments	(158)	(55)
Total retained earnings	15,100	12,783

B12. Earnings/(Loss) Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Basic earnings/(loss) per ordinary shares				
Profit attributable to owners of the Company (RM'000):				
Profit from continuing operations	736	992	736	992
Loss from discontinued operations	(126)	(136)	(126)	(136)
	<u>610</u>	<u>856</u>	<u>610</u>	<u>856</u>
Number of ordinary shares ('000)	99,052	99,052	99,052	99,052
Basic earnings/(loss) per share (sen):				
Continuing operations	0.75	1.00	0.75	1.00
Discontinued operations	(0.13)	(0.14)	(0.13)	(0.14)
	<u>0.62</u>	<u>0.86</u>	<u>0.62</u>	<u>0.86</u>
Diluted earnings/(loss) per ordinary shares				
Number of shares in issue ('000)	N/A	99,052	N/A	99,052
Shares deemed to be issued through the exercise of warrants	N/A	611	N/A	611
	<u>N/A</u>	<u>99,663</u>	<u>N/A</u>	<u>99,663</u>
Diluted earnings/(loss) per share (sen):				
Continuing operations	N/A	0.99	N/A	0.99
Discontinued operations	N/A	(0.14)	N/A	(0.14)
	<u>N/A</u>	<u>0.85</u>	<u>N/A</u>	<u>0.85</u>

The fully diluted earnings per ordinary share of the Group has not been presented as the warrants have anti-dilutive effect as the exercise price of the warrants is above the average market value of the Company's shares.

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