

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.9.2012 RM'000	Current Year to Date 30.09.2013 RM'000	Preceding Year Corresponding Period 30.9.2012 RM'000
Continuing operations					
Revenue	A14	19,775	19,104	59,149	57,151
Other income		589	78	1,346	618
Depreciation		(1,960)	(1,833)	(5,764)	(5,297)
Other expenses		(17,007)	(16,231)	(50,587)	(47,928)
Finance costs		(507)	(503)	(1,543)	(1,487)
Interest income		-	-	1	1
Profit before tax		890	615	2,602	3,058
Income tax	B5	4	(103)	(134)	(333)
Profit for the period from continuing operations		894	512	2,468	2,725
Discontinued operations					
Loss for the period from discontinued operations		(126)	(152)	(377)	(441)
Profit for the period	B6	768	360	2,091	2,284
Attributable to:					
Owners of the Company		81	280	1,527	1,892
Non-controlling interests		687	80	564	392
		768	360	2,091	2,284
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)					
Basic					
Continuing operations		0.21	0.43	1.92	2.36
Discontinued operations		(0.13)	(0.15)	(0.38)	(0.45)
Total		0.08	0.28	1.54	1.91
Diluted					
Continuing operations		N/A	N/A	N/A	N/A
Discontinued operations		N/A	N/A	N/A	N/A
		N/A	N/A	N/A	N/A

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 30 SEPTEMBER 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.9.2012 RM'000	Current Year to Date 30.09.2013 RM'000	Preceding Year Corresponding Period 30.9.2012 RM'000
Profit for the period	768	360	2,091	2,284
Other comprehensive (loss)/ income				
Exchange differences on translation of foreign operations	2,132	(1,355)	1,975	(1,623)
		-		-
Total comprehensive (loss)/ income for the period, net of tax	2,900	(995)	4,066	661
Total comprehensive income attributable to:				
Owners of the Company	2,058	(1,008)	3,168	317
Non-controlling interests	842	13	898	344
	2,900	(995)	4,066	661

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 30 SEPTEMBER 2013

	Note	30.09.2013 Unaudited RM'000	31.12.2012 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		40,592	43,489
Investment Properties		2,624	2,624
Goodwill on consolidation		9,926	9,926
Deferred tax assets		1,563	1,523
Total Non-Current Assets		<u>54,705</u>	<u>57,562</u>
Current Assets			
Inventories		23,475	19,658
Receivables		22,626	21,984
Derivative financial assets	B9	-	-
Cash and bank balances		5,094	4,472
Total Current Assets		<u>51,195</u>	<u>46,114</u>
Total Assets		<u><u>105,900</u></u>	<u><u>103,676</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital		29,715	29,715
Reserves		19,382	16,214
Equity attributable to owners of the Company		49,097	45,929
Non-controlling interests		9,442	8,504
Total Equity		<u>58,539</u>	<u>54,433</u>
Non-Current Liabilities			
Hire-purchase payables - non-current portion	B8	2,623	3,543
Long-term borrowings - non-current portion	B8	9,551	11,641
Deferred tax liabilities		-	96
Total Non-Current Liabilities		<u>12,174</u>	<u>15,280</u>
Current Liabilities			
Payables		12,553	14,230
Derivative financial liabilities	B9	71	3
Borrowings	B8	22,563	19,730
Total Current Liabilities		<u>35,187</u>	<u>33,963</u>
Total Liabilities		<u>47,361</u>	<u>49,243</u>
Total Equity and Liabilities		<u><u>105,900</u></u>	<u><u>103,676</u></u>
Net Assets Per Share (RM)		<u><u>0.50</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 30 SEPTEMBER 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	8,005	53,272
Profit for the period	-	-	-	-	-	-	-	1,892	1,892	392	2,284
Other comprehensive loss	-	-	(1,575)	-	-	-	-	-	(1,575)	(48)	(1,623)
Total comprehensive income/(loss) for the period, net of tax	-	-	(1,575)	-	-	-	-	1,892	317	344	661
As at 30 June 2012	<u>29,715</u>	<u>4,746</u>	<u>(5,718)</u>	<u>2,011</u>	<u>832</u>	<u>-</u>	<u>179</u>	<u>13,819</u>	<u>45,584</u>	<u>8,349</u>	<u>53,933</u>
As at 1 January 2013	29,715	4,746	(6,332)	2,011	832	289	179	14,489	45,929	8,504	54,433
Profit for the period	-	-	-	-	-	-	-	1,527	1,527	564	2,091
Other comprehensive income	-	-	1,641	-	-	-	-	-	1,641	334	1,975
Total comprehensive income/(loss) for the period, net of tax	-	-	1,641	-	-	-	-	1,527	3,168	898	4,066
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	40	40
As at 30 September 2013	<u>29,715</u>	<u>4,746</u>	<u>(4,691)</u>	<u>2,011</u>	<u>832</u>	<u>289</u>	<u>179</u>	<u>16,016</u>	<u>49,097</u>	<u>9,442</u>	<u>58,539</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 30 SEPTEMBER 2013

	9 months ended 30.09.2013 RM'000	9 months ended 30.9.2012 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax for the period from:		
Continuing operations	2,602	3,058
Discontinued operations	(377)	(441)
Adjustments for:		
Depreciation	6,093	5,689
Finance costs	1,543	1,487
Inventories written down	89	-
Fair value (gain)/loss on financial derivatives	68	(6)
Allowance for slow-moving inventories	33	-
Allowance for doubtful debts	2	-
Interest income	(1)	(1)
Allowance for slow-moving inventories no longer required	-	(203)
Other non-cash items	-	(8)
Gain on disposal of property, plant and equipment	-	(4)
	<hr/>	<hr/>
Operating Profit Before Working Capital Changes	10,052	9,571
(Increase)/Decrease in:		
Inventories	(2,950)	(840)
Receivables	296	(4,533)
(Decrease)/Increase in payables	<hr/> (2,075)	<hr/> 3,564
Cash Generated From Operations	5,323	7,762
Income tax paid	<hr/> (219)	<hr/> (330)
Net Cash Flows From Operating Activities	<hr/> 5,104	<hr/> 7,432
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Acquisition of a subsidiary company, net of cash acquired	40	-
Proceed from disposal of property, plant and equipment	-	315
Additions to property, plant and equipment	(2,573)	(6,350)
Interest income	<hr/> 1	<hr/> 1
Net Cash Flows Used In Investing Activities	<hr/> (2,532)	<hr/> (6,034)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Net (repayment)/proceed of long-term loan	(2,126)	840
Finance costs paid	(1,543)	(1,487)
Payment of hire-purchase payables	(1,308)	(1,055)
Net change in bank borrowings	2,930	(627)
Increase in cash and cash equivalents-restricted	<hr/> (50)	<hr/> -
Net Cash Used In Financing Activities	<hr/> (2,097)	<hr/> (2,329)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	475	(931)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,281	5,747
Effect of changes in exchange rates	<hr/> 80	<hr/> (11)
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note)	<hr/> <hr/> 3,836	<hr/> <hr/> 4,805
Note:		
Cash and cash equivalents comprise the followings:		
Cash and bank balances	5,094	5,799
Less: Restricted cash and bank balances	<hr/> (1,258)	<hr/> (994)
	<hr/> <hr/> 3,836	<hr/> <hr/> 4,805

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 30 September 2013.

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, except for as disclosed in Note A11.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial period except for the following:

On 2 October 2013, a subsidiary company of the Company, Abric Worldwide Sdn. Bhd. ("AWSB") subscribed 60,000 Ordinary Shares of RM1.00 each, representing 60% equity interest in Abric Encode Sdn. Bhd. ("AESB") for a total cash consideration of RM60,000. Subsequent to the subscription, AESB becomes a subsidiary company of AWSB, which in turn, a subsidiary company of the Company.

A12. Contingent Liabilities

As of to-date, the Company has given unsecured corporate guarantees totaling RM14,318,949 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>727</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 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year Quarter 30.06.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000
Asia Pacific	8,700	8,276	26,958	24,788
America	7,453	6,590	21,738	20,380
Europe	3,622	4,238	10,453	11,983
	<u>19,775</u>	<u>19,104</u>	<u>59,149</u>	<u>57,151</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 third quarter 2013 (“Q3 2013”), the Group recorded a revenue of RM19.775 million, which is 3.5% higher than the corresponding quarter of the preceding year (“Q3 2012”). Revenue from Asia Pacific region and Americas increased by 5.1% and 13.1% respectively. Whereas there was a decline of 14.5% in revenue in the European operation.

The profit for the period for Q3 2013 was RM0.768 million.

B2. Variation of Results Against Preceding Quarter

	Current Quarter 30.09.2013 RM'000	Preceding Quarter 30.06.2013 RM'000
Revenue	<u>19,775</u>	<u>19,309</u>
Results		
Profit before tax	890	876
Income tax (expense)/income	<u>4</u>	<u>(68)</u>
Profit from continuing operations	894	808
Loss for the period from discontinued operations	<u>(126)</u>	<u>(125)</u>
Profit for the period	<u>768</u>	<u>683</u>

The Group reported revenue of RM19.775 million in Q3 2013, which represents an increase of 2.4% as compared to RM19.309 million for the second quarter of 2013 (“Q2 2013”).

B3. Prospects of the Group

The Asia Pacific and America regions are expected to continue contributing to the sales growth of the Group for the rest of the financial year. The sluggish European economic condition, together with the shrinking purchasing power in Europe continues to be a challenge to the Group.

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 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year Quarter 30.09.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000
Estimated tax payable:				
Current year:				
Malaysian	55	63	174	197
Foreign	21	-	62	-
(Under)/Over provision in prior years:				
Malaysian	-	53	-	106
Foreign		53	-	53
	76	169	236	356
Deferred tax:				
Current year:				
Malaysian	-	-	-	-
Foreign	(80)	(66)	(102)	(23)
	<u>(4)</u>	<u>103</u>	<u>134</u>	<u>333</u>

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 30.06.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000	Current Year Quarter 30.06.2013 RM'000	Preceding Year Corresponding Quarter 30.09.2012 RM'000
Allowance for slow-moving inventories/ (no longer required)	-	99	32	(203)
Loss/(gain) on disposal of property, plant and equipment	-	40	-	(4)
Loss/(gain) on foreign exchange - net	(192)	330	(451)	385
Fair value loss/(gain) on financial derivatives	4	35	71	(6)
	4	35	71	(6)

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	15,435	-	15,435
Long-term borrowings	2,636	7,099	9,735
Hire-purchase payables	1,640	2,623	4,263
	19,711	9,722	29,433
Unsecured			
Bank overdraft	1,157	-	1,157
Long-term borrowings	195	2,452	2,647
Revolving credit	1,500	-	1,500
	2,852	2,452	5,304
	22,563	12,174	34,737

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	22,586
Thai Baht	12,151
	34,737

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 30 September 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	<u>2,194</u>	<u>2,265</u>	<u>(71)</u>

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 30.09.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of the Group:		
Realised	13,974	12,813
Unrealised	<u>2,852</u>	<u>2,310</u>
	16,826	15,123
Less: Consolidated adjustments	<u>(810)</u>	<u>(634)</u>
Total retained earnings	<u>16,016</u>	<u>14,489</u>

B12. Earnings/(Loss) Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Basic earnings/(loss) per ordinary shares				
Profit attributable to owners of the Company (RM'000):				
Profit from continuing operations	207	432	1,904	2,333
Loss from discontinued operations	(126)	(152)	(377)	(441)
	<u>81</u>	<u>280</u>	<u>1,527</u>	<u>1,892</u>
Number of ordinary shares ('000)	99,052	99,052	99,052	99,052
Basic earnings/(loss) per share (sen):				
Continuing operations	0.21	0.43	1.92	2.36
Discontinued operations	(0.13)	(0.15)	(0.38)	(0.45)
	<u>0.08</u>	<u>0.28</u>	<u>1.54</u>	<u>1.91</u>
Diluted earnings/(loss) per ordinary shares				
Number of shares in issue ('000)	N/A	N/A	N/A	N/A
Shares deemed to be issued through the exercise of warrants	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Diluted earnings/(loss) per share (sen):				
Continuing operations	N/A	N/A	N/A	N/A
Discontinued operations	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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