

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2014

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000	Current Year to Date 31.03.2014 RM'000	Preceding Year Corresponding Period 31.03.2013 RM'000
Continuing operations					
Revenue	A14	19,089	20,065	19,089	20,065
Other income		370	334	370	334
Depreciation		(1,594)	(1,873)	(1,594)	(1,873)
Other expenses		(16,772)	(17,180)	(16,772)	(17,180)
Finance costs		(452)	(511)	(452)	(511)
Interest income		15	1	15	1
Profit before tax		656	836	656	836
Income tax expense	B5	(111)	(70)	(111)	(70)
Profit for the period from continuing operations		545	766	545	766
Discontinued operations					
Loss for the period from discontinued operations		(117)	(126)	(117)	(126)
Profit for the period	B6	428	640	428	640
Attributable to:					
Owners of the Company		333	610	333	610
Non-controlling interests		95	30	95	30
		428	640	428	640
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)					
Basic					
Continuing operations		0.46	0.75	0.46	0.75
Discontinued operations		(0.12)	(0.13)	(0.12)	(0.13)
Total		0.34	0.62	0.34	0.62
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 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000	Current Year to Date 31.03.2014 RM'000	Preceding Year Corresponding Period 31.03.2013 RM'000
Profit for the period	428	640	428	640
Other comprehensive income/(loss)				
Exchange differences on translation of foreign operations	149	714	149	714
Total comprehensive income for the period, net of tax	577	1,354	577	1,354
Total comprehensive income attributable to:				
Owners of the Company	388	849	388	849
Non-controlling interests	189	505	189	505
	577	1,354	577	1,354

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2014

	Note	31.03.2014 Unaudited RM'000	31.12.2013 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		36,874	38,171
Investment Properties		2,624	2,624
Intangible Assets		69	34
Goodwill on consolidation		9,926	9,926
Deferred tax assets		2,280	2,411
Total Non-Current Assets		<u>51,773</u>	<u>53,166</u>
Current Assets			
Inventories		20,391	21,516
Receivables		17,392	20,245
Derivative financial assets	B9	-	13
Cash and bank balances		10,100	6,943
Total Current Assets		<u>47,883</u>	<u>48,717</u>
Total Assets		<u><u>99,656</u></u>	<u><u>101,883</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital		29,715	29,715
Reserves		20,683	20,295
Equity attributable to owners of the Company		50,398	50,010
Non-controlling interests		9,498	9,308
Total Equity		<u>59,896</u>	<u>59,318</u>
Non-Current Liabilities			
Hire-purchase payables - non-current portion	B8	1,720	2,295
Long-term borrowings - non-current portion	B8	8,091	8,815
Deferred tax liabilities		-	96
Total Non-Current Liabilities		<u>9,811</u>	<u>11,206</u>
Current Liabilities			
Payables		10,355	11,348
Borrowings	B8	19,594	20,011
Total Current Liabilities		<u>29,949</u>	<u>31,359</u>
Total Liabilities		<u>39,760</u>	<u>42,565</u>
Total Equity and Liabilities		<u><u>99,656</u></u>	<u><u>101,883</u></u>
Net Assets Per Share (RM)		<u><u>0.51</u></u>	<u><u>0.50</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 2013

ABRIC BERHAD
(Company No: 187259-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2014**

	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 2013	29,715	4,746	(6,332)	2,011	832	289	179	14,489	45,929	8,504	54,433
Profit for the period	-	-	-	-	-	-	-	610	610	30	640
Other comprehensive income	-	-	239	-	-	-	-	-	239	475	714
Total comprehensive income for the period, 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>15,099</u>	<u>46,778</u>	<u>9,009</u>	<u>55,787</u>
As at 1 January 2014	29,715	4,746	(3,598)	2,011	832	289	179	15,836	50,010	9,309	59,319
Profit for the period	-	-	-	-	-	-	-	333	333	95	428
Other comprehensive income	-	-	55	-	-	-	-	-	55	94	149
Total comprehensive income for the period, net of tax	-	-	55	-	-	-	-	333	388	189	577
As at 31 March 2014	<u>29,715</u>	<u>4,746</u>	<u>(3,543)</u>	<u>2,011</u>	<u>832</u>	<u>289</u>	<u>179</u>	<u>16,169</u>	<u>50,398</u>	<u>9,498</u>	<u>59,896</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 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2014

	3 months ended 31.03.2014 RM'000	3 months ended 31.03.2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before tax for the period from:		
Continuing operations	656	836
Discontinued operations	(117)	(126)
Adjustments for:		
Depreciation	1,703	1,983
Finance costs	452	511
Unrealised loss on foreign exchange	76	-
Loss on disposal of property, plant and equipment	137	-
Allowance for slow-moving inventories	-	121
Allowance for doubtful debts	-	3
Allowances for doubtful debts no longer required	(2)	-
Other non-cash items	-	2
Fair value gain on financial derivatives	-	(3)
Interest income	(15)	(1)
Property, plant and equipment written off	8	-
	<u>2,898</u>	<u>3,326</u>
Operating Profit Before Working Capital Changes		
	2,898	3,326
Decrease/(Increase) in:		
Inventories	1,141	(2,055)
Receivables	2,797	(1,230)
	<u>(1,024)</u>	<u>840</u>
(Decrease)/Increase in payables		
	(1,024)	840
Cash Generated From Operations		
	5,812	881
Income tax paid	(47)	(63)
	<u>5,765</u>	<u>818</u>
Net Cash Flows From Operating Activities		
	5,765	818
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	55	-
Additions to property, plant and equipment	(470)	(681)
Additions to intangible assets	(35)	-
Interest income	15	1
	<u>(435)</u>	<u>(680)</u>
Net Cash Flows Used In Investing Activities		
	(435)	(680)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Net repayment of long-term loan	(711)	(709)
Finance costs paid	(452)	(511)
Payment of hire-purchase payables	(415)	(434)
Net change in bank borrowings	(589)	1,983
(Increase)/decrease in cash and cash equivalents-restricted	(14)	5
	<u>(2,181)</u>	<u>334</u>
Net Cash (Used In)/From Financing Activities		
	(2,181)	334
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	3,149	472
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
	5,646	3,281
Effect of changes in exchange rates	(8)	26
	<u>8,787</u>	<u>3,779</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note)		
	<u>8,787</u>	<u>3,779</u>
Note:		
Cash and cash equivalents comprise the followings:		
Cash and bank balances	10,100	4,984
Less: Restricted cash and bank balances	(1,313)	(1,205)
	<u>8,787</u>	<u>3,779</u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2013

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 2013. 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 2013.

A2. Changes in Accounting Policies

Adoption of New and Revised Financial Reporting Standards

In the current financial period, the Group adopted all the new and revised MFRSs and Issues Committee Interpretations (“IC Interpretations”) and amendments to MFRSs and IC Interpretations issued by MASB that are relevant to their operations and effective for annual financial periods beginning on or after 1 January 2014.

Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)
IC Interpretation 21	Levies

The Directors anticipate that abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

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:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ¹
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ¹
MFRS 9	Financial Instruments (Hedge Accounting and amendments relating to MFRS 9, MFRS 7 and MFRS 139) ¹
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures ¹

Amendments to MFRS 119 Employees Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)²
Annual Improvements to FRSs 2010 – 2012 cycle (issued in December 2013)²
Annual Improvements to FRSs 2011 – 2013 cycle (issued in December 2013)²

¹ The mandatory effective date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual period beginning on or after 1 January 2015 has been removed with the issuance of MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139. The effective date of MFRS 9 will be decided when IASB's IFRS 9 project is closer to completion. However, each version of the MFRS 9 is available for early adoption

² Effective for annual periods beginning on or after 1 July 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 cash flows 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 2014.

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 RM16,800,537 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 in respect of purchase of property, plant and equipment not provided for in this report as follows:

	RM'000
Approved and contracted for	<u><u>670</u></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 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000	Current Year Quarter 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000
Asia Pacific	8,139	9,445	8,139	9,445
America	7,504	7,000	7,504	7,000
Europe	3,446	3,620	3,446	3,620
	<u>19,089</u>	<u>20,065</u>	<u>19,089</u>	<u>20,065</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 2014 ("Q1 2014"), the Group recorded a revenue of RM19.089 million, which is 4.9% lower than the corresponding quarter of the preceding year ("Q1 2013"). Revenue from Americas increased by 7.2%. Whereas there was a decline of 13.8% and 4.8% in revenue in the Asia Pacific and European markets respectively.

The Group generated a lower profit before tax of RM0.656 million compare to RM0.836 million of Q1 2013. This is mainly due to decrease of revenue and higher raw materials and labour costs which affected the margins from sales.

B2. Variation of Results Against Preceding Quarter

	Current Quarter 31.03.2014 RM'000	Preceding Quarter 31.12.2013 RM'000
Revenue	<u>19,089</u>	<u>20,354</u>
Results		
Profit/(loss) before tax	656	(454)
Income tax	<u>(111)</u>	<u>638</u>
Profit from continuing operations	545	184
Loss for the period from discontinued operations	<u>(117)</u>	<u>(126)</u>
Profit for the period	<u><u>428</u></u>	<u><u>58</u></u>

The Group reported revenue of RM19.089 million in Q1 2014, which represents an decrease of 6.2% as compared to RM20.354 million for the fourth quarter of 2013 ("Q4 2013").

B3. Prospects of the Group

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

Nevertheless, the rising operating expenses especially in raw materials and labour costs continue to pose challenges 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 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000	Current Year Quarter 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000
Estimated tax payable:				
Current year:				
Malaysia	35	62	35	62
Foreign	32	37	32	37
Under/(Over) provision in prior years:				
Malaysia	-	-	-	-
Foreign	-	-	-	-
	67	99	67	99
Deferred tax:				
Current year:				
Malaysia	-	(29)	-	(29)
Foreign	81	-	81	-
Under/ (Over) provision in Prior years:				
Malaysia	(37)	-	(37)	-
Foreign	-	-	-	-
	<u>111</u>	<u>70</u>	<u>111</u>	<u>70</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 year is arrived at after the following (credit)/charges:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000	Current Year Quarter 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000
Allowance for slow-moving inventories	-	32	-	32
Allowance for doubtful debts no longer required	(2)	-	(2)	-
Loss on disposal of property, plant and equipment	137	-	137	-
Write-off of property, plant and equipment	8	-	8	-
Gain on foreign exchange - net	(57)	-	(57)	-
	<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	10,581	-	10,581
Long-term borrowings	2,854	8,091	10,945
Hire-purchase payables	1,786	1,720	3,506
Bankers acceptances	1,597	-	1,597
Bank overdraft	200	-	200
	<u>17,018</u>	<u>9,811</u>	<u>26,829</u>
Unsecured			
Bank overdraft	1,076	-	1,076
Revolving credit	1,500	-	1,500
	<u>2,576</u>	<u>-</u>	<u>2,576</u>
	<u>19,594</u>	<u>9,811</u>	<u>29,405</u>

The group borrowings are denominated in the following currencies:

	RM'000
Ringgit Malaysia	18,805
Thai Baht	<u>10,600</u>
	<u>29,405</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.

There were no outstanding forward foreign currency contracts as at 31 March 2014.

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 31.03.2014 RM'000	As at 31.03.2013 RM'000
Total retained profits/(losses) of the Group:		
Realised	16,264	12,753
Unrealised	<u>(15)</u>	<u>2,505</u>
	16,249	15,258
Less: Consolidated adjustments	<u>(80)</u>	<u>(158)</u>
Total retained earnings	<u>16,169</u>	<u>15,100</u>

B12. Earnings/(Loss) Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Basic earnings/(loss) per ordinary shares				
Profit attributable to owners of the Company (RM'000):				
Profit from continuing operations	450	736	450	736
Loss from discontinued operations	(117)	(126)	(117)	(126)
	<u>333</u>	<u>610</u>	<u>333</u>	<u>610</u>
Number of ordinary shares ('000)	99,052	99,052	99,052	99,052
Basic earnings/(loss) per share (sen):				
Continuing operations	0.46	0.75	0.46	0.75
Discontinued operations	(0.12)	(0.13)	(0.12)	(0.13)
	<u>0.34</u>	<u>0.62</u>	<u>0.34</u>	<u>0.62</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