ABRIC BERHAD
(Company No: 187259-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year Corresponding Period
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
	Note	RM'000	RM'000	RM'000	RM'000
			As restated		As restated
Continuing operations					
Revenue	A15	972	310	1,134	1,045
Other income		-	2,595	-	2,613
Depreciation		(158)	(51)	(394)	(210)
Other expenses		(2,978)	(1,971)	(3,997)	(2,672)
Finance costs		(121)	(57)	(327)	(261)
Profit/(Loss) before tax		(2,285)	826	(3,584)	515
Income tax expense	B5	(67)	(21)	(183)	(121)
Profit/(Loss) for the period/year from continuing operations		(2,352)	805	(3,767)	394
Discontinued operations					
Profit for the period/year from discontinued operations, net of tax	A12	68,150	(747)	72,568	1,755
Profit for the period/year	B6	65,798	58	68,801	2,149
Attributable to:					
Owners of the Company		66,459	(180)	69,281	1,347
Non-controlling interests		(661)	238	(480)	802
		65,798	58	68,801	2,149
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)	B12				
Basic					
Continuing operations		(2.37)	0.81	(3.80)	0.40
Discontinued operations		69.34	(0.99)	73.61	0.96
Total		66.97	(0.18)	69.81	1.36
Diluted					
Continuing operations		(2.01)	N/A	(3.22)	N/A
Discontinued operations		58.82	N/A	62.45	N/A
Total		56.81	N/A	59.23	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

ABRIC BERHAD
(Company No: 187259-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year to Date 31.12.2014 RM'000	Preceding Year Corresponding Period 31.12.2013 RM'000
Profit for the period/year	**65,798**	**58**	**68,801**	**2,149**
Other comprehensive income/(loss)				
Item that may be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign operations	1,086	722	1,074	2,697
Release of reserves upon disposal of subsidiary companies	(2,641)	-	(2,641)	-
Revaluation reserve arising from reclassification of property, plant and equipment to investment properties	4,394	-	4,394	-
Total comprehensive income for the period/year, net of tax	68,637	780	71,628	4,846
Total comprehensive income attributable to:				
Owners of the Company	69,158	913	71,843	4,081
Non-controlling interests	(521)	(133)	(215)	765
	68,637	780	71,628	4,846
Total comprehensive income attributable to owners of the Company analysed between:				
- Continuing Operations	1,609	2,734	611	2,981
- Discontinued Operations	67,549	(1,821)	71,232	1,100
	69,158	913	71,843	4,081

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

ABRIC BERHAD
(Company No: 187259-W)

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

	Note	31.12.2014 Unaudited RM'000	31.12.2013 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,222	38,171
Investment properties		15,424	2,624
Intangible assets		-	34
Goodwill		-	9,926
Deferred tax assets		-	2,411
Total Non-Current Assets		16,646	53,166
Current Assets			
Inventories		-	21,516
Receivables		1,057	20,245
Derivative financial assets	B9	-	13
Cash and bank balances		126,142	6,943
Assets classified as held for sale	A12	879	-
Total Current Assets		128,078	48,717
Total Assets		144,724	101,883
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital		30,864	29,715
Reserves		89,175	20,295
Equity attributable to owners of the Company		120,039	50,010
Non-controlling interests		-	9,308
Total Equity		120,039	59,318
Non-Current Liabilities			
Hire-purchase payables - non-current portion	B8	199	2,295
Long-term borrowings - non-current portion	B8	3,805	8,815
Deferred tax liabilities		1,575	96
Total Non-Current Liabilities		5,579	11,206
Current Liabilities			
Payables		14,443	11,348
Borrowings	B8	4,265	20,011
Liabilities classified as held for sale	A12	398	-
Total Current Liabilities		19,106	31,359
Total Liabilities		24,685	42,565
Total Equity and Liabilities		144,724	101,883
Net Assets Per Share (RM)		**1.17**	**0.50**

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 YEAR ENDED 31 DECEMBER 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	4,747	(6,332)	2,011	831	289	179	14,489	45,929	8,503	54,432
Profit for the year	-	-	-	-	-	-	-	1,347	1,347	802	2,149
Other comprehensive income:											
Currency translation differences	-	-	2,734	-	-	-	-	-	2,734	(37)	2,697
Total comprehensive income for the year, net of tax	-	-	2,734	-	-	-	-	1,347	4,081	765	4,846
Transaction with owners of the Company:											
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	40	40
As at 31 December 2013	29,715	4,747	(3,598)	2,011	831	289	179	15,836	50,010	9,308	59,318
As at 1 January 2014	29,715	4,747	(3,598)	2,011	831	289	179	15,836	50,010	9,308	59,318
Profit for the year	-	-	-	-	-	-	-	69,281	69,281	(480)	68,801
Other comprehensive (loss)/ income											
Currency translation differences	-	-	782	-	-	-	-	-	782	292	1,074
Release of reserves upon disposal of subsidiary companies	-	-	(2,435)	(2,011)	-	-	(179)	2,011	(2,614)	(27)	(2,641)
Revaluation reserve arising from reclassification of property, plant and equipment to investment properties	-	-	-	-	-	4,394	-	-	4,394	-	4,394
Total comprehensive income for the year, net of tax	-	-	(1,653)	(2,011)	-	4,394	(179)	71,292	71,843	(215)	71,628
Transaction with owners of the Company:											
Issuance of shares pursuant to exercise of warrants	1,149	64	-	-	(64)	-	-	-	1,149	-	1,149
Acquisition of additional shares from non-controlling interests	-	-	-	-	-	-	-	(2,963)	(2,963)	(9,093)	(12,056)
As at 31 December 2014	30,864	4,811	(5,251)	-	767	4,683	-	84,165	120,039	-	120,039

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

ABRIC BERHAD
(Company No: 187259-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	12 months ended 31.12.2014 RM'000	12 months ended 31.12.2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) before tax for the year from:		
Continuing operations	(3,584)	515
Discontinued operations	73,039	1,130
Adjustments for:		
Depreciation	6,214	7,704
Gain on disposal of subsidiary companies	(75,046)	-
Finance costs	1,679	2,001
Unrealised (gain)/loss on foreign exchange	1,176	959
Loss on disposal of property, plant and equipment	131	2
Allowance for slow-moving inventories	1,604	81
Allowance for doubtful debts	535	188
Gain from derecognition of other payables	-	(2,780)
Fair value loss on financial derivatives	-	(12)
Interest income	(32)	(19)
Property, plant and equipment written off	3,513	-
Operating Profit Before Working Capital Changes	9,229	9,769
Decrease/(Increase) in:		
Inventories	(278)	(1,314)
Receivables	1,654	1,624
Increase in payables	3,532	920
Cash Generated From Operations	14,137	10,999
Tax paid	(183)	(640)
Tax refunded	89	104
Net Cash Flows From Operating Activities	14,043	10,463
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	446	73
Additions to property, plant and equipment	(3,608)	(1,963)
Acquisition of additional shares from non-controlling interests	(12,057)	-
Proceeds from disposal of subsidiary companies	123,033	-
Additions to intangible assets	(133)	(34)
Interest income	32	19
Net Cash Flows Generated From/(Used In) Investing Activities	107,713	(1,905)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Net repayment of long-term loan	(2,813)	(2,851)
Finance costs paid	(1,679)	(2,001)
Payment of hire-purchase payables	(1,137)	(1,755)
Net change in bank borrowings	2,284	381
Proceeds from shares issued by a subsidiary company to a non-controlling shareholder	-	40
Proceeds from issuance of shares pursuant to exercise of warrants	1,149	-
Increase in cash and cash equivalents-restricted	(9,074)	(100)
Net Cash Flows Used In Financing Activities	(11,270)	(6,286)
NET INCREASE IN CASH AND CASH EQUIVALENTS	110,486	2,272
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,646	3,281
Effect of changes in exchange rates	30	93
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note)	116,162	5,646

Note:
Cash and cash equivalents comprise the followings:

Cash and bank balances	126,533	6,943
Less: Restricted cash and bank balances	(10,371)	(1,297)
	116,162	5,646

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 year, 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 adoption of these Standards and IC Interpretations do not have a material impact on the financial statements of the Group in the current financial year.

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:

Annual Improvements to MFRS 2010 – 2012 cycle (effective for annual periods beginning on or after 1 July 2014)

Annual Improvements to MFRS 2011 – 2013 cycle (effective for annual periods beginning on or after 1 July 2014)

Amendments to MFRS 119 "Defined Benefit Plans: Employees Contributions" (effective for annual periods beginning on or after 1 July 2014)

MFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016)

Amendments to MFRS 116 and MFRS 138 "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods beginning on or after 1 January 2016)
Amendments to MFRS 11 "Accounting for Acquisition of Interests in Joint Operations" (effective for annual periods beginning on or after 1 January 2016)
MFRS 15 "Revenue" (effective for annual periods beginning on or after 1 January 2017)
MFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018)

Comparatives

The following comparatives have been reclassified to conform with current financial year's presentation and the effects from the Discontinued Operations and Disposal Group Classified As Held For Sale as described in Note A12.

	As previously Reported RM'000	**Reclassification RM'000**	**As restated RM'000**
Preceding Year Corresponding Quarter			
31.12.2013			
Revenue			
- Continuing operations	20,354	(20,044)	310
- Discontinued operations	-	20,354	20,354
Other income			
- Continuing operations	4,402	(1,807)	2,595
- Discontinued operations	-	1,497	1,497
Preceding Year Corresponding Year			
31.12.2013			
Revenue			
- Continuing operations	79,503	(78,458)	1,045
- Discontinued operations	-	79,503	79,503
Other income			
- Continuing operations	5,747	(3,134)	2,613
- Discontinued operations	-	2,089	2,089

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

For the year ended 31 December 2014, the issued and paid-up ordinary share capital of the Company was increased by RM1.149 million by way of allotment and issuance of 3,827,450 new ordinary shares of RM0.30 each from the exercise of ABRIC Warrants 2011/2016.

Other than the above, there were no other 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 December 2014.

A8. Dividends Paid

No dividends were paid during the current quarter.

A9. Carrying amount of revalued assets

A revaluation to assess the market value of an investment property held by the Group has been conducted by an independent professional valuer. The market value of the investment property as at 31 December 2014 were RM12.8 million, indicating a surplus of approximately RM5.8 million. In accordance with the Group's accounting policy, revaluation surplus is recognized as fair value gain on investment properties in the statements of comprehensive income for the financial year ended 31 December 2014.

Other than the above, the carrying values of property, plant and equipment and investment properties have been brought forward without significant changes from the audited financial statements for the financial year ended 31 December 2013.

A10. Subsequent Events

On 16 January 2015, the Board of Directors of the Company announced that its wholly-owned subsidiary, Abric Properties Sdn Bhd had entered into a Sale and Purchase Agreement with Cosy Bonanza Sdn Bhd in relation to the acquisition of an individual parcel of commercial office premises held under parcel unit no. 41-18, level no. 41, measuring approximately 2,917 square feet, comprised in a 45-storey commercial building with 2-storey basement car parks comprising offices, retail units and car park level known as "Q Sentral" to be constructed as part of the piece and parcel of freehold land identified as Lot B which is currently held under block title Geran No. 46092, Lot no. 70, Seksyen 0070, Bandar Kuala Lumpur, Daerah Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur measuring approximately 7,503 square metres in total areas, for a total cash consideration of RM3,704,590.

Other than the above and the corporate proposals and dividends disclosed in Note B7 and B10 respectively, there were no material events subsequent to the quarter under review.

A11. Changes in Composition of the Group

(a) On 28 Oct 2014, the Board of Directors of the Company announced the transfer of 10,000 ordinary shares of HK$1.00 each representing 100% of the total issued and paid-up capital in Abric (Hong Kong) Ltd from Abric Worldwide Sdn Bhd to its subsidiary company, namely Abric One Sdn Bhd for a cash consideration of RM1.00.

(b) On 28 Oct 2014, the Board of Directors of the Company announced the transfer of 500,000 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up capital in Abric One Sdn Bhd from Abric Worldwide Sdn Bhd to its immediate holding company, namely Abric Berhad for a cash consideration of RM1.00.

Other than the above and the corporate proposals disclosed in Note B7, there were no changes in the composition of the Group during the quarter under review.

A12. Discontinued Operations and Disposal Group Classified As Held For Sale

The Board of Directors of the Company had on 21 July 2014 announced on Bursa Malaysia Securities Berhad that the Company had received a non-binding indication of interest to acquire the manufacturing, distribution and sale of security seals business, which represents the entire core business of the Group.

Subsequently on 24 September 2014, AmInvestment Bank announced, on behalf of the Board that the Company and its subsidiary, Abric Worldwide Sdn Bhd ("AWSB") had on even date entered into the following agreements respectively:-

(a) the Abric Eastern International Ltd ("AEIL") conditional sale and purchase agreement ("AEIL SPA") dated 24 September 2014 entered into between AWSB and Vitoorapakorn Holdings Co., Ltd ("VHCL") to acquire the remaining 40% equity interest in AEIL, not already owned by AWSB, for a cash consideration amounting to THB113.0 million ("Proposed AEIL Acquisition"); and

(b) the SPA dated 24 September 2014 entered into between the Company and ESNT International Ltd ("ESNT") to dispose of the Company's entire equity interest in the 9 subsidiaries ("Disposal Companies") for a cash consideration amounting to RM146,000,000 on a cash-free, debt-free basis, subject to adjustments on the Working Capital amounts. The disposal consideration is payable by ESNT to the Company on Completion, subject to the Net Debt and/or Working Capital adjustments, escrow amount and deduction of the Purchase Consideration payable by AWSB pursuant to the Proposed AEIL Acquisition as set out in (a) above.

Please refer to Note B7 for further details.

Accordingly, the results of the Disposal Companies have been classified as discontinued operations in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

Profit/(Loss) attributable to the discontinued operations is as follows:-

Results of discontinued operation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000
Revenue	12,393	20,354	70,798	79,503
Other operating income	75,966	1,497	78,304	2,089
Other operating expenses	(20,196)	(22,875)	(74,743)	(78,742)
Profit/(Loss) from operation	68,163	(1,024)	74,359	2,850
Interest income	4	18	32	19
Finance Cost	(207)	(400)	(1,352)	(1,739)
Profit/(Loss) before taxation	67,960	(1,406)	73,039	1,130
Tax expense	190	659	(471)	625
Profit/(Loss) after taxation	68,150	(747)	72,568	1,755

Cash flows from/(used in) discontinued operations	**Current Year To Date 31.12.2014 RM'000**	**Current Year To Date 31.12.2013 RM'000**
Net cash from operating activities	13,894	12,567
Net cash from/(used in) investing activities	108,747	(1,825)
Net cash used in financing activities	(8,656)	(2,637)
Net increase in cash and cash equivalents	113,985	8,105

Breakdown of assets and liabilities of disposal group

	As at 31.12.2014 RM'000
Property, plant and equipment	57
Inventories	167
Receivables	264
Cash and bank balances	391
	879
Payables	(398)
Net assets and liabilities	481

The carrying value of property, plant and equipment of the disposal group is the same as its carrying value before it was being reclassified to current assets.

Cumulative income or expense recognised in other comprehensive income

The cumulative income or expense recognised in other comprehensive income relating to the disposal group is RM221,429.

A13. Contingent Liabilities

As of to-date, the Company has given unsecured corporate guarantees totaling RM14,414,268 to certain financial institutions for term loan and other credit facilities granted to Disposal Companies. Accordingly, the Company is contingently liable to the financial institutions to the extent of the amount of credit facilities utilised by the said Disposal Companies. The financial guarantees have not been recognised since the fair value of the financial guarantees is negligible.

A14. 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	3,334

A15. Segmental Information

Business segments

For management purposes, the Group is organised into two business segments, as follows:
(a) Property investment; and
(b) Manufacturing and marketing of security seals.

	Individual Quarter		**Cumulative Quarter**	
	Current Year Quarter 31.12.2014 RM'000	**Preceding Year Corresponding Quarter 31.12.2013 RM'000 As restated**	**Current Year Quarter 31.12.2014 RM'000**	**Preceding Year Corresponding Quarter 31.12.2013 RM'000 As restated**
Continuing operations:				
Property investment	972	310	1,134	1,045
Discontinued Operations:				
Manufacturing and marketing of security seals	12,393	20,354	70,798	79,503
Revenue	13,365	20,664	71,932	80,548

Geographical segments

Geographic segment is not applicable for property investment segment as the property investment business of the Group is carried out solely in Malaysia.

The Group's manufacturing and marketing of security seals are mainly located in Asia Pacific, Europe and America.

The following is an analysis of the Group's revenue from discontinued operations – manufacturing and marketing of security seals by geographical market, irrespective of the origin of the goods and services:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Quarter	Preceding Year Corresponding Quarter
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Discontinued Operations:				
Asia Pacific	5,718	8,843	32,542	35,801
America	4,844	7,869	26,781	29,607
Europe	1,831	3,642	11,475	14,095
	12,393	20,354	70,798	79,503

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 fourth quarter 2014 (“Q4 2014”), the Group recorded a lower revenue with higher profit before tax of RM13.4 million and RM65.7 million respectively as compared to the revenue and loss before tax of RM20.7 million and RM0.6 million respectively for the corresponding quarter of the preceding year (“Q4 2013”).

For the financial year ended 31 December 2014, the Group posted a lower revenue with higher profit before tax of RM71.9 million and RM69.5 million respectively as compared to the revenue and profit before tax of RM80.5 million and RM1.6 million respectively for the financial year ended 31 December 2013.

The decrease in revenue and the increase in profit before tax was mainly due to the disposal of the manufacturing, distribution and sale of security seals business, which represents the entire core business of the Group.

B2. Variation of Results Against Preceding Quarter

	Current Quarter 31.12.2014 RM’000	Preceding Quarter 30.09.2014 RM’000 As restated
Revenue		
- Continuing operations	972	162
- Discontinued operations	12,393	21,000
	13,365	21,162
Profit/ (Loss) Before tax		
- Continuing operations	(2,285)	(774)
- Discontinued operations	67,960	2,670
	65,675	1,896

The Group reported revenue of RM13.4 million in Q4 2014, which represents a decrease of 36.8% as compared to RM21.2 million for the third quarter of 2014 (“Q3 2014”).

The Group recorded a profit before tax of RM65.675 million compared to RM1.896 million in Q3 2014, mainly due to net gain on disposal of the the manufacturing, distribution and sale of security seals business.

B3. Prospects of the Group

Following the completion of the AEIL Acquisition and the partial completion of the Proposed Disposal, Abric Berhad (“ABRIC”) has triggered the cash criterion pursuant to paragraph 8.03(1) and Practice Note 16 (“PN16”) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”), whereby ABRIC’s assets on a consolidated basis, consist of seventy percent (70%) or more of cash and short-term investments, or a combination of both.

In the event ABRIC fails to comply with the obligations to regularise its condition, all its listed securities will be suspended from trading on the next market day after five (5) market days from the date of notification of suspension by Bursa Securities and de-listing procedures shall be taken against ABRIC, subject to ABRIC's right to appeal against the de-listing.

The Company is currently evaluating various options in its endeavour to formulate a regularisation plan to address its PN16 status. The Company will make the necessary announcement on the regularisation plan in due course.

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 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000
Continuing Operations:				
Estimated tax payable:				
Current year:				
Malaysia	(67)	(21)	(183)	(121)
Foreign	-	-	-	-
	(67)	(21)	(183)	(121)
Discontinued Operations:				
Estimated tax payable:				
Current year:				
Malaysia	8	74	(34)	-
Foreign	247	(202)	(204)	(264)
	255	(128)	(238)	(264)
Deferred tax:				
Origination and reversal of temporary differences:				
Malaysia	-	889	37	889
Foreign	(65)	(102)	(270)	-
	190	659	(471)	625

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.

Overall, the effective tax rate for both the quarter and financial year ended 31 December 2014 is significant 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/Year

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000
Allowance for slow-moving inventories	1,604	81	1,604	81
Allowance for doubtful debts	537	-	535	-
Loss on disposal of property, plant and equipment	24	2	131	2
Write off of property, plant and equipment	3,499	-	3,513	-
Fair value loss on financial derivatives	-	(84)	-	(12)
Loss/ (Gain) on foreign exchange - net	1,188	1,665	1,176	1,214

B7. Status of Corporate Proposals

On 24 September 2014, the Board announced that that the Company and its subsidiary, AWSB had on even date entered into the following agreements respectively:-

(a) AEIL SPA dated 24 September 2014 entered into between AWSB and VHCL to acquire the remaining 40% equity interest in AEIL, not already owned by AWSB, for a cash consideration amounting to THB113.0 million; and

(b) the SPA dated 24 September 2014 entered into between ABRIC and ESNT International Ltd ("ESNT") to dispose of ABRIC's entire equity interest in the Disposal Companies for a cash consideration amounting to RM146,000,000 on a cash-free, debt-free basis, subject to adjustments on the Working Capital amounts ("Proposed Disposal"). The Disposal Consideration is payable by ESNT to ABRIC on Completion, subject to the Net Debt and/or Working Capital adjustments, escrow amount and deduction of the Purchase Consideration payable by AWSB pursuant to the Proposed AEIL Acquisition as set out in (a) above.

    The Disposal Companies represent principally the entire core business of the ABRIC Group.

(Hereinafter collectively referred to as the Proposals)

The proposed disposal of the entire core business of ABRIC is a major disposal pursuant to Paragraph 10.11A of the Main Market Listing Requirements of Bursa Securities whereby shareholders' approval of at least seventy five percent (75%) in value present and voting either in person or by proxy at the Company's forthcoming EGM is required.

The Proposed AEIL Acquisition is to be undertaken as a condition to the SPA pursuant to the Proposed Disposal and will be completed concurrently with the Proposed Disposal in view of the inter-conditionality of the Proposals.

On 9 December 2014, the Board announced that the Proposals were duly passed at the Extraordinary General Meeting ("EGM") of the Company by the shareholders.

On 16 December 2014, the Board announced that the Company has completed the Proposed AEIL Acquisition. The Board also announced that ABRIC and ESNT had vide a letter dated on even date, mutually agreed to first conclude the sale and purchase of AWSB and Abric International Sdn Bhd (being the key contributors of the Disposal Companies) pursuant to the Proposed Disposal ("Partial Completion"). The completion of the sale and purchase of Abric (Shanghai) Co., Ltd and Abric Commerce (China) Co., Ltd (i.e. the remaining Disposal Companies) ("China Target Companies") shall occur upon ABRIC giving ESNT sufficient evidence of:-

(a) approval by the relevant authority in People's Republic of China of the transfer of the equity interest in the China Target Companies in the form of an approval letter and an amended certificate of approval;

(b) registration of transfer of the equity interest in the name of ESNT, in the form of an amended business licence; and

(c) that ABRIC has performed its completion deliverable in accordance with the SPA in respect of the China Target Companies.

Pending conclusion of the sale and purchase of the China Target Companies, ESNT will retain a sum of RM1.0 million from the Disposal Consideration.

In this regard, ABRIC had received RM110.1 million after accounting for the deduction of the Net Debt Estimate, the escrow amount of RM10.0 million and payment of THB113.0 million to VHCL for the Proposed AEIL Acquisition, details of which had been set out in the Circular dated 17 November 2014. Upon the execution of the abovementioned procedures for the sale and purchase of the China Target Companies, ABRIC will receive the balance Disposal Consideration of RM1.0 million from ESNT.

For the avoidance of doubt, it had been mutually agreed between the parties that ESNT shall not make a claim for any breach of Clause 5 or the warranties given by ABRIC in the SPA (other than in relation to a China Target Company) to the extent that such breach is solely as a result of any act or omission of ESNT occurring after the date of this announcement.

On 16 December 2014, the Board further announced that, following the completion of the AEIL Acquisition and the partial completion of the Proposed Disposal, ABRIC has triggered the cash criterion pursuant to paragraph 8.03(1) and Practice Note 16 ("PN16") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). The Company had on 9 December 2014 notified Bursa Securities of its condition and Bursa Securities had vide its letter dated 11 December 2014 ("Notice") notified ABRIC that it is a cash company pursuant to Paragraph 8.03(1) and PN16 of the Listing Requirements ("Cash Company").

In the event ABRIC fails to comply with the obligations to regularise its condition, all its listed securities will be suspended from trading on the next market day after five (5) market days from the date of notification of suspension by Bursa Securities and de-listing procedures shall be taken against ABRIC, subject to ABRIC's right to appeal against the de-listing.

The Company is currently evaluating various options in its endeavour to formulate a regularisation plan to address its PN16 status. The Company will make the necessary announcement on the regularisation plan in due course.

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			
Long-term borrowings	2,641	3,805	6,446
Hire-purchase payables	124	199	323
	2,765	4,004	6,769
Unsecured			
Revolving credit	1,500	-	1,500
	4,265	4,004	8,269

The Group's borrowings are denominated in Ringgit Malaysia.

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 being recognised in profit or loss.

There were no outstanding forward foreign currency contracts as at 31 December 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

The Company had on 17 December 2014 declared a single tier tax exempt special dividend of 30 sen per ordinary share of RM0.30 each for the financial year ended 31 December 2014. The special dividend amounting to RM42,146,032 was paid on 6 February 2015.

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 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Group:		
Realised	92,363	17,273
Unrealised	(3,561)	1,076
	88,802	18,349
Less: Consolidated adjustments	(4,637)	(2,513)
Total retained earnings	84,165	15,836

B12. Earnings/(Loss) Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Basic earnings/(loss) per ordinary shares				
Profit attributable to owners of the Company (RM'000):				
Profit/(Loss) from continuing operations	(2,352)	805	(3,767)	394
Profit/(Loss) from discontinued operations	68,811	(985)	73,048	953
	66,459	(180)	69,281	1,347
Weighted average number of ordinary shares ('000)	99,236	99,052	99,236	99,052
Basic earnings/(loss) per share (sen):				
Continuing operations	(2.37)	0.81	(3.80)	0.40
Discontinued operations	69.34	(0.99)	73.61	0.96
	66.97	(0.18)	69.81	1.36
Diluted earnings/(loss) per ordinary shares				
Weighted average number of ordinary shares ('000)	99,236	N/A	99,236	N/A
Shares deemed to be issued through the exercise of warrants	17,742	N/A	17,742	N/A
	116,978	N/A	116,978	N/A

Diluted earnings/(loss) per share (sen):				
Continuing operations	(2.01)	N/A	(3.22)	N/A
Discontinued operations	58.82	N/A	62.45	N/A
	56.81	N/A	59.23	N/A

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the year.

The diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company for the current individual quarter and the current cumulative quarter by the weighted average number of ordinary shares outstanding during the current individual quarter and the current cumulative quarter plus the weighted average number of ordinary shares which deemed to be issued on conversion of the remaining warrants into ordinary shares.

Shares deemed to be issued through the exercise of warrants are calculated based on the basis of the average price of an ordinary share for the year.

The fully diluted earnings per ordinary share of the Group for the corresponding quarter of the preceding year 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 during the corresponding quarter of the preceding year.

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