

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000 As restated	Current Year to Date 30.09.2015 RM'000	Preceding Year Corresponding Period 30.09.2014 RM'000 As restated
Continuing operations					
Revenue	A15	324	54	963	162
Investment income		740	-	2,372	-
Other income		23	-	23	-
Depreciation		(76)	(130)	(255)	(236)
Other expenses		(1,313)	(600)	(2,733)	(1,019)
Finance costs		(18)	(98)	(245)	(206)
Profit/(Loss) before tax		(320)	(774)	125	(1,299)
Income tax expense	B5	331	(83)	(77)	(116)
Profit/(Loss) for the period from continuing operations		11	(857)	48	(1,415)
Discontinued operations					
Profit for the period from discontinued operations, net of tax	A12	-	2,217	474	4,418
Profit for the period	B6	11	1,360	522	3,003
Attributable to:					
Owners of the Company		11	1,229	522	2,822
Non-controlling interests		-	131	-	181
		11	1,360	522	3,003
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)					
Basic					
Continuing operations		-	(0.87)	0.03	(1.43)
Discontinued operations		-	2.11	0.34	4.28
Total		-	1.24	0.37	2.85
Diluted					
Continuing operations		-	(0.75)	0.03	(1.23)
Discontinued operations		(0.01)	1.82	0.33	3.69
Total		(0.01)	1.07	0.36	2.46

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000	Current Year to Date 30.09.2015 RM'000	Preceding Year Corresponding Period 30.09.2014 RM'000
Profit for the period	11	1,360	522	3,003
Other comprehensive income				
<i>Item that may be subsequently reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	(4)	2,123	32	(12)
Total comprehensive income for the period, net of tax	7	3,483	554	2,991
Total comprehensive income attributable to:				
Owners of the Company	7	3,149	554	2,685
Non-controlling interests	-	334	-	306
	7	3,483	554	2,991
Total comprehensive income attributable to owners of the Company analysed between:				
- Continuing Operations	7	383	43	(998)
- Discontinued Operations	-	2,766	511	3,683
	7	3,149	554	2,685

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014

ABRIC BERHAD
(Company No: 187259-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2015

	Note	30.09.2015 Unaudited RM'000	31.12.2014 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		5,136	1,100
Investment properties		15,800	15,800
Total Non-Current Assets		<u>20,936</u>	<u>16,900</u>
Current Assets			
Receivables		10,231	10,864
Cash and bank balances		71,540	116,301
Assets classified as held for sale	A12	-	879
Total Current Assets		<u>81,771</u>	<u>128,044</u>
Total Assets		<u><u>102,707</u></u>	<u><u>144,944</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital		42,155	30,864
Reserves		47,555	47,001
Total Equity		<u>89,710</u>	<u>77,865</u>
Non-Current Liabilities			
Hire-purchase payables - non-current portion	B8	117	199
Long-term borrowings - non-current portion	B8	1,199	3,810
Deferred tax liabilities		1,908	1,908
Total Non-Current Liabilities		<u>3,224</u>	<u>5,917</u>
Current Liabilities			
Payables		9,595	56,499
Borrowings	B8	178	4,265
Liabilities classified as held for sale	A12	-	398
Total Current Liabilities		<u>9,773</u>	<u>61,162</u>
Total Liabilities		<u>12,997</u>	<u>67,079</u>
Total Equity and Liabilities		<u><u>102,707</u></u>	<u><u>144,944</u></u>
Net Assets Per Share (RM)		<u><u>0.65</u></u>	<u><u>0.78</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 2014

ABRIC BERHAD
(Company No: 187259-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	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 2014	29,715	4,746	(3,598)	2,011	832	289	179	15,836	50,010	9,309	59,319
Profit for the period	-	-	-	-	-	-	-	2,822	2,822	181	3,003
Other comprehensive income:											
Currency translation differences	-	-	(137)	-	-	-	-	-	(137)	125	(12)
Total comprehensive income for the year, net of tax	-	-	(137)	-	-	-	-	2,822	2,685	306	2,991
As at 30 September 2014	<u>29,715</u>	<u>4,746</u>	<u>(3,735)</u>	<u>2,011</u>	<u>832</u>	<u>289</u>	<u>179</u>	<u>18,658</u>	<u>52,695</u>	<u>9,615</u>	<u>62,310</u>
As at 1 January 2015	30,864	4,811	(5,241)	-	767	4,676	-	41,988	77,865	-	77,865
Profit for the period	-	-	-	-	-	-	-	522	522	-	522
Other comprehensive income:											
Currency translation differences	-	-	32	-	-	-	-	-	32	-	32
Release of reserves upon disposal of subsidiary companies	-	-	(258)	-	-	-	-	258	-	-	-
Total comprehensive income for the period, net of tax	-	-	(226)	-	-	-	-	780	554	-	554
Transaction with owners of the Company:											
Issuance of shares pursuant to exercise of warrants	11,291	632	-	-	(632)	-	-	-	11,291	-	11,291
As at 30 September 2015	<u>42,155</u>	<u>5,443</u>	<u>(5,467)</u>	<u>-</u>	<u>135</u>	<u>4,676</u>	<u>-</u>	<u>42,768</u>	<u>89,710</u>	<u>-</u>	<u>89,710</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 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	9 months ended 30.09.2015 RM'000	9 months ended 30.09.2014 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) for the period from:		
Continuing operations	48	(1,415)
Discontinued operations	474	4,418
Adjustments for:		
Depreciation	255	5,023
Gain on disposal of subsidiary companies	(481)	-
Finance costs	245	1,350
Unrealised loss on foreign exchange	2	853
Loss on disposal of property, plant and equipment	55	107
Allowances for doubtful debts no longer required	-	(2)
Income tax expense	77	777
Interest income	(2,372)	(28)
Property, plant and equipment written off	-	14
Operating (Loss)/Profit Before Working Capital Changes	(1,697)	11,097
Decrease in:		
Inventories	-	279
Receivables	29	1,989
Decrease in payables	(4,137)	(1,799)
Cash (Used In)/Generated From Operations	(5,805)	11,566
Tax paid	(70)	(182)
Net Cash Flows (Used In)/From Operating Activities	(5,875)	11,384
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	364
Additions to property, plant and equipment	(4,346)	(2,173)
Net cash inflow arising from disposal of continued operations	586	-
Additions to intangible assets	-	(122)
Interest income	2,372	28
Net Cash Flows Used In Investing Activities	(1,388)	(1,903)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Net repayment of long-term loan	(5,180)	(2,120)
Finance costs paid	(245)	(1,350)
Payment of hire-purchase payables	(101)	(1,314)
Net change in bank borrowings	(1,500)	(432)
Dividends paid	(42,146)	-
Proceeds from issuance of shares pursuant to exercise of warrants	11,291	-
Increase in cash and cash equivalents-restricted	-	(77)
Net Cash Flows Used In Financing Activities	(37,881)	(5,293)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(45,144)	4,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	116,251	5,646
Effect of changes in exchange rates	(1)	96
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note)	<u>71,106</u>	<u>9,930</u>
Note:		
Cash and cash equivalents comprise the followings:		
Cash and bank balances	71,540	11,312
Less: Restricted cash and bank balances	(434)	(1,382)
	<u>71,106</u>	<u>9,930</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 2014

PART A: EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of Preparation of Interim Financial Statements

The unaudited 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 2014. 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 2014.

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 2015.

Amendments to MFRS 119 ‘Defined Benefits Plans: Employee Contributions’
Annual Improvements to MFRSs 2010-2012 Cycle
Annual Improvements to MFRSs 2011-2013 Cycle

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:

Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	Effective 1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	Effective 1 January 2016
Amendments to MFRS 10 and MFRS128	Consolidated Financial Statements & Investment in associates and joint ventures - Sale or contribution of assets between an investor and its associates/ joint ventures	Effective 1 January 2016
Amendments to MFRS 127	Separate Financial Statements - Equity accounting in separate financial statements	Effective 1 January 2016
Annual Improvements to MFRSs 2012 - 2014 Cycle		Effective 1 January 2016
MFRS 15	Revenue	Effective 1 January 2017
MFRS 9	Financial instruments	Effective 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			
<u>30.09.2014</u>			
Continuing operations			
- Revenue	-	54	54
- Other income	54	(54)	-
Preceding Year Corresponding Period			
<u>30.09.2014</u>			
Continuing operations			
- Revenue	-	162	162
- Other income	162	(162)	-

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 30 September 2015.

A8. Dividends Paid

No dividends were paid during the current quarter.

A9. Carrying amount of revalued assets

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 2014.

A10. Subsequent Events

Other than the status of corporate proposals disclosed in Note B7, 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 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, the Company and its subsidiary, Abric Worldwide Sdn Bhd (“AWSB”) had on even date entered into the following agreements respectively:-

- (a) The acquisition of the remaining 40% equity interest in Abric Eastern International Ltd. (“AEIL”), not already owned by AWSB, for a cash consideration amounting to THB113.0 million (equivalent to RM12,057,102) (“AEIL Acquisition”); and
- (b) The disposal of the Group’s entire equity interest in nine subsidiaries (“the Disposal Companies”) to ESNT International Ltd (“ESNT”) for a cash consideration amounting to RM146,000,000 on a cash-free, debt-free basis, subject to adjustments on the net debt and working capital, escrow amount and deduction of the purchase consideration payable by AWSB pursuant to the AEIL Acquisition as set out in (a) above. The Disposal Companies represent principally the entire core business of the Group.

On 16 December 2014, the Company completed the AEIL Acquisition. The Group 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) (“Partial Completion”).

On 2 April 2015, the Board of Directors of the Company announced 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”) whereby the Company had furnished ESNT with sufficient evidence of the following:-

- (i) 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;
- (ii) registration of transfer of the equity interest in the name of ESNT, in the form of an amended business license; and
- (iii) that the Group has performed its completion deliverable in accordance with the sales and purchase agreement in respect of the China Target Companies.

Correspondingly, ABRIC had on even date received the balance of the Disposal Consideration amounting to RM1.0 million. In view thereof, the parties have concluded the sale and purchase of the China Target Companies and accordingly the Proposed Disposal is completed on 2 April 2015.

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 attributable to the discontinued operations is as follows:-

Results of discontinued operation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2015 RM’000	Preceding Year Corresponding Quarter 30.09.2014 RM’000	Current Year Quarter 30.09.2015 RM’000	Preceding Year Corresponding Quarter 30.09.2014 RM’000
Revenue	-	21,000	-	58,405
Investment income	-	4	-	28
Other income	-	1,583	481	2,338
Depreciation	-	(1,552)	-	(4,787)
Other expenses	-	(18,000)	(7)	(49,760)
Finance costs	-	(365)	-	(1,145)
Profit before taxation	-	2,670	474	5,079
Tax expense	-	(453)	-	(661)
Profit after taxation	-	2,217	474	4,418

Cash flows from/(used in) discontinued operations

	Current Year To Date 30.09.2015 RM’000	Preceding Year Corresponding Period 30.09.2014 RM’000
Net cash (used in)/from operating activities	(285)	12,667
Net cash from/(used in) investing activities	586	(1,900)
Net cash used in financing activities	-	(2,056)
Net increase in cash and cash equivalents	301	8,711

A13. Contingent Liabilities

As of the date of this report, the Company does not have any material contingent liabilities.

A14. Capital Commitment

As of the date of this report, the Group does not have any capital commitment not provided for.

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 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000 As restated	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000 As restated
Continuing operations:				
Property investment	324	54	963	162
Discontinued Operations:				
Manufacturing and marketing of security seals	-	21,000	-	58,405
Revenue	<u>324</u>	<u>21,054</u>	<u>963</u>	<u>58,567</u>

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 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000	Current Year Quarter 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000
Discontinued Operations:				
Asia Pacific	-	9,771	-	26,824
America	-	7,968	-	21,937
Europe	-	3,261	-	9,644
	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>58,405</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 2015 (“Q3 2015”), the Group recorded a higher revenue from continuing operations of RM0.3 million as compared to RM0.1 million for the corresponding quarter of the preceding year (“Q3 2014”), mainly due to higher rental income received from a former subsidiary company. The profit for the period from continuing operations in Q3 2015 increased by RM0.86 million as compared to a loss for the period of RM0.86 million in Q2 2014 due to higher interest income received from higher placement of funds following the disposal of the manufacturing, distribution and sale of security seals business, which represents the entire core business of the Group.

The decrease in the revenue and profit for the period from the discontinued operations in Q3 2015 is mainly due to the disposal of core business in the fourth quarter of the preceding year (“Q4 2014”).

B2. Variation of Results Against Preceding Quarter

	Current Quarter 30.09.2015 RM'000	Preceding Quarter 30.06.2015 RM'000
Revenue		
- Continuing operations	324	324
- Discontinued operations	-	-
	<u>324</u>	<u>324</u>
Profit/ (Loss) Before tax		
- Continuing operations	11	19
- Discontinued operations	-	481
	<u>11</u>	<u>500</u>

The Group maintained its revenue of RM0.324 million in Q3 2015 as compared to RM0.324 million for Q2 2015.

The Group recorded a lower profit before tax of RM0.011 million in Q3 2015 compared to RM0.500 million in Q2 2015, mainly due to net gain on disposal of the China Target Companies in Q2 2015.

B3. Prospects of the Group

Following the completion of the AEIL Acquisition and the partial completion of the Proposed Disposal on 16 December 2014, 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 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000	Current Year Quarter 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000
Continuing Operations:				
Estimated tax payable:				
Current year:				
Malaysia	331	(83)	(77)	(116)
Foreign	-	-	-	-
	<u>331</u>	<u>(83)</u>	<u>(77)</u>	<u>(116)</u>
Discontinued Operations:				
Estimated tax payable:				
Current year:				
Malaysia	-	-	-	(42)
Foreign	-	(392)	-	(451)
	-	(392)	-	(493)
Deferred tax:				
Origination and reversal of temporary differences:				
Malaysia	-	-	-	37
Foreign	-	(61)	-	(205)
	<u>-</u>	<u>(453)</u>	<u>-</u>	<u>(661)</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 for the period under review is higher than the prevailing statutory tax rate due to the tax effect of non-deductible expenses.

B6. Profit for the Period

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000
Allowance for doubtful debts no longer required	-	-	-	(2)
(Gain)/ Loss on disposal of property, plant and equipment	55	(34)	55	107
Write-off of property, plant and equipment	1	-	1	14
Loss/ (Gain) on foreign exchange - net	(8)	496	(6)	(12)

B7. Status of Corporate Proposals

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, the Company and its subsidiary, Abric Worldwide Sdn Bhd ("AWSB") had on even date entered into the following agreements respectively:-

- The acquisition of the remaining 40% equity interest in Abric Eastern International Ltd. ("AEIL"), not already owned by AWSB, for a cash consideration amounting to THB113.0 million (equivalent to RM12,057,102) ("AEIL Acquisition"); and
- The disposal of the Group's entire equity interest in nine subsidiaries ("the Disposal Companies") to ESNT International Ltd ("ESNT") for a cash consideration amounting to RM146,000,000 on a cash-free, debt-free basis, subject to adjustments on the net debt and working capital, escrow amount and deduction of the purchase consideration payable by AWSB pursuant to the AEIL Acquisition as set out in (a) above. The Disposal Companies represent principally the entire core business of the Group.

On 16 December 2014, the Company completed the AEIL Acquisition. The Group 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) ("Partial Completion").

On 2 April 2015, the Board of Directors of the Company announced 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") whereby the Company had furnished ESNT with sufficient evidence of the following:-

- 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;
- (ii) registration of transfer of the equity interest in the name of ESNT, in the form of an amended business license; and
- (iii) that the Group has performed its completion deliverable in accordance with the sales and purchase agreement in respect of the China Target Companies.

Correspondingly, ABRIC had on even date received the balance of the Disposal Consideration amounting to RM1.0 million. In view thereof, the parties have concluded the sale and purchase of the China Target Companies and accordingly the Proposed Disposal is completed on 2 April 2015.

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	73	1,199	1,272
Hire-purchase payables	<u>105</u>	<u>117</u>	<u>222</u>
	<u>178</u>	<u>1,316</u>	<u>1,494</u>

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 30 September 2015.

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 30.09.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Group:		
Realised	45,684	45,007
Unrealised	<u>(4,128)</u>	<u>(4,322)</u>
	41,556	40,685
Less: Consolidated adjustments	<u>1,212</u>	<u>1,303</u>
Total retained earnings	<u><u>42,768</u></u>	<u><u>41,988</u></u>

B12. Earnings/(Loss) Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Basic earnings/(loss) per ordinary shares				
Profit attributable to owners of the Company (RM'000):				
Profit/(Loss) from continuing operations	11	(857)	48	(1,415)
Profit from discontinued operations	<u>-</u>	<u>2,086</u>	<u>474</u>	<u>4,237</u>
	<u>11</u>	<u>1,229</u>	<u>522</u>	<u>2,822</u>
Weighted average number of ordinary shares ('000)	138,517	99,052	138,517	99,052
Basic earnings/(loss) per share (sen):				
Continuing operations	-	(0.87)	0.03	(1.43)
Discontinued operations	<u>-</u>	<u>2.11</u>	<u>0.34</u>	<u>4.28</u>
	<u><u>-</u></u>	<u><u>1.24</u></u>	<u><u>0.37</u></u>	<u><u>2.85</u></u>

Diluted earnings/(loss) per ordinary shares

Weighted average number of ordinary shares ('000)	138,517	99,052	138,517	99,052
Shares deemed to be issued through the exercise of warrants	<u>3,330</u>	<u>15,797</u>	<u>3,330</u>	<u>15,797</u>
	<u>141,847</u>	<u>114,849</u>	<u>141,847</u>	<u>114,849</u>
Diluted earnings/(loss) per share (sen):				
Continuing operations	-	(0.75)	0.03	(1.23)
Discontinued operations	<u>(0.01)</u>	<u>1.82</u>	<u>0.33</u>	<u>3.69</u>
	<u>(0.01)</u>	<u>1.07</u>	<u>0.36</u>	<u>2.46</u>

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.

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