

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.12.15 RM'000	Preceding Year Corresponding Quarter 31.12.14 RM'000	Current Year to Date 31.12.15 RM'000	Preceding Year Corresponding Period Audited 31.12.14 RM'000
Continuing operations					
Revenue	A15	325	229	1,288	1,132
Investment income		828	159	3,200	159
Other income		2,848	377	2,871	377
Depreciation		(163)	(181)	(418)	(417)
Other expenses		(8,525)	(2,326)	(11,258)	(4,086)
Finance costs		(18)	(422)	(263)	(628)
Loss before tax		(4,705)	(2,164)	(4,580)	(3,463)
Income tax expense	B5	1,916	(660)	1,839	(776)
Loss for the period from continuing operations		(2,789)	(2,824)	(2,741)	(4,239)
Discontinued operations					
Profit for the period from discontinued operations, net of tax	A12	258	68,592	732	73,010
Profit/(Loss) for the period	B6	(2,531)	65,768	(2,009)	68,771
Attributable to:					
Owners of the Company		(2,531)	66,429	(2,009)	69,251
Non-controlling interests		-	(661)	-	(480)
		(2,531)	65,768	(2,009)	68,771
Earnings/(Loss) per ordinary share attributable to owners of the Company (sen)					
Basic					
Continuing operations	B12	(2.00)	(2.85)	(1.97)	(4.28)
Discontinued operations		0.19	69.78	0.53	74.06
Total		(1.81)	66.93	(1.44)	69.78
Diluted					
Continuing operations		(2.00)	(2.85)	(1.97)	(4.28)
Discontinued operations		0.19	69.78	0.53	74.06
Total		(1.81)	66.93	(1.44)	69.78

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 31 DECEMBER 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.15 RM'000	Preceding Year Corresponding Quarter 31.12.14 RM'000	Current Year to Date 31.12.15 RM'000	Preceding Year Corresponding Period Audited 31.12.14 RM'000
Profit for the period	(2,531)	65,768	(2,009)	68,771
Other comprehensive income				
<i>Item that will not be subsequently reclassified to profit or loss</i>				
Reclassification of property, plant and equipment to investment properties, net of deferred tax liabilities	-	4,387	-	4,387
<i>Item that may be subsequently reclassified to profit or loss</i>				
Release of reserves upon disposal of subsidiary companies	(258)	(2,641)	(258)	(2,641)
Exchange differences on translation of foreign operations	1	1,096	33	1,084
Total comprehensive income for the period, net of tax	(2,788)	68,610	(2,234)	71,601
Total comprehensive income attributable to:				
Owners of the Company	(2,788)	69,131	(2,234)	71,816
Non-controlling interests	-	(521)	-	(215)
	(2,788)	68,610	(2,234)	71,601
Total comprehensive income attributable to owners of the Company analysed between:				
- Continuing Operations	(3,009)	1,140	(2,966)	142
- Discontinued Operations	221	67,991	732	71,674
	(2,788)	69,131	(2,234)	71,816

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 31 DECEMBER 2015

	Note	31.12.15 Unaudited RM'000	31.12.2014 Audited RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		4,932	1,100
Investment properties		11,408	15,800
Total Non-Current Assets		16,340	16,900
Current Assets			
Receivables		9,755	10,864
Cash and bank balances		69,878	116,301
Assets classified as held for sale	A12	-	879
Total Current Assets		79,633	128,044
Total Assets		95,973	144,944
EQUITY AND LIABILITIES			
Capital and Reserves			
Issued capital		42,155	30,864
Reserves		44,767	47,001
Total Equity		86,922	77,865
Non-Current Liabilities			
Hire-purchase payables - non-current portion	B8	92	199
Long-term borrowings - non-current portion	B8	1,181	3,810
Deferred tax liabilities		111	1,908
Total Non-Current Liabilities		1,384	5,917
Current Liabilities			
Payables		7,491	56,499
Borrowings	B8	176	4,265
Liabilities classified as held for sale	A12	-	398
Total Current Liabilities		7,667	61,162
Total Liabilities		9,051	67,079
Total Equity and Liabilities		95,973	144,944
Net Assets Per Share (RM)		0.63	0.78

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 31 DECEMBER 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	29,716	4,747	(3,598)	2,011	831	289	179	15,835	50,010	9,309	59,319
Profit for the period	-	-	-	-	-	-	-	69,251	69,251	(480)	68,771
Other comprehensive income/(loss):											
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	-	-	-	-	-	4,387	-	-	4,387	-	4,387
Currency translation differences	-	-	792	-	-	-	-	-	792	292	1,084
Total comprehensive income for the year, net of tax	-	-	(1,643)	(2,011)	-	4,387	(179)	71,262	71,816	(215)	71,601
Transaction with owners of the Company:											
Issuance of shares pursuant to exercise of warrants	1,148	64	-	-	(64)	-	-	-	1,148	-	1,148
Acquisition of additional shares from non-controlling interests	-	-	-	-	-	-	-	(2,963)	(2,963)	(9,094)	(12,057)
Special dividend in respect of the year ended 31 December 2014	-	-	-	-	-	-	-	(42,146)	(42,146)	-	(42,146)
As at 31 December 2014	30,864	4,811	(5,241)	-	767	4,676	-	41,988	77,865	-	77,865
As at 1 January 2015	30,864	4,811	(5,241)	-	767	4,676	-	41,988	77,865	-	77,865
Profit for the period	-	-	-	-	-	-	-	(2,009)	(2,009)	-	(2,009)
Other comprehensive income											
Currency translation differences	-	-	33	-	-	-	-	-	33	-	33
Release of reserves upon disposal of subsidiary companies	-	-	(258)	-	-	-	-	-	(258)	-	(258)
Total comprehensive income for the period, net of tax	-	-	(225)	-	-	-	-	(2,009)	(2,234)	-	(2,234)
Transaction with owners of the Company:											
Issuance of shares pursuant to exercise of warrants	11,291	632	-	-	(632)	-	-	-	11,291	-	11,291
As at 31 December 2015	42,155	5,443	(5,466)	-	135	4,676	-	39,979	86,922	-	86,922

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 31 DECEMBER 2015

	12 months ended	12 months ended
	31.12.15	31.12.14
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/(Loss) for the period from:		
Continuing operations	(2,741)	(4,239)
Discontinued operations	732	73,010
Adjustments for:		
Depreciation	418	6,365
Gain on disposal of subsidiary companies	(739)	(75,404)
Finance costs	263	1,718
Unrealised loss on foreign exchange	2	834
Loss on disposal of property, plant and equipment	55	-
Allowances for doubtful debts in respect of trade receivables	-	535
Allowances for slow-moving inventories	-	1,604
Net loss on disposal of property, plant and equipment	-	130
Fair value adjustments in respect of investment properties	4,100	(377)
Income tax (credit)/expense	(1,839)	1,437
Interest income	(3,200)	(191)
Impairment losses	335	-
Property, plant and equipment written off	298	3,384
	<u>(2,316)</u>	<u>8,806</u>
Operating (Loss)/Profit Before Working Capital Changes		
Working capital changes:		
Inventories	-	(278)
Receivables	1,138	(2,400)
Payables	(6,445)	7,512
	<u>(7,623)</u>	<u>13,640</u>
Cash (Used In)/Generated From Operations		
Tax paid	(282)	(166)
Tax refunded	-	88
	<u>(7,905)</u>	<u>13,562</u>
Net Cash Flows (Used In)/From Operating Activities		
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	1,119
Purchase of property, plant and equipment	(4,646)	(3,987)
Net cash inflow arising from disposal of continued operations	586	114,110
Interest income	3,096	191
Purchase of intangible assets	-	(133)
	<u>(964)</u>	<u>111,300</u>
Net Cash Flows (Used In)/From Investing Activities		
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from bank borrowings	-	3,617
Repayment of bank borrowings	(1,500)	(1,569)
Repayment of long-term loan	(5,197)	(2,571)
Finance costs paid	(263)	(1,718)
Payment of hire-purchase payables	(129)	(1,137)
Proceeds from issuance of shares pursuant to exercise of warrants	11,291	1,148
Increase in restricted cash	(64,733)	-
Dividends paid	(42,146)	-
Acquisition of additional shares from non-controlling shareholder	-	(12,057)
	<u>(102,677)</u>	<u>(14,287)</u>
Net Cash Flows Used In Financing Activities		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(111,546)	110,575
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	116,251	5,646
Effect of changes in exchange rates	-	30
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note)	<u>4,705</u>	<u>116,251</u>
Note:		
Cash and cash equivalents comprise the followings:		
Cash and bank balances	69,878	116,691
Less: Restricted cash and bank balances	(65,173)	(440)
	<u>4,705</u>	<u>116,251</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.

Consequent to the announcement by the Company on the Proposed Distribution and Delisting as disclosed in Note B7, the Company is adopting the non going concern basis of accounting in the preparation of the financial statements for the current financial period.

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
MFRS 16	Leases	Effective 1 January 2019

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 December 2015.

A8. Dividends Paid

No dividends were paid during the current quarter.

A9. Carrying amount of revalued assets

A revaluation to assess the market values of the investment properties held by the Group has been conducted by an independent professional valuer. The market value of the investment properties as at 31 December 2015 were RM11.7 million, indicating a revaluation deficit of approximately RM4.1 million. In accordance with the Group's accounting policy, a revaluation deficit is recognized as fair value loss on investment properties in the statement of comprehensive income for the financial year ended 31 December 2015.

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 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 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000
Revenue	-	12,393	-	70,798
Investment income	-	4	-	32
Depreciation	-	(1,161)	-	(5,948)
Other expenses	-	(18,103)	(7)	(65,525)
Finance costs	-	55	-	(1,090)
Loss before tax from discontinued operations	-	(6,812)	(7)	(1,733)
Tax expense	-	-	-	(661)
Loss after tax from discontinued operations	-	(6,812)	(7)	(2,394)
Gain on disposal of subsidiary companies	258	75,404	739	75,404
Profit after taxation	258	68,592	732	73,010

Cash flows from/(used in) discontinued operations

	Current Year To Date 31.12.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
Net cash from operating activities	730	13,802
Net cash from investing activities	-	112,303
Net cash used in financing activities	-	(11,672)
Net increase in cash and cash equivalents	730	114,433

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 was organised into two business segments, as follows:

- (a) Property investment; and
- (b) Manufacturing and marketing of security seals.

For the current financial year, the Group has left with one business segment which is property investment.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000
Continuing operations:				
Property investment	325	229	1,288	1,132
Discontinued Operations:				
Manufacturing and marketing of security seals	-	12,393	-	70,798
Revenue	<u>325</u>	<u>12,622</u>	<u>1,288</u>	<u>71,930</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 were mainly located in Asia Pacific, Europe and America.

The following was 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 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000
Discontinued Operations:				
Asia Pacific	-	5,718	-	32,542
America	-	4,844	-	26,781
Europe	-	1,831	-	11,475
	<u>-</u>	<u>12,393</u>	<u>-</u>	<u>70,798</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 fourth quarter 2015 (“Q4 2015”), the Group recorded a higher revenue from continuing operations of RM0.3 million as compared to RM0.2 million for the corresponding quarter of the preceding year (“Q4 2014”), mainly due to higher rental income received from a former subsidiary company. The loss for the period from the continuing operations in Q4 2015 is mainly due to revaluation deficit of RM4.1 million recognized as fair value loss on investment properties in the statements of comprehensive income in the current quarter.

For the year to date performance, the increase in the revenue is mainly due to higher rental income received from a former subsidiary company. The loss for the current year is due to revaluation deficit of RM4.1 million recognized as fair value loss on investment properties in the statements of comprehensive income in the current quarter while there was a gain on disposal of core business in the fourth quarter of the preceding year (“Q4 2014”).

B2. Variation of Results Against Preceding Quarter

	Current Quarter 31.12.2015 RM'000	Preceding Quarter 30.09.2015 RM'000
Revenue		
- Continuing operations	325	324
Profit/ (Loss) Before tax		
- Continuing operations	(4,705)	11

The Group maintained its revenue of RM0.32 million in Q4 2015 as compared to Q3 2015.

The Group recorded a loss before tax of RM4.705 million in Q4 2015 compared to a profit before tax of RM0.011 million in Q3 2015, mainly due to revaluation deficit of RM4.1 million recognized as fair value loss on investment properties in the statements of comprehensive income in the current quarter.

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.

Please refer to Note B7 for further details.

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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	Quarter	Corresponding Quarter
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Continuing Operations:				
Corporation tax payable:				
Current year:				
Malaysia	77	27	-	(89)
Overprovision/ (Underprovision) in prior years:				
Malaysia	42	(261)	42	(261)
Deferred tax:				
Origination and reversal of temporary differences:				
Malaysia	1,797	(426)	1,797	(426)
	<u>1,916</u>	<u>(660)</u>	<u>1,839</u>	<u>(776)</u>
Discontinued Operations:				
Estimated tax payable:				
Current year:				
Malaysia	-	8	-	(34)
Foreign	-	131	-	(320)
	-	139	-	(354)
Deferred tax:				
Origination and reversal of temporary differences:				
Malaysia	-	(93)	-	(56)
Foreign	-	(46)	-	(251)
	<u>-</u>	<u>-</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/(Loss) for the Period

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000
Allowance for doubtful debts no longer required	-	2	-	-
Allowance for doubtful debts in respect of trade receivables	-	535	-	535
Allowance for slow-moving inventories	-	1,604	-	1,604
(Gain)/ Loss on disposal of property, plant and equipment	-	24	55	131
Write-off of property, plant and equipment	297	3,370	298	3,384
Impairment losses	335	-	335	-
Loss/ (Gain) on foreign exchange - net	8	846	2	834
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

B7. Status of Corporate Proposals

(a) Disposal of Core Business

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:-

- (i) 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

- (ii) 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.

(b) Proposed Distribution and Delisting

On 18 January 2016, the Board of Directors of the Company had announced on Bursa Malaysia Securities Berhad that the Company proposes to undertake a cash distribution of RM0.43 for every ABRIC Share to be implemented in the following manner:-

- (i) proposed capital reduction and repayment exercise under Section 64 of the Companies Act, 1965 ("Proposed Capital Repayment"); and
- (ii) special cash dividend ("Proposed Special Dividend").

Based on ABRIC's total issued and paid-up capital as at 15 January 2016 comprising 140,516,774 ABRIC Shares and 8,061,976 outstanding warrants 2011/2016 ("Warrants") as at 15 January 2016, the Proposed Distribution and Delisting will be for an amount of up to RM63.9 million.

The Company intends to fund the Proposed Distribution and Delisting through its existing cash reserves, including its cash reserves placed in the Custodian Account.

The split between the Proposed Capital Repayment and Proposed Special Dividend has yet to be determined at this juncture. Accordingly, the details of the Proposed Capital Repayment and Proposed Special Dividend will be announced at a later date upon finalisation of the split.

The Proposed Distribution and Delisting will be undertaken in accordance with Paragraph 8.03(9) of the Listing Requirements which stipulates amongst others, that a Cash Company must ensure

that the amount placed in the Custodian Account are distributed to its shareholders on a pro-rata basis as soon as practicable if the Cash Company does not intend to maintain its listing at any time after it receives the Notice.

As a consequence of the Company's proposal to undertake the Proposed Distribution and Delisting, the Company will have to undertake a delisting from the Official List of the Main Market of Bursa Securities pursuant to the Proposed Distribution and Delisting.

Upon completion of the Proposed Distribution and Delisting, the Board intends to sell the remaining assets of ABRIC and voluntarily wind-up ABRIC. Shareholders of ABRIC will then hold unlisted ABRIC Shares until the completion of the winding-up process and be entitled to a further cash distribution arising from the recoverability of the remaining assets including unutilised cash balance (net of liabilities) on a pro-rata basis

The Proposed Distribution and Delisting is subject to the following being obtained:-

- (i) the approval of ABRIC's shareholders at an extraordinary general meeting to be convened;
- (ii) approval/consent of the financiers/creditors of ABRIC and its subsidiaries and associates, if and where required;
- (iii) the order by the High Court of Malaya confirming the Proposed Capital Repayment; and
- (iv) the approval or consent of any other relevant regulatory authorities and/or parties, if applicable.

The Proposed Capital Repayment and Proposed Special Dividend are inter-conditional upon each other.

The Proposed Distribution and Delisting is not conditional upon any other proposals undertaken or to be undertaken by the Company.

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	74	1,181	1,255
Hire-purchase payables	102	92	194
	<u>176</u>	<u>1,273</u>	<u>1,449</u>

The Group's borrowings are denominated in Ringgit Malaysia.

B9. Derivative Financial Instruments

The Group has not entered into any derivative financial instruments during the current financial year.

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 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Group:		
Realised	45,071	45,007
Unrealised	(4,636)	(4,322)
	<u>40,435</u>	<u>40,685</u>
Less: Consolidated adjustments	(456)	1,303
	<u>39,979</u>	<u>41,988</u>

B12. Earnings/(Loss) Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Basic earnings/(loss) per ordinary shares				
Profit attributable to owners of the Company (RM'000):				
Profit/(Loss) from continuing operations	(2,789)	(2,824)	(2,741)	(4,239)
Profit from discontinued operations	258	69,253	732	73,490
	<u>(2,531)</u>	<u>66,429</u>	<u>(2,009)</u>	<u>69,251</u>
Weighted average number of ordinary shares ('000)	139,027	99,236	139,027	99,236
Basic earnings/(loss) per share (sen):				
Continuing operations	(2.00)	(2.85)	(1.97)	(4.28)
Discontinued operations	0.19	69.78	0.53	74.06
	<u>(1.81)</u>	<u>66.93</u>	<u>(1.44)</u>	<u>69.78</u>

Diluted earnings/(loss) per ordinary shares

Weighted average number of ordinary shares ('000)	139,027	99,236	139,027	99,236
Shares deemed to be issued through the exercise of warrants	-	-	-	-
	<u>139,027</u>	<u>99,236</u>	<u>139,027</u>	<u>99,236</u>
Diluted earnings/(loss) per share (sen):				
Continuing operations	(2.00)	(2.85)	(1.97)	(4.28)
Discontinued operations	<u>0.19</u>	<u>69.78</u>	<u>0.53</u>	<u>74.06</u>
	<u>(1.81)</u>	<u>66.93</u>	<u>(1.44)</u>	<u>69.78</u>

The basic earnings per share is calculated by dividing the net profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the the year.

The diluted earnings per share is calculated by dividing the net profit/(loss) attributable to owners 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 effects of diluted earnings per share for the current and corresponding preceding year are not illustrated as they were anti-dilutive. Therefore, the diluted earnings per share is the same as the basic earnings per share.

By order of the Board,

Dato' Ong Eng Lock
Executive Chairman
Kuala Lumpur