

**ABLEGROUP BERHAD (654188-H)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

**For The Quarter Ended 30 June 2014**

*(The figures have not been audited)*

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		30-Jun-14 RM'000 (Unaudited)	30-Jun-13 RM'000 (Unaudited)	30-Jun-14 RM'000 (Unaudited)	30-Jun-13 RM'000 (Unaudited)
Revenue		4,290	1,507	7,120	2,891
Cost of sales		(3,598)	(933)	(6,158)	(1,888)
<b>Gross profit</b>		<b>692</b>	<b>574</b>	<b>962</b>	<b>1,003</b>
Other income		45	40	132	115
		737	614	1,094	1,118
Selling and marketing expenses		(2)	(2)	(7)	(4)
Administrative expenses		(633)	(539)	(1,474)	(1,257)
Other expenses		(2)	(3)	(10)	(3)
Finance costs		(28)	(48)	(57)	(77)
<b>Profit/ (Loss) before tax</b>		<b>73</b>	<b>22</b>	<b>(454)</b>	<b>(222)</b>
Income tax expense	B5	-	-	-	-
<b>Profit/ (Loss), net of tax</b>		<b>73</b>	<b>22</b>	<b>(454)</b>	<b>(222)</b>
<b>Attributable to :</b>					
Equity holders of the parent		73	22	(454)	(222)
<b>Profit/ (Loss) per share attributable to equity holders of the parent:</b>					
- Basic (sen)	B10	0.028	0.008	(0.177)	(0.087)
- Diluted (sen)		0.028	0.008	(0.177)	(0.087)

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.*

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Quarter Ended 30 June 2014

(The figures have not been audited)

	INDIVIDUAL AND CUMULATIVE PERIOD ENDED		CUMULATIVE PERIOD ENDED	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/ (Loss), net of tax	73	22	(454)	(222)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
<b>Total comprehensive income</b>	<b>73</b>	<b>22</b>	<b>(454)</b>	<b>(222)</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the parent	73	22	(454)	(222)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 30 June 2014**

*(The figures have not been audited)*

	Note	30-Jun-14 RM'000 (Unaudited)	31-Dec-13 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		1,358	1,078
Investment property		699	707
		<u>2,057</u>	<u>1,785</u>
<b>Current Assets</b>			
Inventories		4,102	4,502
Property Development Cost		31,189	29,736
Trade and other receivables		8,394	4,258
Tax refundable		90	86
Fixed deposits with licensed bank		6,396	8,578
Cash and cash balances		149	601
		<u>50,320</u>	<u>47,761</u>
<b>Total Assets</b>		<u>52,377</u>	<u>49,546</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		39,585	39,585
Other reserves		570	572
Retained earnings		7,269	7,723
<b>Total Equity</b>		<u>47,424</u>	<u>47,880</u>
<b>Non-current liabilities</b>			
Long-term borrowings	B7	<u>83</u>	<u>5</u>
<b>Current Liabilities</b>			
Trade and other payables		2,651	924
Short-term borrowings	B7	<u>2,219</u>	<u>737</u>
		<u>4,870</u>	<u>1,661</u>
<b>Total Liabilities</b>		<u>4,953</u>	<u>1,666</u>
<b>Total Equity and Liabilities</b>		<u>52,377</u>	<u>49,546</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>			
		<u>0.18</u>	<u>0.18</u>

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.*



**ABLEGROUP BERHAD (654188-H)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For The Quarter Ended 30 June 2014**

*(The figures have not been audited)*

	Share Capital RM'000	Warrant Reserve RM'000	Non-distributable Other Reserves	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
Balance as of 1 January 2013	39,585	1,636	(1,034)		8,762	48,949
Total comprehensive income for the period	-	-	-	-	(222)	(222)
Reserve attributable to disposal group classified as held for sale	-	-	(2)		-	(1,476)
<b>Balance as of 30 June 2013</b>	<b>39,585</b>	<b>1,636</b>	<b>(1,036)</b>		<b>8,540</b>	<b>47,251</b>

	Share Capital RM'000	Warrant Reserve RM'000	Non-distributable Other Reserves	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
Balance as of 1 January 2014	39,585	1,636	(1,066)		7,723	46,404
Total comprehensive income for the period	-	-	-	-	(454)	(454)
Foreign currency translation	-	-	-	-	-	-
<b>Balance as of 30 June 2014</b>	<b>39,585</b>	<b>1,636</b>	<b>(1,066)</b>		<b>7,269</b>	<b>45,950</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For The Quarter Ended 30 June 2014

(The figures have not been audited)

	6 months ended	
	30-Jun-14	30-Jun-13
	RM'000	RM'000
	(Unaudited)	(Unaudited)
<b>Cash Flows From/(For) Operating Activities</b>		
Loss before taxation	(454)	(222)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	78	79
Depreciation of investment property	8	8
(Gain)/Loss on disposal of property, plant and equipment	(10)	-
(Gain)/Loss on foreign exchange-unrealised	-	(2)
Interest expenses	(112)	77
Interest income	57	(104)
<b>Operating Loss Before Working Capital Changes</b>	<b>(433)</b>	<b>(165)</b>
Decrease/(increase) in property development costs	(1,453)	(864)
Decrease/(increase) in inventories	400	588
(Increase)/Decrease in trade and other receivables	(4,135)	(1,626)
(Decrease)/Increase in trade payables	1,727	(614)
<b>Cash For Operations</b>	<b>(3,894)</b>	<b>(2,681)</b>
Interest paid	(57)	(77)
Income tax paid	(5)	(5)
<b>Net Cash Flows From Operating Activities</b>	<b>(3,956)</b>	<b>(2,762)</b>
<b>Cash Flows From/(For) Investing Activities</b>		
Interest received	112	104
Proceeds from disposal of property, plant and equipment	10	-
Purchase of property, plant and equipment	(248)	(20)
Purchase of investment property	-	-
<b>Net Cash Flows From/(For) Investing Activities</b>	<b>(126)</b>	<b>84</b>
<b>Cash Flows From/(For) Financing Activities</b>		
(Decrease)/Increase in bills payable	608	768
Proceeds from share issuance pursuant to rights issue	-	-
Repayment of term loans	-	(84)
Repayment of hire purchase obligations	(54)	(54)
<b>Net Cash Flows From/(For) Financing Activities</b>	<b>554</b>	<b>629</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(3,528)</b>	<b>(2,048)</b>
<b>Effects on Foreign Exchange Rate Changes</b>	<b>(2)</b>	<b>-</b>
<b>Cash and Cash Equivalents as at beginning of year</b>	<b>9,179</b>	<b>12,329</b>
<b>Cash and Cash Equivalents as at end of period</b>	<b>5,649</b>	<b>10,281</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	30-Jun-14	30-Jun-13
	RM'000	RM'000
Fixed deposits	6,396	9,916
Cash and bank balances	149	365
Bank overdrafts	(896)	-
	5,649	10,281

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134-INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements 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. These 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.

The significant accounting policies and presentation adopted by the Group in this interim financial statements are consistent with those of the Group's consolidated audited financial statements for the year ended 31 December 2013.

On 19 November 2011, MASB announced the adoption of the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS framework is effective from 1 January 2012 and is to facilitate convergence with the International Financial Reporting Standards ("IFRS"). Nevertheless, the Group is allowed by MASB to defer the adoption of these new accounting standards to financial year ending 31 December 2013 as the Group now *(after proposed diversification of the business of the Group into property development which has been approved by shareholders of the Company at an Extraordinary General Meeting held on 22 June 2012)* is within the scope of IC Interpretation 15 Agreements for Construction of Real Estate.

However, on 7 August 2013, the MASB decided to allow the deferment for the adoption of the MFRS framework to another year which is financial year ending 31 December 2015.

Upon adoption of these new accounting standards, the impact on the financial position and performance of the Group has yet to be determined as the Group is in the process of assessing the financial effects of the differences between FRS and accounting standards under the MFRS Framework.

In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2013 to amounts reflecting the application of MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2015.

**A2. Seasonal or Cyclical Factors**

The operations of the Group during the quarter have not been affected by any material seasonal or cyclical factors.

**A3. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

**A4. Material Changes in Estimates**

There were no changes in the estimates of amounts reported in prior interim periods of the current financial quarter or in prior financial years that have a material effect on the results in the quarter under review.

**A5. Debts and Equity Securities**

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current period ended 30 June 2014.

**A6. Dividends Paid**

There were no dividends paid during the quarter under review.

**A7. Segmental Information**

Segmental information is provided in accordance to business segments, assets and liabilities which are common and cannot be allocated to the segments are presented under unallocated expenses, assets and liabilities, respectively, if any.

**(a) Business Segments**
**6 Months Ended 30 June 2014**

Segments	Continuing Operations			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	7,120	-	-	-	7,120
Profit/(Loss) After Tax	171	(607)	(18)	-	(454)
Total Assets	15,010	65,547	31,557	(59,827)	52,287

**A7. Segmental Information (cont'd)**
**(a) Business Segments (cont'd)**
**6 Months Ended 30 June 2013**

Segments	Continuing Operations			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,891	-	-	-	2,891
Profit/(Loss) After Tax	305	(495)	(30)	(2)	(222)
Total Assets	13,883	70,175	29,069	(60,389)	52,738

**A8. Material Events Subsequent to the End of the Reporting Period**

There were no other material events subsequent to the end of the current quarter under review other than as disclosed in B6.

**A9. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**A10. Changes in Contingent Liabilities or Contingent Assets**

There were no significant changes in the contingent liabilities or contingent assets of the Group since the last financial year as at 31 December 2013.

**A11. Capital Commitment**

There Group has not incurred significant capital commitment as at 30 June 2014.

**A12. Related Party Transactions**

The significant related party transactions for the 6 months ended 30 June 2014 are as follows:

Company in which directors have interest in

	30.06.2014 RM'000	30.06.2013 RM'000
Sales of stones and provision of contract workmanship and other related services	289	8



**B. ADDITIONAL EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**

**B1. Review of Performance**

**A) 2Q14 vs.2Q13**

Description	2Q14	2Q13	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	4,290	1,507	2,783	185%
Profit After Tax ("PAT")	73	22	51	232%

**Note**

The Group reported revenue of RM4.29 million for the quarter ended 30 June 2014 ("2Q14"), an increase of 185% as compared to the revenue of RM1.51 million for the quarter ended 30 June 2013 ("2Q13"). The increase in revenue for 2Q14 is due to commencement of works for two large contracts.

The Group recorded a net profit of RM0.07 million for the 2Q14 as compared to a net profit of RM0.02 million for the 2Q13 as result of profit contributions from the two large projects.

**B) FPE14 vs. FPE13**

Description	FPE14	FPE13	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	7,120	2,891	4,229	146%
Loss After Tax ("LAT")	(454)	(222)	(232)	105%

The Group achieved revenue of about RM7.12 million for the financial period ended 30 June 2014 ("FPE14"), an increase of 146% compared to the revenue of RM2.89 million for the financial period ended 30 June 2013 ("FPE13"). The increase in revenue for FPE14 is mainly due to commencement of works for two large contracts.

For the current period to-date, the Group recorded LAT of RM0.4 million, an increase of 105% compared to the preceding period LAT of RM0.2 million. The increase in losses is mainly due to lower margin registered coupled with higher operating cost in current period.

**B2. Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter**

Description	2Q2014	1Q2014	(Increase)/Decrease	
	RM'000	RM'000	RM'000	%
Profit Before Tax ("PAT")/ (Loss) Before Tax ("LBT")	73	(527)	600	113.85%

For the current quarter, the Group posted a profit before tax of RM0.07 million as compared to loss before tax of RM0.53 million for the immediate preceding quarter ended 31 March 2014. The better performance for 2Q14 was mainly due to contribution of two major projects in 2Q 2014.

**B3. Prospects**

Barring any unforeseen circumstances, the Group expects to continue reporting higher turnover from the two large contracts secured given that the works are progressing ahead.

**B4. Profit Forecast**

The Company did not issue any profit forecast or profit guarantee for the year.

**B5. Income Tax Expense**

No provision for taxation expenses for the quarter due to utilisation of unabsorbed tax loss and unutilised tax allowances of certain companies within the Group.

**B6. Corporate Proposals**

There were no corporate proposals announced but not completed as at this date and the Company has fully utilized proceed raised from the renounceable rights issue ("Rights Issue") of a total of 109,099,750 new ordinary shares of RM0.15 each at an issue price of RM0.15 per rights share on the basis of five (5) rights shares together with one (1) warrant for every four (4) ordinary shares of RM0.15 each on 27 January 2012.

**B7. Borrowings**

Denominated in local currency  
as at 30.06.2014

	Short-term	Long-term
	RM'000	RM'000
<b>Secured borrowings:</b>		
Hire purchase payables	58	83
Bankers' acceptance	1,265	-
Bank Overdraft	896	-
	<u>2,219</u>	<u>83</u>

**B8. Material Litigation**

As at the date of this report, the Group is not engaged in any material litigation which in the opinion of the Board of Directors will have a material effect on the financial position or the business of the Group.

**B9. Dividends**

There were no dividends declared during the quarter under review.

**B10. Earnings /(Loss) Per Share**
**i) Basic Earnings Per Share**

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.14	30.06.13	30.06.14	30.06.13
Profit/ (Loss) attributable to equity holders of the company	<u>73</u>	<u>22</u>	<u>(454)</u>	<u>(222)</u>
Weighted average number of ordinary shares in issue('000)	263,900	263,900	263,900	263,900
Basic earnings/ (loss) per share attributable to equity holders of the company (Sen)	<u>0.028</u>	<u>0.008</u>	<u>(0.172)</u>	<u>(0.087)</u>



**B10. Earnings /(Loss) Per Share (Cont'd)**
**ii) Diluted Loss Per Share**

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.14	30.06.13	30.06.14	30.06.13
Profit/ (Loss) attributable to equity holders of the company	73	22	(454)	(222)
Weighted average number of ordinary shares in issue('000)	263,900	263,900	263,900	263,900
Effect of dilution('000)	-^	-^	-^	-^
Adjusted weighted average number of ordinary shares in issue and issuable('000)	263,900	263,900	263,900	263,900
Diluted earnings/ (loss) per share attributable to equity holders of the company (Sen)	0.028	0.008	(0.172)	(0.087)

^ As the exercise price for the Warrants 2012/2017 is higher than average market price for the current quarter under review, it is assumed that the holders of the warrants will not exercise the warrants.

**B11. Realised and Unrealised Profits/Losses**

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
- realised	3,182	3,611
- unrealised	2	27
	3,184	3,638
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	7,269	7,723

**B12. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2013 was unqualified.