

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 30 June 2016

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		30-Jun-16 RM'000 (Unaudited)	30-Jun-15 RM'000 (Unaudited)	30-Jun-16 RM'000 (Unaudited)	30-Jun-15 RM'000 (Unaudited)
Revenue		1,612	5,724	5,485	13,580
Cost of sales		(1,358)	(5,575)	(4,645)	(12,118)
Gross profit		254	149	840	1,462
Other income		150	52	202	80
		404	201	1,042	1,542
Selling and marketing expenses		(3)	(3)	(7)	(5)
Administrative expenses		(541)	(660)	(1,316)	(1,427)
Other expenses		(28)	(7)	(27)	(6)
Finance costs		(67)	(195)	(97)	(347)
Profit/ (Loss) before tax		(235)	(664)	(405)	(243)
Income tax expense	B5	-	-	-	-
Profit/ (Loss), net of tax	A12	(235)	(664)	(405)	(243)
Attributable to :					
Equity holders of the parent		(235)	(664)	(405)	(243)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B10	(0.089)	(0.252)	(0.154)	(0.092)
- Diluted (sen)		(0.089)	(0.252)	(0.154)	(0.092)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

(The figures have not been audited)

	INDIVIDUAL AND CUMULATIVE		CUMULATIVE PERIOD ENDED	
	PERIOD ENDED			
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(Loss), net of tax	(235)	(664)	(405)	(243)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	(235)	(664)	(405)	(243)
Total comprehensive income attributable to :				
Equity holders of the parent	(235)	(664)	(405)	(243)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For The Quarter Ended 30 June 2016

(The figures have not been audited)

	Note	30-Jun-16 RM'000 (Unaudited)	31-Dec-15 RM'000 (Unaudited)
ASSETS			
Non-current Assets			
Property, plant and equipment		1,097	1,165
Investment property		667	675
		<u>1,764</u>	<u>1,840</u>
Current Assets			
Inventories		3,528	3,598
Property Development Cost		35,076	33,943
Trade and other receivables		8,439	5,634
Amount owing by contract customers		1,466	5,857
Tax refundable		11	7
Fixed deposits with licensed bank		4,714	5,164
Cash and cash balances		312	262
		<u>53,546</u>	<u>54,465</u>
Total Assets		<u>55,310</u>	<u>56,305</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		39,585	39,585
Other reserves		570	570
Retained earnings		6,138	6,543
Total Equity		<u>46,293</u>	<u>46,698</u>
Non-current liabilities			
Long-term borrowings	B7	<u>40</u>	<u>51</u>
Current Liabilities			
Trade and other payables		6,219	3,578
Amount owing to contract customers		471	30
Short-term borrowings	B7	<u>2,287</u>	<u>5,948</u>
		<u>8,977</u>	<u>9,556</u>
Total Liabilities		9,017	9,607
Total Equity and Liabilities		<u>55,310</u>	<u>56,305</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)			
		<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 2015 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 2016

(The figures have not been audited)

			Non-distributable Other Reserves		
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
Balance as of 1 January 2015	39,585	1,636	(1,064)	7,968	48,125
Total comprehensive income for the period	-	-	(3)	(243)	(246)
Foreign currency translation	-	-	-	-	-
Balance as of 30 June 2015	39,585	1,636	(1,067)	7,725	47,879

			Non-distributable Other Reserves		
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
Balance as of 1 January 2016	39,585	1,636	(1,066)	6,543	46,698
Total comprehensive income for the period	-	-	-	(405)	(405)
Foreign currency translation	-	-	-	-	-
Balance as of 30 June 2016	39,585	1,636	(1,066)	6,138	46,293

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

(The figures have not been audited)

	6 months ended	
	30-Jun-16 RM'000 (Unaudited)	30-Jun-15 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Loss before taxation	(405)	(243)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	68	81
Depreciation of investment property	8	8
Bad debts written off	27	-
(Gain)/Loss on foreign exchange-unrealised	-	-
Provision of doubtful debts no longer required	(94)	-
Interest expenses	97	347
Interest income	(99)	(79)
Operating Loss Before Working Capital Changes	(398)	114
Decrease/(increase) in property development costs	(1,132)	(979)
Decrease/(increase) in inventories	70	172
Decrease/(increase) in amount due from/(to) contract customers	4,832	(2,508)
(Increase)/Decrease in trade and other receivables	(2,738)	(1,853)
(Decrease)/Increase in trade payables	2,642	4,074
Cash For Operations	3,275	(980)
Interest paid	(97)	(347)
Income tax paid	(4)	(4)
Net Cash Flows From Operating Activities	3,174	(1,331)
Cash Flows From/(For) Investing Activities		
Interest received	99	79
Purchase of property, plant and equipment	-	(63)
Net Cash Flows From/(For) Investing Activities	99	16
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	(3,663)	3,160
Repayment of hire purchase obligations	(11)	(15)
Net Cash Flows From/(For) Financing Activities	(3,674)	3,145
Net Increase in Cash and Cash Equivalents	(401)	1,831
Effects on Foreign Exchange Rate Changes	(1)	115
Cash and Cash Equivalents as at beginning of year	4,431	4,284
Cash and Cash Equivalents as at end of period	4,029	6,230

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 30-Jun-16 RM'000	As at 30-Jun-15 RM'000
Fixed deposits	4,714	6,304
Cash and bank balances	312	240
Bank overdrafts	(997)	(314)
	4,029	6,230

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2015. 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 2015.

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 2015.

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.

Subsequently the MASB decided to allow the deferment to all transitioning entities for the adoption of the MFRS framework to year 2017.

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 falls within the definition of “Transitional Entities” and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

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 2016.

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 2016

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,485	-	-	-	5,485
Profit/(Loss) After Tax	194	(584)	(15)	-	(405)
Total Assets	17,533	63,273	35,767	(61,274)	55,299

A7. Segmental Information (cont'd)

(a) Business Segments (cont'd)

6 Months Ended 30 June 2015

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	13,580	-	-	-	13,580
Profit/(Loss) After Tax	487	(713)	(17)	-	(243)
Total Assets	24,419	64,358	34,507	(61,974)	61,310

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 2015.

A11. Capital Commitment

There Group has not incurred significant capital commitment as at 30 June 2016.

A12. Related Party Transactions

The significant related party transactions for the 6 months ended 30 June 2016 are as follows:

Company in which directors have interest in

	30.06.2016 RM'000	30.06.2015 RM'000
Sales of stones and provision of contract workmanship and other related services	586	193

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

B1. Review of Performance

A) 2nd Quarter ended 30 June 2016 ("2Q16") vs. 2nd Quarter ended 30 June 2015 ("2Q15")

Description	2Q16	2Q15	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	1,612	5,724	(4,112)	(72)
Profit/(Loss) After Tax	(235)	(664)	429	(65)

Note

For 2Q16, the Group reported revenue of RM1.61 million, a decrease of 72% as compared to the revenue of RM5.72 million for 2Q15. The lower revenue was mainly due to lower billings from the projects as some of them were near the completion stage.

Due to lower revenue, the Group recorded a net loss of RM0.24 million for 2Q16 as compared to a net loss of RM0.66 million for 2Q15. The lower loss in 2Q16 was due to other income arising from monies collected from a debtor amounting to RM0.07 million. The debt had been provided for doubtful debt in the previous financial year.

B) Financial Period Ending 30 June 2016 ("FPE16") vs. Financial Period Ending 30 June 2015 ("FPE15")

Description	FPE16	FPE15	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	5,485	13,580	(8,095)	(60)
Loss After Tax ("LAT")	(405)	(243)	(162)	(67)

The Group achieved revenue of about RM5.49 million in FPE16, a decrease of 60% compared to the revenue of RM13.58 million in FPE15. Decrease in revenue for the current financial period under review was due to lower progressive claims as some of the projects were near the completion stage, resulting in lower revenue recognized for the construction projects undertaken for FPE 16. In addition to that, there were some cost saving measures taken to reduce the overheads of the Company, namely reduction in headcount.

The Group recorded LAT of RM0.41 million in FPE 16, compared to the preceding period LAT of RM0.24 million. Additional project cost, for example labour cost was incurred due to prolongation of projects had resulted in lower margin reported for current period.

B2. Material Change in Loss After Taxation of Current Quarter Compared with Preceding Quarter

Description	2Q2016	1Q2016	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Loss After Tax ("LAT")	(235)	(170)	(65)	(38.23)

For the current quarter, the Group posted a loss after tax of RM0.24 million as compared to loss after tax of RM0.17 million for the immediate preceding quarter ended 31 March 2016. Higher loss was incurred in current quarter mainly due to additional project labour cost incurred as results of prolongation of projects which had resulted in lower margin achieved for current quarter.

B3. Prospects

The Board is mindful of the weak economic condition and the Group will stay focused on the execution of its secured projects and managing the cost as well as realign its property development plans to suit market conditions and consumer demand.

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 the date of this report.

B7. Borrowings

**Denominated in local currency
as at 30.06.2016**

	Short-term	Long-term
	RM'000	RM'000
Secured borrowings:		
Hire purchase payables	22	40
Bill payables	1,268	-
Bank Overdraft	997	-
	2,287	40

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

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.16 RM'000	30.06.15 RM'000	30.06.16 RM'000	30.06.15 RM'000
Profit/ (Loss) attributable to equity holders of the company	(235)	(664)	(405)	(243)
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)	(0.089)	(0.252)	(0.154)	(0.092)

i) Diluted Loss Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.16 RM'000	30.06.15 RM'000	30.06.16 RM'000	30.06.15 RM'000
Profit/ (Loss) attributable to equity holders of the company	(235)	(664)	(405)	(243)
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)	(0.089)	(0.252)	(0.154)	(0.092)

[^] 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 30.06.2016 RM'000	As at 30.06.2015 RM'000
- realised	2,053	3,638
- unrealised	-	2
	<hr/> 2,053	<hr/> 3,640
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	<hr/> 6,138	<hr/> 7,725

B12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2015 was unqualified.