

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 30 June 2017

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		30-Jun-17 RM'000 (Unaudited)	30-Jun-16 RM'000 (Unaudited)	30-Jun-17 RM'000 (Unaudited)	30-Jun-16 RM'000 (Unaudited)
Revenue		3,506	1,612	5,019	5,485
Cost of sales		(2,768)	(1,358)	(3,968)	(4,894)
Gross profit		738	254	1,051	591
Other income		22	150	158	451
		760	404	1,209	1,042
Selling and marketing expenses		(4)	(3)	(11)	(7)
Administrative expenses		(482)	(541)	(1,227)	(1,316)
Other expenses		-	(28)	-	(27)
Finance costs		(27)	(67)	(33)	(97)
Profit/ (Loss) before tax		248	(235)	(62)	(405)
Income tax expense	B5	-	-	-	-
Profit/ (Loss), net of tax		248	(235)	(62)	(405)
Attributable to :					
Equity holders of the parent		248	(235)	(62)	(405)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B10	0.094	(0.089)	(0.023)	(0.154)
- Diluted (sen)		0.094	(0.089)	(0.023)	(0.154)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017***(The figures have not been audited)*

	INDIVIDUAL AND CUMULATIVE PERIOD ENDED		CUMULATIVE PERIOD ENDED	
	30-Jun-17 RM'000 (Unaudited)	30-Jun-16 RM'000 (Unaudited)	30-Jun-17 RM'000 (Unaudited)	30-Jun-16 RM'000 (Unaudited)
Profit/(Loss), net of tax	248	(235)	(62)	(405)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	248	(235)	(62)	(405)
Total comprehensive income attributable to :				
Equity holders of the parent	248	(235)	(62)	(405)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

(The figures have not been audited)

	30-Jun-17 RM'000 (Unaudited)	31-Dec-16 RM'000 (Unaudited)
ASSETS		
Non-current Assets		
Property, plant and equipment	930	1,009
Investment property	651	659
	1,581	1,668
Current Assets		
Inventories	3,255	3,342
Property Development Cost	35,936	35,839
Trade and other receivables	4,978	8,493
Amount owing by contract customers	1,315	1,753
Tax refundable	7	15
Fixed deposits with licensed bank	3,386	3,051
Cash and cash balances	302	173
	49,179	52,666
Total Assets	50,760	54,334
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	39,585	39,585
Other reserves	569	569
Retained earnings	5,612	5,674
Total Equity	45,766	45,828
Non-current liabilities		
Long-term borrowings	B7 16	28
Current Liabilities		
Trade and other payables	3,289	7,574
Amount owing to contract customers	11	6
Short-term borrowings	B7 1,678	898
	4,978	8,478
Total Liabilities	4,994	8,506
Total Equity and Liabilities	50,760	54,334
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.17	0.17

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

(The figures have not been audited)

	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Non-distributable Other Reserves (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

	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Non-distributable Other Reserves (Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
Balance as of 1 January 2017	39,585	1,636	(1,067)	5,674	45,828
Total comprehensive income for the period	-	-	-	(62)	(62)
Foreign currency translation	-	-	-	-	-
Balance as of 30 June 2017	39,585	1,636	(1,067)	5,612	45,766

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

(The figures have not been audited)

	6 months ended	
	30-Jun-17 RM'000 (Unaudited)	30-Jun-16 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Loss before taxation	(62)	(405)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	79	68
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	33	97
Interest income	(44)	(99)
Operating Loss Before Working Capital Changes	14	(398)
Decrease/(increase) in property development costs	(97)	(1,132)
Decrease/(increase) in inventories	87	70
Decrease/(increase) in amount due from/(to) contract customers	444	4,832
(Increase)/Decrease in trade and other receivables	3,515	(2,738)
(Decrease)/Increase in trade payables	(4,287)	2,642
Cash For Operations	(324)	3,275
Interest paid	(33)	(97)
Income tax refunded/(paid)	9	(4)
Net Cash Flows From Operating Activities	(348)	3,174
Cash Flows From/(For) Investing Activities		
Interest received	44	99
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment		
Net Cash Flows From/(For) Investing Activities	44	99
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	780	(3,663)
Repayment of hire purchase obligations	(11)	(11)
Net Cash Flows From/(For) Financing Activities	769	(3,674)
Net Increase in Cash and Cash Equivalents	465	(401)
Effects on Foreign Exchange Rate Changes	-	(1)
Cash and Cash Equivalents as at beginning of year	3,223	4,431
Cash and Cash Equivalents as at end of period	3,688	4,029

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

	As at 30-Jun-17 RM'000	As at 30-Jun-16 RM'000
Fixed deposits	3,386	4,714
Cash and bank balances	302	312
Bank overdrafts	-	(997)
	3,688	4,029

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2016. 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 2016.

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 2016.

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 2017.

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 2017

Segments	Segments			Consolidation adjustments	Group
	Building Material (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,019	-	-	-	5,019
Profit/(Loss) After Tax	347	(385)	(24)	-	(62)
Total Assets	12,982	45,503	36,400	(44,125)	50,760

A7. Segmental Information (cont'd)
(a) Business Segments (cont'd)
6 Months Ended 30 June 2016

Segments	Segments			Consolidation adjustments	
	Building Material (Malaysia)	Investment Holding & Others	Property Development		Group
	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

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

There were no 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 end of last financial period up to 30 June 2017.

A11. Capital Commitment

There Group has not incurred capital commitment as at 30 June 2017.

A12. Related Party Transactions

The significant related party transactions for the 6 months ended 30 June 2017 are as follows:

Company in which directors have interest in

	30.06.2017 RM'000	30.06.2016 RM'000
Sales of stones and provision of contract workmanship and other related services	449	586

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

B1. Review of performance of the Company and its principal subsidiaries

A) Financial review for current quarter and financial year to date

	Individual Period (2 nd quarter)		Changes (%)	Cumulative Period		Changes (%)
	30/06/2017	30/06/2016		30/06/2017	30/06/2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,506	1,612	118%	5,019	5,485	-8%
Operating Profit	275	(168)	264%	(29)	(308)	91%
Profit/(Loss) before Tax	248	(235)	206%	(62)	(405)	85%
Profit/(Loss) after Tax	248	(235)	206%	(62)	(405)	85%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	0.094 sen	(0.089 sen)	206%	(0.023 sen)	(0.154 sen)	115%

2Q 2017 vs 2Q 2016

The Group delivered a positive financial performance for the second quarter ended 30 June 2017 (2Q 2017) with revenue of RM3.506 million, an increase of 118% over its corresponding quarter last year (2Q 2016) at RM1.612 million. The revenue in the current quarter was contributed by the contract billings of the building material segment from projects such as Aman Country Clubs and Villas, Ritz-Carlton Residence Tower as well as Hard Rock Hotel in Desaru. These projects were substantially completed during the current quarter that contributed positively to the increased revenue for the Group.

In tandem with the increase in revenue, the Group has recorded a net profit of RM0.248 million in the current quarter against loss of RM0.235 million in the corresponding quarter of preceding year.

1H 2017 vs 1H 2016

The increase in revenue from 2Q 2017 has improved the Group's revenue for the first half of the period ended 30 June 2017 (1H 2017) to RM5.019 million compared to the corresponding period last year (1H 2016) of RM5.485 million.

Despite the lower revenue recorded for 1H 2017, the Group has narrowed the net loss to RM0.062 million compared to the net loss of RM0.405 million in the corresponding period last year. There were also cost savings from the downsized workforce as a measure of reducing the overheads of the Group.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/06/2017	31/03/2017	Variance	%
	RM'000	RM'000	RM'000	
Revenue	3,506	1,513	1,993	132%
Operating Profit	275	(304)	579	190%
Profit/(Loss) before Tax	248	(310)	558	180%
Profit/(Loss) after Tax	248	(310)	558	180%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	0.094 sen	(0.117 sen)	0.211 sen	180%

The contribution in the revenue for the 2Q 2017 of RM3.506 million from the first quarter (%Q 2017+) at RM1.513 million was mainly associated with the higher revenue recognized from the said projects that were progressively completed during 2Q 2017. These projects were at the initial stage of execution in 1Q 2017 and hence the contract revenue recognition was lower in the previous quarter.

The Group's net profit for 2Q 2017 was RM0.248 million compared to the preceding quarter net loss of RM0.310 million. The increase was attributed by the completion of the projects with good margin.

B3. Prospects

The Group is confident in securing new orders to replenish the order book in building material business. On the property development segment, the Group will take cognizance of the market conditions to launch the project at a suitable time.

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 30.06.2017		Denominated in local currency As at 31.12.2016	
	Short-term RM'000	Long-term RM'000	Short-term RM'000	Long-term RM'000
Secured Borrowings:-				
Hire purchase payables	23	16	23	28
Bill payables	1,655	-	875	-
	1,678	16	898	28

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 / (Loss) Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000
Profit/ (Loss) attributable to equity holders of the company	248	(235)	(62)	(405)
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)	0.094	(0.089)	(0.023)	(0.154)

ii) Diluted Loss Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000
Profit/ (Loss) attributable to equity holders of the company	248	(235)	(62)	(405)
Weighted average number of ordinary shares in issue(₹00)	263,900	263,900	263,900	263,900
Diluted earnings/ (loss) per share attributable to equity holders of the company (Sen)	0.094	(0.089)	(0.023)	(0.154)

Basic earnings per share of the Group is calculated by dividing net (loss) / profit for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no new shares issued during the reported period.

B11. Realised and Unrealised Profits / (Losses)

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
- realised	1,527	2,053
- unrealised	-	-
	1,527	2,053
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	5,612	6,138