

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Quarter Ended 30 June 2018

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		30-Jun-18 RM'000 (Unaudited)	30-Jun-17 RM'000 (Unaudited)	30-Jun-18 RM'000 (Unaudited)	30-Jun-17 RM'000 (Unaudited)
Revenue		873	3,506	1,422	5,019
Cost of sales		(826)	(2,768)	(1,228)	(3,968)
<b>Gross profit</b>		<b>47</b>	<b>738</b>	<b>194</b>	<b>1,051</b>
Other income		98	22	132	158
		145	760	326	1,209
Selling and marketing expenses		(7)	(4)	(13)	(11)
Administrative expenses		(526)	(482)	(1,215)	(1,228)
Finance costs		(11)	(26)	(20)	(32)
<b>Profit/ (Loss) before tax</b>		<b>(399)</b>	<b>248</b>	<b>(922)</b>	<b>(62)</b>
Income tax expense	B5	-	-	-	-
<b>Profit/ (Loss) net of tax</b>		<b>(399)</b>	<b>248</b>	<b>(922)</b>	<b>(62)</b>
<b>Attributable to :</b>					
Equity holders of the parent		(399)	248	(922)	(62)
<b>Profit/ (Loss) per share attributable to equity holders of the parent:</b>					
- Basic (sen)	B10	(0.151)	0.094	(0.349)	(0.023)
- Diluted (sen)		(0.151)	0.094	(0.349)	(0.023)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018***(The figures have not been audited)*

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	30-Jun-18 RM'000 (Unaudited)	30-Jun-17 RM'000 (Unaudited)	30-Jun-18 RM'000 (Unaudited)	30-Jun-17 RM'000 (Unaudited)
Profit/(Loss), net of tax	(399)	248	(922)	(62)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
<b>Total comprehensive income</b>	<b>(399)</b>	<b>248</b>	<b>(922)</b>	<b>(62)</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the parent	(399)	248	(922)	(62)

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018**

*(The figures have not been audited)*

	Note	30-Jun-18 RM'000	31-Dec-17 RM'000	01-Jan-17 RM'000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		788	851	1,009
Investment property		635	643	659
		<u>1,423</u>	<u>1,494</u>	<u>1,668</u>
<b>Current Assets</b>				
Inventories		2,778	2,717	3,342
Inventories - property development costs		36,414	35,951	35,839
Trade and other receivables		1,884	4,111	3,658
Contract assets		709	1,734	1,753
Tax refundable		2	7	15
Fixed deposits with licensed bank		3,975	3,972	3,051
Cash and cash balances		156	164	173
		<u>45,918</u>	<u>48,656</u>	<u>47,831</u>
<b>Total Assets</b>		<u>47,341</u>	<u>50,150</u>	<u>49,499</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital		39,585	39,585	39,585
Other reserves		(409)	(409)	(409)
Retained earnings		5,733	6,655	6,652
<b>Total Equity</b>		<u>44,909</u>	<u>45,831</u>	<u>45,828</u>
<b>Non-current liabilities</b>				
Long-term borrowings	B7	-	4	28
<b>Current Liabilities</b>				
Trade and other payables		1,867	3,742	2,739
Contract liabilities		-	-	6
Short-term borrowings	B7	565	573	898
		<u>2,432</u>	<u>4,315</u>	<u>3,643</u>
<b>Total Liabilities</b>		2,432	4,319	3,671
<b>Total Equity and Liabilities</b>		<u>47,341</u>	<u>50,150</u>	<u>49,499</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>		<u>0.17</u>	<u>0.17</u>	<u>0.17</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018**

*(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
<b>Balance as of 1 January 2017</b>	39,585	1,636	(1,067)	5,674	45,828
Total comprehensive income for the period	-	-	-	(62)	(62)
Foreign currency translation	-	-	-	-	-
<b>Balance as of 30 June 2017</b>	<b>39,585</b>	<b>1,636</b>	<b>(1,067)</b>	<b>5,612</b>	<b>45,766</b>

	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
<b>Balance as of 1 January 2018</b>	39,585	-	(409)	6,655	45,831
Total comprehensive income for the period	-	-	-	(922)	(922)
Foreign currency translation	-	-	-	-	-
<b>Balance as of 30 June 2018</b>	<b>39,585</b>	<b>-</b>	<b>(409)</b>	<b>5,733</b>	<b>44,909</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 2017 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 2018**

*(The figures have not been audited)*

	6 months ended	
	30-Jun-18 RM'000 (Unaudited)	30-Jun-17 RM'000 (Unaudited)
<b>Cash Flows From/(For) Operating Activities</b>		
Profit / (Loss) before taxation	(922)	(62)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	64	79
Depreciation of investment property	8	8
Bad debts written off	-	-
(Gain)/Loss on foreign exchange-unrealised	-	-
Impairment on trade and other receivables	-	-
Provision of doubtful debts no longer required	-	-
Interest expenses	20	33
Interest income	(65)	(44)
<b>Operating Loss Before Working Capital Changes</b>	<b>(895)</b>	<b>14</b>
Decrease/(increase) in property development costs	(463)	(97)
Decrease/(increase) in inventories	(60)	87
Decrease/(increase) in contract assets	1,025	444
(Increase)/Decrease in trade and other receivables	2,226	3,515
Decrease/(increase) in trade payables	(1,876)	(4,287)
<b>Cash For Operations</b>	<b>(43)</b>	<b>(324)</b>
Interest paid	(20)	(33)
Income tax refunded/(paid)	6	9
<b>Net Cash Flows From Operating Activities</b>	<b>(57)</b>	<b>(348)</b>
<b>Cash Flows From/(For) Investing Activities</b>		
Interest received	65	44
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment		
<b>Net Cash Flows From/(For) Investing Activities</b>	<b>65</b>	<b>44</b>
<b>Cash Flows From/(For) Financing Activities</b>		
(Decrease)/Increase in bills payable	(1)	780
Repayment of hire purchase obligations	(12)	(11)
<b>Net Cash Flows From/(For) Financing Activities</b>	<b>(13)</b>	<b>769</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(5)</b>	<b>465</b>
<b>Effects on Foreign Exchange Rate Changes</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents as at beginning of year</b>	<b>4,136</b>	<b>3,223</b>
<b>Cash and Cash Equivalents as at end of period</b>	<b>4,131</b>	<b>3,688</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
	<b>As at</b>	<b>As at</b>
	<b>30-Jun-18</b>	<b>30-Jun-17</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	3,975	3,386
Cash and bank balances	156	302
Bank overdrafts	-	-
	<b>4,131</b>	<b>3,688</b>

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 reporting requirements as set out in Malaysian Financial Reporting Standards (MFRS) 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 2017. 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 2017.

The financial statements of the Group for the financial period ended 30 June 2018 are prepared in accordance with the MFRS Framework. The date of transition to the MFRS Framework was on 1 January 2017.

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 2017 and there was no significant impact to the Group’s financial statements upon the adoption of MFRS.

The Group has also adopted all new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2018, and the adoption of these new and revised MFRSs and IC Interpretations did not have any significant impact on the financial statements of the Group.

**A2. Audit Report of Preceding Annual Financial Statements**

The auditors’ report on the annual audited financial statements for the financial year ended 31 December 2017 was not qualified.

**A3. Seasonal or Cyclical Factors**

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

**A4. 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.

**A5. 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.

**A6. 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 2018.

**A7. Dividends Paid**

There were no dividends paid during the quarter under review.

**A8. 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 2018**

Segments	Segments			Consolidation adjustments	Group
	Building Material (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,422	-	-	-	1,422
Profit/(Loss) After Tax	(456)	(441)	(25)	-	(922)
Total Assets	8,775	44,692	36,644	(42,770)	47,341

**A8. Segmental Information (cont'd)**
**(a) Business Segments (cont'd)**
**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

**A9. 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.

**A10. Changes in the Composition of the Group**

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

**A11. 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 2018.

**A12. Capital Commitment**

The Group has not incurred significant capital commitment as at 30 June 2018.

**A13. Related Party Transactions**

The significant related party transactions for the 6 months ended 30 June 2018 are as follows:

Company in which directors have interest in

	30.06.2018 RM'000	30.06.2017 RM'000
Sales of stones and provision of contract workmanship and other related services	12	449



**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**

**Financial review for current quarter and financial year to date**

	Individual Period (2 <sup>nd</sup> quarter)		Changes (%)	Cumulative Period		Changes (%)
	30/06/2018	30/06/2017		30/06/2018	30/06/2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	873	3,506	-75%	1,422	5,019	-72%
Operating Profit/(Loss)	(388)	274	N/A	(902)	(30)	>100%
Profit/(Loss) before Tax	(399)	248	N/A	(922)	(62)	>100%
Profit/(Loss) after Tax	(399)	248	N/A	(922)	(62)	>100%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	(0.151 sen)	0.094 sen	N/A	(0.349 sen)	(0.023 sen)	>100%

**2Q18 vs 2Q17**

The Group reported revenue of RM0.873 million for the second quarter ended 30 June 2018 (2Q18+), a decrease of 75% from its corresponding period of preceding quarter ended 30 June 2017 (2Q17+) that posted a revenue of RM3.506 million. The lower revenue in 2Q18 is associated with the lower contract billings of the building material segment as most projects were completed in 2017. In addition, the newly secured projects during the year such as Quarza Residence and Heritage Trail 5 in Klang Valley are still in the initial stages of implementation. The sum of these contracts amounted to approximately RM2.78 million.

With the lower revenue recorded, the Group has recorded a net loss of RM0.399 million for 2Q18 as compared to a net profit of RM0.248 million for 2Q17.

**1H18 vs 1H17**

The Group reported revenue of RM1.422 million for the first half of the period ended 30 June 2018 (1H18+), a decrease of 72% from its corresponding period of preceding period ended 30 June 2017 (1H17+) that posted a revenue of RM5.019 million.

With the lower revenue recorded, the Group has recorded a higher net loss of RM0.922 million for 1H18 as compared to the net loss of RM0.062 million for 1H17.

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

	Current Quarter	Immediate Preceding Quarter	Changes	(%)
	30/06/2018	31/03/2018	Variance	
	RM'000	RM'000	RM'000	
Revenue	873	549	324	59%
Operating Profit/(Loss)	(388)	(513)	125	24%
Profit/(Loss) before Tax	(399)	(522)	123	24%
Profit/(Loss) after Tax	(399)	(522)	123	24%
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	(0.151 sen)	(0.198 sen)	0.047 sen	24%

For the current quarter ended 30 June 2018 (%Q18+), the Group recorded revenue of RM0.873 million compared to a revenue of RM0.549 million reported in the immediate preceding quarter ended 31 March 2018 (%Q18+). The higher revenue in 2Q18 is mainly associated with the higher contract billings arising from Quarza Residence.

With the higher revenue recorded, the Group has recorded a lower net loss of RM0.399 million in 2Q18 as compared to a net loss of RM0.522 million in 1Q18.

**B3. Prospects**

The Group is pursuing new contracts to add to the existing order book of RM4.130 million in the building material business. For the property development sector, the Group is waiting for the market sentiment to improve before proceeding with the development of our land.

**B4. Profit Forecast**

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

**B5. Income Tax Expense**

There was no provision for taxation expenses for the current quarter as the Company is not in a taxable position.

**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 30.06.2018		Denominated in local currency As at 31.12.2017	
	Short-term RM'000	Long-term RM'000	Short-term RM'000	Long-term RM'000
<b>Secured Borrowings:-</b>				
Hire purchase payables	17	-	24	4
Bill payables	548	-	549	-
	<b>565</b>	<b>-</b>	<b>573</b>	<b>4</b>

**B8. Material Litigation**

As at the date of this report, the Group is not involved in any material litigation either as plaintiff or defendant which will have a material effect on the financial position 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	
	30.06.18 RM'000	30.06.17 RM'000	30.06.18 RM'000	30.06.17 RM'000
Profit/ (Loss) attributable to equity holders of the company	(399)	248	(922)	(62)
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)	(0.151)	0.094	(0.349)	(0.023)

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

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.18 RM'000	30.06.17 RM'000	30.06.18 RM'000	30.06.17 RM'000
Profit/ (Loss) attributable to equity holders of the company	(399)	248	(922)	(62)
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)	(0.151)	0.094	(0.349)	(0.023)

Basic earnings per share of the Group is calculated by dividing net profit / (loss) 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.