



ABLE GLOBAL BERHAD

Registration No. 200001029963 (532570-V)

(Incorporated in Malaysia)

AND ITS SUBSIDIARY COMPANIES

**QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

(UNAUDITED)

This Report is dated 25th AUGUST 2023.



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**QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2023**

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)

| | NOTE | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------------|---|--|---|---|
| | | Current Period Quarter 30-06-2023 RM'000 | Preceding Period Corresponding Quarter 30-06-2022 RM'000 | Current Year- To-Date 30-06-2023 RM'000 | Preceding Year- To-Date 30-06-2022 RM'000 |
| REVENUE | | 156,277 | 152,138 | 302,409 | 282,913 |
| Cost of sales | | (133,477) | (126,033) | (259,237) | (240,696) |
| GROSS PROFIT | | 22,800 | 26,105 | 43,172 | 42,217 |
| Net other income | | 567 | 735 | 1,295 | 1,520 |
| Administrative expenses | | (5,118) | (5,271) | (11,094) | (10,807) |
| Selling and distribution expenses | | (4,863) | (4,836) | (8,961) | (9,780) |
| Net gain/(loss) on foreign exchange and financial instruments | | 2,387 | (1,217) | 1,727 | (1,468) |
| Finance costs | | (1,799) | (528) | (3,526) | (732) |
| Share of profit of equity accounted joint ventures | | 87 | 1,085 | 1,109 | 574 |
| PROFIT BEFORE TAX | | 14,061 | 16,073 | 23,722 | 21,524 |
| Income tax expense | B8 | (3,390) | (3,509) | (5,643) | (4,348) |
| PROFIT FOR THE PERIOD | | 10,671 | 12,564 | 18,079 | 17,176 |
| Non-controlling interests | | (152) | 49 | (454) | (439) |
| PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY | | 10,519 | 12,613 | 17,625 | 16,737 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Share of other comprehensive income of equity accounted joint ventures | | 2,687 | 1,383 | 4,529 | 1,379 |
| Total other comprehensive income for the period | | 2,687 | 1,383 | 4,529 | 1,379 |
| TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD | B9 | 13,206 | 13,996 | 22,154 | 18,116 |
| Profit after tax attributable to: | | | | | |
| Owners of the Company | | 10,519 | 12,613 | 17,625 | 16,737 |
| Non-controlling interests | | 152 | (49) | 454 | 439 |
| | | 10,671 | 12,564 | 18,079 | 17,176 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 13,206 | 13,996 | 22,154 | 18,116 |
| Non-controlling interests | | 152 | (49) | 454 | 439 |
| | | 13,358 | 13,947 | 22,608 | 18,555 |
| Earnings per share (sen): | | | | | |
| - Basic | B10 | 3.42 | 4.10 | 5.73 | 5.44 |

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (UNAUDITED)**

| | NOTE | As at 30 June 2023 (Unaudited) RM'000 | As at 31 December 2022 (Audited) RM'000 |
|---|------------|--|--|
| <u>ASSETS</u> | | | |
| <i>Non-Current Assets</i> | | | |
| Property, plant and equipment | | 180,226 | 183,916 |
| Investment in joint ventures | B11 | 26,987 | 21,349 |
| Investment property | | 43,064 | 43,064 |
| Goodwill on consolidation | | 10,650 | 10,650 |
| Rights to use assets | | 1,018 | 1,330 |
| Other investment | | 17 | 17 |
| | | 261,962 | 260,326 |
| <i>Current Assets</i> | | | |
| Inventories | | 165,509 | 188,618 |
| Property development costs | | 121,307 | 118,932 |
| Trade receivables | | 90,797 | 71,050 |
| Other receivables | | 2,468 | 5,309 |
| Amount owing by joint ventures | | 2,577 | 7,533 |
| Tax recoverable | | 9,159 | 8,880 |
| Cash and cash equivalents | | 95,437 | 59,965 |
| | | 487,254 | 460,287 |
| TOTAL ASSETS | | 749,216 | 720,613 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <i>Share Capital and Reserves</i> | | | |
| Share capital | | 176,816 | 176,816 |
| Treasury shares | | (4,249) | (4,249) |
| Cumulative retained earnings | | 244,801 | 228,798 |
| Equity Attributable to Owners of the Company | | 417,368 | 401,365 |
| Non-controlling interests | | 1,897 | 1,443 |
| TOTAL EQUITY | | 419,265 | 402,808 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 (UNAUDITED) (cont'd)**

| | NOTE | As at 30 June 2023 (Unaudited) RM'000 | As at 31 December 2022 (Audited) RM'000 |
|--|------------|--|--|
| <i>EQUITY AND LIABILITIES (cont'd)</i> | | | |
| <i>Non-Current Liabilities</i> | | | |
| Lease liabilities | | 281 | 278 |
| Long-term borrowings | B12 | 159,466 | 161,183 |
| Retirement benefits | | 347 | 347 |
| Deferred tax liabilities | | 6,949 | 7,580 |
| <i>Total Non-Current Liabilities</i> | | 167,043 | 169,388 |
| <i>Current Liabilities</i> | | | |
| Trade payables | | 48,271 | 34,112 |
| Other payables | | 36,749 | 19,918 |
| Lease liabilities | | 745 | 1,072 |
| Short-term borrowings | B12 | 75,545 | 92,779 |
| Retirement benefits | | 300 | 300 |
| Derivative financial liabilities | B13 | -- | 87 |
| Current tax liabilities | | 1,298 | 149 |
| <i>Total Current Liabilities</i> | | 162,908 | 148,417 |
| <i>TOTAL LIABILITIES</i> | | 329,951 | 317,805 |
| <i>TOTAL EQUITY AND LIABILITIES</i> | | 749,216 | 720,613 |
| | | RM | RM |
| <i>Net Assets (NA) per share attributable to ordinary equity holders of the Company</i> | | 1.36 | 1.30 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

| | <u>Share Capital</u> RM'000 | <u>Treasury Shares</u> RM'000 | <u>Non- Distributable Reserves</u> <u>Foreign Translation Reserve</u> RM'000 | <u>Distributable</u> <u>Retained Earnings</u> RM'000 | <u>Attributable to Owners of the Company</u> RM'000 | <u>Non- Controlling Interests</u> RM'000 | <u>Total Equity</u> RM'000 |
|--|------------------------------------|--------------------------------------|--|--|--|---|-----------------------------------|
| Balance at 1 January 2023 | 176,816 | (4,249) | 1,008 | 227,790 | 401,365 | 1,443 | 402,808 |
| Profit after tax for the period | -- | -- | -- | 17,625 | 17,625 | 454 | 18,079 |
| Other comprehensive income for the period | | | | | | | |
| - Share of other comprehensive income of equity accounted joint ventures | -- | -- | 4,529 | -- | 4,529 | -- | 4,529 |
| Total comprehensive income for the period | -- | -- | 4,529 | 17,625 | 22,154 | 454 | 22,608 |
| Contribution by and distribution to owners of the Company | | | | | | | |
| - Dividends | -- | -- | -- | (6,151) | (6,151) | -- | (6,151) |
| Total transactions with owners of the Company | -- | -- | -- | (6,151) | (6,151) | -- | (6,151) |
| Balance at 30 June 2023 | 176,816 | (4,249) | 5,537 | 239,264 | 417,368 | 1,897 | 419,265 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

| | Share Capital RM'000 | Treasury Shares RM'000 | <u>Non- Distributable</u> Reserves Foreign Translation Reserve RM'000 | <u>Distributable</u> Retained Earnings RM'000 | Attributable to Owners of the Company RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|--|-------------------------------------|---------------------------------------|--|--|---|--|------------------------------------|
| Balance at 1 January 2022 | 176,816 | (4,249) | (1,232) | 208,235 | 379,570 | 1,220 | 380,790 |
| Profit after tax for the period | -- | -- | -- | 16,737 | 16,737 | 439 | 17,176 |
| Other comprehensive income for the period | | | | | | | |
| - Share of other comprehensive income of equity accounted joint ventures | -- | -- | 1,379 | -- | 1,379 | -- | 1,379 |
| Total comprehensive income for the period | -- | -- | 1,379 | 16,737 | 18,116 | 439 | 18,555 |
| Contribution by and distribution to owners of the Company | | | | | | | |
| - Dividends | -- | -- | -- | (6,151) | (6,151) | -- | (6,151) |
| Total transactions with owners of the Company | -- | -- | -- | (6,151) | (6,151) | -- | (6,151) |
| Balance at 30 June 2022 | 176,816 | (4,249) | 147 | 218,821 | 391,535 | 1,659 | 393,194 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes to the quarterly report.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

| | NOTE | Current Year-To-Date 30 June 2023 RM'000 | Preceding Year-To-Date 30 June 2022 RM'000 |
|---|-------------|---|---|
| Net cash generated from operating activities | B14 | 62,425 | 24,200 |
| Net cash used in investing activities | B14 | (2,846) | (48,946) |
| Net cash (used in)/generated from financing activities | B14 | (24,315) | 19,286 |
| Net increase/ (decrease) in cash and cash equivalents | | 35,264 | (5,460) |
| Adjustment for foreign exchange differentials | | 208 | 160 |
| Cash and cash equivalents as of beginning of the period | | 59,955 | 85,991 |
| Cash and cash equivalents as of end of the period | | 95,427 | 80,691 |

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

| | Current Year-To-Date 30 June 2023 RM'000 | Preceding Year-To-Date 30 June 2022 RM'000 |
|------------------------|---|---|
| Cash and bank balances | 95,437 | 80,700 |
| Earmarked bank balance | (10) | (9) |
| | 95,427 | 80,691 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes to the quarterly report.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

PART A

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134:
INTERIM FINANCIAL REPORTING (“MFRS 134”)**

A1. Basis of Preparation

The unaudited condensed interim financial statements for the second quarter ended 30 June 2023 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and with IAS 34 *Interim Financial Reporting*, and the applicable disclosure provisions on paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”), and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2022.

These condensed consolidated interim financial statements are prepared under the historical cost convention and modified to include other bases of valuation as disclosed under significant accounting policies, and in compliance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group for these unaudited condensed interim financial statements are consistent with those in the audited financial statements for the financial year ended 31 December 2022.

- a) During the current financial period, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

- b) The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Effective Date

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

1 January 2024

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

A2. Changes in Accounting Policies (Cont'd)

| MFRSs and/or IC Interpretations (Including The Consequential Amendments) | Effective Date |
|---|-----------------------|
| Amendment to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to MFRS 101: Non-current Liabilities with Covenants | 1 January 2024 |

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Audit Qualification

There was no qualification on the annual audited financial statements of the Group for the year ended 31 December 2022.

A4. Seasonal or Cyclical Factors

The Group's operations are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial reporting period under review.

A6. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debts and equity securities for the current financial reporting period.

A7. Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial reporting period that have a material effect in the current interim period.

A8. Dividend Paid

The fourth interim dividend of 1.0 sen per ordinary share amounting to RM3,075,628 in respect of the financial year ended 31 December 2023 was declared on 27 February 2023 and subsequently paid on 10 April 2023. The payment made to shareholders whose name appeared in the Company's Record Depositors on 30 March 2023.

A9. Subsequent Material Events

There were no material events subsequent to the end of the current financial reporting period that have not been reflected in the financial statements for the current interim period.

A10. Contingent Liabilities

There is no other contingent liability that has arisen since the financial period ended.

A11. Changes in the Composition

There are no changes in the composition of the Group for the current financial reporting period under review.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

A12. Operating Segments

a) Business Segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments:

- 1) Investment Holding - *Investment holding and provision of management services.*
- 2) Tin Manufacturing - *Manufacturing of various tins, cans and other containers.*
- 3) Food and Beverage - *Manufacturing and selling of milk and related dairy products.*
- 4) Property Development - *Involved in property development activities.*

| The Group | Investment Holding | Tin Manufacturing | Food & Beverage | Property Development | Group |
|--------------------------------------|-------------------------------|------------------------------|--------------------------------|---------------------------------|----------------|
| <u>30 June 2023</u> | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| External revenue | -- | 53,067 | 249,342 | -- | 302,409 |
| Inter-segment revenue | -- | 10,586 | 36,806 | -- | 47,392 |
| Dividend and management fees | 8,333 | -- | -- | -- | 8,333 |
| Total revenues | 8,333 | 63,653 | 286,148 | -- | 358,134 |
| Segments (loss)/profit before tax | (744) | 8,096 | 16,281 | 89 | 23,722 |
| Segment assets | 3,216 | 158,656 | 461,328 | 126,016 | 749,216 |
| <u>30 June 2022</u> | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| External revenue | -- | 62,225 | 220,688 | -- | 282,913 |
| Inter-segment revenue | -- | 13,031 | 48,461 | -- | 61,492 |
| Dividend and management fees | 4,180 | -- | -- | -- | 4,180 |
| Total revenues | 4,180 | 75,256 | 269,149 | -- | 348,585 |
| Segments (loss)/profit before tax | (714) | 14,713 | 7,527 | (2) | 21,524 |
| Segment assets | 18,795 | 153,042 | 397,123 | 12,988 | 581,948 |



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

A13. Related Party Transactions

The amount owing to directors are unsecured, interest free advances and repayable on demand. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operation decisions. The related parties and their relationship with the Company are as follows:

| | The Group | |
|--|-------------------|-------------------|
| | 30-06-2023 | 30-06-2022 |
| | RM'000 | RM'000 |
| <i>Directors of the Companies</i> | | |
| - Rental of factory | 341 | 341 |
| | <hr/> | <hr/> |
| <i>Related Companies</i> | RM'000 | RM'000 |
| - Sales of goods | 4,532 | 3,594 |
| - Purchases of goods | 9,439 | 7,869 |
| | <hr/> | <hr/> |

A related party of a Director had entered into a tenancy agreement with the Group's subsidiary, agreed upon renewal in every two (2) years at a renewed monthly factory rental of RM56,760, and shall expire on 31 December 2024.

The directors of the Group and the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are not less favourable than those arranged with independent third parties.

[End of Part A]

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

PART B

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE
BURSA SECURITIES**

B1. Review of Group Performance

a) Current Quarter compared with Preceding Year Corresponding Quarter

The Group recorded a revenue of RM156.28 million and profit before tax of RM14.06 million for the second quarter as compared to the preceding year corresponding quarter of RM152.14 million and profit before tax of RM16.07 million respectively. The revenue increased by RM4.14 million and the profit before tax decreased by RM2.01 million respectively as compared to the corresponding quarter of the preceding year.

For the tin cans manufacturing segment, revenue decreased by RM3.04 million from RM28.28 million to RM25.24 million is mainly due to lower sales demand in the current quarter. Profit before tax decreased by RM3.32 million from RM6.95 million in the preceding year corresponding quarter to RM3.63 million. Lower profit before tax in the current quarter is mainly due to decreased revenue and increase in cost of production in the current quarter.

For the F&B segment, revenue increased by RM7.18 million from RM123.86 million to RM131.04 million mainly due to increase in the sales demand from the customers. The profit before tax increased by RM1.30 million from RM9.46 million to profit of RM10.76 million for the current quarter due to the increase in sales demand.

For the property development segment, the profit before tax of RM0.03 million is contributed from interest income and rental income. Full payment for the acquisition of land was made in December 2022, there is no comparative comment for the preceding year corresponding period.

b) Current Year-To-Date compared with Preceding Year-To-Date

The Group has recorded a revenue of RM302.41 million and profit before tax of RM23.72 million for the 6 months ended 30 June 2023 as compared to preceding year-to-date of RM282.91 million and RM21.52 million respectively. The Group's revenue increased by RM19.50 million and the profit before tax increased by RM2.20 million respectively as compared to preceding year-to-date.

For the tin cans manufacturing segment, revenue decreased by RM9.16 million from RM62.23 million to RM53.07 million mainly due to lower sales demand in current year-to-date. Profit before tax decreased by RM6.61 million from RM14.71 million to RM8.10 million is in line with the decrease in revenue and increase in cost of production in current year-to-date.

For the F&B segment, revenue increased by RM28.65 million in current year to date from RM220.69 million to RM249.34 million mainly due to increase in the sales demand from the customers. The profit before tax increased by RM8.75 million from RM7.53 million to a profit of RM16.28 million due to the increase in sales demand.

For the property development segment, the profit before tax of RM0.09 million is contributed from interest income and rental income. Full payment for the acquisition of land was made in December 2022, there is no comparative comment for the preceding year corresponding year-to-date.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

B2. Variation of Results against Preceding Quarter

For the current quarter under review, the Group has recorded a revenue of RM156.28 million and profit before tax of RM14.06 million as compared to preceding quarter ended 31 March 2023 of RM146.13 million and RM9.66 million respectively. The Group's revenue increased by RM10.15 million and the profit before tax increased by RM4.40 million respectively as compared to preceding quarter ended 31 March 2023.

a) Tin Cans Manufacturing Segment

The revenue has decreased by RM2.59 million from RM27.83 million in preceding quarter to RM25.24 million in current quarter mainly due to lower sales demand in the current quarter under review. The profit before tax decreased by RM0.84 million from RM4.47 million to RM3.63 million is in line with the lower in sales in the current quarter under review.

b) F&B Segment

The revenue has increased by RM12.74 million from RM118.30 million in preceding quarter to RM131.04 million in current quarter under review. Higher revenue in the current quarter under review was mainly due to increase in customer demand as compared to the preceding quarter. The profit before tax increased by RM5.23 million from RM5.53 million in preceding quarter to RM10.76 million in current quarter under review. The increase in profit before tax reported in the current quarter under review is in line with the higher sales in the current quarter under review.

c) Property Development Segment

The profit before tax for the current quarter for the segment is RM0.03 million, and RM0.06 million for the preceding quarter. No material variation of profit before tax for the segment from preceding quarter to current quarter.

B3. Prospects of the Group

a) Tin Cans Manufacturing Industry

Tin cans manufacturing industry will remain challenging due to an increasingly competitive market. Steel price has stabilised and is showing signs of slight downward trend. The business environment in this segment is still challenging, but we expect profitability to remain.

b) F&B Industry

The global demand for dairy remains healthy. The high sugar price is partially offset by the weaker dairy powder price in this quarter. Although the commodities prices are still very volatile due to the current global weather patterns and economic situations, we expect this segment to continue to be profitable.

c) Property Development Segment

The land under the property development is in the process of conversion to industrial. Upon the approval from the authorities, Able Development Sdn Bhd will begin the launching of the property for sales. Currently, the land is rented out for the harvesting of palm oil fruits as a passive income pending the approval of the authorities in order to proceed with the development of the property.

B4. Revenue or Profit Estimates

This is not applicable to the Group for the current financial reporting period under review.

B5. Profit Forecast or Profit Guarantee

The profit forecast is not applicable to the Group for the current financial reporting period.

B6. Status of Corporate Proposals and Utilisation of Proceeds Raised from Rights Issue

There are no corporate proposals and utilisation of proceeds raised from rights issue announced for the current financial reporting period.

B7. Material Litigations

There were no pending material litigations since the date of last audited annual statement of financial position.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

B8. Tax Expense

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------|--------------------|--------------|--------------------|--------------|
| | 30-06-2023 | 30-06-2022 | 30-06-2023 | 30-06-2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax expense | 3,289 | 3,209 | 6,274 | 6,940 |
| Deferred tax expense/(income) | 101 | 300 | (631) | (2,592) |
| | 3,390 | 3,509 | 5,643 | 4,348 |

B9. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Included in the Statement of Profit or Loss and Other Comprehensive Income are as follows:

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|------------|--------------------|------------|
| | 30-06-2023 | 30-06-2022 | 30-06-2023 | 30-06-2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | (230) | (45) | (377) | (287) |
| Other income | (563) | (686) | (1,144) | (1,241) |
| Depreciation and amortisation | 3,423 | 2,384 | 6,816 | 4,864 |
| (Gain)/ Loss on disposal of property, plant and equipment | 226 | (4) | 226 | 8 |
| Realised foreign exchange (gain)/loss | (2,012) | 657 | (4,891) | 575 |
| Unrealised foreign exchange (gain)/loss | (541) | 15 | 3,082 | 233 |
| (Gain)/ Loss on derivatives financial instruments | (3) | 545 | (87) | 660 |

B10. Earnings Per Share

The basic earnings per share is calculated based on the net profit divided by the weighted average number of ordinary shares in issues during the financial reporting period which is as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|-------------|--------------------|-------------|
| | 30-06-2023 | 30-06-2022 | 30-06-2023 | 30-06-2022 |
| Profit for the period (RM'000) | 10,519 | 12,613 | 17,625 | 16,737 |
| Weighted average number of ordinary shares ('000 shares) | 307,563 | 307,563 | 307,563 | 307,563 |
| Basic Earnings per Share (Sen) | 3.42 | 4.10 | 5.73 | 5.44 |

The diluted earnings per share is not applicable to the Group as there are no dilutive potential ordinary shares during the financial reporting period under review.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

B11. Investment in Joint Ventures

| | The Group | |
|---|-------------------|-------------------|
| | 30-06-2023 | 31-12-2022 |
| | RM'000 | RM'000 |
| Unquoted shares, at cost | 21,349 | 21,467 |
| Share of post acquisition profit/(loss) | 1,109 | (2,358) |
| Share of post acquisition reserve | 4,529 | 2,240 |
| | 26,987 | 21,349 |

(a) The details of the joint ventures are as follows:

| Name of Joint Ventures | Principal Place of Business/ Country of Incorporation | Effective Equity Interest (%) | | Principal Activities |
|--|--|---|-------------------|--|
| | | 30-06-2023 | 31-12-2022 | |
| | | Able Dairies Mexico S.A.P.I. DE C.V. ("ADMX") | Mexico | |
| Able Packaging S.A.P.I. DE C.V. ("APMX") | Mexico | 54.02 | 54.02 | Manufacturing and sales of containers |

(b) Although the Group holds more than 50% of the voting power in APMX, the Group has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent by other shareholders.

B12. Loan and Borrowings

The Group's bank loan and borrowings as at the end of the financial reporting period are as follows:

| | The Group | |
|----------------------------------|-------------------|-------------------|
| | 30-06-2023 | 31-12-2022 |
| | RM'000 | RM'000 |
| Secured | | |
| Current portion: | | |
| Term loans | 3,889 | 4,104 |
| Hire purchase payable | 196 | 195 |
| Short-term banking facilities | 67,460 | 80,090 |
| Revolving credit | 4,000 | 8,390 |
| | 75,545 | 92,779 |
| Non-current portion: | | |
| Term loans | 159,161 | 160,781 |
| Hire purchase payable | 305 | 402 |
| | 159,466 | 161,183 |
| Total Loan and Borrowings | 235,011 | 253,962 |

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

B13. Derivative Financial Instruments

As at 30 June 2023, the Group has entered into the short-term foreign currency forward contract, to hedge its purchases denominated in foreign currency so as to limit the exposure to fluctuations in foreign exchange rates. The details of the foreign currency forward contracts are as follows:

| Type of Derivatives | The Group | |
|--------------------------------------|-------------------|-------------------|
| | 30-06-2023 | 31-12-2022 |
| <i>Forward Contracts (US Dollar)</i> | RM'000 | RM'000 |
| Contract/Notional Value | -- | 4,303 |
| Less: Fair Value | -- | (4,216) |
| Derivatives financial liabilities | -- | 87 |

The Group is subject to market risk in term of foreign currency, on sales and purchases that are denominated in foreign currency other than Ringgit Malaysia. The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balances will be hedged by the forward foreign currency contracts.

B14. Notes to the Condensed Consolidated Statement of Cash Flows

The details of major components in the Statement of Cash Flows comprises as follows:

| | The Group | |
|---|-------------------|-------------------|
| | 30-06-2023 | 30-06-2022 |
| | RM'000 | RM'000 |
| a) Cash Flows from Operating Activities | | |
| Decrease/ (Increase) in inventories | 20,735 | (21,128) |
| (Increase)/ Decrease in trade and other receivables | (16,830) | 8,136 |
| Decrease in amount due by joint ventures | 4,956 | 3,005 |
| Increase in trade and other payables | 30,803 | 12,382 |
| Income tax paid | (5,404) | (7,128) |
| b) Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (2,869) | (3,005) |
| Purchase of investment property | -- | (45,941) |
| c) Cash Flows from Financing Activities | | |
| Dividend paid | (6,151) | (6,151) |
| Repayment of short-term borrowings | (15,709) | (4,989) |
| (Repayment)/ Drawdown of term loan | (1,835) | 34,659 |
| Repayment of revolving credit | -- | (2,000) |
| Repayment of lease liabilities | (524) | (2,233) |



**NOTES TO THE FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 30 JUNE 2023 (UNAUDITED)**

B15. Proposed Dividend

During the current quarter under review, the Board of Directors is pleased to declare a second interim dividend of 1.5 sen per ordinary share in respect of the financial year ending 31 December 2023. The date of payment and book closure of the said interim dividend will be determined at a later date.

B16. Authorisation for Issue

The second quarter unaudited financial statements were authorised for issue by the Board of Directors in accordance to the Board of Directors meeting held on 25 August 2023.

[End of Report]