

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 31 March 2014

(The figures have not been audited)

	Note	INDIVIDUAL AND CUMULATIVE PERIOD ENDED	
		31-Mar-14 RM'000 (Unaudited)	31-Mar-13 RM'000 (Unaudited)
Continued Operations			
Revenue		2,830	1,384
Cost of sales		(2,560)	(955)
Gross profit/(loss)		270	429
Other income		86	76
		356	505
Selling and marketing expenses		(5)	(3)
Administrative expenses		(840)	(718)
Other expenses		(8)	-
Finance costs		(30)	(28)
Loss before tax		(527)	(244)
Income tax expense	B5	-	-
Loss, net of tax		(527)	(244)
Attributable to :			
Equity holders of the parent		(527)	(244)
Loss per share from continuing operations attributable to equity holders of the parent:			
- Basic (sen)	B10	(0.200)	(0.093)
- Diluted (sen)		(0.200)	(0.093)
Loss per share from discontinued operation attributable to equity holders of the parent:			
- Basic (sen)	B10	-	-
- Diluted (sen)		-	-

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 31 March 2014***(The figures have not been audited)*

	INDIVIDUAL AND CUMULATIVE	
	PERIOD ENDED	
	31-Mar-14	31-Mar-13
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Loss, net of tax	(527)	(244)
Currency translation differences arising from consolidation	-	-
Revaluation of land and building	-	-
Total comprehensive income	(527)	(244)
Total comprehensive income attributable to :		
Equity holders of the parent	(527)	(244)

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 31 March 2014

(The figures have not been audited)

	31-Mar-14 RM'000 (Unaudited)	31-Dec-13 RM'000
Note	(Unaudited)	
ASSETS		
Non-current Assets		
Property, plant and equipment	1,279	1,078
Investment property	703	707
	<u>1,982</u>	<u>1,785</u>
Current Assets		
Inventories	4,025	4,502
Property Development Cost	30,729	29,736
Trade and other receivables	6,197	4,258
Tax refundable	88	86
Fixed deposits with licensed bank	6,408	8,578
Cash and cash balances	821	601
	<u>48,268</u>	<u>47,761</u>
Total Assets	<u>50,250</u>	<u>49,546</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	39,585	39,585
Other reserves	570	572
Retained earnings/(Accumulated losses)	7,196	7,723
Total Equity	<u>47,351</u>	<u>47,880</u>
Non-current liabilities		
Long-term borrowings	B7 <u>88</u>	<u>5</u>
Current Liabilities		
Trade and other payables	1,250	924
Short-term borrowings	B7 <u>1,561</u>	<u>737</u>
	<u>2,811</u>	<u>1,661</u>
Total Liabilities	2,899	1,666
Total Equity and Liabilities	<u>50,250</u>	<u>49,546</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 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 31 March 2014

(The figures have not been audited)

	Non-distributable Other Reserves		Warrant Reserve RM'000	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	-		-	-	(244)	(244)
Balance as of 31 March 2013	39,585		1,636	(1,034)	8,518	48,705

	Non-distributable Other Reserves		Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
	←	→				
Balance as of 1 January 2014	39,585		1,636	(1,064)	7,723	47,880
Total comprehensive income for the period	-		-	-	(527)	(527)
Foreign currency translation	-		-	(2)	-	(2)
Balance as of 31 March 2014	39,585		1,636	(1,066)	7,196	47,351

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 31 March 2014

(The figures have not been audited)

	3 months ended	
	31-Mar-14 RM'000 (Unaudited)	31-Mar-13 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Loss before taxation	(527)	(244)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	39	39
Depreciation of investment property	4	4
(Gain)/Loss on foreign exchange-unrealised	1	(2)
(Gain)/Loss on disposal of property, plant and equipment	(10)	-
Interest expenses	29	28
Interest income	(65)	(74)
Operating Loss Before Working Capital Changes	(529)	(249)
Decrease/(increase) in property development costs	(993)	(314)
Decrease/(increase) in inventories	477	293
(Increase)/Decrease in trade and other receivables	(1,938)	(748)
(Decrease)/Increase in trade payables	323	(11)
Cash For Operations	(2,660)	(1,029)
Interest paid	(29)	(28)
Income tax paid	(2)	(2)
Net Cash Flows From Operating Activities	(2,691)	(1,059)
Cash Flows From/(For) Investing Activities		
Interest received	65	74
Purchase of property, plant and equipment	(129)	-
Proceeds from disposal of property, plant and equipment	10	-
Net Cash Flows From/(For) Investing Activities	(54)	74
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	822	195
Proceeds from share issuance pursuant to rights issue	-	-
Repayment of hire purchase obligations	25	(27)
Net Cash Flows From/(For) Financing Activities	847	126
Net Increase in Cash and Cash Equivalents	(1,898)	(859)
Effects on Foreign Exchange Rate Changes	(52)	-
Cash and Cash Equivalents as at beginning of year	9,179	12,335
Cash and Cash Equivalents as at end of period	7,229	11,476
Cash and cash equivalents at the end of the financial period comprise the following: The condensed consolidated statement of financial position should		
	As at 31-Mar-14 RM'000	As at 31-Mar-13 RM'000
Continuing Operations		
Fixed deposits	6,408	8,578
Cash and bank balances	821	601
	7,229	11,476
Discontinued Operation		
Cash and bank balances	-	-
	7,229	11,476

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 31 March 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**3 Months Ended 31 March 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	2,830	-	-	-	2,830
Profit/(Loss) After Tax	(226)	(292)	(9)	-	(527)
Total Assets	13,102	65,863	31,127	(59,930)	50,162

A7. Segmental Information (cont'd)**(a) Business Segments (cont'd)**

Segments	Continuing Operations			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,384	-	-	-	1,384
Profit/(Loss) After Tax	105	(346)	(3)	-	(244)
Total Assets	13,452	70,328	28,167	(59,050)	52,897

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 31 March 2014.

A12. Related Party Transactions

The significant related party transactions for the 3 months ended 31 March 2014 are as follows:

Company in which directors have interest in

	31.03.2014 RM'000	31.03.2013 RM'000
Sales of stones and provision of contract workmanship and other related services	83	290

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

B1. Review of Performance

A) 1Q14 vs.1Q13

Description	1Q14	1Q13	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	2,830	1,384	1,446	105%
Loss After Tax ("LAT")	(527)	(244)	(283)	(116%)

Note

The Group reported revenue of RM2.83 million for the quarter ended 31 March 2014 ("1Q14"), an increase of 105% as compared to the revenue of RM1.38 million for the quarter ended 31 March 2013 ("1Q13"). The increase in revenue for 1Q14 is due to commencement of works for two large contracts. Profits recognised in current quarter is not significant as the projects are at its initial stage of commencement.

The Group recorded a net loss of RM0.53 million for the 1Q14 as compared to a net loss of RM0.24 million for the 1Q13 due to higher expenses incurred and lower gross margin recorded.

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

Description	1Q2014	4Q2013	(Increase)/Decrease	
	RM'000	RM'000	RM'000	%
Profit Before Tax ("PAT")/ (Loss) Before Tax ("LBT")	(527)	(677)	150	22.15%
	(527)	(677)	150	22.15%

For the current quarter, the Group posted a loss before tax of RM0.53 million as compared to loss before tax of RM0.68 million for the immediate preceding quarter ended 31 December 2013. The lower LBT for 1Q14 was mainly due to contribution of two major projects in 1Q 2014 which have just commenced in 1Q14.

B3. Prospects

Barring any unforeseen circumstances, the Group is expected to perform better for the year ending 31 December 2014 with the commencement of the two large contracts secured. To date, the Group has secured contracts of about RM50 million.

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 loss incurred for 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 31.03.2014	
	Short-term RM'000	Long-term RM'000
Secured borrowings:		
Hire purchase payables	82	88
Bankers' acceptance	1,479	-
	1,561	88

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. Loss Per Share**i) Basic Loss Per Share**

	Individual and Cumulative Quarter Ended	
	31.03.14 RM'000	31.03.13 RM'000
Loss attributable to equity holders of the company	(527)	(244)
Weighted average number of ordinary shares in issue('000)	263,900	234,990
Basic loss per share attributable to equity holders of the company	(0.200)	(0.093)

ii) Diluted Loss Per Share

	Individual and Cumulative Quarter Ended	
	31.03.14 RM'000	31.03.13 RM'000
Loss attributable to equity holders of the company	(527)	(244)
Weighted average number of ordinary shares in issue('000)	263,900	234,990
Effect of dilution('000)	-^	-^
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	263,900	234,990
Diluted loss per share attributable to equity holders of the company	(0.200)	(0.093)

^ 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 31.03.2014 RM'000	As at 31.12.2013 RM'000
- realised	3,110	3,611
- unrealised	1	27
	<hr/>	<hr/>
	3,111	3,638
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	<hr/> 7,196	<hr/> 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.