

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 30 September 2016

(The figures have not been audited)

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED		
	Note	30-Sep-16 RM'000 (Unaudited)	30-Sep-15 RM'000 (Unaudited)	30-Sep-16 RM'000 (Unaudited)	30-Sep-15 RM'000 (Unaudited)
Revenue		2,139	7,052	7,624	20,632
Cost of sales		(1,858)	(6,672)	(6,752)	(18,792)
Gross profit		281	380	872	1,840
Other income		66	50	517	130
		347	430	1,389	1,970
Selling and marketing expenses		(4)	(8)	(11)	(13)
Administrative expenses		(436)	(624)	(1,752)	(2,050)
Other expenses		-	(3)	(27)	(10)
Finance costs		(29)	(92)	(126)	(439)
Profit/ (Loss) before tax		(122)	(297)	(528)	(541)
Income tax expense	B5	-	-	-	-
Profit/ (Loss), net of tax	A12	(122)	(297)	(528)	(541)
Attributable to :					
Equity holders of the parent		(122)	(297)	(528)	(541)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B10	(0.046)	(0.113)	(0.200)	(0.205)
- Diluted (sen)		(0.046)	(0.113)	(0.200)	(0.205)

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 September 2016

(The figures have not been audited)

	INDIVIDUAL AND CUMULATIVE		CUMULATIVE PERIOD ENDED	
	PERIOD ENDED			
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(Loss), net of tax	(122)	(297)	(528)	(541)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	(122)	(297)	(528)	(541)
Total comprehensive income attributable to :				
Equity holders of the parent	(122)	(297)	(528)	(541)

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 September 2016

(The figures have not been audited)

	Note	30-Sep-16 RM'000 (Unaudited)	31-Dec-15 RM'000 (Unaudited)
ASSETS			
Non-current Assets			
Property, plant and equipment		1,053	1,165
Investment property		663	675
		<u>1,716</u>	<u>1,840</u>
Current Assets			
Inventories		3,151	3,598
Property Development Cost		35,376	33,943
Trade and other receivables		8,687	5,634
Amount owing by contract customers		1,001	5,857
Tax refundable		13	7
Fixed deposits with licensed bank		4,876	5,164
Cash and cash balances		155	262
		<u>53,259</u>	<u>54,465</u>
Total Assets		<u>54,975</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		6,015	6,543
Total Equity		<u>46,170</u>	<u>46,698</u>
Non-current liabilities			
Long-term borrowings	B7	<u>34</u>	<u>51</u>
Current Liabilities			
Trade and other payables		6,972	3,578
Amount owing to contract customers		352	30
Short-term borrowings	B7	<u>1,447</u>	<u>5,948</u>
		<u>8,771</u>	<u>9,556</u>
Total Liabilities		8,805	9,607
Total Equity and Liabilities		<u>54,975</u>	<u>56,305</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		<u>0.17</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 September 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)	(541)	(544)
Foreign currency translation	-	-	-	-	-
Balance as of 30 September 2015	39,585	1,636	(1,067)	7,427	47,581

	←←←←←		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	-	-	-	(528)	(528)
Foreign currency translation	-	-	-	-	-
Balance as of 30 September 2016	39,585	1,636	(1,066)	6,015	46,170

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 September 2016

(The figures have not been audited)

	9 months ended	
	30-Sep-16 RM'000 (Unaudited)	30-Sep-15 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Loss before taxation	(528)	(541)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	105	120
Depreciation of investment property	12	12
(Gain)/Loss on disposal of property, plant and equipment	-	-
(Gain)/Loss on foreign exchange-unrealised	-	-
(Gain)/Loss on foreign exchange-unrealised	-	2
Impairment on trade and other receivables	27	-
Provision of bad debts no longer required	(103)	-
Payables written back	-	-
Interest expenses	126	439
Interest income	(158)	(113)
Operating Loss Before Working Capital Changes	(519)	(81)
Decrease/(increase) in property development costs	(1,433)	(1,474)
Decrease/(increase) in inventories	447	557
Decrease/(increase) in amount due from/(to) contract customers	5,179	(1,275)
(Increase)/Decrease in trade and other receivables	(2,978)	(1,891)
(Decrease)/Increase in trade payables	3,401	4,575
Cash For Operations	4,097	411
Interest paid	(126)	(439)
Income tax refunded/(paid)	(6)	45
Net Cash Flows From Operating Activities	3,965	17
Cash Flows From/(For) Investing Activities		
Interest received	158	113
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	(63)
Net Cash Flows From/(For) Investing Activities	158	50
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	(4,493)	1,630
Drawdown of term loan	-	764
Repayment of hire purchase obligations	(16)	(20)
Net Cash Flows From/(For) Financing Activities	(4,509)	2,374
Net Increase in Cash and Cash Equivalents	(386)	2,441
Effects on Foreign Exchange Rate Changes	-	(2)
Cash and Cash Equivalents as at beginning of year	4,431	4,284
Cash and Cash Equivalents as at end of period	4,045	6,723
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	30-Sep-16	30-Sep-15
	RM'000	RM'000
Fixed deposits	4,876	6,613
Cash and bank balances	155	110
Bank overdrafts	(986)	-
	4,045	6,723

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 September 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
9 Months Ended 30 September 2016

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	7,624	-	-	-	7,624
Profit/(Loss) After Tax	268	(776)	(20)	-	(528)
Total Assets	16,793	63,130	35,906	(60,867)	54,962

A7. Segmental Information (cont'd)

(a) Business Segments (cont'd)

9 Months Ended 30 September 2015

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	20,632	-	-	-	20,632
Profit/(Loss) After Tax	498	(1,010)	(29)	-	(541)
Total Assets	22,745	64,085	34,984	(61,543)	60,271

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 30 September 2016.

A11. Capital Commitment

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

A12. Related Party Transactions

The significant related party transactions for the 9 months ended 30 September 2016 are as follows:

Company in which directors have interest in

	30.09.2016 RM'000	30.09.2015 RM'000
Sales of stones and provision of contract workmanship and other related services	1,303	193

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

B1. Review of Performance

A) 3Q16 vs.3Q15

Description	3Q16	3Q15	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	2,139	7,052	(4,913)	(69.67)
Profit/(Loss) After Tax	(122)	(297)	175	(58.92)

Note

The Group recorded revenue of RM2.14 million and a net a loss of RM0.12 million for the current quarter ended 30 September 2016 ("3Q16") compared to revenue of RM7.05 million and a net loss of RM0.30 million for the quarter ended 30 September 2015 ("3Q15"). The higher revenue in preceding quarter was due to contribution from three major projects namely Damansara City, Le Nouvel, Medan Serai, which had recorded substantial revenue then and nearing completion.

The improvement of current quarter results is mainly achieved thru saving from reduced headcount.

B) FPE16 vs. FPE15

Description	FPE16	FPE15	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	7,624	20,632	(13,008)	(63.05)
Loss After Tax ("LAT")	(528)	(541)	13	2.40

The Group achieved revenue of RM7.62 million for the financial period ended 30 September 2016 ("FPE16"), a decrease of 63% compared to the revenue of RM20.63 million for the financial period ended 30 September 2015 ("FPE15"). Decrease in revenue for the current financial period under review was due to lower progressive claims as projects near completion.

For the current period to-date, the Group recorded LAT of RM0.53 million, compared to the corresponding preceding period LAT of RM0.54 million. The slightly lower loss for FPE 16 was due to cost savings from lower head count and write back of provision of bad debts no longer required of RM0.10 million.

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

Description	3Q2016	2Q2016	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Loss After Tax ("LAT")	(122)	(235)	(113)	(48.09)

For the current quarter, the Group posted a loss before tax of RM0.12 million as compared to loss before tax of RM0.24 million for the immediate preceding quarter ended 30 June 2016. Although there are higher labour cost arising from prolongation of projects, this was offset by lower headcount and write back of provision of bad debts no longer required of RM0.10 million.

B3. Prospects

In view of the poor economic and market environment, the Group will mitigate risks in tendering for projects on the marble and granite business. On the property development side, the Board 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 30.09.2016

	Short-term RM'000	Long-term RM'000
Secured borrowings:		
Hire purchase payables	23	34
Bill payables	438	-
Bank Overdraft	986	-
	1,447	34

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	
	30.09.16 RM'000	30.09.15 RM'000	30.09.16 RM'000	30.09.15 RM'000
Profit/ (Loss) attributable to equity holders of the company	(122)	(297)	(528)	(541)
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)	(0.046)	(0.113)	(0.200)	(0.205)

i) Diluted Loss Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.09.16 RM'000	30.09.15 RM'000	30.09.16 RM'000	30.09.15 RM'000
Profit/ (Loss) attributable to equity holders of the company	(122)	(297)	(528)	(541)
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)	(0.046)	(0.113)	(0.200)	(0.205)

^ 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 30.09.2016 RM'000	As at 30.09.2015 RM'000
- realised	1,930	3,340
- unrealised	-	2
	<hr/> 1,930	<hr/> 3,342
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	<hr/> 6,015	<hr/> 7,427

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.