

ABLEGROUP BERHAD (654188-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For The Quarter Ended 31 March 2017

(The figures have not been audited)

	Note	31-Mar-17 RM'000 (Unaudited)	31-Dec-16 RM'000 (Unaudited)
ASSETS			
Non-current Assets			
Property, plant and equipment		969	1,009
Investment property		655	659
		<u>1,624</u>	<u>1,668</u>
Current Assets			
Inventories		3,081	3,342
Property Development Cost		35,864	35,839
Trade and other receivables		7,961	8,493
Amount owing by contract customers		1,725	1,753
Tax refundable		6	15
Fixed deposits with licensed bank		3,548	3,051
Cash and cash balances		155	173
		<u>52,340</u>	<u>52,666</u>
Total Assets		<u>53,964</u>	<u>54,334</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		39,585	39,585
Other reserves		569	569
Retained earnings/(Accumulated losses)		5,349	5,659
Total Equity		<u>45,503</u>	<u>45,813</u>
Non-current liabilities			
Long-term borrowings	B7	<u>22</u>	<u>28</u>
Current Liabilities			
Trade and other payables		7,106	7,589
Amount owing to contract customers		2	6
Short-term borrowings	B7	<u>1,331</u>	<u>898</u>
		<u>8,439</u>	<u>8,493</u>
Total Liabilities		8,461	8,521
Total Equity and Liabilities		<u>53,964</u>	<u>54,334</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		<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 2016 and the accompanying explanatory notes attached to the interim financial statements.

ABLEGROUP BERHAD (654188-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 31 March 2017

(The figures have not been audited)

	Note	INDIVIDUAL AND CUMULATIVE PERIOD ENDED	
		31-Mar-17 RM'000 (Unaudited)	31-Mar-16 RM'000 (Unaudited)
Continued Operations			
Revenue		1,513	3,873
Cost of sales		(1,200)	(3,287)
Gross profit/(loss)		313	586
Other income		136	52
		449	638
Selling and marketing expenses		(7)	(4)
Administrative expenses		(746)	(774)
Other expenses		-	-
Finance costs		(6)	(30)
Profit/(Loss) before tax		(310)	(170)
Income tax expense	B5	-	-
Profit/(Loss), net of tax		(310)	(170)
Attributable to :			
Equity holders of the parent		(310)	(170)
Earning/(Loss) per share from continuing operations attributable to equity holders of the parent:			
- Basic (sen)	B10	(0.117)	(0.064)
- Diluted (sen)		(0.117)	(0.064)

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 31 March 2017***(The figures have not been audited)*

	INDIVIDUAL AND CUMULATIVE	
	PERIOD ENDED	
	31-Mar-17	31-Mar-16
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Profit/(Loss), net of tax	(310)	(170)
Currency translation differences arising from consolidation	-	-
Revaluation of land and building	-	-
Total comprehensive income	(310)	(170)
Total comprehensive income attributable to :		
Equity holders of the parent	(310)	(170)

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 CHANGES IN EQUITY

For The Quarter Ended 31 March 2017

(The figures have not been audited)

	<i>Non-distributable Other Reserves</i>				Total Equity RM'000
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	
Balance as of 1 January 2016	39,585	1,636	(1,066)	6,543	46,698
Total comprehensive income for the period	-	-	-	(170)	(170)
Foreign currency translation	-	-	-	-	-
Balance as of 31 March 2016	39,585	1,636	(1,066)	6,373	46,528

	<i>Non-distributable Other Reserves</i>				Total Equity RM'000
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	
Balance as of 1 January 2017	39,585	1,636	(1,067)	5,659	45,813
Total comprehensive income for the period	-	-	-	(310)	(310)
Foreign currency translation	-	-	-	-	-
Balance as of 31 March 2017	39,585	1,636	(1,067)	5,349	45,503

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 31 March 2017

(The figures have not been audited)

	3 months ended	
	31-Mar-17 RM'000 (Unaudited)	31-Mar-16 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Profit/ (Loss) before taxation	(310)	(697)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	43	42
Depreciation of investment property	4	4
(Gain)/Loss on foreign exchange-unrealised	-	(1)
(Gain)/Loss on disposal of property, plant and equipment	-	-
Interest expenses	6	30
Interest income	(22)	(52)
Operating Loss Before Working Capital Changes	(279)	(674)
Decrease/(increase) in property development costs	(25)	(695)
Decrease/(increase) in inventories	261	168
Decrease/(increase) in amount owing by/(to) contracts customers	24	5,451
(Increase)/Decrease in trade and other receivables	532	(3,078)
(Decrease)/Increase in trade payables	(469)	2,342
Cash For Operations	46	3,514
Interest paid	(6)	(30)
Income tax paid	(9)	(2)
Net Cash Flows From Operating Activities	30	3,482
Cash Flows From/(For) Investing Activities		
Interest received	22	52
Purchase of property, plant and equipment	-	-
Net Cash Flows From/(For) Investing Activities	22	52
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	433	(1,541)
Repayment of hire purchase obligations	(6)	(5)
Net Cash Flows From/(For) Financing Activities	427	(1,546)
Net Increase/(Decrease) in Cash and Cash Equivalents	479	1,988
Effects on Foreign Exchange Rate Changes		(1)
Cash and Cash Equivalents as at beginning of year	3,224	4,431
Cash and Cash Equivalents as at end of period	3,703	6,418
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	31-Mar-17	31-Mar-16
	RM'000	RM'000
Fixed deposits	3,548	7,003
Cash and bank balances	155	377
	3,703	7,380
Bank overdraft	-	(962)
	3,703	6,418

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 31 March 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
3 Months Ended 31 March 2017

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,513	-	-	-	1,513
Profit/(Loss) After Tax	(156)	(144)	(10)	-	(310)
Total Assets	16,123	65,539	36,271	(63,969)	53,964

A7. Segmental Information (cont'd)
(a) Business Segments (cont'd)
3 Months Ended 31 March 2016

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,873	-	-	-	3,873
Profit/(Loss) After Tax	168	(330)	(8)	-	(170)
Total Assets	17,737	66,612	35,656	(62,602)	57,403

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 end of last financial period up to 31 March 2017.

A11. Capital Commitment

There Group has not incurred significant capital commitment as at 31 March 2017.

A12. Related Party Transactions

The significant related party transactions for the 3 months ended 31 March 2017 are as follows:

Company in which directors have interest in

	31.03.2017 RM'000	31.03.2016 RM'000
Sales of stones and provision of contract workmanship and other related services	612	535

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

B1. Review of Performance

A) 1Q17 vs 1Q16

Description	1Q17	1Q16	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	1,513	3,873	(2,360)	(60%)
Profit/(Loss) After Tax	(310)	(170)	(140)	(82%)

Note

The Group reported revenue of RM1.51 million for the first quarter ended 31 March 2017 (%Q17+), a decrease of 60% from its corresponding quarter in prior year of 2016 ended 31 March 2016 (%Q16+) that posted the revenue of RM3.87 million. The lower revenue recorded in the current quarter is associated with the lower recognition of contract revenue as most projects were completed during the last quarter of 2016. In addition, the newly secured projects during the quarter are still in the initial stage of implementation, that the sum of these contracts amounted to approximately RM2.89 million.

With the lower revenue recorded, the Group has recorded a higher net loss of RM0.31 million for 1Q17 as compared to the net loss of RM0.17 million for 1Q16.

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

Description	1Q2017	4Q2016	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Loss After Tax ("LAT")	(310)	(359)	49	14%

For the current quarter, the Group posted a loss after tax of RM0.31 million as compared to loss after tax of RM0.36 million for the immediate preceding quarter ended 31 December 2016. The lower losses incurred for the current quarter is mainly contributed by the improvement in the gross profit margin from the project revenue during the current quarter.

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 31.03.2017**

	Short-term	Long-term
Secured borrowings:	RM'000	RM'000
Hire purchase payables	23	22
Bill payables	1,308	-
	1,331	22

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 Earning/(Loss) Per Share

	Individual and Cumulative Quarter Ended	
	31.03.17 RM'000	31.03.16 RM'000
Profit/(Loss) attributable to equity holders of the company	(310)	(170)
Weighted average number of ordinary shares in issue(₹000)	263,900	263,900
Basic profit/(loss) per share attributable to equity holders of the company	(0.117)	(0.064)

ii) Diluted Loss Per Share

	Individual and Cumulative Quarter Ended	
	31.03.17 RM'000	31.03.16 RM'000
Profit/(Loss) attributable to equity holders of the company	(310)	(170)
Weighted average number of ordinary shares in issue(₹000)	263,900	263,900
Diluted profit/(loss) per share attributable to equity holders of the company	(0.117)	(0.064)

B11. Realised and Unrealised Profits/(Losses)

	As at 31.03.2017 RM'000	As at 31.03.2016 RM'000
- realised	1,574	2,287
- unrealised	-	1
	1,574	2,288
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	5,349	6,373



B12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2016 was unqualified.