

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 30 September 2017

(The figures have not been audited)

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED		
	Note	30-Sep-17 RM'000 (Unaudited)	30-Sep-16 RM'000 (Unaudited)	30-Sep-17 RM'000 (Unaudited)	30-Sep-16 RM'000 (Unaudited)
Revenue		1,957	2,139	6,977	7,624
Cost of sales		(1,457)	(1,858)	(5,425)	(6,752)
Gross profit		500	281	1,552	872
Other income		26	66	183	517
		526	347	1,735	1,389
Selling and marketing expenses		(6)	(4)	(17)	(11)
Administrative expenses		(476)	(436)	(1,703)	(1,752)
Other expenses		-	-	-	(27)
Finance costs		(45)	(29)	(78)	(126)
Profit/ (Loss) before tax		(1)	(122)	(63)	(528)
Income tax expense	B5	-	-	-	-
Profit/ (Loss), net of tax		(1)	(122)	(63)	(528)
Attributable to :					
Equity holders of the parent		(1)	(122)	(63)	(528)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B10	(0.001)	(0.046)	(0.024)	(0.200)
- Diluted (sen)		(0.001)	(0.046)	(0.024)	(0.200)

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 30 September 2017***(The figures have not been audited)*

	INDIVIDUAL AND CUMULATIVE PERIOD ENDED		CUMULATIVE PERIOD ENDED	
	30-Sep-17 RM'000 (Unaudited)	30-Sep-16 RM'000 (Unaudited)	30-Sep-17 RM'000 (Unaudited)	30-Sep-16 RM'000 (Unaudited)
Profit/(Loss), net of tax	(1)	(122)	(63)	(528)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	(1)	(122)	(63)	(528)
Total comprehensive income attributable to :				
Equity holders of the parent	(1)	(122)	(63)	(528)

The condensed consolidated statement of comprehensive income 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 FINANCIAL POSITION

For The Quarter Ended 30 September 2017

(The figures have not been audited)

	30-Sep-17 RM'000 (Unaudited)	31-Dec-16 RM'000 (Unaudited)
ASSETS		
Non-current Assets		
Property, plant and equipment	891	1,009
Investment property	647	659
	<u>1,538</u>	<u>1,668</u>
Current Assets		
Inventories	2,756	3,342
Property Development Cost	35,950	35,839
Trade and other receivables	5,250	8,493
Amount owing by contract customers	1,739	1,753
Amount due from Director	105	-
Tax refundable	7	15
Fixed deposits with licensed bank	3,704	3,051
Cash and cash balances	315	173
	<u>49,826</u>	<u>52,666</u>
Total Assets	<u>51,364</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	5,611	5,674
Total Equity	<u>45,765</u>	<u>45,828</u>
Non-current liabilities		
Long-term borrowings	B7 <u>10</u>	<u>28</u>
Current Liabilities		
Trade and other payables	4,612	7,574
Amount owing to contract customers	10	6
Short-term borrowings	B7 <u>967</u>	<u>898</u>
	<u>5,589</u>	<u>8,478</u>
Total Liabilities	5,599	8,506
Total Equity and Liabilities	<u>51,364</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 STATEMENT OF CHANGES IN EQUITY

For The Quarter Ended 30 September 2017

(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
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

	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
Balance as of 1 January 2017	39,585	1,636	(1,067)	5,674	45,828
Total comprehensive income for the period	-	-	-	(63)	(63)
Foreign currency translation	-	-	-	-	-
Balance as of 30 September 2017	39,585	1,636	(1,067)	5,611	45,765

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 30 September 2017

(The figures have not been audited)

	9 months ended	
	30-Sep-17 RM'000 (Unaudited)	30-Sep-16 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Loss before taxation	(63)	(528)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	118	105
Depreciation of investment property	12	12
Bad debts written off	-	27
(Gain)/Loss on foreign exchange-unrealised	-	-
Provision of doubtful debts no longer required	-	(103)
Interest expenses	78	126
Interest income	(70)	(158)
Operating Loss Before Working Capital Changes	75	(519)
Decrease/(increase) in property development costs	(110)	(1,433)
Decrease/(increase) in inventories	586	447
Decrease/(increase) in amount due from/(to) contract customers	19	5,179
(Increase)/Decrease in trade and other receivables	3,243	(2,978)
(Decrease)/Increase in trade payables	(2,963)	3,401
Cash For Operations	850	4,097
Interest paid	(78)	(126)
Income tax refunded/(paid)	9	(6)
Net Cash Flows From Operating Activities	781	3,965
Cash Flows From/(For) Investing Activities		
Interest received	70	158
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment		
Net Cash Flows From/(For) Investing Activities	70	158
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	68	(4,493)
(Repayment/Loan to) / Advances from Director	(106)	
Repayment of hire purchase obligations	(17)	(16)
Net Cash Flows From/(For) Financing Activities	(55)	(4,509)
Net Increase in Cash and Cash Equivalents	796	(386)
Effects on Foreign Exchange Rate Changes	-	-
Cash and Cash Equivalents as at beginning of year	3,223	4,431
Cash and Cash Equivalents as at end of period	4,019	4,045
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at 30-Sep-17 RM'000	As at 30-Sep-16 RM'000
Fixed deposits	3,704	4,876
Cash and bank balances	315	155
Bank overdrafts	-	(986)
	4,019	4,045

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 30 September 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
9 Months Ended 30 September 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	6,977	-	-	-	6,977
Profit/(Loss) After Tax	542	(574)	(31)	-	(63)
Total Assets	13,236	45,390	36,340	(43,602)	51,364

A7. Segmental Information (cont'd)
(a) Business Segments (cont'd)
9 Months Ended 30 September 2016

Segments	Segments			Consolidation adjustments	Group
	Building Material (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

A8. Material Events Subsequent to the End of the Reporting Period

Save as disclosed below, there were no material events subsequent to the end of the current quarter under review.

On 14 September 2017, the Board of Directors of the Group (the **Board**) was informed that Parallel Pinnacle Sdn Bhd (the **Offeror**) entered into an unconditional share sale agreement with Loi Heng Sewn to acquire 28,300,000 ordinary shares in AbleGroup Berhad (the **AbleGroup Share(s)**), representing 10.72% of the total number of issued shares of AbleGroup Berhad (the **AbleGroup** or the **Company**), for a cash consideration of RM0.13 per AbleGroup Share via direct business transaction.

Pursuant to the above, the Board had on even date, received a notice of conditional mandatory take-over offer from Mercury Securities Sdn Bhd (the **Mercury Securities**) on behalf of the Offeror to acquire all the remaining AbleGroup Shares not already owned by the Offeror (the **Offer Share(s)**) and the persons acting in concert with it for a cash consideration of RM0.13 per Offer Share (the **Offer**).

On 24 October 2017, the Company had received the press notice from Mercury Securities, on behalf of the Offeror, informing that the Offeror has received Valid Acceptances in respect of the Offer Shares resulting in the Offeror holding in aggregate more than 50% of the voting shares of AbleGroup. Accordingly, the Acceptance Condition of the Offer has been fulfilled and the Offer has become unconditional. The Offer closed on 7 November 2017, with the Offeror having 53.36% of the voting shares of AbleGroup thereat.

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 30 September 2017.

A11. Capital Commitment

The Group has not incurred significant capital commitment as at 30 September 2017.

A12. Related Party Transactions

The significant related party transactions for the 9 months ended 30 September 2017 are as follows:

Company in which directors have interest in

	30.09.2017	30.09.2016
	RM'000	RM'000
Sales of stones and provision of contract workmanship and other related services	1,221	1,303
	<hr/>	<hr/>

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

A) Financial review for current quarter and financial year to date

	Individual Period (3 rd quarter)		Changes (%)	Cumulative Period		Changes (%)
	30/09/2017	30/09/2016		30/09/2017	30/09/2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	1,957	2,139	-9%	6,977	7,624	-8%
Operating Profit	44	(93)	147%	15	(402)	104%
Profit/(Loss) before Tax	(1)	(122)	99%	(63)	(528)	88%
Profit/(Loss) after Tax	(1)	(122)	99%	(63)	(528)	88%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	(0.001 sen)	(0.046 sen)	98%	(0.024 sen)	(0.200 sen)	88%

3Q17 vs 3Q16

The Group reported revenue of RM1.957 million for the third quarter ended 30 September 2017 (3Q17+), a decrease of 9% from the corresponding quarter of preceding year ended 30 September 2016 (3Q16+) that posted the revenue of RM2.139 million. The lower revenue in the current quarter is associated with the lower contract billings of the building material segment from projects such as Aman Country Clubs and Villa, Ritz-Carlton Residence Tower as well as Hard Rock Hotel in Desaru as these projects were substantially completed in the previous quarter.

Despite the lower revenue recorded, the Group has recorded a lower net loss of RM0.001 million for 3Q17 as compared to the net loss of RM0.122 million for 3Q16 mainly contributed by the improved profit margin attributed to these projects as well as cost savings from the downsizing workforce measure.

FPE17 vs FPE16

The Group reported revenue of RM6.977 million for the financial period ended 30 September 2017 (FPE17+), a decrease of 8% in comparison with the revenue of RM7.624 million from the corresponding financial period of preceding year ended 30 September 2016 (FPE16+).

Despite the lower revenue recorded for FPE17, the Group has narrowed the net loss to RM0.063 million in the current period compared to the net loss of RM0.528 million in the corresponding period last year attributed by the higher project margin and lower head count in FPE17.

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/09/2017	30/06/2017	Variance	%
	RM'000	RM'000	RM'000	
Revenue	1,957	3,506	(1,549)	-44%
Operating Profit	44	275	(231)	-84%
Profit/(Loss) before Tax	(1)	248	(249)	-100%
Profit/(Loss) after Tax	(1)	248	(249)	-100%
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	(0.001 sen)	0.094 sen	(0.095 sen)	-101%

For the current quarter ended 30 September 2017 (~~%Q17+~~), the Group recorded revenue of RM1.957 million compared to the revenue of RM3.506 million reported in the immediate preceding quarter ended 30 June 2017 (~~%Q17+~~). The lower revenue in the current quarter is associated with the lower contract billings from the said projects as these projects were substantially completed in 2Q17.

In tandem with the decrease in revenue, the Group has recorded a net loss of RM0.001 million in 3Q17 as compared to the net profit of RM0.248 million in 2Q17.

B3. Prospects

The Group is confident of securing new orders to replenish the order book in the building material business. Given the uncertainty in the property development sector, the Group will continue to monitor the market condition.

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 30.09.2017		Denominated in local currency As at 31.12.2016	
	Short-term RM'000	Long-term RM'000	Short-term RM'000	Long-term RM'000
Secured Borrowings:-				
Hire purchase payables	23	10	23	28
Bill payables	944	-	875	-
	967	10	898	28

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 Earnings / (Loss) Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Profit/ (Loss) attributable to equity holders of the company	(1)	(122)	(63)	(528)
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)	(0.001)	(0.046)	(0.024)	(0.200)

ii) Diluted Loss Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.09.17 RM'000	30.09.16 RM'000	30.09.17 RM'000	30.09.16 RM'000
Profit/ (Loss) attributable to equity holders of the company	(1)	(122)	(63)	(528)
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)	(0.001)	(0.046)	(0.024)	(0.200)

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

B11. Realised and Unrealised Profits / (Losses)

	As at 30.09.2017 RM'000	As at 30.09.2016 RM'000
- realised	1,526	1,930
- unrealised	-	-
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	5,611	6,015