

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 31 December 2017

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		31-Dec-17 RM'000 (Unaudited)	31-Dec-16 RM'000 (Unaudited)	31-Dec-17 RM'000 (Unaudited)	31-Dec-16 RM'000 (Unaudited)
Revenue		2,087	2,270	9,063	9,894
Cost of sales		(1,617)	(1,970)	(7,042)	(8,473)
Gross profit		470	300	2,021	1,421
Other income		52	23	236	291
		522	323	2,257	1,712
Selling and marketing expenses		(8)	(9)	(25)	(20)
Administrative expenses		(436)	(660)	(2,139)	(2,397)
Other expenses		-	(1)	-	(26)
Finance costs		(12)	(12)	(90)	(138)
Profit/ (Loss) before tax		66	(359)	3	(869)
Income tax expense	B5	-	-	-	-
Profit/ (Loss), net of tax		66	(359)	3	(869)
Attributable to :					
Equity holders of the parent		66	(359)	3	(869)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B10	0.025	(0.135)	0.001	(0.329)
- Diluted (sen)		0.025	(0.135)	0.001	(0.329)

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 December 2017***(The figures have not been audited)*

	INDIVIDUAL AND CUMULATIVE		CUMULATIVE PERIOD ENDED	
	PERIOD ENDED			
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(Loss), net of tax	66	(359)	3	(869)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	66	(359)	3	(869)
Total comprehensive income attributable to :				
Equity holders of the parent	66	(359)	3	(869)

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 31 December 2017

(The figures have not been audited)

	31-Dec-17 RM'000 (Unaudited)	31-Dec-16 RM'000 (Unaudited)
ASSETS		
Non-current Assets		
Property, plant and equipment	851	1,009
Investment property	643	659
	1,494	1,668
Current Assets		
Inventories	2,717	3,342
Property Development Cost	35,951	35,839
Trade and other receivables	4,111	8,493
Amount owing by contract customers	1,734	1,753
Tax refundable	7	15
Fixed deposits with licensed bank	3,972	3,051
Cash and cash balances	164	173
	48,656	52,666
Total Assets	50,150	54,334
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	39,585	39,585
Other reserves	569	569
Retained earnings	5,677	5,674
Total Equity	45,831	45,828
Non-current liabilities		
Long-term borrowings	B7 4	28
Current Liabilities		
Trade and other payables	3,742	7,574
Amount owing to contract customers	-	6
Short-term borrowings	B7 573	898
	4,315	8,478
Total Liabilities	4,319	8,506
Total Equity and Liabilities	50,150	54,334
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.17	0.17

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 31 December 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	-	-	(1)	(869)	(870)
Foreign currency translation	-	-	-	-	-
Balance as of 31 December 2016	39,585	1,636	(1,067)	5,674	45,828

	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	-	-	-	3	3
Foreign currency translation	-	-	-	-	-
Balance as of 31 December 2017	39,585	1,636	(1,067)	5,677	45,831

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 December 2017

(The figures have not been audited)

	12 months ended	
	31-Dec-17	31-Dec-16
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From/(For) Operating Activities		
Profit / (Loss) before taxation	3	(869)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	157	156
Depreciation of investment property	16	16
Bad debts written off	-	-
(Gain)/Loss on foreign exchange-unrealised	-	2
Impairment on trade and other receivables	-	27
Provision of doubtful debts no longer required	-	(103)
Interest expenses	90	138
Interest income	(97)	(143)
Operating Loss Before Working Capital Changes	169	(776)
Decrease/(increase) in property development costs	(112)	(1,896)
Decrease/(increase) in inventories	625	256
Decrease/(increase) in amount due from/(to) contract customers	13	4,080
(Increase)/Decrease in trade and other receivables	4,382	(2,816)
(Decrease)/Increase in trade payables	(3,832)	4,026
Cash For Operations	1,245	2,874
Interest paid	(90)	(138)
Income tax refunded/(paid)	9	(8)
Net Cash Flows From Operating Activities	1,164	2,728
Cash Flows From/(For) Investing Activities		
Interest received	97	143
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	97	143
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	(326)	(4,056)
(Repayment/Loan to) / Advances from Director	-	-
Repayment of hire purchase obligations	(23)	(22)
Net Cash Flows From/(For) Financing Activities	(349)	(4,078)
Net Increase in Cash and Cash Equivalents	912	(1,207)
Effects on Foreign Exchange Rate Changes	-	-
Cash and Cash Equivalents as at beginning of year	3,224	4,431
Cash and Cash Equivalents as at end of period	4,136	3,224

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

	As at 31-Dec-17 RM'000	As at 31-Dec-16 RM'000
Fixed deposits	3,972	3,051
Cash and bank balances	164	173
Bank overdrafts	-	-
	<u>4,136</u>	<u>3,224</u>

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 December 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
12 Months Ended 31 December 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	9,063	-	-	-	9,063
Profit/(Loss) After Tax	766	(717)	(46)	-	3
Total Assets	11,931	45,077	36,323	(43,181)	50,150

A7. Segmental Information (cont'd)
(a) Business Segments (cont'd)
12 Months Ended 31 December 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	9,894	-	-	-	9,894
Profit/(Loss) After Tax	264	(1,092)	(41)	-	(869)
Total Assets	16,582	42,894	56,115	(61,257)	54,334

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

There were no material events subsequent to the end of the current quarter under review other than as disclosed in previous quarter.

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 December 2017.

A11. Capital Commitment

The Group has not incurred significant capital commitment as at 31 December 2017.

A12. Related Party Transactions

The significant related party transactions for the 12 months ended 31 December 2017 are as follows:

Company in which directors have interest in

	31.12.2017 RM'000	31.12.2016 RM'000
Sales of stones and provision of contract workmanship and other related services	2,141	2,427

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 (4 th quarter)		Changes (%)	Cumulative Period		Changes (%)
	31/12/2017	31/12/2016		31/12/2017	31/12/2016	
	RM'000	RM'000		RM'000	RM'000	
Revenue	2,087	2,270	-8%	9,063	9,894	-8%
Operating Profit	78	(347)	122%	93	(731)	113%
Profit/(Loss) before Tax	66	(359)	118%	3	(869)	100%
Profit/(Loss) after Tax	66	(359)	118%	3	(869)	100%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	0.025 sen	(0.135 sen)	119%	0.001 sen	(0.329 sen)	100%

4Q17 vs 4Q16

The Group reported revenue of RM2.087 million for the fourth quarter ended 31 December 2017 (%Q17+), a decrease of 8% from the corresponding quarter of preceding year ended 31 December 2016 (%Q16+) of RM2.270 million. The lower revenue in the current quarter is associated with the lower contract billings of the building material segment from the projects nearing completion such as Aman Country Clubs and Villa, Ritz-Carlton Residence Tower and Hard Rock Hotel in Desaru in comparison with the higher contract billings of the projects completing in 4Q16 namely Damansara City and Medan Serai.

Despite the lower revenue recorded, the Group has recorded a net profit of RM0.066 million for 4Q17 as compared to the net loss of RM0.359 million for 4Q16 mainly contributed by the higher project margin as well as cost savings from the downsized workforce measure.

FPE17 vs FPE16

The Group reported revenue of RM9.063 million for the financial period ended 31 December 2017 (%FPE17+), a decrease of 8% in comparison with the revenue of RM9.894 million from the corresponding financial period of preceding year ended 31 December 2016 (%FPE16+).

Despite the lower revenue recorded for FPE17, the Group delivered a positive financial performance in the current period with net profit of RM0.003 million compared to the net loss of RM0.869 million in the corresponding period last year attributable to the higher profit margin and lower costs in FPE17.

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/12/2017	30/09/2017	Variance	%
	RM'000	RM'000	RM'000	
Revenue	2,087	1,957	130	7%
Operating Profit	78	44	34	77%
Profit/(Loss) before Tax	66	(1)	67	6700%
Profit/(Loss) after Tax	66	(1)	67	6700%
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	0.025 sen	(0.001 sen)	0.026 sen	2600%

For the current quarter ended 31 December 2017 (4Q17), the Group recorded revenue of RM2.087 million compared to the revenue of RM1.957 million reported in the immediate preceding quarter ended 30 September 2017 (3Q17). The higher revenue in the current quarter is mainly associated with the higher contract billings arising from the completion of Hard Rock Hotel in Desaru.

In tandem with the increase in revenue, the Group recorded a net profit of RM0.066 million in 4Q17 as compared to a net loss of RM0.001 million in 3Q17.

B3. Prospects

The Group is confident of securing new orders to replenish the order book in the building material business. For the property development sector, the Group will continue to monitor the market condition before moving forward on our land.

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 31.12.2017		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	24	4	23	28
Bill payables	549	-	875	-
	573	4	898	28

B8. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation.

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	
	31.12.17 RM'000	31.12.16 RM'000	31.12.17 RM'000	31.12.16 RM'000
Profit/ (Loss) attributable to equity holders of the company	66	(359)	3	(869)
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)	0.025	(0.135)	0.001	(0.329)

ii) Diluted Earnings Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	31.12.17 RM'000	31.12.16 RM'000	31.12.17 RM'000	31.12.16 RM'000
Profit/ (Loss) attributable to equity holders of the company	66	(359)	3	(869)
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)	0.025	(0.135)	0.001	(0.329)

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

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
Realised	1,592	1,589
Unrealised	-	-
	1,592	1,589
Add: consolidated adjustments	4,085	4,085
Total retained earnings	5,677	5,674