

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Quarter Ended 31 December 2018

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		31-Dec-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Unaudited)
Revenue		1,413	2,087	3,957	9,063
Cost of sales		(1,077)	(1,617)	(3,213)	(7,042)
<b>Gross profit</b>		<b>336</b>	<b>470</b>	<b>744</b>	<b>2,021</b>
Other income		56	52	433	236
		392	522	1,177	2,257
Selling and marketing expenses		(5)	(8)	(24)	(25)
Administrative expenses		(434)	(436)	(2,084)	(2,139)
Finance costs		(23)	(12)	(57)	(90)
<b>Profit/ (Loss) before tax</b>		<b>(70)</b>	<b>66</b>	<b>(988)</b>	<b>3</b>
Income tax expense	B5	-	-	-	-
<b>Profit/ (Loss) net of tax</b>		<b>(70)</b>	<b>66</b>	<b>(988)</b>	<b>3</b>
<b>Attributable to :</b>					
Equity holders of the parent		(70)	66	(988)	3
<b>Profit/ (Loss) per share attributable to equity holders of the parent:</b>					
- Basic (sen)	B10	(0.027)	0.025	(0.374)	0.001
- Diluted (sen)		(0.027)	0.025	(0.374)	0.001

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018***(The figures have not been audited)*

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	31-Dec-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Unaudited)
Profit/(Loss), net of tax	(70)	66	(988)	3
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
<b>Total comprehensive income</b>	<b>(70)</b>	<b>66</b>	<b>(988)</b>	<b>3</b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the parent	(70)	66	(988)	3

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018**

*(The figures have not been audited)*

	Note	31-Dec-18 RM'000	31-Dec-17 RM'000	01-Jan-17 RM'000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		732	851	1,009
Investment property		627	643	659
		<u>1,359</u>	<u>1,494</u>	<u>1,668</u>
<b>Current Assets</b>				
Inventories		2,757	2,717	3,342
Inventories - property development costs		36,309	35,951	35,839
Trade and other receivables		3,317	4,111	3,658
Contract assets		1,427	1,734	1,753
Tax refundable		7	7	15
Fixed deposits with licensed bank		3,562	3,972	3,051
Cash and cash balances		73	164	173
		<u>47,452</u>	<u>48,656</u>	<u>47,831</u>
<b>Total Assets</b>		<u>48,811</u>	<u>50,150</u>	<u>49,499</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital		39,585	39,585	39,585
Other reserves		(409)	(409)	(409)
Retained earnings		5,667	6,655	6,652
<b>Total Equity</b>		<u>44,843</u>	<u>45,831</u>	<u>45,828</u>
<b>Non-current liabilities</b>				
Long-term borrowings	B7	-	4	28
<b>Current Liabilities</b>				
Trade and other payables		3,194	3,742	2,739
Contract liabilities		-	-	6
Short-term borrowings	B7	774	573	898
		<u>3,968</u>	<u>4,315</u>	<u>3,643</u>
<b>Total Liabilities</b>		3,968	4,319	3,671
<b>Total Equity and Liabilities</b>		<u>48,811</u>	<u>50,150</u>	<u>49,499</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>		<u>0.17</u>	<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 2017 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 2018

(The figures have not been audited)

	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
<b>Balance as of 1 January 2017</b>	39,585	1,636	(1,067)	5,674	45,828
Total comprehensive income for the period	-	-	-	3	3
Warrants lapsed	-	(1,636)	-	1,636	-
Realisation of exchange reserve	-	-	658	(658)	-
<b>Balance as of 31 December 2017</b>	<b>39,585</b>	<b>-</b>	<b>(409)</b>	<b>6,655</b>	<b>45,831</b>

	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
<b>Balance as of 1 January 2018</b>	39,585	-	(409)	6,655	45,831
Total comprehensive income for the period	-	-	-	(988)	(988)
Foreign currency translation	-	-	-	-	-
<b>Balance as of 31 December 2018</b>	<b>39,585</b>	<b>-</b>	<b>(409)</b>	<b>5,667</b>	<b>44,843</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018**

*(The figures have not been audited)*

	12 months ended	
	31-Dec-18 RM'000 (Unaudited)	31-Dec-17 RM'000 (Unaudited)
<b>Cash Flows From/(For) Operating Activities</b>		
Profit / (Loss) before taxation	(988)	3
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	120	157
Depreciation of investment property	16	16
Bad debts written off	-	-
(Gain)/Loss on foreign exchange-unrealised	-	-
(Gain)/Loss on disposal of property, plant and equipment	(26)	-
Impairment on trade and other receivables	-	-
Provision of doubtful debts no longer required	(210)	-
Interest expenses	56	90
Interest income	(126)	(97)
<b>Operating Loss Before Working Capital Changes</b>	<b>(1,158)</b>	<b>169</b>
Decrease/(increase) in property development costs	(359)	(112)
Decrease/(increase) in inventories	(40)	625
Decrease/(increase) in contract assets	307	13
(Increase)/Decrease in trade and other receivables	1,004	4,382
Decrease/(increase) in trade and other payables	(548)	(3,832)
<b>Cash For Operations</b>	<b>(794)</b>	<b>1,245</b>
Interest paid	(56)	(90)
Income tax refunded/(paid)	-	9
<b>Net Cash Flows From Operating Activities</b>	<b>(850)</b>	<b>1,164</b>
<b>Cash Flows From/(For) Investing Activities</b>		
Interest received	126	97
Proceeds from disposal of property, plant and equipment	26	-
Purchase of property, plant and equipment	-	-
<b>Net Cash Flows From/(For) Investing Activities</b>	<b>152</b>	<b>97</b>
<b>Cash Flows From/(For) Financing Activities</b>		
(Decrease)/Increase in bills payable	221	(326)
Repayment of hire purchase obligations	(24)	(23)
<b>Net Cash Flows From/(For) Financing Activities</b>	<b>197</b>	<b>(349)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(501)</b>	<b>912</b>
<b>Effects on Foreign Exchange Rate Changes</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents as at beginning of year</b>	<b>4,136</b>	<b>3,224</b>
<b>Cash and Cash Equivalents as at end of period</b>	<b>3,635</b>	<b>4,136</b>
Cash and cash equivalents at the end of the financial period comprise the following:		
	<b>As at</b>	<b>As at</b>
	<b>31-Dec-18</b>	<b>31-Dec-17</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	3,562	3,972
Cash and bank balances	73	164
Bank overdrafts	-	-
	<b>3,635</b>	<b>4,136</b>

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 reporting requirements as set out in Malaysian Financial Reporting Standards (MFRS) 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 2017. 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 2017.

The financial statements of the Group for the financial year ended 31 December 2018 are prepared in accordance with the MFRS Framework. The date of transition to the MFRS Framework was on 1 January 2017.

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 2017 and there was no significant impact to the Group’s financial statements upon the adoption of MFRS.

The Group has also adopted all new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2018, and the adoption of these new and revised MFRSs and IC Interpretations did not have any significant impact on the financial statements of the Group.

**A2. Audit Report of Preceding Annual Financial Statements**

The auditors’ report on the annual audited financial statements for the financial year ended 31 December 2017 was not qualified.

**A3. Seasonal or Cyclical Factors**

The operations of the Group during the quarter were not affected by any material seasonal or cyclical factors.

**A4. 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.

**A5. 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.

**A6. 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 2018.

**A7. Dividends Paid**

There were no dividends paid during the quarter under review.

**A8. 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 2018**

Segments	Segments			Consolidation adjustments	Group
	Building Material (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,957	-	-	-	3,957
Profit/(Loss) After Tax	(178)	(764)	(46)	-	(988)
Total Assets	10,661	44,344	36,666	(42,860)	48,811

**A8. Segmental Information (cont'd)**
**(a) Business Segments (cont'd)**
**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

**A9. 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.

**A10. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review.

**A11. 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 2018.

**A12. Capital Commitment**

The Group has not incurred significant capital commitment as at 31 December 2018.

**A13. Related Party Transactions**

The significant related party transactions for the 12 months ended 31 December 2018 are as follows:

Company in which directors have interest in

	31.12.2018 RM'000	31.12.2017 RM'000
Sales of stones and provision of contract workmanship and other related services	974	2,141



**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**

**Financial review for current quarter and financial year to date**

	Individual Period (4 <sup>th</sup> quarter)		Changes (%)	Cumulative Period		Changes (%)
	31/12/2018	31/12/2017		31/12/2018	31/12/2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue	1,413	2,087	-32%	3,957	9,063	-56%
Operating Profit/(Loss)	(47)	78	N/A	(931)	93	N/A
Profit/(Loss) before Tax	(70)	66	N/A	(988)	3	N/A
Profit/(Loss) after Tax	(70)	66	N/A	(988)	3	N/A
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	(0.027 sen)	0.025 sen	N/A	(0.374 sen)	0.001 sen	N/A

**4Q18 vs 4Q17**

The Group reported revenue of RM1.413 million for the fourth quarter ended 31 December 2018 (4Q18+), a decrease of 32% from the RM2.087 million posted in the fourth quarter of 2017 (4Q17+). The decline in revenue in the current quarter is due to lower billing of works from the two on-going active projects namely Quarza Residence and Heritage Trail 5 in the Klang Valley, in comparison to higher billing of works in 4Q17. These two on-going jobs, which have a combined contract value of RM2.834 million, have progressed up to RM1.670 million in value of works as at the end of 4Q18.

In line with the lower revenue and after accounting for the Group's administrative expenses and other corporate overheads, the Group recorded a net loss of RM0.070 million for 4Q18 as compared to a net profit of RM0.066 million for 4Q17.

**FYE18 vs FYE17**

The Group reported revenue of RM3.957 million for the financial year ended 31 December 2018 (FYE18+), a decrease of 56% from the RM9.063 million posted for the financial year ended 31 December 2017 (FYE17+) on the back of lower job orders and billings during the year. The lower job orders resulted from stringent job selection during the year was a calculated and strategic step taken by the Board to minimize the Group's exposure to the heightened risk of payment default and project delay currently facing by many in the construction industry.

The Group recorded a net loss of RM0.988 million for FYE18 as compared to the net profit of RM0.003 million for FYE17 largely due to lower profit generated from operations to account for the Group's administrative expenses and corporate overheads.

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

	Current Quarter	Immediate Preceding Quarter	Changes	(%)
	31/12/2018	30/09/2018	Variance	
	RM'000	RM'000	RM'000	
Revenue	1,413	1,122	291	26%
Operating Profit/(Loss)	(47)	18	(65)	N/A
Profit/(Loss) before Tax	(70)	4	(74)	N/A
Profit/(Loss) after Tax	(70)	4	(74)	N/A
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	(0.027 sen)	0.002 sen	(0.029 sen)	N/A

For the current quarter ended 31 December 2018 (4Q18), the Group recorded revenue of RM1.413 million, up RM0.291 million from the RM1.122 million reported in the preceding quarter ended 30 September 2018 (3Q18). The growth in revenue in 4Q18 is mainly driven by higher progress of works in the Quarza Residence project.

Despite the higher revenue recorded, the Group recorded a net loss of RM0.070 million in 4Q18 as compared to the net profit of RM0.004 million in the prior quarter mainly due to the reversal of impairment loss on trade receivable of RM0.210 million in 3Q18.

**B3. Prospects**

The Group's outstanding order book for the building material segment stood at RM3.587 million at the end of 4Q18. The Board is optimistic to replenish the order book by securing new jobs that meet our stringent criteria. For the property development sector, the Board is of the view that demand for new properties is still fairly weak, and will therefore continuously monitor the condition before moving forward with the development of our land.

**B4. Profit Forecast**

The Company did not issue any profit forecast or profit guarantee for the year.

**B5. Income Tax Expense**

There was no provision for taxation expenses for the current quarter as the Company is not in a taxable position.

**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 31.12.2018		Denominated in local currency As at 31.12.2017	
	Short-term RM'000	Long-term RM'000	Short-term RM'000	Long-term RM'000
<b>Secured Borrowings:-</b>				
Hire purchase payables	4	-	24	4
Bill payables	770	-	549	-
	<b>774</b>	<b>-</b>	<b>573</b>	<b>4</b>

**B8. Material Litigation**

As at the date of this report, the Group is not involved in any material litigation either as plaintiff or defendant which will have a material effect on the financial position 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	
	31.12.18 RM'000	31.12.17 RM'000	31.12.18 RM'000	31.12.17 RM'000
Profit/ (Loss) attributable to equity holders of the company	(70)	66	(988)	3
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)	(0.027)	0.025	(0.374)	0.001

**B10. Earnings / (Loss) Per Share (cont'd)**
**ii) Diluted Earnings Per Share**

	Individual Quarter Ended		Cumulative Period Ended	
	31.12.18 RM'000	31.12.17 RM'000	31.12.18 RM'000	31.12.17 RM'000
Profit/ (Loss) attributable to equity holders of the company	(70)	66	(988)	3
Weighted average number of ordinary shares in issue (₹000)	263,900	263,900	263,900	263,900
Diluted earnings/ (loss) per share attributable to equity holders of the company (Sen)	(0.027)	0.025	(0.374)	0.001

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.