

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For The Quarter Ended 30 September 2019

(The figures have not been audited)

|   | Note | INDIVIDUAL QUARTER ENDED           |                                    | CUMULATIVE PERIOD ENDED            |                                    |
|---|------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|   |      | 30-Sep-19<br>RM'000<br>(Unaudited) | 30-Sep-18<br>RM'000<br>(Unaudited) | 30-Sep-19<br>RM'000<br>(Unaudited) | 30-Sep-18<br>RM'000<br>(Unaudited) |
| Revenue   |      | 1,008                              | 1,122                              | 3,614                              | 2,544                              |
| Cost of sales   |      | (768)                              | (908)                              | (2,907)                            | (2,136)                            |
| <b>Gross profit</b>   |      | <b>240</b>                         | <b>214</b>                         | <b>707</b>                         | <b>408</b>                         |
| Other income  |      | 22                                 | 245                                | 132                                | 377                                |
|   |      | 262                                | 459                                | 839                                | 785                                |
| Selling and marketing expenses  |      | (6)                                | (6)                                | (13)                               | (19)                               |
| Administrative expenses   |      | (388)                              | (435)                              | (1,495)                            | (1,650)                            |
| Finance costs   |      | (12)                               | (14)                               | (44)                               | (34)                               |
| <b>Profit/ (Loss) before tax</b>  |      | <b>(144)</b>                       | <b>4</b>                           | <b>(713)</b>                       | <b>(918)</b>                       |
| Income tax expense  | B5   | -                                  | -                                  | -                                  | -                                  |
| <b>Profit/ (Loss) net of tax</b>  |      | <b>(144)</b>                       | <b>4</b>                           | <b>(713)</b>                       | <b>(918)</b>                       |
| <b>Attributable to :</b>  |      |                                    |                                    |                                    |                                    |
| Equity holders of the parent  |      | (144)                              | 4                                  | (713)                              | (918)                              |
| <b>Profit/ (Loss) per share attributable to equity holders of the parent:</b> |      |                                    |                                    |                                    |                                    |
| - Basic (sen)   | B10  | (0.055)                            | 0.002                              | (0.270)                            | (0.348)                            |
| - Diluted (sen)   |      | (0.055)                            | 0.002                              | (0.270)                            | (0.348)                            |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019***(The figures have not been audited)*

|   | INDIVIDUAL QUARTER ENDED           |                                    | CUMULATIVE PERIOD ENDED            |                                    |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|   | 30-Sep-19<br>RM'000<br>(Unaudited) | 30-Sep-18<br>RM'000<br>(Unaudited) | 30-Sep-19<br>RM'000<br>(Unaudited) | 30-Sep-18<br>RM'000<br>(Unaudited) |
| Profit/(Loss), net of tax                                   | (144)                              | 4                                  | (713)                              | (918)                              |
| Currency translation differences arising from consolidation | -                                  | -                                  | -                                  | -                                  |
| Revaluation of land and building                            | -                                  | -                                  | -                                  | -                                  |
| <b>Total comprehensive income</b>                           | <b>(144)</b>                       | <b>4</b>                           | <b>(713)</b>                       | <b>(918)</b>                       |
| <b>Total comprehensive income attributable to :</b>         |                                    |                                    |                                    |                                    |
| Equity holders of the parent                                | (144)                              | 4                                  | (713)                              | (918)                              |

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019

*(The figures have not been audited)*

|  | Note | 30-Sep-19<br>RM'000<br>(Unaudited) | 31-Dec-18<br>RM'000<br>(Unaudited) |
|--|------|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |      |                                    |                                    |
| <b>Non-current Assets</b>  |      |                                    |                                    |
| Property, plant and equipment  |      | 622                                | 724                                |
| Investment property  |      | 615                                | 627                                |
|  |      | <u>1,237</u>                       | <u>1,351</u>                       |
| <b>Current Assets</b>  |      |                                    |                                    |
| Inventories  |      | 2,782                              | 2,757                              |
| Inventories - property development costs   |      | 36,466                             | 36,309                             |
| Trade and other receivables  |      | 3,234                              | 3,317                              |
| Contract assets  |      | 940                                | 1,427                              |
| Tax refundable   |      | 12                                 | 15                                 |
| Fixed deposits with licensed bank  |      | 3,069                              | 3,562                              |
| Cash and cash balances   |      | 185                                | 73                                 |
|  |      | <u>46,688</u>                      | <u>47,460</u>                      |
| <b>Total Assets</b>  |      | <u>47,925</u>                      | <u>48,811</u>                      |
| <b>EQUITY AND LIABILITIES</b>  |      |                                    |                                    |
| <b>Equity attributable to equity holders of the parent</b>                             |      |                                    |                                    |
| Share capital  |      | 39,585                             | 39,585                             |
| Other reserves   |      | (409)                              | (409)                              |
| Retained earnings  |      | 4,955                              | 5,668                              |
| <b>Total Equity</b>  |      | <u>44,131</u>                      | <u>44,844</u>                      |
| <b>Non-current liabilities</b>   |      |                                    |                                    |
| Long-term borrowings   | B7   | <u>-</u>                           | <u>-</u>                           |
| <b>Current Liabilities</b>   |      |                                    |                                    |
| Trade and other payables   |      | 3,365                              | 3,193                              |
| Contract liabilities   |      | -                                  | -                                  |
| Short-term borrowings  | B7   | 429                                | 774                                |
|  |      | <u>3,794</u>                       | <u>3,967</u>                       |
| <b>Total Liabilities</b>   |      | 3,794                              | 3,967                              |
| <b>Total Equity and Liabilities</b>  |      | <u>47,925</u>                      | <u>48,811</u>                      |
| <b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b> |      | <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 2018 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 2019

(The figures have not been audited)

|   | ← Non-distributable Other Reserves → |                              |                                  |  | Total Equity<br>RM'000 |
|---|--------------------------------------|------------------------------|----------------------------------|--|------------------------|
|   | Share<br>Capital<br>RM'000           | Warrant<br>Reserve<br>RM'000 | Translation<br>Reserve<br>RM'000 | (Accumulated<br>Losses)/Retained<br>Earnings<br>RM'000 |                        |
| <b>Balance as of 1 January 2018</b>       | 39,585                               | -                            | (409)                            | 6,655  | 45,831                 |
| Total comprehensive income for the period | -                                    | -                            | -                                | (918)  | (918)                  |
| Foreign currency translation              | -                                    | -                            | -                                | -  | -                      |
| <b>Balance as of 30 September 2018</b>    | <b>39,585</b>                        | <b>-</b>                     | <b>(409)</b>                     | <b>5,737</b>   | <b>44,913</b>          |

|   | ← Non-distributable Other Reserves → |                              |                                  |  | Total Equity<br>RM'000 |
|---|--------------------------------------|------------------------------|----------------------------------|--|------------------------|
|   | Share<br>Capital<br>RM'000           | Warrant<br>Reserve<br>RM'000 | Translation<br>Reserve<br>RM'000 | (Accumulated<br>Losses)/Retained<br>Earnings<br>RM'000 |                        |
| <b>Balance as of 1 January 2019</b>       | 39,585                               | -                            | (409)                            | 5,668  | 44,844                 |
| Total comprehensive income for the period | -                                    | -                            | -                                | (713)  | (713)                  |
| Foreign currency translation              | -                                    | -                            | -                                | -  | -                      |
| <b>Balance as of 30 September 2019</b>    | <b>39,585</b>                        | <b>-</b>                     | <b>(409)</b>                     | <b>4,955</b>   | <b>44,131</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 2018 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 2019**

*(The figures have not been audited)*

|  | 9 months ended   |                  |
|--|------------------|------------------|
|  | 30-Sep-19        | 30-Sep-18        |
|  | RM'000           | RM'000           |
|  | (Unaudited)      | (Unaudited)      |
| <b>Cash Flows From/(For) Operating Activities</b>                                    |                  |                  |
| Profit / (Loss) before taxation  | (713)            | (918)            |
| <i>Adjustment for:-</i>  |                  |                  |
| Depreciation of property, plant and equipment  | 85               | 96               |
| Depreciation of investment property  | 12               | 12               |
| Bad debts written off  | -                | -                |
| (Gain)/Loss on disposal of property, plant and equipment                             | 14               | -                |
| Impairment on trade and other receivables  | -                | -                |
| Provision of doubtful debts no longer required                                       | (28)             | (210)            |
| Interest expenses  | 44               | 34               |
| Interest income  | (73)             | (96)             |
| <b>Operating Loss Before Working Capital Changes</b>                                 | <b>(659)</b>     | <b>(1,082)</b>   |
| Decrease/(increase) in property development costs                                    | (157)            | (617)            |
| Decrease/(increase) in inventories   | (25)             | (161)            |
| Decrease/(increase) in contract assets   | 487              | 1,002            |
| (Increase)/Decrease in trade and other receivables                                   | 111              | 1,889            |
| (Decrease)/Increase in trade and other payables                                      | 172              | (1,584)          |
| <b>Cash For Operations</b>   | <b>(71)</b>      | <b>(553)</b>     |
| Interest paid  | (44)             | (34)             |
| Income tax refunded/(paid)   | 3                | 2                |
| <b>Net Cash Flows From Operating Activities</b>                                      | <b>(112)</b>     | <b>(585)</b>     |
| <b>Cash Flows From/(For) Investing Activities</b>                                    |                  |                  |
| Interest received  | 73               | 96               |
| Proceeds from disposal of property, plant and equipment                              | 4                | -                |
| Purchase of property, plant and equipment  | (1)              | -                |
| <b>Net Cash Flows From/(For) Investing Activities</b>                                | <b>76</b>        | <b>96</b>        |
| <b>Cash Flows From/(For) Financing Activities</b>                                    |                  |                  |
| (Decrease)/Increase in bills payable   | (341)            | 307              |
| Repayment of hire purchase obligations   | (4)              | (18)             |
| <b>Net Cash Flows From/(For) Financing Activities</b>                                | <b>(345)</b>     | <b>289</b>       |
| <b>Net Increase in Cash and Cash Equivalents</b>                                     | <b>(381)</b>     | <b>(200)</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>3,635</b>     | <b>4,136</b>     |
| <b>Cash and Cash Equivalents as at end of period</b>                                 | <b>3,254</b>     | <b>3,936</b>     |
| Cash and cash equivalents at the end of the financial period comprise the following: |                  |                  |
|  | <b>As at</b>     | <b>As at</b>     |
|  | <b>30-Sep-19</b> | <b>30-Sep-18</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| Fixed deposits   | 3,069            | 3,853            |
| Cash and bank balances   | 185              | 83               |
| Bank overdrafts  | -                | -                |
|  | <b>3,254</b>     | <b>3,936</b>     |

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2018. 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 2018.

The financial statements of the Group for the financial period ended 30 September 2019 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 2018 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 2018 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 30 September 2019.

**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**
**9 Months Ended 30 September 2019**

| Segments                | Segments                     |                             |                      | Consolidation adjustments | Group  |
|-------------------------|------------------------------|-----------------------------|----------------------|---------------------------|--------|
|                         | Building Material (Malaysia) | Investment Holding & Others | Property Development |                           |        |
|                         | RM'000                       | RM'000                      | RM'000               | RM'000                    | RM'000 |
| Revenue                 | 3,614                        | -                           | -                    | -                         | 3,614  |
| Profit/(Loss) After Tax | (129)                        | (546)                       | (38)                 | -                         | (713)  |
| Total Assets            | 10,375                       | 43,842                      | 36,638               | (42,930)                  | 47,925 |

**A8. Segmental Information (cont'd)**
**(a) Business Segments (cont'd)**
**9 Months Ended 30 September 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                 | 2,544                        | -                           | -                    | -                         | 2,544  |
| Profit/(Loss) After Tax | (256)                        | (625)                       | (37)                 | -                         | (918)  |
| Total Assets            | 9,367                        | 44,491                      | 36,784               | (42,704)                  | 47,938 |

**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 30 September 2019.

**A12. Capital Commitment**

The Group has not incurred significant capital commitment as at 30 September 2019.

**A13. Related Party Transactions**

The significant related party transactions for the 9 months ended 30 September 2019 are as follows:

Company in which directors have interest

|  | 30.09.2019<br>RM'000 | 30.09.2018<br>RM'000 |
|--|----------------------|----------------------|
| Sales of stones and provision of contract workmanship and other related services | 2,184                | 248                  |



**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<br>(3 <sup>rd</sup> quarter) |            | Changes<br>(%) | Cumulative Period |             | Changes<br>(%) |
|---|--|------------|----------------|-------------------|-------------|----------------|
|   | 30/09/2019                                     | 30/09/2018 |                | 30/09/2019        | 30/09/2018  |                |
|   | RM'000   | RM'000     |                | RM'000            | RM'000      |                |
| Revenue   | 1,008  | 1,122      | -10%           | 3,614             | 2,544       | 42%            |
| Operating Profit/(Loss)   | (132)  | 18         | N/A            | (669)             | (884)       | 24%            |
| Profit/(Loss) before Tax  | (144)  | 4          | N/A            | (713)             | (918)       | 22%            |
| Profit/(Loss) after Tax   | (144)  | 4          | N/A            | (713)             | (918)       | 22%            |
| Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent | (0.055 sen)                                    | 0.002 sen  | N/A            | (0.270 sen)       | (0.348 sen) | 22%            |

**3Q19 vs 3Q18**

The Group reported revenue of RM1.008 million for the third quarter ended 30 September 2019 (3Q19+), a decrease of 10% from the same period of last year ended 30 September 2018 (3Q18+) that posted a revenue of RM1.122 million. The decline in revenue in the current quarter is due to lower billing of works from the Heritage Trail 5 project as well as the completion of Quarza Residence.

With the lower revenue recorded, the Group has recorded a net loss of RM0.144 million for 3Q19 as compared to a net profit of RM0.004 million for 3Q18 which was also attributed by the reversal of impairment loss on trade receivable of RM0.210 million in 3Q18.

**FPE19 vs FPE18**

The Group reported revenue of RM3.614 million for the nine months ended 30 September 2019 (FPE19+), an increase of 42% from the same period of last year ended 30 September 2018 (FPE18+) that posted a revenue of RM2.544 million. The higher revenue in FPE19 is contributed by the combined contract sum of three (3) projects in Klang Valley at sum of RM1.501 million.

In line with the higher revenue in FPE19, the Group has recorded a lower net loss of RM0.713 million as compared to the net loss of RM0.918 million for FPE18.

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

|   | Current Quarter | Immediate Preceding Quarter | Changes   | (% ) |
|---|-----------------|-----------------------------|-----------|------|
|   | 30/09/2019      | 30/06/2019                  | Variance  |      |
|   | RM'000          | RM'000                      | RM'000    |      |
| Revenue   | 1,008           | 1,177                       | (169)     | -14% |
| Operating Profit  | (132)           | (289)                       | 157       | 54%  |
| Profit/(Loss) before Tax  | (144)           | (303)                       | 159       | 52%  |
| Profit/(Loss) after Tax   | (144)           | (303)                       | 159       | 52%  |
| Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent | (0.055 sen)     | (0.115 sen)                 | 0.060 sen | 52%  |

For the current quarter ended 30 September 2019 (3Q19+), the Group reported revenue of RM1.008 million compared to the revenue of RM1.177 million reported in the immediate preceding quarter ended 30 June 2019 (2Q19+). The lower revenue in the current quarter is due to the lower billing of works from Heritage Trail 5 and other projects.

Despite the lower revenue recorded, the Group has recorded a lower net loss of RM0.144 million for 3Q19 as compared to the net loss of RM0.303 million for 2Q19 on improved profit margin as well as cost savings from the workforce downsizing measure.

**B3. Prospects**

The Group has secured RM0.907 million of new jobs in 3Q19 and will continue to bid for more projects to replenish the order book in the building material business. For the property development sector, the Board is of the view that property market remains soft, and will continue to review its options on the 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 |           | Denominated in local currency |           |
|-----------------------------|-------------------------------|-----------|-------------------------------|-----------|
|                             | As at 30.09.2019              |           | As at 31.12.2018              |           |
|                             | Short-term                    | Long-term | Short-term                    | Long-term |
|                             | RM'000                        | RM'000    | RM'000                        | RM'000    |
| <b>Secured Borrowings:-</b> |                               |           |                               |           |
| Hire purchase payables      | -                             | -         | 4                             | -         |
| Bill payables               | 429                           | -         | 770                           | -         |
|                             | <b>429</b>                    | <b>-</b>  | <b>774</b>                    | <b>-</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 |          |
|--|--------------------------|----------|-------------------------|----------|
|  | 30.09.19                 | 30.09.18 | 30.09.19                | 30.09.18 |
|  | RM'000                   | RM'000   | RM'000                  | RM'000   |
| Profit/ (Loss) attributable to equity holders of the company                         | (144)                    | 4        | (713)                   | (918)    |
| 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) | (0.055)                  | 0.002    | (0.270)                 | (0.348)  |

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

|  | Individual Quarter Ended |                    | Cumulative Period Ended |                    |
|--|--------------------------|--------------------|-------------------------|--------------------|
|  | 30.09.19<br>RM'000       | 30.09.18<br>RM'000 | 30.09.19<br>RM'000      | 30.09.18<br>RM'000 |
| Profit/ (Loss) attributable to equity holders of the company                           | (144)                    | 4                  | (713)                   | (918)              |
| 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) | (0.055)                  | 0.002              | (0.270)                 | (0.348)            |

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.