

ABLEGROUP BERHAD (654188-H)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 31 December 2019

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		31-Dec-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)	31-Dec-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)
Revenue		1,892	1,413	5,506	3,957
Cost of sales		(1,443)	(1,077)	(4,350)	(3,213)
Gross profit		449	336	1,156	744
Other income		17	56	149	432
		466	392	1,305	1,176
Selling and marketing expenses		(5)	(5)	(18)	(24)
Administrative expenses		(384)	(442)	(1,879)	(2,092)
Finance costs		(50)	(23)	(94)	(55)
Profit/ (Loss) before tax		27	(78)	(686)	(995)
Income tax expense	B5	5	8	5	8
Profit/ (Loss) net of tax		32	(70)	(681)	(987)
Attributable to :					
Equity holders of the parent		32	(70)	(681)	(987)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B10	0.012	(0.027)	(0.258)	(0.374)
- Diluted (sen)		0.012	(0.027)	(0.258)	(0.374)

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 31 December 2019***(The figures have not been audited)*

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	31-Dec-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)	31-Dec-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)
Profit/(Loss), net of tax	32	(70)	(681)	(987)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	32	(70)	(681)	(987)
Total comprehensive income attributable to :				
Equity holders of the parent	32	(70)	(681)	(987)

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 31 December 2019

(The figures have not been audited)

	Note	31-Dec-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)
ASSETS			
Non-current Assets			
Property, plant and equipment		594	724
Right-of-use asset		653	-
Investment property		611	627
Deferred tax asset		5	-
		1,863	1,351
Current Assets			
Inventories		2,802	2,757
Inventories - property development costs		36,467	36,309
Trade and other receivables		3,496	3,317
Contract assets		1,478	1,427
Tax refundable		6	15
Fixed deposits with licensed bank		1,753	3,562
Cash and cash balances		606	73
		46,608	47,460
Total Assets		48,471	48,811
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		39,585	39,585
Other reserves		(409)	(409)
Retained earnings		4,987	5,668
Total Equity		44,163	44,844
Non-current liabilities			
Lease liability		443	-
Long-term borrowings	B7	-	-
Current Liabilities			
Lease liability		206	-
Trade and other payables		3,659	3,193
Contract liabilities		-	-
Short-term borrowings	B7	-	774
		3,865	3,967
Total Liabilities		4,308	3,967
Total Equity and Liabilities		48,471	48,811
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 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 31 December 2019

(The figures have not been audited)

	← Non-distributable Other Reserves →				
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
Balance as of 1 January 2018	39,585	-	(409)	6,655	45,831
Total comprehensive income for the period	-	-	-	(987)	(987)
Foreign currency translation	-	-	-	-	-
Balance as of 31 December 2018	39,585	-	(409)	5,668	44,844

	← Non-distributable Other Reserves →				
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	Total Equity RM'000
Balance as of 1 January 2019	39,585	-	(409)	5,668	44,844
Total comprehensive income for the period	-	-	-	(681)	(681)
Foreign currency translation	-	-	-	-	-
Balance as of 31 December 2019	39,585	-	(409)	4,987	44,163

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 31 December 2019

(The figures have not been audited)

	12 months ended	
	31-Dec-19 RM'000 (Unaudited)	31-Dec-18 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Profit / (Loss) before taxation	(686)	(995)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	113	127
Depreciation of investment property	16	16
Depreciation of right-of-use assets	218	-
Bad debts written off	-	-
(Gain)/Loss on disposal of property, plant and equipment	14	(26)
Impairment on trade and other receivables	-	-
Provision of doubtful debts no longer required	(28)	(211)
Interest expenses	94	55
Interest income	(90)	(126)
Operating Loss Before Working Capital Changes	(349)	(1,160)
Decrease/(increase) in property development costs	(158)	(359)
Decrease/(increase) in inventories	(45)	(40)
Decrease/(increase) in contract assets	(51)	307
(Increase)/Decrease in trade and other receivables	(149)	1,005
(Decrease)/Increase in trade and other payables	437	(548)
Cash For Operations	(315)	(795)
Interest paid	(94)	(55)
Income tax refunded/(paid)	9	-
Net Cash Flows From Operating Activities	(400)	(850)
Cash Flows From/(For) Investing Activities		
Interest received	90	126
Proceeds from disposal of property, plant and equipment	4	26
Purchase of property, plant and equipment	(1)	-
Net Cash Flows From/(For) Investing Activities	93	152
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	(770)	221
Payment of lease liabilities	(195)	-
Repayment of hire purchase obligations	(4)	(24)
Net Cash Flows From/(For) Financing Activities	(969)	197
Net Increase in Cash and Cash Equivalents	(1,276)	(501)
Effects on Foreign Exchange Rate Changes	-	-
Cash and Cash Equivalents as at beginning of year	3,635	4,136
Cash and Cash Equivalents as at end of period	2,359	3,635

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

	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
Fixed deposits	1,753	3,562
Cash and bank balances	606	73
Bank overdrafts	-	-
	<u>2,359</u>	<u>3,635</u>

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 year ended 31 December 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 except as discussed below:-

MFRS 16 Leases

The Group has applied MFRS 16 using the modified retrospective approach with no restatement of comparative information. The lease liabilities will be measured based on the present value of the remaining lease payment, adjusted by the amount of any prepaid or accrued lease payments. The right-of-use asset will be measured based on the present value of the remaining leases payment.

As at 31 December 2019, the right-of-use assets and liabilities are RM0.653 million and RM0.649 million respectively. Also, in relation to those leases under MFRS 16, the Group has recognized depreciation and interest expense, instead of operating leases. During the year, the Group recognized RM0.218 million of depreciation charges and RM0.038 million of interest expenses relating to these leases.

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 31 December 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
12 Months Ended 31 December 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	5,506	-	-	-	5,506
Profit/(Loss) After Tax	50	(682)	(49)	-	(681)
Total Assets	11,250	43,652	36,630	(43,061)	48,471

A8. Segmental Information (cont'd)
(a) Business Segments (cont'd)
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)	(763)	(46)	-	(987)
Total Assets	10,661	44,344	36,666	(42,860)	48,811

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 2019.

A12. Capital Commitment

The Group has not incurred significant capital commitment as at 31 December 2019.

A13. Related Party Transactions

The significant related party transactions for the 12 months ended 31 December 2019 are as follows:

Company in which directors have interest

	31.12.2019 RM'000	31.12.2018 RM'000
Sales of stones and provision of contract workmanship and other related services	2,994	974

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 th quarter)		Changes (%)	Cumulative Period		Changes (%)
	31/12/2019	31/12/2018		31/12/2019	31/12/2018	
	RM'000	RM'000		RM'000	RM'000	
Revenue	1,892	1,413	34%	5,506	3,957	39%
Operating Profit/(Loss)	77	(55)	N/A	(592)	(940)	37%
Profit/(Loss) before Tax	27	(78)	N/A	(686)	(995)	31%
Profit/(Loss) after Tax	32	(70)	N/A	(681)	(987)	31%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	0.012 sen	(0.027 sen)	N/A	(0.258 sen)	(0.374 sen)	31%

4Q19 vs 4Q18

The Group reported revenue of RM1.892 million for the fourth quarter ended 31 December 2019 (4Q19+), an increase of 34% from the RM1.413 million posted in the fourth quarter of 2018 (4Q18+). The increase in revenue in the current quarter is contributed by the contract billings of the building material segment from the newly secured projects such as Opero Hotel in Southkey Johor Bahru and Pusat Kawalan Trafik Udara in KLIA that progressed up to RM0.483 million on the back of the contract sum of RM0.907 million.

With the higher revenue recorded, the Group has recorded a net profit of RM0.032 million for 4Q19 as compared to the net loss of RM0.070 million for 4Q18.

FYE19 vs FYE18

The Group reported revenue of RM5.506 million for the financial year ended 31 December 2019 (FYE19+), an increase of 39% from the RM3.957 million posted for the financial year ended 31 December 2018 (FYE18+). The higher revenue in FYE19 is contributed by the billing of works from the Heritage Trail 5 and five (5) other projects in Klang Valley at the combined contract sum of RM3.658 million in addition to the Opero Hotel and Pusat Kawalan Trafik Udara projects.

In line with the higher revenue in FYE19, the Group has recorded a lower net loss of RM0.681 million as compared to the net loss of RM0.987 million for FYE18.

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

	Current Quarter	Immediate Preceding Quarter	Changes	(%)
	31/12/2019	30/09/2019	Variance	
	RM'000	RM'000	RM'000	
Revenue	1,892	1,008	884	88%
Operating Profit	77	(132)	209	N/A
Profit/(Loss) before Tax	27	(144)	171	N/A
Profit/(Loss) after Tax	32	(144)	176	N/A
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	0.012 sen	(0.055 sen)	0.067 sen	N/A

For the current quarter ended 31 December 2019 (4Q19), the Group recorded revenue of RM1.892 million, up RM0.884 million from the RM1.008 million reported in the preceding quarter ended 30 September 2019 (3Q19). The growth in revenue of 4Q19 is mainly driven by the billing of works of the newly secured projects namely Opero Hotel in Southkey Johor Bahru and Pusat Kawalan Trafik Udara in KLIA and other projects.

With the higher revenue recorded, the Group has recorded a net profit of RM0.032 million for 4Q19 as compared to the net loss of RM0.144 million for 3Q19.

B3. Prospects

The outstanding order book for the Group's building material segment stood at RM2.728 million at the end of 4Q19. The Group is bidding and negotiating for a number of jobs and is confident that it will secure some of these works which will have a positive contribution to the Group in the financial year ending 2020.

For the property development involving the 3 acres of land in the Mond Kiara area, the Board of Directors expects the outlook of the property sector remain cautious in light of the sluggish market sentiment and the uncertainty casted by the Covid-19 virus. The Group will therefore continue to adopt a prudent approach by delaying the development of the land while other viable options in the best interest of the Group are being considered.

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 31.12.2019		Denominated in local currency As at 31.12.2018	
	Short-term RM'000	Long-term RM'000	Short-term RM'000	Long-term RM'000
Secured Borrowings:-				
Hire purchase payables	-	-	4	-
Bill payables	-	-	770	-
	-	-	774	-

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	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Profit/ (Loss) attributable to equity holders of the company	32	(70)	(681)	(987)
Weighted average number of ordinary shares in issue (₹00)	263,900	263,900	263,900	263,900
Basic earnings/ (loss) per share attributable to equity holders of the company (Sen)	0.012	(0.027)	(0.258)	(0.374)

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

	Individual Quarter Ended		Cumulative Period Ended	
	31.12.19 RM'000	31.12.18 RM'000	31.12.19 RM'000	31.12.18 RM'000
Profit/ (Loss) attributable to equity holders of the company	32	(70)	(681)	(987)
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)	0.012	(0.027)	(0.258)	(0.374)

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.