

ABLEGROUP BERHAD
Registration No. 200401015685 (654188-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 30 June 2020

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		30-Jun-20 RM'000 (Unaudited)	30-Jun-19 RM'000 (Unaudited)	30-Jun-20 RM'000 (Unaudited)	30-Jun-19 RM'000 (Unaudited)
Revenue		417	1,177	1,103	2,606
Cost of sales		(284)	(983)	(771)	(2,139)
Gross profit		133	194	332	467
Other income		-	30	-	59
Selling and marketing expenses		(1)	(3)	(3)	(7)
Administrative expenses		(472)	(537)	(1,033)	(1,107)
Other expenses		-	-	(1)	-
Operating (loss)/profit		(340)	(316)	(705)	(588)
Interest income		8	27	21	51
Finance costs		10	(14)	2	(32)
(Loss)/Profit before tax		(322)	(303)	(682)	(569)
Income tax expense	B5	-	-	-	-
(Loss)/Profit net of tax		(322)	(303)	(682)	(569)
Attributable to :					
Equity holders of the parent		(322)	(303)	(682)	(569)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B9	(0.122)	(0.115)	(0.258)	(0.216)
- Diluted (sen)		(0.122)	(0.115)	(0.258)	(0.216)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For The Quarter Ended 30 June 2020***(The figures have not been audited)*

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	30-Jun-20 RM'000 (Unaudited)	30-Jun-19 RM'000 (Unaudited)	30-Jun-20 RM'000 (Unaudited)	30-Jun-19 RM'000 (Unaudited)
Profit/(Loss), net of tax	(322)	(303)	(682)	(569)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	(322)	(303)	(682)	(569)
Total comprehensive income attributable to :				
Equity holders of the parent	(322)	(303)	(682)	(569)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

ABLEGROUP BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For The Quarter Ended 30 June 2020

(The figures have not been audited)

	30-Jun-20	31-Dec-19
	RM'000	RM'000
Note	(Unaudited)	(Unaudited)
ASSETS		
Non-current Assets		
Property, plant and equipment	564	594
Right-of-use asset	545	653
Investment property	603	611
Inventories	36,469	36,467
Deferred tax asset	5	5
	<u>38,186</u>	<u>38,330</u>
Current Assets		
Inventories	2,840	2,802
Trade and other receivables	2,761	3,496
Contract assets	616	1,478
Tax refundable	9	6
Fixed deposits with licensed bank	1,812	1,753
Cash and cash balances	164	606
	<u>8,202</u>	<u>10,141</u>
Total Assets	<u>46,388</u>	<u>48,471</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	39,585	39,585
Other reserves	(409)	(409)
Retained earnings	4,305	4,987
Total Equity	<u>43,481</u>	<u>44,163</u>
Non-current liabilities		
Lease liability	336	443
Long-term borrowings	-	-
	<u>-</u>	<u>-</u>
Current Liabilities		
Lease liability	211	205
Trade and other payables	2,332	3,632
Provisions	28	28
Contract liabilities	-	-
Short-term borrowings	-	-
	<u>2,571</u>	<u>3,865</u>
Total Liabilities	2,907	4,308
Total Equity and Liabilities	<u>46,388</u>	<u>48,471</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.16</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

ABLEGROUP BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Quarter Ended 30 June 2020

(The figures have not been audited)

	← Non-distributable Other Reserves →				Total Equity RM'000
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	
Balance as of 1 January 2019	39,585	-	(409)	5,668	44,844
Total comprehensive income for the period	-	-	-	(569)	(569)
Foreign currency translation	-	-	-	-	-
Balance as of 30 June 2019	39,585	-	(409)	5,099	44,275

	← Non-distributable Other Reserves →				Total Equity RM'000
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	(Accumulated Losses)/Retained Earnings RM'000	
Balance as of 1 January 2020	39,585	-	(409)	4,987	44,163
Total comprehensive income for the period	-	-	-	(682)	(682)
Foreign currency translation	-	-	-	-	-
Balance as of 30 June 2020	39,585	-	(409)	4,305	43,481

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

ABLEGROUP BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Quarter Ended 30 June 2020

(The figures have not been audited)

	6 months ended	
	30-Jun-20 RM'000 (Unaudited)	30-Jun-19 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Profit / (Loss) before taxation	(682)	(569)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	30	57
Depreciation of investment property	8	8
Depreciation of right-of-use assets	108	-
Bad debts written off	-	-
(Gain)/Loss on disposal of property, plant and equipment	1	14
Impairment on trade and other receivables	-	-
Provision of doubtful debts no longer required	-	(28)
Interest expenses	(2)	31
Interest income	(21)	(51)
	<u>(558)</u>	<u>(538)</u>
Operating Loss Before Working Capital Changes		
Decrease/(increase) in property development costs	(2)	(156)
Decrease/(increase) in inventories	(38)	(167)
Decrease/(increase) in contract assets	862	523
(Increase)/Decrease in trade and other receivables	734	959
(Decrease)/Increase in trade and other payables	(1,300)	(299)
	<u>(302)</u>	<u>322</u>
Cash For Operations		
Interest paid	2	(31)
Income tax refunded/(paid)	(3)	4
	<u>(303)</u>	<u>295</u>
Net Cash Flows From Operating Activities		
Cash Flows From/(For) Investing Activities		
Interest received	21	51
Proceeds from disposal of property, plant and equipment	-	4
Purchase of property, plant and equipment	-	(1)
	<u>21</u>	<u>54</u>
Net Cash Flows From/(For) Investing Activities		
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	-	(403)
Repayment of lease liabilities	(101)	-
Repayment of hire purchase obligations	-	(4)
	<u>(101)</u>	<u>(407)</u>
Net Cash Flows From/(For) Financing Activities		
Net Increase in Cash and Cash Equivalents	(383)	(58)
Effects on Foreign Exchange Rate Changes	-	-
Cash and Cash Equivalents as at beginning of year	2,359	3,635
Cash and Cash Equivalents as at end of period	<u>1,976</u>	<u>3,577</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	30-Jun-20	30-Jun-19
	RM'000	RM'000
Fixed deposits	1,812	3,350
Cash and bank balances	164	227
Bank overdrafts	-	-
	<u>1,976</u>	<u>3,577</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 2019. 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 2019.

The financial statements of the Group for the financial period ended 30 June 2020 are prepared in accordance with the MFRS Framework. 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 2019.

The Group has also adopted all new MFRS, Amendments to MFRS and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2020, and the adoption of these new MFRS, Amendments and IC Interpretations does 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 2019 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 June 2020.

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
6 Months Ended 30 June 2020

Segments	Segments			Consolidation adjustments	Group
	Building Material (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,103	-	-	-	1,103
Profit/(Loss) After Tax	(285)	(364)	(33)	-	(682)
Total Assets	8,152	44,384	36,617	(42,765)	46,388

A8. Segmental Information (cont'd)
(a) Business Segments (cont'd)
6 Months Ended 30 June 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	2,606	-	-	-	2,606
Profit/(Loss) After Tax	(143)	(400)	(26)	-	(569)
Total Assets	9,685	44,018	36,645	(42,812)	47,536

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 June 2020.

A12. Capital Commitment

The Group has not incurred significant capital commitment as at 30 June 2020.

A13. Related Party Transactions

The significant related party transactions for the 6 months ended 30 June 2020 are as follows:

Company in which directors have interest

	30.06.2020 RM'000	30.06.2019 RM'000
Sales of stones and provision of contract workmanship and other related services	215	1,640

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 (2 nd quarter)		Changes (%)	Cumulative Period		Changes (%)
	30/06/2020	30/06/2019		30/06/2020	30/06/2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	417	1,177	-65%	1,103	2,606	-58%
Operating Profit/(Loss)	(340)	(316)	-8%	(705)	(588)	-20%
Profit/(Loss) before Tax	(322)	(303)	-6%	(682)	(569)	-20%
Profit/(Loss) after Tax	(322)	(303)	-6%	(682)	(569)	-20%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	(0.122 sen)	(0.115 sen)	-6%	(0.258 sen)	(0.216 sen)	-20%

2Q20 vs 2Q19

For the second quarter ended 30 June 2020 (~~2Q20~~), the Group reported revenue of RM0.417 million which is equivalent to 35% of the amount of revenue recorded in the same period last year (~~2Q19~~). This is due to 6 weeks of operational halt as a result of the movement control order imposed by the government and the subsequent slow pace of resumption of works in the construction sector. The revenue in 2Q20 is derived mainly from the billing of works for Opero Hotel in Southkey Johor Bahru and 2 private residence projects in Klang Valley.

With the lower revenue in 2Q20 mitigated by measures taken to control operational and administrative costs, the Group recorded a net loss of RM0.322 million as compared to the net loss of RM0.303 million in 2Q19.

1H20 vs 1H19

The Group reported revenue of RM1.177 million for the six months ended 30 June 2020 (~~1H20~~), a decrease of 58% from the same period of last year (~~1H19~~) that posted RM2.606 million. The decline in revenue is due to lower billing of works for the Heritage Trail 5 project as well as the completion of works for Quarza Residence and other smaller projects. The Group's 1H20 result was also impacted by the temporary cessation of business operations as a result of the government mandated movement control order to counter the spread of COVID-19.

With the lower revenue in 1H20 plus measures taken to control operational and administrative costs, the Group recorded a net loss of RM0.682 million as compared to the net loss of RM0.569 million in 1H19.

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

	Current Quarter	Immediate Preceding Quarter	Changes	(%)
	30/06/2020	31/03/2020	Variance	
	RM'000	RM'000	RM'000	
Revenue	417	686	(269)	-39%
Operating Profit	(340)	(365)	25	7%
Profit/(Loss) before Tax	(322)	(360)	38	11%
Profit/(Loss) after Tax	(322)	(360)	38	11%
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	(0.122 sen)	(0.136 sen)	0.014 sen	11%

The Group's revenue for this quarter was down by 39% to RM0.417 million from RM0.686 million posted in the previous quarter on lower billing of works for Heritage Trail 5 and Pusat Kawalan Trafik Udara in KLIA. The decrease in revenue for this quarter is reflective of the impact of the government mandated movement control to curb the spread of COVID-19 as business operations were mostly halted for this period.

Net loss for the quarter narrowed to RM0.322 million from RM0.360 million of net loss in previous quarter is attributable to cost saving measures.

B3. Prospects

The remaining year will continue to be challenging due to the COVID-19 pandemic that has adversely affected the global economic climate. The Malaysian economy contracted by 17.1% in the second quarter of 2020 (1Q20: 0.7%). The decline reflected the unprecedented impact of the stringent containment measures to control the COVID-19 pandemic globally and domestically and the financial impact for financial year 2020 is difficult to estimate.

The Group will continue to strive hard to secure new contracts to replenish its order book which currently stands at RM2.228 million while remaining focus on improving operational efficiencies and streamlining costs for the rest of 2020.

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. 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.

B8. Dividends

There were no dividends declared during the quarter under review.

B9. Earnings / (Loss) Per Share
i) Basic Earnings / (Loss) Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Profit/ (Loss) attributable to equity holders of the company	(322)	(303)	(682)	(569)
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)	(0.122)	(0.115)	(0.258)	(0.216)

ii) Diluted Earnings Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Profit/ (Loss) attributable to equity holders of the company	(322)	(303)	(682)	(569)
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)	(0.122)	(0.115)	(0.258)	(0.216)

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.