

ABLEGROUP BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 30 September 2020

(The figures have not been audited)

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED		
	Note	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Revenue		993	1,008	2,096	3,614
Cost of sales		(656)	(768)	(1,427)	(2,907)
Gross profit		337	240	669	707
Other income		-	-	-	59
Selling and marketing expenses		(3)	(6)	(6)	(13)
Administrative expenses		(379)	(388)	(1,412)	(1,495)
Other expenses		-	-	(1)	-
Operating (loss)/profit		(45)	(154)	(750)	(742)
Interest income		9	22	30	73
Finance costs		(7)	(12)	(5)	(44)
(Loss)/Profit before tax		(43)	(144)	(725)	(713)
Income tax expense	B5	-	-	-	-
(Loss)/Profit net of tax		(43)	(144)	(725)	(713)
Attributable to :					
Equity holders of the parent		(43)	(144)	(725)	(713)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B9	(0.016)	(0.055)	(0.275)	(0.270)
- Diluted (sen)		(0.016)	(0.055)	(0.275)	(0.270)

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 September 2020***(The figures have not been audited)*

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Profit/(Loss), net of tax	(43)	(144)	(725)	(713)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	(43)	(144)	(725)	(713)
Total comprehensive income attributable to :				
Equity holders of the parent	(43)	(144)	(725)	(713)

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 September 2020

(The figures have not been audited)

	30-Sep-20	31-Dec-19
	RM'000	RM'000
Note	(Unaudited)	(Unaudited)
ASSETS		
Non-current Assets		
Property, plant and equipment	550	594
Right-of-use asset	490	653
Investment property	599	611
Inventories	36,494	36,467
Deferred tax asset	5	5
	<u>38,138</u>	<u>38,330</u>
Current Assets		
Inventories	2,972	2,802
Trade and other receivables	2,144	3,496
Contract assets	849	1,478
Tax refundable	11	6
Fixed deposits with licensed bank	1,912	1,753
Cash and bank balances	201	606
	<u>8,089</u>	<u>10,141</u>
Total Assets	<u>46,227</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	4,262	4,987
Total Equity	<u>43,438</u>	<u>44,163</u>
Non-current liabilities		
Lease liability	282	443
Long-term borrowings	-	-
	<u>-</u>	<u>-</u>
Current Liabilities		
Lease liability	213	205
Trade and other payables	2,266	3,632
Provisions	28	28
Contract liabilities	-	-
Short-term borrowings	-	-
	<u>2,507</u>	<u>3,865</u>
Total Liabilities	<u>2,789</u>	<u>4,308</u>
Total Equity and Liabilities	<u>46,227</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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Quarter Ended 30 September 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	-	-	-	(713)	(713)
Foreign currency translation	-	-	-	-	-
Balance as of 30 September 2019	39,585	-	(409)	4,955	44,131

	← 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	-	-	-	(725)	(725)
Foreign currency translation	-	-	-	-	-
Balance as of 30 September 2020	39,585	-	(409)	4,262	43,438

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 September 2020

(The figures have not been audited)

	9 months ended	
	30-Sep-20 RM'000 (Unaudited)	30-Sep-19 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Profit / (Loss) before taxation	(725)	(713)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	44	85
Depreciation of investment property	12	12
Depreciation of right-of-use assets	163	-
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	5	44
Interest income	(30)	(73)
Operating Loss Before Working Capital Changes	(530)	(659)
Decrease/(increase) in property development costs	(27)	(157)
Decrease/(increase) in inventories	(170)	(25)
Decrease/(increase) in contract assets	629	487
(Increase)/Decrease in trade and other receivables	1,351	111
(Decrease)/Increase in trade and other payables	(1,366)	172
Cash For Operations	(113)	(71)
Interest paid	(5)	(44)
Income tax refunded/(paid)	(5)	3
Net Cash Flows From Operating Activities	(123)	(112)
Cash Flows From/(For) Investing Activities		
Interest received	30	73
Proceeds from disposal of property, plant and equipment	-	4
Purchase of property, plant and equipment	-	(1)
Net Cash Flows From/(For) Investing Activities	30	76
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	-	(341)
Repayment of lease liabilities	(153)	-
Repayment of hire purchase obligations	-	(4)
Net Cash Flows From/(For) Financing Activities	(153)	(345)
Net Increase in Cash and Cash Equivalents	(246)	(381)
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	2,113	3,254
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	30-Sep-20	30-Sep-19
	RM'000	RM'000
Fixed deposits	1,912	3,069
Cash and bank balances	201	185
Bank overdrafts	-	-
	<u>2,113</u>	<u>3,254</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 September 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 September 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
9 Months Ended 30 September 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	2,096	-	-	-	2,096
Profit/(Loss) After Tax	(204)	(484)	(37)	-	(725)
Total Assets	8,974	44,195	36,633	(43,575)	46,227

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

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 2020.

A12. Capital Commitment

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

A13. Related Party Transactions

The significant related party transactions for the 9 months ended 30 September 2020 are as follows:

Company in which directors have interest

	30.09.2020 RM'000	30.09.2019 RM'000
Sales of stones and provision of contract workmanship and other related services	753	2,184

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 (3 rd quarter)		Changes (%)	Cumulative Period		Changes (%)
	30/09/2020	30/09/2019		30/09/2020	30/09/2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	993	1,008	-1%	2,096	3,614	-42%
Operating Profit/(Loss)	(45)	(154)	71%	(750)	(742)	-1%
Profit/(Loss) before Tax	(43)	(144)	70%	(725)	(713)	-2%
Profit/(Loss) after Tax	(43)	(144)	70%	(725)	(713)	-2%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	(0.016 sen)	(0.055 sen)	70%	(0.275 sen)	(0.270 sen)	-2%

3Q20 vs 3Q19

The Group reported revenue of RM0.993 million for the third quarter ended 30 September 2020 (3Q20), a slight decrease of 1% from the RM1.008 million posted in the third quarter of 2019 (3Q19). The revenue in 3Q20 is contributed by the billing of works for Lower Perak Club in Teluk Intan and Pusat Kawalan Trafik Udara plus other supply and installation projects in Klang Valley.

With measures taken to control the operational and administrative costs, the Group has recorded a net loss of RM0.043 million for 3Q20 as compared to the net loss of RM0.144 million for 3Q19.

FPE20 vs FPE19

The Group reported revenue of RM2.096 million for the nine months ended 30 September 2020 (FPE20), a decrease of 42% from the same period of last year ended 30 September 2019 (FPE19) that posted a revenue of RM3.614 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 FPE20 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 FPE20 mitigated by cost control measures which resulted in reduction in operating expenses and lower administrative costs, the Group recorded a net loss of RM0.725 million as compared to the net loss of RM0.713 million in FPE19.

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

	Current Quarter	Immediate Preceding Quarter	Changes	(%)
	30/09/2020	30/06/2020	Variance	
	RM'000	RM'000	RM'000	
Revenue	993	417	576	>100%
Operating Profit	(45)	(340)	295	87%
Profit/(Loss) before Tax	(43)	(322)	279	87%
Profit/(Loss) after Tax	(43)	(322)	279	87%
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	(0.016 sen)	(0.122 sen)	0.106 sen	87%

The Group's revenue for current quarter increased to RM0.993 million from RM0.417 million posted in the previous quarter on the back of the billing of works for Lower Perak Club in Teluk Intan and Pusat Kawalan Trafik Udara plus other supply and installation projects in Klang Valley following the easing of the movement control order by the government.

With the higher revenue recorded, the Group has recorded a lower net loss of RM0.043 million for 3Q20 as compared to the net loss of RM0.322 million for 2Q20.

B3. Prospects

The Board is taking a cautious view over the outlook for the last quarter of 2020 due to the persevering effects of COVID-19 and the measures necessary to control the pandemic. With recent extension of Conditional Movement Control Order (CMCO+), the Group is monitoring the development of COVID-19 pandemic closely and actively focusing on improving operational efficiencies and streamlining costs.

The Group's outstanding order book for the building material business currently stands at RM2.675 million and will remain vigilant in pursuing new works to replenish the order book.

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	
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Profit/ (Loss) attributable to equity holders of the company	(43)	(144)	(725)	(713)
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)	(0.016)	(0.055)	(0.275)	(0.270)

ii) Diluted Earnings Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Profit/ (Loss) attributable to equity holders of the company	(43)	(144)	(725)	(713)
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)	(0.016)	(0.055)	(0.275)	(0.270)

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.