

ABLEGROUP BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 31 December 2020

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		31-Dec-20 RM'000 (Unaudited)	31-Dec-19 RM'000 (Unaudited)	31-Dec-20 RM'000 (Unaudited)	31-Dec-19 RM'000 (Unaudited)
Revenue		1,462	1,892	3,558	5,506
Cost of sales		(995)	(1,443)	(2,422)	(4,350)
Gross profit		467	449	1,136	1,156
Other income		-	-	-	59
Selling and marketing expenses		(3)	(5)	(9)	(18)
Administrative expenses		(334)	(384)	(1,746)	(1,879)
Other expenses		-	-	(1)	-
Operating (loss)/profit		130	60	(620)	(682)
Interest income		8	17	38	90
Finance costs		(6)	(50)	(11)	(94)
(Loss)/Profit before tax		132	27	(593)	(686)
Income tax expense	B5	-	5	-	5
(Loss)/Profit net of tax		132	32	(593)	(681)
Attributable to :					
Equity holders of the parent		132	32	(593)	(681)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B9	0.050	0.012	(0.225)	(0.258)
- Diluted (sen)		0.050	0.012	(0.225)	(0.258)

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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Registration No. 200401015685 (654188-H)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Quarter Ended 31 December 2020

(The figures have not been audited)

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	31-Dec-20 RM'000 (Unaudited)	31-Dec-19 RM'000 (Unaudited)	31-Dec-20 RM'000 (Unaudited)	31-Dec-19 RM'000 (Unaudited)
Profit/(Loss), net of tax	132	32	(593)	(681)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	132	32	(593)	(681)
Total comprehensive income attributable to :				
Equity holders of the parent	132	32	(593)	(681)

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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For The Quarter Ended 31 December 2020

(The figures have not been audited)

	31-Dec-20	31-Dec-19
	RM'000	RM'000
Note	(Unaudited)	(Unaudited)
ASSETS		
Non-current Assets		
Property, plant and equipment	535	594
Right-of-use asset	435	653
Investment property	595	611
Inventories	36,494	36,467
Deferred tax asset	5	5
	<u>38,064</u>	<u>38,330</u>
Current Assets		
Inventories	2,930	2,802
Trade and other receivables	2,649	3,496
Contract assets	1,068	1,478
Tax refundable	12	6
Fixed deposits with licensed bank	1,800	1,753
Cash and bank balances	104	606
	<u>8,563</u>	<u>10,141</u>
Total Assets	<u>46,627</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)
Retained earnings	3,985	4,987
Total Equity	<u>43,570</u>	<u>44,163</u>
Non-current liabilities		
Lease liability	227	443
Long-term borrowings	-	-
Current Liabilities		
Lease liability	216	205
Trade and other payables	2,586	3,632
Provisions	28	28
Contract liabilities	-	-
Short-term borrowings	-	-
	<u>2,830</u>	<u>3,865</u>
Total Liabilities	3,057	4,308
Total Equity and Liabilities	<u>46,627</u>	<u>48,471</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<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 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 31 December 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	-	-	-	(681)	(681)
Realisation of exchange reserve	-	-	-	-	-
Balance as of 31 December 2019	39,585	-	(409)	4,987	44,163

	← 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	-	-	-	(593)	(593)
Realisation of exchange reserve	-	-	409	(409)	-
Balance as of 31 December 2020	39,585	-	-	3,985	43,570

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 31 December 2020

(The figures have not been audited)

	12 months ended	
	31-Dec-20 RM'000 (Unaudited)	31-Dec-19 RM'000 (Unaudited)
Cash Flows From/(For) Operating Activities		
Profit / (Loss) before taxation	(593)	(686)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	58	113
Depreciation of investment property	16	16
Depreciation of right-of-use assets	218	218
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	11	94
Interest income	(38)	(90)
Operating Loss Before Working Capital Changes	(327)	(349)
Decrease/(increase) in property development costs	(27)	(158)
Decrease/(increase) in inventories	(128)	(45)
Decrease/(increase) in contract assets	410	(51)
(Increase)/Decrease in trade and other receivables	847	(149)
(Decrease)/Increase in trade and other payables	(1,046)	437
Cash For Operations	(271)	(315)
Interest paid	(11)	(94)
Income tax refunded/(paid)	(6)	9
Net Cash Flows From Operating Activities	(288)	(400)
Cash Flows From/(For) Investing Activities		
Interest received	38	90
Proceeds from disposal of property, plant and equipment	-	4
Purchase of property, plant and equipment	-	(1)
Net Cash Flows From/(For) Investing Activities	38	93
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	-	(770)
Repayment of lease liabilities	(205)	(195)
Repayment of hire purchase obligations	-	(4)
Net Cash Flows From/(For) Financing Activities	(205)	(969)
Net Increase in Cash and Cash Equivalents	(455)	(1,276)
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	1,904	2,359
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	31-Dec-20	31-Dec-19
	RM'000	RM'000
Fixed deposits	1,800	1,753
Cash and bank balances	104	606
Bank overdrafts	-	-
	<u>1,904</u>	<u>2,359</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 year ended 31 December 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 31 December 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
12 Months Ended 31 December 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	3,558	-	-	-	3,558
Profit/(Loss) After Tax	3	(549)	(47)	-	(593)
Total Assets	9,388	44,073	36,624	(43,458)	46,627

A8. Segmental Information (cont'd)
(a) Business Segments (cont'd)
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	19	309	(49)	(960)	(681)
Total Assets	11,250	43,652	36,630	(43,061)	48,471

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 last quarter up to 31 December 2020.

A12. Capital Commitment

The Group has not incurred significant capital commitment as at 31 December 2020.

A13. Related Party Transactions

The significant related party transactions for the 12 months ended 31 December 2020 are as follows:

Company in which directors have interest

	31.12.2020 RM'000	31.12.2019 RM'000
Sales of stones and provision of contract workmanship and other related services	1,610	2,994

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 (%)
	31/12/2020	31/12/2019		31/12/2020	31/12/2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	1,462	1,892	-23%	3,558	5,506	-35%
Operating Profit/(Loss)	130	60	>100%	(620)	(682)	9%
Profit/(Loss) before Tax	132	27	>100%	(593)	(686)	14%
Profit/(Loss) after Tax	132	32	>100%	(593)	(681)	13%
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	0.050 sen	0.012 sen	>100%	(0.225 sen)	(0.258 sen)	13%

4Q20 vs 4Q19

The Group reported revenue of RM1.462 million for the last quarter ended 31 December 2020 (4Q20+), a decrease of 23% from the RM1.892 million posted in the same quarter of 2019 (4Q19+). The decline in revenue in 4Q20 is due to the completion of works for Opero Hotel in Southkey Johor Bahru, Pusat Kawalan Trafik Udara in KLIA and Heritage Trail 5 that contributed more than RM0.683 million in 4Q19 mitigated by several new supply and installation projects in Klang Valley.

With the lower revenue in 4Q20 mitigated by measures taken to control operational and administrative costs, the Group recorded a net profit of RM0.132 million as compared to the net profit of RM0.032 million in 4Q19.

FYE20 vs FYE19

The Group reported revenue of RM3.558 million for the financial year ended 31 December 2020 (FYE20+), a decrease of 35% from the RM5.506 million posted for the financial year ended 31 December 2019 (FYE19+). The decline in revenue is due to lower billing of works for the completed projects in FYE20 such as Heritage Trail 5, Opero Hotel in Southkey Johor Bahru, Quarza Residence and other projects in Klang Valley. The Group's FYE20 result was also impacted by the lockdown measures by the government due to COVID-19 pandemic.

With the lower revenue in FYE20 mitigated by cost control measures which resulted in reduction in operating expenses and lower administrative costs, the Group recorded a net loss of RM0.593 million as compared to the net loss of RM0.681 million in FYE19.

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

	Current Quarter	Immediate Preceding Quarter	Changes	(%)
	31/12/2020	30/09/2020	Variance	
	RM'000	RM'000	RM'000	
Revenue	1,462	993	469	47%
Operating Profit/(Loss)	130	(45)	175	N/A
Profit/(Loss) before Tax	132	(43)	175	N/A
Profit/(Loss) after Tax	132	(43)	175	N/A
Profit/(Loss) per share Attributable to Ordinary Equity Holders of the Parent	0.050 sen	(0.016 sen)	0.066 sen	N/A

For the current quarter ended 31 December 2020 (4Q20+), the Group recorded revenue of RM1.462 million, up RM0.469 million from the RM0.993 million reported in the preceding quarter ended 30 September 2020 (3Q20+). The growth in revenue of 4Q20 is mainly driven by the billing of works for related parties projects and 2 private residence projects in Klang Valley.

In tandem with the higher revenue, the Group recorded a net profit of RM0.132 million for 4Q20 as compared to the net loss of RM0.043 million for 3Q20.

B3. Prospects

For the financial year ended 31 December 2020, the Group's performance was adversely affected by the COVID-19 pandemic which has caused widespread economic slowdown including slow pace of resumption of works in the construction sector. While the Group is anticipating that the challenges posed by the pandemic will continue in 2021, the Group is cautiously optimistic that the outlook towards the end of 2021 will improve on the back of the anticipated roll-out of the national COVID-19 vaccination program.

For the building material segment, the Group has recently secured RM6.356 million worth of new jobs in addition to its outstanding order book of RM2.949 million at the end of 4Q20. The Board is confident of securing more jobs during the course of the year to improve the financial performance of the Group.

As for the property development segment, the Board is of the view that property market will continue to remain challenging as a result of the COVID-19 pandemic which has adversely impacted economic activities and outlook. The Board is concerned that while the Malaysian government has introduced various economic stimulus packages, the recovery speed in terms of property sales remained weak.

The Group will therefore continue to monitor the market conditions as well as the surrounding developments in assessing the timing of the development activities on our land. The Company has been continually reviewing and refining the proposed development concepts of the project to enhance the marketability and attractiveness of the products upon launching while considering other viable options in the best interest of the Group.

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	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Profit/ (Loss) attributable to equity holders of the company	132	32	(593)	(681)
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)	0.050	0.012	(0.225)	(0.258)

B9. Earnings / (Loss) Per Share (cont'd)
ii) Diluted Earnings Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Profit/ (Loss) attributable to equity holders of the company	132	32	(593)	(681)
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)	0.050	0.012	(0.225)	(0.258)

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.