

ABLEGROUP BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Quarter Ended 30 September 2023

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
		30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Revenue		1,344	1,178	4,201	2,880
Cost of sales		(638)	(789)	(2,656)	(1,884)
Gross profit		706	389	1,545	996
Other income		134	4	134	4
Selling and marketing expenses		(6)	(4)	(15)	(10)
Administrative expenses		(332)	(317)	(1,079)	(1,049)
Other expenses		(167)	-	(167)	-
Operating profit/(loss)		335	72	418	(59)
Interest income		29	11	68	26
Finance costs		(10)	(2)	(31)	(7)
Profit/(Loss) before tax		354	81	455	(40)
Income tax expense	B5	-	-	-	-
Profit/(Loss) net of tax		354	81	455	(40)
Attributable to :					
Equity holders of the parent		354	81	455	(40)
Profit/ (Loss) per share attributable to equity holders of the parent:					
- Basic (sen)	B9	0.134	0.031	0.172	(0.015)
- Diluted (sen)		0.134	0.031	0.172	(0.015)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023***(The figures have not been audited)*

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Profit/(Loss), net of tax	354	81	455	(40)
Currency translation differences arising from consolidation	-	-	-	-
Revaluation of land and building	-	-	-	-
Total comprehensive income	354	81	455	(40)
Total comprehensive income attributable to :				
Equity holders of the parent	354	81	455	(40)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 30 September 2023

(The figures have not been audited)

	Note	30-Sep-23 RM'000	31-Dec-22 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		382	424
Right-of-use asset		705	868
Investment property		-	-
Inventories		36,403	36,403
Deferred tax asset		5	5
		<u>37,495</u>	<u>37,700</u>
Current Assets			
Inventories		2,690	2,941
Trade and other receivables		1,084	2,262
Asset held for sale		-	564
Contract assets		306	769
Tax refundable		20	17
Fixed deposits with licensed bank		4,029	2,312
Cash and bank balances		154	216
		<u>8,283</u>	<u>9,081</u>
Total Assets		<u>45,778</u>	<u>46,781</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		39,585	39,585
Other reserves		-	-
Retained earnings		3,815	3,360
Total Equity		<u>43,400</u>	<u>42,945</u>
Non-current liabilities			
Lease liability		509	667
Long-term borrowings		-	-
Current Liabilities			
Lease liability		209	201
Trade and other payables		1,660	2,968
Contract liabilities		-	-
Short-term borrowings		-	-
		<u>1,869</u>	<u>3,169</u>
Total Liabilities		<u>2,378</u>	<u>3,836</u>
Total Equity and Liabilities		<u>45,778</u>	<u>46,781</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)			
		<u>0.16</u>	<u>0.16</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023

(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	Retained Profits RM'000	
Balance as of 1 January 2022	39,585	-	-	3,293	42,878
Total comprehensive income for the period	-	-	-	(40)	(40)
Realisation of exchange reserve	-	-	-	-	-
Balance as of 30 September 2022	39,585	-	-	3,253	42,838

	← Non-distributable Other Reserves →				Total Equity RM'000
	Share Capital RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	
Balance as of 1 January 2023	39,585	-	-	3,360	42,945
Total comprehensive income for the period	-	-	-	455	455
Realisation of exchange reserve	-	-	-	-	-
Balance as of 30 September 2023	39,585	-	-	3,815	43,400

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Quarter Ended 30 September 2023

(The figures have not been audited)

	9 months ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000
Cash Flows From/(For) Operating Activities		
Profit/(Loss) before taxation	455	(40)
<i>Adjustment for:-</i>		
Depreciation of property, plant and equipment	42	44
Depreciation of investment property	-	12
Depreciation of right-of-use assets	163	163
(Gain)/Loss on disposal of property, plant and equipment	-	(4)
(Gain)/Loss on disposal of asset held for sale	(166)	-
Provision of stock obsolescence	-	-
Impairment loss on trade receivables	167	-
Interest expenses	31	7
Interest income	(68)	(26)
	<u>624</u>	<u>156</u>
Operating Profit/(Loss) Before Working Capital Changes		
Decrease/(increase) in property development costs	-	91
Decrease/(increase) in inventories	251	(70)
Decrease/(increase) in contract assets	463	(109)
(Increase)/Decrease in trade and other receivables	1,011	(189)
(Decrease)/Increase in trade and other payables	(1,308)	649
	<u>1,041</u>	<u>528</u>
Cash For Operations		
Interest paid	(31)	(7)
Income tax refunded/(paid)	(3)	3
	<u>1,007</u>	<u>524</u>
Net Cash Flows From Operating Activities		
Cash Flows From/(For) Investing Activities		
Interest received	68	26
Proceeds from disposal of property, plant and equipment	-	4
Proceeds from disposal of asset held for sale	730	-
Purchase of property, plant and equipment	-	-
	<u>798</u>	<u>30</u>
Net Cash Flows From/(For) Investing Activities		
Cash Flows From/(For) Financing Activities		
(Decrease)/Increase in bills payable	-	-
Repayment of lease liabilities	(150)	(169)
Repayment of hire purchase obligations	-	-
	<u>(150)</u>	<u>(169)</u>
Net Cash Flows From/(For) Financing Activities		
Net Increase/(Decrease) in Cash and Cash Equivalents	1,655	385
Effects on Foreign Exchange Rate Changes	-	-
Cash and Cash Equivalents as at beginning of year	2,528	1,906
Cash and Cash Equivalents as at end of period	<u>4,183</u>	<u>2,291</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at	As at
	30-Sep-23	30-Sep-22
	RM'000	RM'000
Fixed deposits	4,029	2,002
Cash and bank balances	154	289
Bank overdrafts	-	-
	<u>4,183</u>	<u>2,291</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2022. 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 2022.

The financial statements of the Group for the financial period ended 30 September 2023 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 2022.

The Group has also adopted all new MFRS and Amendments to MFRS that are relevant and effective for accounting periods beginning on or after 1 January 2022, and the adoption of these new MFRS and Amendments to MFRS 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 2022 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 2023.

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 2023

Segments	Segments			Consolidation adjustments	Group
	Building Material	Investment Holding	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,201	-	-	-	4,201
Profit/(Loss) After Tax	728	(236)	(37)	-	455
Total Assets	9,307	42,801	36,452	(42,782)	45,778

A8. Segmental Information (cont'd)
(a) Business Segments (cont'd)
9 Months Ended 30 September 2022

Segments	Segments			Consolidation adjustments	Group
	Building Material	Investment Holding	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,880	-	-	-	2,880
Profit/(Loss) After Tax	371	(375)	(36)	-	(40)
Total Assets	8,333	43,113	36,481	(42,537)	45,390

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 30 September 2023.

A12. Capital Commitment

The Group does not have any significant capital commitment as at 30 September 2023.

A13. Related Party Transactions

The significant related party transactions for the 9 months ended 30 September 2023 are as follows:

Company in which directors have interest

	30.09.2023 RM'000	30.09.2022 RM'000
Sales of stones and provision of contract workmanship and other related services	1,893	1,004

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 (%)
	30/09/2023	30/09/2022		30/09/2023	30/09/2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	1,344	1,178	14%	4,201	2,880	46%
Operating Profit/(Loss)	335	72	>100%	418	(59)	N/A
Profit/(Loss) before Tax	354	81	>100%	455	(40)	N/A
Profit/(Loss) after Tax	354	81	>100%	455	(40)	N/A
Profit/(Loss) per share attributable to Ordinary Equity Holders of the Parent	0.134 sen	0.031 sen	>100%	0.172 sen	(0.015 sen)	N/A

3Q23 vs 3Q22

The Group reported revenue of RM1.344 million for the third quarter ended 30 September 2023 (3Q23+), an increase of 14% from the RM1.178 million posted in the same quarter of 2022 (3Q22+). The growth of revenue in 3Q23 is mainly driven by the higher retail sales of RM0.232 million to RM0.504 million. Revenue from contracted works amounted to RM0.840 million is contributed by the progress billing of works for the supply and installation contracts including Techvance Hotel plus four (4) new business premises contracts in Penang and Klang Valley at the combined contract sum of RM0.280 million.

With the higher revenue plus measures taken to control the operational costs in 3Q23, the Group recorded a net profit of RM0.354 million after impairment loss on trade receivables of RM0.167 million and a net gain on disposal of a unit of office suite of RM0.134 million as compared to the net profit of RM0.081 million in 3Q22.

FPE23 vs FPE22

The Group reported revenue of RM4.201 million for the nine (9) months ended 30 September 2023 (FPE23+), an increase of RM1.321 million or 46% from the same period of last year ended 30 September 2022 (FPE22+) that posted RM2.880 million. The growth of revenue in FPE23 is mainly contributed by the higher billing of works for Techvance Hotel, MK 27, KL Eco City and the private residence project located in Ampang Hilir.

With the higher revenue in FPE23, the Group recorded a net profit of RM0.455 million as compared to the net loss of RM0.040 million in FPE22.

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

	Current Quarter	Immediate Preceding Quarter	Changes	(%)
	30/09/2023	30/06/2023	Variance	
	RM'000	RM'000	RM'000	
Revenue	1,344	1,405	(61)	-4%
Operating Profit/(Loss)	335	(4)	339	N/A
Profit before Tax	354	7	347	>100%
Profit after Tax	354	7	347	>100%
Profit per share Attributable to Ordinary Equity Holders of the Parent	0.134 sen	0.003 sen	0.131 sen	>100%

The Group reported revenue of RM1.344 million for 3Q23, a slight decrease of 4% from previous quarter (2Q23) of RM1.405 million. The lower revenue in current quarter mainly resulted from the tapering of works for Techvance Hotel, MK27, KL Eco City and two private residences offset by higher retail sales and several new supply and installation contracts for business premises located in Penang and Klang Valley.

With the improvement in the operational and administrative costs in 3Q23, the Group recorded a higher net profit of RM0.354 million after impairment loss on trade receivables and gain on disposal of an office unit as compared to the net profit of RM0.007 million in 2Q23.

B3. Prospects

The Group's business operation is presently supported by an outstanding order book of RM1.204 million as of the end of the current quarter. The Group will continue to bid and negotiate for more contracts to replenish the order book while remaining focus on improving operational and cost efficiencies.

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	
	30.09.23 RM'000	30.09.22 RM'000	30.09.23 RM'000	30.09.22 RM'000
Profit/ (Loss) attributable to equity holders of the company	354	81	455	(40)
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)	0.134	0.031	0.172	(0.015)

ii) Diluted Earnings / (Loss) Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.09.23 RM'000	30.09.22 RM'000	30.09.23 RM'000	30.09.22 RM'000
Profit/ (Loss) attributable to equity holders of the company	354	81	455	(40)
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)	0.134	0.031	0.172	(0.015)

Basic earnings/ (loss) 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/ (loss) per share is the same as basic earnings/ (loss) per share as there were no new shares issued during the reported period.