



## APB RESOURCES BERHAD

(Company No.: 564838-V)

(Incorporated in Malaysia under the Companies Act, 1965)

### INTERIM FINANCIAL STATEMENTS

The Directors are pleased to present the Interim Financial Statements for the period ended 31 DECEMBER 2016

### INTERIM FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

#### PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

|   | INDIVIDUAL QUARTER                            |   | CUMULATIVE QUARTER                            |  |
|---|---|---|---|--|
|   | Current Year Quarter<br>31 Dec 2016<br>RM'000 | Preceding Year Corresponding Quarter<br>31 Dec 2015<br>RM'000 | Current Year To Date<br>31 Dec 2016<br>RM'000 | Preceding Year Corresponding Year To Date<br>31 Dec 2015<br>RM'000 |
| 1. Revenue  | 14,407  | 33,600  | 14,407  | 33,600   |
| 2. Profit before taxation   | 3,017   | (4,660)   | 3,017   | (4,660)  |
| 3. Profit and total comprehensive income for the period   | 2,289   | (4,755)   | 2,289   | (4,755)  |
| 4. Profit and total comprehensive income for the period attributable to equity holders of the Company | 2,289   | (4,755)   | 2,289   | (4,755)  |
| 5. Basic earnings per ordinary share (sen)  | 2.07  | (4.29)  | 2.07  | (4.29)   |
| 6. Declared dividend per ordinary share (sen)   | -   | -   | -   | -  |
|   | AS AT END OF CURRENT PERIOD                   |   | AS AT PRECEDING FINANCIAL YEAR END            |  |
| 7. Net assets per ordinary share attributable to equity holders of the Company (RM)                   | 1.60  |   | 1.58  |  |

#### PART A3 : ADDITIONAL INFORMATION

|                           | INDIVIDUAL QUARTER                            |   | CUMULATIVE QUARTER                            |  |
|---------------------------|---|---|---|--|
|                           | Current Year Quarter<br>31 Dec 2016<br>RM'000 | Preceding Year Corresponding Quarter<br>31 Dec 2015<br>RM'000 | Current Year To Date<br>31 Dec 2016<br>RM'000 | Preceding Year Corresponding Year To Date<br>31 Dec 2015<br>RM'000 |
| 1. Gross interest income  | 269   | 333   | 269   | 333  |
| 2. Gross interest expense | (24)  | (21)  | (24)  | (21)   |

**APB RESOURCES BERHAD**  
(COMPANY NO.: 564838-V)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|   | INDIVIDUAL QUARTER                               |   | CUMULATIVE QUARTER                               |  |
|---|--|---|--|--|
|   | Current Year<br>Quarter<br>31 Dec 2016<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31 Dec 2015<br>RM'000 | Current Year<br>To Date<br>31 Dec 2016<br>RM'000 | Preceding Year<br>Corresponding<br>Year To Date<br>31 Dec 2015<br>RM'000 |
| <b>Continuing Operations:</b>   |  |   |  |  |
| Revenue   | 14,407   | 33,600  | 14,407   | 33,600   |
| Cost of sales   | (10,828)   | (29,322)  | (10,828)   | (29,322)   |
| Gross profit  | 3,579  | 4,278   | 3,579  | 4,278  |
| Other income / (expenses)   | 2,811  | (5,626)   | 2,811  | (5,626)  |
| Operating expenses  | (3,618)  | (3,624)   | (3,618)  | (3,624)  |
| Results from operating activities   | 2,772  | (4,972)   | 2,772  | (4,972)  |
| Interest income   | 269  | 333   | 269  | 333  |
| Finance costs   | (24)   | (21)  | (24)   | (21)   |
| Operating profit / profit before taxation   | 3,017  | (4,660)   | 3,017  | (4,660)  |
| Tax expense   | (728)  | (95)  | (728)  | (95)   |
| Profit from continuing operations   | 2,289  | (4,755)   | 2,289  | (4,755)  |
| <b>Discontinued Operation:</b>  |  |   |  |  |
| Result from discontinued operation  | -  | -   | -  | -  |
| <b>Profit and total comprehensive income for the period</b>                       | <b>2,289</b>                                     | <b>(4,755)</b>  | <b>2,289</b>                                     | <b>(4,755)</b>   |
| <b>Attributable to:</b>   |  |   |  |  |
| Equity holders of the Company   | 2,289  | (4,755)   | 2,289  | (4,755)  |
| Minority interest   | -  | -   | -  | -  |
| <b>Profit and total comprehensive income for the period</b>                       | <b>2,289</b>                                     | <b>(4,755)</b>  | <b>2,289</b>                                     | <b>(4,755)</b>   |
| <b>Earnings per ordinary share attributable to equity holders of the Company:</b> |  |   |  |  |
| Basic, for profit and total comprehensive income for the period (sen)             | 2.07   | (4.29)  | 2.07   | (4.29)   |

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the Year Ended 30 September 2016 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
(COMPANY NO.: 564838-V)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|  | As At<br>31 Dec 2016<br>RM'000 | As At<br>30 September 2016<br>RM'000 |
|--|--------------------------------|--------------------------------------|
| <b>ASSETS</b>  |                                |                                      |
| Property, plant and equipment  | 70,510                         | 71,588                               |
| Other investment   | 35                             | 35                                   |
| Goodwill on consolidation  | 13,458                         | 13,458                               |
| <b>Total non-current assets</b>  | <b>84,003</b>                  | <b>85,081</b>                        |
| Inventories  | 1,422                          | 627                                  |
| Receivables, deposits and prepayments  | 32,181                         | 36,147                               |
| Other investments  | 21,767                         | 19,743                               |
| Cash and cash equivalents  | 54,676                         | 50,833                               |
| <b>Total current assets</b>  | <b>110,046</b>                 | <b>107,350</b>                       |
| <b>TOTAL ASSETS</b>  | <b>194,049</b>                 | <b>192,431</b>                       |
| <b>EQUITY</b>  |                                |                                      |
| Share capital  | 112,875                        | 112,875                              |
| Treasury shares  | (3,322)                        | (3,322)                              |
| Retained earnings  | 71,396                         | 69,107                               |
|  | 180,949                        | 178,660                              |
| Minority interest  | -                              | -                                    |
| <b>Total equity attributable to equity holders of the Company</b>                | <b>180,949</b>                 | <b>178,660</b>                       |
| <b>LIABILITIES</b>   |                                |                                      |
| Deferred tax liabilities   | 1,998                          | 1,998                                |
| <b>Total non-current liabilities</b>   | <b>1,998</b>                   | <b>1,998</b>                         |
| Payables, accruals and provisions  | 12,031                         | 13,174                               |
| Current tax assets   | (929)                          | (1,401)                              |
| <b>Total current liabilities</b>   | <b>11,102</b>                  | <b>11,773</b>                        |
| <b>Total liabilities</b>   | <b>13,100</b>                  | <b>13,771</b>                        |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>194,049</b>                 | <b>192,431</b>                       |
| Net assets per ordinary share attributable to equity holders of the Company (RM) | 1.60                           | 1.58                                 |

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Company for the Year Ended 30 September 2016 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
(COMPANY NO.: 564838-V)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

|  | Current Year To Date<br>31 Dec 2016<br>RM'000 | Preceding Year To Date<br>31 Dec 2015<br>RM'000 |
|--|---|---|
| <b>Cash flows from operating activities</b>  |   |   |
| Profit before taxation   | 3,017   | (4,660)   |
| Adjustments for:   |   |   |
| Depreciation of property, plant and equipment  | 1,081   | 1,271   |
| Interest income  | (269)   | (333)   |
| Net gain on disposal of plant and equipment  | -   | (1)   |
| Net provision for liquidated and ascertained damages                                   | -   | 798   |
| Net unrealised gain on foreign exchange  | (473)   | (1,043)   |
| <b>Operating profit before changes in working capital</b>                              | 3,356   | (3,968)   |
| Change in inventories  | (795)   | 194   |
| Change in receivables, deposits and prepayments  | 4,502   | 12,686  |
| Change in payables, accruals and provisions  | (1,205)                                       | (1,843)   |
| <b>Cash generated from operations</b>  | 5,858   | 7,069   |
| Interest received  | 269   | 333   |
| Tax paid   | (256)   | (706)   |
| <b>Net cash generated from operating activities</b>                                    | 5,871   | 6,696   |
| <b>Cash flows from investing activities</b>  |   |   |
| Acquisition of plant and equipment, representing net cash used in investing activities | (3)   | (53)  |
| Proceeds from disposal of property, plant and equipment                                | -   | 1   |
| Purchase of other investments  | (2,025)                                       | -   |
| <b>Net cash used in investing activities</b>   | (2,028)                                       | (52)  |
| <b>Net increase in cash and cash equivalents</b>                                       | 3,843   | 6,644   |
| <b>Cash and cash equivalents at beginning of year</b>                                  | 50,833  | 58,897  |
| <b>Cash and cash equivalents at end of year</b>  | 54,676  | 65,541  |
| <b>Cash and cash equivalents comprise:</b>   |   |   |
| Cash and bank balances   | 7,819   | 40,132  |
| Deposits placed with licensed banks  | 46,857  | 25,409  |
|  | 54,676  | 65,541  |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements of the Company for the Year Ended 30 September 2016 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
(COMPANY NO.: 564838-V)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

|   | <b>Ordinary<br/>Share<br/>Capital</b><br>RM'000 | <b>Treasury<br/>Shares</b><br>RM'000 | <b>Retained<br/>Earnings</b><br>RM'000 | <b>Total</b><br>RM'000 |
|---|---|--------------------------------------|--|------------------------|
| <b>At 1 October 2016</b>                  | 112,875   | (3,322)                              | 69,107                                 | 178,660                |
| Total comprehensive income for the period | -   | -                                    | 2,289                                  | 2,289                  |
| <b>At 31 December 2016</b>                | 112,875   | (3,322)                              | 71,396                                 | 180,949                |
| <b>At 1 October 2015</b>                  | 112,875   | (3,322)                              | 83,439                                 | 192,992                |
| Total comprehensive income for the period | -   | -                                    | (4,755)                                | (4,755)                |
| <b>At 31 December 2015</b>                | 112,875   | (3,322)                              | 78,684                                 | 188,237                |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the Year Ended 30 September 2016 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
(COMPANY NO.: 564838-V)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**PART A: DISCLOSURE NOTES AS REQUIRED UNDER FRS 134 - INTERIM FINANCIAL REPORTING**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standards ("MFRSs") 134: Interim Financial Reporting as issued by Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRSs").

The preparation of an interim financial statement in conformity with MFRS 134: Interim Financial Reporting requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include 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 Annual Financial Statements for 2016.

Annual Financial Statements for the financial year ended 30 September 2016 are available from the Company's registered office.

**2. Changes in Accounting Policies**

The Group's financial statements for annual period beginning on 1 October 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB and International Financial Reporting Standards ("IFRSs").

**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the Company's Annual Financial Statements for the financial year ended 30 September 2016 was not subjected to any qualification.

**4. Comments about Seasonal and / or Cyclical Factors**

The Group's business operations are not materially affected by any major seasonal or cyclical factors.

**5. 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 and financial year-to-date.

**6. Material Changes in Estimates**

There were no material changes in estimates of amount reported in prior financial year that have a material effect on the current quarter and financial year-to-date.

**7. Issuance and Repayment of Debt and Equity Securities**

There were no issuance or repayment of debt and equity securities during the current quarter and financial year-to-date.

**8. Dividend**

There were no dividend proposed or paid during the current quarter and financial year-to-date.

## 9. Segmental Information

Business Segments

|  | Fabrication<br>RM'000 | Non-Destructive<br>Testing ("NDT")<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|--|-----------------------|--|------------------|-----------------------|------------------------|
| <b>Financial Period Ended 31 December 2016</b> |                       |  |                  |                       |                        |
| <u>Revenue</u>                                 |                       |  |                  |                       |                        |
| Total external revenue                         | 13,185                | 1,222  | -                | -                     | 14,407                 |
| Inter-segment revenue                          | -                     | 168  | -                | (168)                 | -                      |
| Total segment revenue                          | 13,185                | 1,390  | -                | (168)                 | 14,407                 |
| <u>Results</u>                                 |                       |  |                  |                       |                        |
| Segment profit / (loss)                        | 2,781                 | 135  | (144)            | -                     | 2,772                  |
| Add: Interest income                           |                       |  |                  |                       | 269                    |
| (Less): Finance costs                          |                       |  |                  |                       | (24)                   |
| Operating profit / profit before taxation      |                       |  |                  |                       | 3,017                  |
| (Less): Tax expense                            |                       |  |                  |                       | (728)                  |
| Profit for the period                          |                       |  |                  |                       | 2,289                  |

Please refer to Notes No. 15 and No. 16 below for an analysis of the performance of the business segments of the Group.

## 10. Subsequent Material Events

There were no material events subsequent to the end of the current quarter.

## 11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date.

## 12. Contingent Liabilities

There were no material contingent liabilities for the Group as at the date of this announcement.

## 13. Capital Commitments

There were no significant capital commitments as at the end of the current quarter.

## 14. Significant Related Party Transactions

Related party transactions for the current quarter and financial year-to-date are as follows:

|  | <u>Individual Quarter</u>                                  |  | <u>Cumulative Quarter</u>                                  |   |
|--|--|--|--|---|
|  | Current<br>Year<br>Quarter<br><u>31 Dec 2016</u><br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br><u>31 Dec 2015</u><br>RM'000 | Current<br>Year<br>To Date<br><u>31 Dec 2016</u><br>RM'000 | Preceding Year<br>Corresponding<br>Year To Date<br><u>31 Dec 2015</u><br>RM'000 |
| Peng Fah Engineering Sdn Bhd<br>- For rental of factory premises   | 341  | 341  | 341  | 341   |
| TTS Resources Sdn Bhd's subsidiary companies:  |  |  |  |   |
| TTS Transport Sdn Bhd<br>- For transportation charges  | 59   | 131  | 59   | 131   |
| TTS Insu-Write Services Sdn Bhd<br>- For marine cargo and general insurance                                    | 15   | 21   | 15   | 21  |
| TTS Engineering Sdn Bhd<br>- For services rendered on minor fabrication works and rental<br>of factory premise | 91   | 75   | 91   | 75  |
| TTS Enterprise Sdn Bhd<br>- For maintenance of equipment   | 11   | 8  | 11   | 8   |

Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho are substantial shareholders and Directors of TTS Resources Sdn Bhd.

**PART B: EXPLANATORY NOTES PURSUANT TO LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**15. Review of Performance**

The first quarter FY17 (1Q17), revenue dropped by 57.1% from RM33.6 million in 1Q16 to RM14.4 million in 1Q17 mainly due to lower number of projects secured brought about by scarcity of tenders for projects and intense competition. However, gross profit margin improved from 12.7% previously to 24.8%, benefited from a foreign currency gain of RM2.7 million against a loss of RM5.6 million in 1Q16. This has resulted in the profit before tax of RM3.0 million versus a loss before tax of RM4.7 million in corresponding quarter.

**16. Review of Current Quarter's Results against Preceding Quarter's Results**

Revenue declined by 22.1% from RM18.5 million in prior quarter to RM14.4 million while gross profit margin decreased from 31.7% to 24.8% over the period. This quarter registered a foreign exchange gain of RM2.7 million against RM5.0 million in the prior quarter. As a result profit after taxation dropped from RM6.1 million last quarter to RM2.3 million for the current quarter.

**17. Prospects**

The global process equipment industry for the current year remains highly challenging.

**18. Variance of Actual and Forecast Profit**

There was no profit forecast or profit guarantee announced during the current quarter and financial year-to-date.

**19. Profit for the Period**

|   | <u>Individual Quarter</u>                               |  | <u>Cumulative Quarter</u>                                  |   |
|---|---|--|--|---|
|   | Current Year<br>Quarter<br><u>31 Dec 2016</u><br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br><u>31 Dec 2015</u><br>RM'000 | Current<br>Year<br>To Date<br><u>31 Dec 2016</u><br>RM'000 | Preceding Year<br>Corresponding<br>Year To Date<br><u>31 Dec 2015</u><br>RM'000 |
| Profit for the period is arrived at after crediting / (charging): |   |  |  |   |
| Depreciation of property, plant and equipment                     | (1,081)   | (1,271)  | (1,081)  | (1,271)   |
| Finance costs   | (24)  | (21)   | (24)   | (21)  |
| Interest income   | 269   | 333  | 269  | 333   |
| Net gain/(loss) on foreign exchange                               | 2,667   | (5,632)  | 2,667  | (5,632)   |
| Net reversal for impairment losses                                | 137   | 5  | 137  | 5   |
| Net allowance of provision for liquidated and ascertained damages | 0   | (798)  | 0  | (798)   |

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**20. Tax Expense**

|                    | <u>Individual Quarter</u>                               |  | <u>Cumulative Quarter</u>                                  |   |
|--------------------|---|--|--|---|
|                    | Current Year<br>Quarter<br><u>31 Dec 2016</u><br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br><u>31 Dec 2015</u><br>RM'000 | Current<br>Year<br>To Date<br><u>31 Dec 2016</u><br>RM'000 | Preceding Year<br>Corresponding<br>Year To Date<br><u>31 Dec 2015</u><br>RM'000 |
| <u>Tax Expense</u> |   |  |  |   |
| Current year       | (728)   | (95)   | (728)  | (95)  |

**21. Unquoted Investments and / or Properties**

The Group has not made any investment in or disposed of any unquoted investments and / or properties during the current quarter and financial year-to-date.

**22. Quoted and Marketable Securities**

The Group has not made any investment in or disposed of any quoted and marketable securities during the current quarter and financial year-to-date.



## 23. Group's Borrowings

The Group has no outstanding borrowing as at the end of the current quarter and the last financial year.

## 24. Changes in Material Litigation

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries, and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

## 25. Earnings Per Share

### Basic Earnings Per Ordinary Share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares, calculated as follows:

|  | <u>Individual Quarter</u>                        |  | <u>Cumulative Quarter</u>                        |   |
|--|--|--|--|---|
|  | Current<br>Year<br>Quarter<br><u>31 Dec 2016</u> | Preceding Year<br>Corresponding<br>Quarter<br><u>31 Dec 2015</u> | Current<br>Year<br>To Date<br><u>31 Dec 2016</u> | Preceding Year<br>Corresponding<br>Year To Date<br><u>31 Dec 2015</u> |
| Profit Attributable To Ordinary Shareholders (RM'000): |  |  |  |   |
| Net profit attributable to ordinary shareholders       | 2,289  | (4,755)  | 2,289  | (4,755)   |
| Weighted Average Number Of Ordinary Shares ('000):     |  |  |  |   |
| Issued ordinary shares at beginning of period          | 112,875  | 112,875  | 112,875  | 112,875   |
| (Less): Effect of treasury shares held                 | (2,030)  | (2,030)  | (2,030)  | (2,030)   |
| Weighted average number of ordinary shares             | <u>110,845</u>                                   | <u>110,845</u>   | <u>110,845</u>                                   | <u>110,845</u>  |
| Basic earnings per ordinary share (sen)                | <u>2.07</u>                                      | <u>(4.29)</u>  | <u>2.07</u>                                      | <u>(4.29)</u>   |

## 26. Information on the Breakdown of Realised and Unrealised Profits or Losses

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses is as follows:

|   | As At              | As At              |
|---|--------------------|--------------------|
|   | <u>31 Dec 2016</u> | <u>30 Sep 2016</u> |
|   | RM'000             | RM'000             |
| Total Retained Earnings:                |                    |                    |
| Realised Profits                        | 122,446            | 120,161            |
| Unrealised Losses                       | <u>(2,471)</u>     | <u>(2,726)</u>     |
|   | 119,975            | 117,435            |
| (Less): Consolidation adjustments       | <u>(48,579)</u>    | <u>(48,328)</u>    |
| Total retained earnings (distributable) | <u>71,396</u>      | <u>69,107</u>      |

## 27. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 14 February 2017.

By Order of the Board of Directors  
**APB RESOURCES BERHAD (564838-V)**

CHEOK KIM CHEE (MACS 00139)  
Company Secretary  
14 February 2017