



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 30 SEPTEMBER 2017

INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2017

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2017 RM'000	Preceding Year Corresponding Quarter 30 Sep 2016 RM'000	Current Year To Date 30 Sep 2017 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2016 RM'000
1. Revenue	15,817	18,494	59,353	89,262
2. Profit/(Loss) before taxation	542	4,472	4,918	(8,510)
3. Profit/(Loss) and total comprehensive income for the financial year	437	6,124	3,751	(7,127)
4. Profit/(Loss) and total comprehensive income for the period attributable to equity holders of the Company	437	6,124	3,751	(7,127)
5. Basic/(Diluted) earnings per ordinary share (sen)	0.39	5.52	3.38	(6.43)
6. Declared dividend per ordinary share (sen)	-	-	3.0	6.5
	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)	1.59		1.58	

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2017 RM'000	Preceding Year Corresponding Quarter 30 Sep 2016 RM'000	Current Year To Date 30 Sep 2017 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2016 RM'000
1. Gross interest income	333	281	1,311	1,053
2. Gross interest expense	(11)	(17)	(70)	(116)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2017 RM'000	Preceding Year Corresponding Quarter 30 Sep 2016 RM'000	Current Year To Date 30 Sep 2017 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2016 RM'000
Continuing Operations:				
Revenue	15,817	18,494	59,353	89,262
Cost of sales	(15,029)	(12,627)	(44,405)	(75,273)
Gross profit	788	5,867	14,948	13,989
Other income / (expenses)	3,369	2,421	3,887	(7,055)
Operating expenses	(3,937)	(4,080)	(15,158)	(16,381)
Results from operating activities	220	4,208	3,677	(9,447)
Interest income	333	281	1,311	1,053
Finance costs	(11)	(17)	(70)	(116)
Operating profit/(loss) / profit/(loss) before taxation	542	4,472	4,918	(8,510)
Tax expense	(105)	1,652	(1,167)	1,383
Profit from continuing operations	437	6,124	3,751	(7,127)
Discontinued Operation:				
Result from discontinued operation	-	-	-	-
Profit/(loss) and total comprehensive income for the financial year	437	6,124	3,751	(7,127)
Attributable to:				
Equity holders of the Company	437	6,124	3,751	(7,127)
Minority interest	-	-	-	-
Profit/(loss) and total comprehensive income for the financial year	437	6,124	3,751	(7,127)
Earnings per ordinary share attributable to equity holders of the Company:				
Basic/(diluted), for profit/(loss) and total comprehensive income for the financial year (sen)	0.39	5.52	3.38	(6.43)

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 30 Sep 2017	As At 30 September 2016
	RM'000	RM'000
ASSETS		
Property, plant and equipment	68,279	71,588
Other investment	35	35
Goodwill on consolidation	13,458	13,458
Total non-current assets	81,772	85,081
Inventories	573	627
Receivables, deposits and prepayments	19,206	36,147
Other investments	25,042	19,743
Cash and cash equivalents	59,375	50,833
Total current assets	104,196	107,350
TOTAL ASSETS	17,330	192,431
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,322)	(3,322)
Retained earnings	69,533	69,107
	179,086	178,660
Minority interest	-	-
Total equity attributable to equity holders of the Company	179,086	178,660
LIABILITIES		
Deferred tax liabilities	2,915	1,998
Total non-current liabilities	2,915	1,998
Payables, accruals and provisions	6,152	13,174
Current tax assets	(2,185)	(1,401)
Total current liabilities	3,967	11,773
Total liabilities	6,882	13,771
TOTAL EQUITY AND LIABILITIES	185,968	192,431
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.59	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
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current Year To Date 30 Sep 2017	Preceding Year To Date 30 Sep 2016
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation	4,918	(8,510)
Adjustments for:		
Depreciation of property, plant and equipment	4,252	4,961
Interest income	(1,311)	(1,053)
Net gain on disposal of plant and equipment	(224)	(11)
Net reversal for liquidated and ascertained damages	(3,359)	(229)
Net unrealised gain on foreign exchange	(393)	(728)
Operating profit before changes in working capital	3,883	(5,570)
Change in inventories	53	579
Change in receivables, deposits and prepayments	17,330	36,794
Change in payables, accruals and provisions	(3,659)	(7,774)
Cash generated from operations	17,607	24,029
Interest received	1,311	1,053
Tax paid	(1,033)	(5,779)
Net cash generated from operating activities	17,885	19,303
Cash flows from investing activities		
Acquisition of plant and equipment, representing net cash used in investing activities	(949)	(431)
Proceeds from disposal of property, plant and equipment	230	11
Purchase of other investments	(5,299)	(2,999)
Net cash used in investing activities	(6,018)	(3,419)
Cash flows from financing activity		
Dividends paid, representing net cash used in financing activity	(3,325)	(7,205)
Net increase in cash and cash equivalents	8,542	8,679
Cash and cash equivalents at beginning of year	50,833	42,154
Cash and cash equivalents at end of year	59,375	50,833
Cash and cash equivalents comprise:		
Cash and bank balances	54,445	7,971
Deposits placed with licensed banks	4,930	42,862
	59,375	50,833

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

	Ordinary Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000
At 1 October 2016	112,875	(3,322)	69,107	178,660
Total comprehensive income for the period	-	-	3,751	3,751
Dividend to shareholders			(3,325)	(3,325)
At 30 September 2017	112,875	(3,322)	69,533	179,086
At 1 October 2015	112,875	(3,322)	83,439	192,992
Total comprehensive income for the period	-	-	(7,127)	(7,127)
Dividend to shareholders			(7,205)	(7,205)
At 30 September 2016	112,875	(3,322)	69,107	178,660

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.

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

For the financial year under review, the Company had paid on 17 March 2017 a final single tier dividend of 3.0% in respect of the financial year ended 30 September 2016.

The Board has recommended a final single tier dividend of 3.0% and subject to the approval of the shareholders at the forthcoming Annual General Meeting, will be paid at a date to be determined.

9. Segmental Information

Business Segments

	Fabrication RM'000	Non-Destructive Testing ("NDT") RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Financial Year Ended 30 Sep 2017					
Revenue					
Total external revenue	54,718	4,636	-	-	59,354
Inter-segment revenue	-	849	-	(849)	-
Total segment revenue	54,718	5,485	-	(849)	59,354
Results					
Segment profit / (loss)	3,788	538	(649)	-	3,677
Add: Interest income					1,311
(Less): Finance costs					(70)
Operating profit / profit before taxation					4,918
(Less): Tax expense					(1,167)
Profit for the period					3,751

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 Year Corresponding Quarter <u>30 Sep 2017</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2016</u> RM'000	Current Year To Date <u>30 Sep 2017</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2016</u> RM'000
Peng Fah Engineering Sdn Bhd				
- For rental of factory premises	341	682	1,365	1,365
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd				
- For transportation charges	147	55	364	521
TTS Insu-Write Services Sdn Bhd				
- For marine cargo and general insurance	43	40	234	285
TTS Engineering Sdn Bhd				
- For services rendered on minor fabrication works and rental of factory premise	1	84	92	312
TTS Enterprise Sdn Bhd				
- For maintenance of equipment	5	14	31	33

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 4th quarter (4Q17), revenue fell by 14.5% to RM15.8 million mainly due to the continued weak and competitive market environment. Gross profit margin dropped from 31.7% to 5.0%, reflecting thinner project margins. The extra ordinarily high gross profit margin in 4Q16 was largely helped by a write back of RM1.4 million of liquidated and ascertained damages (LAD). The provision for 4Q17 was RM0.2 million. The quarter also registered a foreign currency loss of RM0.5 million versus a gain of RM2.6 million in 4Q16. Consequently, profit after tax for the quarter dropped to RM0.4 million against RM6.1 million recorded in 4Q16.

For the full year (FY17), revenue declined by 33.5% from RM89.3 million in FY16 to RM59.4 million. However, the Group recorded a full year gross profit of RM14.9 million against a profit of RM14.0 million in FY16, largely due to write back of LAD amounting RM3.4 million (FY16 was RM0.2 million) and a small foreign exchange gain of RM0.2 million against a loss of RM6.8 million incurred in the prior year. FY17 profit after tax was RM3.8 million as compared to a loss of RM7.1 million recorded in FY16.

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

Revenue increased by 22.3% from RM12.9 million in the 3Q17 to RM15.8 million. This together with a smaller foreign exchange loss of RM0.5 million versus a loss of RM1.2 million, resulted in a after tax profit of RM0.4 million against of loss of RM0.9 million in 3Q17.

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 Quarter <u>30 Sep 2017</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2016</u> RM'000	Current Year To Date <u>30 Sep 2017</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2016</u> RM'000
Profit for the period is arrived at after crediting / (charging):				
Depreciation of property, plant and equipment	(1,038)	(1,181)	(4,252)	(4,961)
Finance costs	(11)	(17)	(70)	(116)
Interest income	333	281	1,311	1,053
Net (loss) / gain on foreign exchange	(509)	2,557	202	(6,809)
Net reversal / (allowance) for impairment losses	82	141	(121)	15
Net reversal / (provision) for liquidated and ascertained damages	(212)	1,400	3,359	229

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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Year To Date
	<u>30 Sep 2017</u>	<u>30 Sep 2016</u>	<u>30 Sep 2017</u>	<u>30 Sep 2016</u>
	RM'000	RM'000	RM'000	RM'000
<u>Tax Expense</u>				
Current year	(105)	1,652	(1,167)	1,383

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 Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To Date	Corresponding Year To Date
	<u>30 Sep 2017</u>	<u>30 Sep 2016</u>	<u>30 Sep 2017</u>	<u>30 Sep 2016</u>
	RM'000	RM'000	RM'000	RM'000
Profit Attributable To Ordinary Shareholders (RM'000):				
Net profit attributable to ordinary shareholders	437	6,124	3,751	(7,127)
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	110,845	110,845	110,845	110,845
Basic earnings per ordinary share (sen)	0.39	5.52	3.38	(6.43)

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>30 Sep 2017</u>	<u>30 Sep 2016</u>
	RM'000	RM'000
Total Retained Earnings:		
Realised Profits	120,635	120,161
Unrealised Losses	(2,523)	(2,726)
	118,112	117,435
(Less): Consolidation adjustments	(48,579)	(48,328)
Total retained earnings (distributable)	69,533	69,107

27. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 28 November 2017.

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

CHEOK KIM CHEE (MACS 00139)
Company Secretary
28 November 2017