



## 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 2017

### INTERIM FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2017 RM'000	Preceding Year Corresponding Quarter 31 Dec 2016 RM'000	Current Year To Date 31 Dec 2017 RM'000	Preceding Year Corresponding Year To Date 31 Dec 2016 RM'000
1. Revenue	13,939	14,407	13,939	14,407
2. (Loss)/Profit before taxation	(3,553)	3,017	(3,553)	3,017
3. (Loss)/Profit and total comprehensive income for the financial year	(3,635)	2,289	(3,635)	2,289
4. (Loss)/Profit and total comprehensive income for the period attributable to equity holders of the Company	(3,635)	2,289	(3,635)	2,289
5. Diluted/Basic earnings per ordinary share (sen)	(3.28)	2.07	(3.28)	2.07
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)	1.55		1.59	

#### PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2017 RM'000	Preceding Year Corresponding Quarter 31 Dec 2016 RM'000	Current Year To Date 31 Dec 2017 RM'000	Preceding Year Corresponding Year To Date 31 Dec 2016 RM'000
1. Gross interest income	330	269	330	269
2. Gross interest expense	(17)	(24)	(17)	(24)

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2017 RM'000	Preceding Year Corresponding Quarter 31 Dec 2016 RM'000	Current Year To Date 31 Dec 2017 RM'000	Preceding Year Corresponding Year To Date 31 Dec 2016 RM'000
<b>Continuing Operations:</b>				
Revenue	13,939	14,407	13,939	14,407
Cost of sales	(12,503)	(10,828)	(12,503)	(10,828)
Gross profit	1,436	3,579	1,436	3,579
Other income / (expenses)	(1,698)	2,811	(1,698)	2,811
Operating expenses	(3,604)	(3,618)	(3,604)	(3,618)
Results from operating activities	(3,866)	2,772	(3,866)	2,772
Interest income	330	269	330	269
Finance costs	(17)	(24)	(17)	(24)
Operating (loss) / profit before taxation	(3,553)	3,017	(3,553)	3,017
Tax expense	(82)	(728)	(82)	(728)
(Loss)/Profit from continuing operations	(3,635)	2,289	(3,635)	2,289
<b>Discontinued Operation:</b>				
Result from discontinued operation	-	-	-	-
<b>(Loss)/profit and total comprehensive income for the financial year</b>	<b>(3,635)</b>	<b>2,289</b>	<b>(3,635)</b>	<b>2,289</b>
<b>Attributable to:</b>				
Equity holders of the Company	(3,635)	2,289	(3,635)	2,289
Minority interest	-	-	-	-
<b>(Loss)/profit and total comprehensive income for the financial year</b>	<b>(3,635)</b>	<b>2,289</b>	<b>(3,635)</b>	<b>2,289</b>
<b>Earnings per ordinary share attributable to equity holders of the Company:</b>				
Diluted/basic, for (loss)/profit and total comprehensive income for the financial year (sen)	(3.28)	2.07	(3.28)	2.07

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 2017 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As At 31 Dec 2017 RM'000	As At 30 Sept 2017 RM'000
<b>ASSETS</b>		
Property, plant and equipment	67,533	68,279
Other investment	35	35
Goodwill on consolidation	13,458	13,458
<b>Total non-current assets</b>	81,026	81,772
Inventories	614	573
Receivables, deposits and prepayments	15,906	19,206
Current tax assets	2,258	2,185
Other investments	26,129	25,042
Cash and cash equivalents	58,143	59,375
<b>Total current assets</b>	103,050	106,381
<b>TOTAL ASSETS</b>	184,076	188,153
<b>EQUITY</b>		
Share capital	112,875	112,875
Treasury shares	(3,322)	(3,322)
Retained earnings	65,898	69,533
	175,451	179,086
Minority interest	-	-
<b>Total equity attributable to equity holders of the Company</b>	175,451	179,086
<b>LIABILITIES</b>		
Deferred tax liabilities	2,915	2,915
<b>Total non-current liabilities</b>	2,915	2,915
Payables, accruals and provisions	5,710	6,152
<b>Total current liabilities</b>	5,710	6,152
<b>Total liabilities</b>	8,625	9,067
<b>TOTAL EQUITY AND LIABILITIES</b>	184,076	188,153
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.55	1.59

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 2017 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>Current Year To Date 31 Dec 2017</b>	<b>Preceding Year To Date 31 Dec 2016</b>
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation	(3,553)	3,017
Adjustments for:		
Depreciation of property, plant and equipment	1,009	1,081
Interest income	(330)	(269)
Net unrealised loss/gain on foreign exchange	35	(473)
<b>Operating profit before changes in working capital</b>	(2,839)	3,356
Change in inventories	(41)	(795)
Change in receivables, deposits and prepayments	3,265	4,502
Change in payables, accruals and provisions	(442)	(1,205)
<b>Cash generated from operations</b>	(57)	5,858
Interest received	330	269
Tax paid	(155)	(256)
<b>Net cash generated from operating activities</b>	118	5,871
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment, representing net cash used in investing activities	(264)	(3)
Purchase of other investments	(1,087)	(2,025)
<b>Net cash used in investing activities</b>	(1,351)	(2,028)
<b>Net increase in cash and cash equivalents</b>	(1,233)	3,843
<b>Cash and cash equivalents at beginning of year</b>	59,375	50,833
<b>Cash and cash equivalents at end of year</b>	<u>58,142</u>	<u>54,676</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	51,631	7,819
Deposits placed with licensed banks	6,511	46,857
	<u>58,142</u>	<u>54,676</u>

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 2017 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Ordinary Share Capital</b> RM'000	<b>Treasury Shares</b> RM'000	<b>Retained Earnings</b> RM'000	<b>Total</b> RM'000
<b>At 1 October 2017</b>	112,875	(3,322)	69,533	179,086
Total comprehensive income for the period	-	-	(3,635)	(3,635)
<b>At 31 December 2017</b>	<b>112,875</b>	<b>(3,322)</b>	<b>65,898</b>	<b>175,451</b>
<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>	<b>112,875</b>	<b>(3,322)</b>	<b>71,396</b>	<b>180,949</b>

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 2017 and the accompanying notes attached to the interim financial statements.

**APB RESOURCES BERHAD**  
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**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 2017.

Annual Financial Statements for the financial year ended 30 September 2017 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 2017 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 RM'000	Non-Destructive Testing ("NDT") RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Financial Year Ended 31 Dec 2017</b>					
<u>Revenue</u>					
Total external revenue	12,563	1,376	-	-	13,939
Inter-segment revenue	-	208	-	(208)	-
Total segment revenue	12,563	1,584	-	(208)	13,939
<u>Results</u>					
Segment profit / (loss)	(4,028)	308	(146)	-	(3,866)
Add: Interest income					330
(Less): Finance costs					(17)
Operating profit / profit before taxation					(3,553)
(Less): Tax expense					(82)
Profit for the period					(3,635)

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>31 Dec 2017</u> RM'000	Preceding Year Corresponding Quarter <u>31 Dec 2016</u> RM'000	Current Year To Date <u>31 Dec 2017</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Dec 2016</u> RM'000
Peng Fah Engineering Sdn Bhd				
- For rental of factory premises	341	341	341	341
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd				
- For transportation charges	95	59	95	59
TTS Insu-Write Services Sdn Bhd				
- For marine cargo and general insurance	23	15	23	15
TTS Engineering Sdn Bhd				
- For services rendered on minor fabrication works and rental of factory premise	1	91	1	91
TTS Enterprise Sdn Bhd				
- For maintenance of equipment	7	11	7	11

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 FY18 (1Q18), revenue declined marginally from RM14.4 million in 1Q17 to RM13.9 million in 1Q18 while gross profit margin dropped from 24.8% in 1Q17 to 10.3% in 1Q18 reflecting a very competitive market condition. The strengthening of the Malaysian Ringgit against the United States Dollar resulted in a foreign currency loss of RM1.7 million in 1Q18 against a gain of RM2.7 million in 1Q17. The foreign currency loss and lower gross profit margin mainly resulted in the loss before tax of RM3.6 million versus a profit before tax of RM3.0 million in corresponding quarter.

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

Revenue declined by 11.9% from RM15.8 million in prior quarter to RM13.9 million while gross profit margin increased from 5.0% to 10.3% in the current quarter. This quarter registered a loss after tax of RM3.6 million against a profit after tax of RM0.4 million million mainly due to foreign currency loss of RM1.7 million versus a loss of RM0.5 million.

**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>31 Dec 2017</u> RM'000	Preceding Year Corresponding Quarter <u>31 Dec 2016</u> RM'000	Current Year To Date <u>31 Dec 2017</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Dec 2016</u> RM'000
Profit for the period is arrived at after crediting / (charging):				
Depreciation of property, plant and equipment	(1,009)	(1,081)	(1,009)	(1,081)
Finance costs	(17)	(24)	(17)	(24)
Interest income	330	269	330	269
Net (loss) / gain on foreign exchange	(1,699)	2,667	(1,699)	2,667
Net reversal for impairment losses	0	137	0	137

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 Quarter <u>31 Dec 2017</u> RM'000	Preceding Year Corresponding Quarter <u>31 Dec 2016</u> RM'000	Current Year To Date <u>31 Dec 2017</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Dec 2016</u> RM'000
<u>Tax Expense</u>				
Current year	(82)	(728)	(82)	(728)

**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 Quarter <u>31 Dec 2017</u>	Preceding Year Corresponding Quarter <u>31 Dec 2016</u>	Current Year To Date <u>31 Dec 2017</u>	Preceding Year Corresponding Year To Date <u>31 Dec 2016</u>
Profit Attributable To Ordinary Shareholders (RM'000):				
Net profit attributable to ordinary shareholders	(3,635)	2,289	(3,635)	2,289
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>(3.28)</u>	<u>2.07</u>	<u>(3.28)</u>	<u>2.07</u>

## 26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 28 February 2018.

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

CHEOK KIM CHEE (MACS 00139)  
Company Secretary  
28 February 2018