



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 March 2018

INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2018

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2018 RM'000	Preceding Year Corresponding Quarter 31 Mar 2017 RM'000	Current Year To Date 31 Mar 2018 RM'000	Preceding Year Corresponding Year To Date 31 Mar 2017 RM'000
1. Revenue	19,290	16,195	33,229	30,602
2. (Loss)/Profit before taxation	(3,611)	2,497	(7,164)	5,514
3. (Loss)/Profit and total comprehensive income for the financial year	(3,644)	1,889	(7,279)	4,178
4. (Loss)/Profit and total comprehensive income for the period attributable to equity holders of the Company	(3,644)	1,889	(7,279)	4,178
5. Diluted/Basic earnings per ordinary share (sen)	(3.29)	1.70	(6.57)	3.77
6. Declared dividend per ordinary share (sen)	3.0	3.0	3.0	3.0
	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)	1.49		1.59	

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2018 RM'000	Preceding Year Corresponding Quarter 31 Mar 2017 RM'000	Current Year To Date 31 Mar 2018 RM'000	Preceding Year Corresponding Year To Date 31 Mar 2017 RM'000
1. Gross interest income	452	398	782	667
2. Gross interest expense	(11)	(8)	(28)	(32)

APB RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2018 RM'000	Preceding Year Corresponding Quarter 31 Mar 2017 RM'000	Current Year To Date 31 Mar 2018 RM'000	Preceding Year Corresponding Year To Date 31 Mar 2017 RM'000
Continuing Operations:				
Revenue	19,290	16,195	33,229	30,602
Cost of sales	(17,506)	(8,994)	(30,009)	(19,822)
Gross profit	1,784	7,201	3,220	10,780
Other income / (expenses)	(1,989)	(1,143)	(3,687)	1,668
Operating expenses	(3,847)	(3,951)	(7,451)	(7,569)
Results from operating activities	(4,052)	2,107	(7,918)	4,879
Interest income	452	398	782	667
Finance costs	(11)	(8)	(28)	(32)
Operating (loss) / profit before taxation	(3,611)	2,497	(7,164)	5,514
Tax expense	(33)	(608)	(115)	(1,336)
(Loss)/Profit from continuing operations	(3,644)	1,889	(7,279)	4,178
Discontinued Operation:				
Result from discontinued operation	-	-	-	-
(Loss)/profit and total comprehensive income for the financial year	(3,644)	1,889	(7,279)	4,178
Attributable to:				
Equity holders of the Company	(3,644)	1,889	(7,279)	4,178
Minority interest	-	-	-	-
(Loss)/profit and total comprehensive income for the financial year	(3,644)	1,889	(7,279)	4,178
Earnings per ordinary share attributable to equity holders of the Company:				
Diluted/basic, for (loss)/profit and total comprehensive income for the financial year (sen)	(3.29)	1.70	(6.57)	3.77

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
(COMPANY NO.: 564838-V)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At 31 Mar 2018 RM'000	As At 30 Sept 2017 RM'000
ASSETS		
Property, plant and equipment	66,815	68,279
Other investment	35	35
Goodwill on consolidation	13,458	13,458
Total non-current assets	80,308	81,772
Inventories	661	573
Receivables, deposits and prepayments	26,410	19,206
Current tax assets	2,431	2,185
Other investments	24,607	25,042
Cash and cash equivalents	43,796	59,375
Total current assets	97,905	106,381
TOTAL ASSETS	178,213	188,153
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,322)	(3,322)
Retained earnings	58,929	69,533
	168,482	179,086
Minority interest	-	-
Total equity attributable to equity holders of the Company	168,482	179,086
LIABILITIES		
Deferred tax liabilities	2,915	2,915
Total non-current liabilities	2,915	2,915
Payables, accruals and provisions	6,816	6,152
Total current liabilities	6,816	6,152
Total liabilities	9,731	9,067
TOTAL EQUITY AND LIABILITIES	178,213	188,153
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.49	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

	Current Year To Date 31 Mar 2018	Preceding Year To Date 31 Mar 2017
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before taxation	(7,164)	5,514
Adjustments for:		
Depreciation of property, plant and equipment	2,012	2,154
Interest income	(782)	(667)
Net reversal for liquidated and ascertained damages	-	(1,780)
Net unrealised loss on foreign exchange	224	33
Operating profit before changes in working capital	(5,710)	5,254
Change in inventories	(88)	(265)
Change in receivables, deposits and prepayments	(7,437)	18,993
Change in payables, accruals and provisions	673	(1,631)
Cash generated from operations	(12,562)	22,351
Interest received	782	667
Tax paid	(361)	(678)
Net cash generated from operating activities	(12,141)	22,340
Cash flows from investing activities		
Acquisition of plant and equipment, representing net cash used in investing activities	(547)	(572)
Purchase of other investments	435	(3,133)
Net cash used in investing activities	(112)	(3,705)
Cash flows from financing activity		
Dividends paid, representing net cash used in financing activity	(3,325)	(3,325)
Net increase in cash and cash equivalents	(15,578)	15,310
Cash and cash equivalents at beginning of year	59,375	50,833
Cash and cash equivalents at end of year	<u>43,797</u>	<u>66,143</u>
Cash and cash equivalents comprise:		
Cash and bank balances	39,762	20,263
Deposits placed with licensed banks	4,035	45,880
	<u>43,797</u>	<u>66,143</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

	Ordinary Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000
At 1 October 2017	112,875	(3,322)	69,533	179,086
Total comprehensive income for the period	-	-	(7,279)	(7,279)
Dividend to shareholders			(3,325)	(3,325)
At 31 March 2018	112,875	(3,322)	58,929	168,482
At 1 October 2016	112,875	(3,322)	69,107	178,660
Total comprehensive income for the period	-	-	4,178	4,178
Dividend to shareholders			(3,325)	(3,325)
At 31 March 2017	112,875	(3,322)	69,960	179,513

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

At the Company's Annual General Meeting held on 28 February 2018, Members of the Company had approved a final single tier dividend of 3.0% in respect of the financial year ended 30 September 2017. This dividend had been paid on 29 March 2018.

9. Segmental Information

Business Segments

	<u>Fabrication</u> RM'000	<u>Non-Destructive Testing ("NDT")</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Consolidated</u> RM'000
Financial Year Ended 31 Mar 2018					
Revenue					
Total external revenue	30,511	2,719	-	-	33,230
Inter-segment revenue	-	415	-	(415)	-
Total segment revenue	30,511	3,134	-	(415)	33,230
Results					
Segment profit / (loss)	(7,950)	413	(381)	-	(7,918)
Add: Interest income					782
(Less): Finance costs					(28)
Operating profit / profit before taxation					(7,164)
(Less): Tax expense					(115)
Profit for the period					(7,279)

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 Quarter <u>31 Mar 2018</u> RM'000	Preceding Year Corresponding Quarter <u>31 Mar 2017</u> RM'000	Current Year To Date <u>31 Mar 2018</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Mar 2017</u> RM'000
Peng Fah Engineering Sdn Bhd				
- For rental of factory premises	342	342	683	683
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd				
- For transportation charges	89	83	184	142
TTS Insu-Write Services Sdn Bhd				
- For marine cargo and general insurance	156	163	179	178
TTS Engineering Sdn Bhd				
- For services rendered on minor fabrication works and rental of factory premise	1	0	2	91
TTS Enterprise Sdn Bhd				
- For maintenance of equipment	1	0	8	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

Although second quarter FY18 (2Q18) revenue increased from RM16.2 million to RM19.3 million year-on-year, gross profit margin dropped to 9.3% in 2Q18 (44.5% in 2Q17) reflecting a very competitive market condition. The strengthening of the Malaysian Ringgit against the United States Dollar resulted in a foreign currency loss of RM2.0 million in 2Q18 compared to RM0.8 million loss in 2Q17. The foreign currency loss and lower gross profit margin resulted in the loss before tax of RM3.6 million versus a profit before tax of RM2.5 million in 2Q17.

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

Revenue increased by 38.4% from RM13.9 million in 1Q18 to RM19.3 million in 2Q18, however gross profit margin decreased from 10.3% to 9.3% over the period. This quarter registered a foreign exchange loss of RM2.0 million against RM1.7 million in the preceding quarter, incurring a loss after tax of RM3.6 million which is similar to the preceding 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 Quarter <u>31 Mar 2018</u> RM'000	Preceding Year Corresponding Quarter <u>31 Mar 2017</u> RM'000	Current Year To Date <u>31 Mar 2018</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Mar 2017</u> RM'000
Profit for the period is arrived at after crediting / (charging):				
Depreciation of property, plant and equipment	(1,003)	(1,073)	(2,012)	(2,154)
Finance costs	(11)	(8)	(28)	(32)
Interest income	452	398	782	667
Net (loss) / gain on foreign exchange	(1,994)	(802)	(3,693)	1,865
Net reversal for impairment losses	0	(342)	0	(205)
Net reversal for liquidated and ascertained damages	0	1,780	0	1,780

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 Mar 2018</u> RM'000	Preceding Year Corresponding Quarter <u>31 Mar 2017</u> RM'000	Current Year To Date <u>31 Mar 2018</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Mar 2017</u> RM'000
<u>Tax Expense</u>				
Current year	(33)	(608)	(115)	(1,336)

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>	
	<u>Current Year Quarter</u> <u>31 Mar 2018</u>	<u>Preceding Year Corresponding Quarter</u> <u>31 Mar 2017</u>	<u>Current Year To Date</u> <u>31 Mar 2018</u>	<u>Preceding Year Corresponding Year To Date</u> <u>31 Mar 2017</u>
Profit Attributable To Ordinary Shareholders (RM'000):				
Net profit attributable to ordinary shareholders	(3,644)	1,889	(7,279)	4,178
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)	(3.29)	1.70	(6.57)	3.77

26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 22 May 2018.

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

CHEOK KIM CHEE (MACS 00139)
Company Secretary
22 May 2018