



## 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 2019

### INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2019

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter 30 Sep 2018 RM'000	Current Year To Date 30 Sep 2019 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2018 RM'000
1. Revenue	24,801	19,513	64,692	73,914
2. Profit/(loss) before taxation	1,782	(13,490)	(1,695)	(18,475)
3. Profit/(loss) and total comprehensive income for the financial year	2,271	(12,541)	(1,242)	(17,655)
4. Profit/(loss) and total comprehensive income for the period attributable to equity holders of the Company	2,271	(12,541)	(1,242)	(17,655)
5. Basic/(Diluted) earnings per ordinary share (sen)	2.05	(11.31)	(1.12)	(15.93)
6. Declared dividend per ordinary share (sen)	-	-	-	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)	1.39		1.40	

#### PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter 30 Sep 2018 RM'000	Current Year To Date 30 Sep 2019 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2018 RM'000
1. Gross interest income	498	455	2,086	1,628
2. Gross interest expense	(22)	(6)	(64)	(65)

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2019 RM'000	Preceding Year Corresponding Quarter 30 Sep 2018 RM'000	Current Year To Date 30 Sep 2019 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2018 RM'000
<b>Continuing Operations:</b>				
Revenue	24,801	19,513	64,692	73,914
Cost of sales	(19,716)	(16,068)	(53,966)	(63,190)
Gross profit	5,085	3,445	10,726	10,724
Other income / (expenses)	(14)	(13,075)	(48)	(15,419)
Operating expenses	(3,765)	(4,309)	(14,395)	(15,343)
Results from operating activities	1,306	(13,939)	(3,717)	(20,038)
Interest income	498	455	2,086	1,628
Finance costs	(22)	(6)	(64)	(65)
Operating loss before taxation	1,782	(13,490)	(1,695)	(18,475)
Tax credit / (expense)	489	949	453	820
Profit/(loss) from continuing operations	2,271	(12,541)	(1,242)	(17,655)
<b>Discontinued Operation:</b>				
Result from discontinued operation	-	-	-	-
<b>Profit/(loss) and total comprehensive income for the financial year</b>	<b>2,271</b>	<b>(12,541)</b>	<b>(1,242)</b>	<b>(17,655)</b>
<b>Attributable to:</b>				
Equity holders of the Company	2,271	(12,541)	(1,242)	(17,655)
Minority interest	-	-	-	-
<b>Profit/(loss) and total comprehensive income for the financial year</b>	<b>2,271</b>	<b>(12,541)</b>	<b>(1,242)</b>	<b>(17,655)</b>
<b>Earnings per ordinary share attributable to equity holders of the Company:</b>				
Basic/(Diluted) , for profit/(loss) and total comprehensive income for the financial year (sen)	2.05	(11.31)	(1.12)	(15.93)

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 2018 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 2019 RM'000	As At 30 Sept 2018 RM'000
<b>ASSETS</b>		
Property, plant and equipment	62,200	65,221
Other investment	35	35
<b>Total non-current assets</b>	<b>62,235</b>	<b>65,256</b>
Inventories	640	769
Receivables, deposits and prepayments	40,581	26,352
Current tax assets	2,841	2,407
Other investments	50,244	43,178
Cash and cash equivalents	10,278	28,188
<b>Total current assets</b>	<b>104,584</b>	<b>100,894</b>
<b>TOTAL ASSETS</b>	<b>166,819</b>	<b>166,150</b>
<b>EQUITY</b>		
Share capital	112,875	112,875
Treasury shares	(3,322)	(3,322)
Retained earnings	47,311	48,553
	156,864	158,106
Minority interest	-	-
<b>Total equity attributable to equity holders of the Company</b>	<b>156,864</b>	<b>158,106</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	1,268	1,964
<b>Total non-current liabilities</b>	<b>1,268</b>	<b>1,964</b>
Payables, accruals and provisions	8,687	6,080
<b>Total current liabilities</b>	<b>8,687</b>	<b>6,080</b>
<b>Total liabilities</b>	<b>9,955</b>	<b>8,044</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>166,819</b>	<b>166,150</b>
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.39	1.40

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 2018 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 30 Sep 2019</b>	<b>Preceding Year To Date 30 Sep 2018</b>
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(1,695)	(18,475)
Adjustments for:		
Depreciation of property, plant and equipment	3,657	3,995
Allowance for impairment of goodwill	-	13,458
Interest income	(2,086)	(1,628)
Net gain on disposal of plant and equipment	(27)	(1)
Net impairment loss of contract	200	-
Net provision/reversal for liquidated and ascertained damages	225	(211)
Net unrealised loss/gain on foreign exchange	18	(191)
Gain in disposal of other investment	-	(47)
<b>Operating profit before changes in working capital</b>	292	(3,100)
Change in inventories	129	(196)
Change in receivables, deposits and prepayments	(14,247)	(6,946)
Change in payables, accruals and provisions	2,181	131
<b>Cash generated from operations</b>	(11,645)	(10,111)
Interest received	2,086	1,628
Tax paid	(756)	(463)
Tax refund	78	110
<b>Net cash used in operating activities</b>	(10,237)	(8,836)
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment, representing net cash used in investing activities	(659)	(940)
Proceeds from disposal of property, plant and equipment	50	4
Purchase of other investments	(15,910)	(36,990)
Proceeds from disposal of other investments	8,846	18,900
<b>Net cash used in investing activities</b>	(7,673)	(19,026)
<b>Cash flows from financing activity</b>		
Dividends paid, representing net cash used in financing activity	-	(3,325)
<b>Net decrease in cash and cash equivalents</b>	(17,910)	(31,187)
<b>Cash and cash equivalents at beginning of year</b>	28,188	59,375
<b>Cash and cash equivalents at end of year</b>	10,278	28,188
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	5,855	15,723
Deposits placed with licensed banks	4,423	12,465
	10,278	28,188

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 2018 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 Share Capital</b>	<b>Treasury Shares</b>	<b>Retained Earnings</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000
<b>At 1 October 2018</b>	112,875	(3,322)	48,553	158,106
Total comprehensive income for the period	-	-	(1,242)	(1,242)
<b>At 30 Sep 2019</b>	112,875	(3,322)	47,311	156,864
<b>At 1 October 2017</b>	112,875	(3,322)	69,533	179,086
Total comprehensive income for the period	-	-	(17,655)	(17,655)
Dividend to shareholders			(3,325)	(3,325)
<b>At 30 Sep 2018</b>	112,875	(3,322)	48,553	158,106

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 2018 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 2018.

Annual Financial Statements for the financial year ended 30 September 2018 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 2018 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 30 Jun 2019</b>					
<b>Revenue</b>					
Total external revenue	60,639	4,052	-	-	64,691
Inter-segment revenue	192	666	-	(858)	-
Total segment revenue	60,831	4,718	-	(858)	64,691
<b>Results</b>					
Segment profit / (loss)	(3,539)	455	(633)	-	(3,717)
Add: Interest income					2,086
(Less): Finance costs					(64)
Operating profit / profit before taxation					(1,695)
(Less): Tax expense					453
Profit for the period					(1,242)

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 2019</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2018</u> RM'000	Current Year To Date <u>30 Sep 2019</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2018</u> RM'000
Peng Fah Engineering Sdn Bhd				
- For rental of factory premises	376	376	1,501	1,445
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd				
- For transportation charges	30	35	122	315
TTS Insu-Write Services Sdn Bhd				
- For marine cargo and general insurance	44	32	229	320
TTS Engineering Sdn Bhd				
- For services rendered on minor fabrication works and rental of factory premise	37	2	274	5
TTS Enterprise Sdn Bhd				
- For maintenance of equipment	5	4	58	32

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 fourth quarter FY19 (4Q19), revenue increased by 27.0% yoy to RM24.8 million while gross profit margin increased from 17.65% to 20.50% due to higher numbers of projects secured and completed during the quarter. The higher revenue and improved profit margin resulted in an after tax profit of RM2.3 million as compared to loss after tax of RM12.5 million in 4Q18. There was an impairment of goodwill RM13.5 million in 4Q18. The turnaround in 4Q19 performance helped to trim the full year of FY19 loss after tax to RM1.2 million, from RM17.7 million recorded in FY18.

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

Revenue increased by 68.1% from RM14.8 million in 3Q19 to RM24.8 million in 4Q19, while gross profit margin improved from 14.86% to 20.50% during the period. This quarter registered a foreign exchange gain of RM15K, down from a gain of RM125K in 3Q19. The improved operating performance has resulted profit after tax of RM2.3 million against a loss of RM0.9 million in 3Q19.

**17. Prospects**

The outlook of process equipment industry is showing some signs of improvement.

**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 2019</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2018</u> RM'000	Current Year To Date <u>30 Sep 2019</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2018</u> RM'000
Profit for the period is arrived at after crediting / (charging):				
Depreciation of property, plant and equipment	(1,811)	(986)	(3,657)	(3,995)
Finance costs	(22)	(6)	(64)	(65)
Interest income	498	455	2,086	1,628
Net gain/(loss) on foreign exchange	15	383	(96)	(2,014)
Net allowance for impairment losses	(57)	(13,458)	(57)	(13,458)
Net allowance for impairment loss of contract	(200)	0	(200)	0
Net provision/reversal for liquidated and ascertained damages	(225)	0	(225)	211

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 Credit / (Expense)**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter <u>30 Sep 2019</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2018</u> RM'000	Current Year To Date <u>30 Sep 2019</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2018</u> RM'000
Tax Credit / (Expense)				
Current year	489	949	453	820

The tax credit for both FY18 and FY19 is due to the reversal of temporary differences in deferred tax on one of the subsidiaries companies.

**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</u> <u>Quarter</u> <u>30 Sep 2019</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>30 Sep 2018</u>	<u>Current Year</u> <u>To Date</u> <u>30 Sep 2019</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Year To Date</u> <u>30 Sep 2018</u>
Profit Attributable To Ordinary Shareholders (RM'000):				
Net profit attributable to ordinary shareholders	2,271	(12,541)	(1,242)	(17,655)
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)	2.05	(11.31)	(1.12)	(15.93)

## 26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 26 November 2019.

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

CHEOK KIM CHEE (MACS 00139)  
Company Secretary  
26 November 2019