



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 2020

INTERIM FINANCIAL STATEMENTS AS AT 31 December 2020

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter 31 Dec 2019 RM'000	Current Year To Date 31 Dec 2020 RM'000	Preceding Year Corresponding Year To Date 31 Dec 2019 RM'000
1. Revenue	14,788	27,792	14,788	27,792
2. Profit before taxation	1,058	558	1,058	558
3. Profit/(Loss) and total comprehensive income for the financial year	1,034	541	1,034	541
4. Profit and total comprehensive income for the period attributable to equity holders of the Company	1,034	541	1,034	541
5. Basic earnings per ordinary share (sen)	-	-	-	-
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)	1.43		1.42	

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter 31 Dec 2019 RM'000	Current Year To Date 31 Dec 2020 RM'000	Preceding Year Corresponding Year To Date 31 Dec 2019 RM'000
1. Gross interest income	291	484	291	484
2. Gross interest expense	(1)	-	(1)	-

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter 31 Dec 2019 RM'000	Current Year To Date 31 Dec 2020 RM'000	Preceding Year Corresponding Year To Date 31 Dec 2019 RM'000
Continuing Operations:				
Revenue	14,788	27,792	14,788	27,792
Cost of sales	(10,779)	(23,897)	(10,779)	(23,897)
Gross profit	4,009	3,895	4,009	3,895
Other income / (expenses)	(94)	(125)	(94)	(125)
Operating expenses	(3,147)	(3,696)	(3,147)	(3,696)
Results from operating activities	768	74	768	74
Interest income	291	484	291	484
Finance costs	(1)	-	(1)	-
Operating profit before taxation	1,058	558	1,058	558
Tax expense	(24)	(17)	(24)	(17)
Profit from continuing operations	1,034	541	1,034	541
Discontinued Operation:				
Result from discontinued operation	-	-	-	-
Profit and total comprehensive income for the financial year	1,034	541	1,034	541
Attributable to:				
Equity holders of the Company	1,034	541	1,034	541
Minority interest	-	-	-	-
Profit and total comprehensive income for the financial year	1,034	541	1,034	541
Earnings per ordinary share attributable to equity holders of the Company:				
Basic for profit and total comprehensive income for the financial year (sen)	-	-	-	-

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 2020 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 Dec 2020 RM'000	As At 30 Sept 2020 RM'000
ASSETS		
Property, plant and equipment	41,443	41,975
Right of use assets	18,471	18,585
Other investment	35	35
Total non-current assets	59,949	60,595
Inventories	542	1,297
Receivables, deposits and prepayments	60,216	56,338
Tax assets	-	599
Short-term funds	39,389	40,832
Deposits, cash and cash equivalents	13,625	14,081
Total current assets	113,772	113,147
TOTAL ASSETS	173,721	173,742
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,322)	(3,322)
Retained earnings	52,160	51,126
Minority interest	161,713	160,679
Total equity attributable to equity holders of the Company	161,713	160,679
LIABILITIES		
Deferred tax liabilities	1,954	1,954
Total non-current liabilities	1,954	1,954
Payables, accruals and provisions	9,964	11,039
Lease liabilities	67	70
Tax liabilities	23	-
Total current liabilities	10,054	11,109
Total liabilities	12,008	13,063
TOTAL EQUITY AND LIABILITIES	173,721	173,742
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.43	1.42

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 2020 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 Dec 2020 RM'000	Preceding Year To Date 31 Dec 2019 RM'000
Cash flows from operating activities		
Profit before taxation	1,058	558
Adjustments for:		
Depreciation of property, plant and equipment	715	765
Interest expenses	1	-
Interest income	(291)	(484)
Net gain on disposal of plant and equipment	(2)	(42)
Net gain on disposal short-term funds	(10)	-
Net provision for liquidated and ascertained damages	-	106
Net unrealised loss on foreign exchange	206	109
Operating profit before changes in working capital	1,677	1,012
Change in inventories	755	15
Change in receivables, deposits and prepayments	(4,083)	(10,207)
Change in payables, accruals and provisions	(1,075)	5,999
Net cash used in operations	(2,726)	(3,181)
Interest received	291	484
Interest paid	(1)	-
Tax paid	(22)	(33)
Tax refund	620	1,316
Net cash used in operating activities	(1,838)	(1,414)
Cash flows from investing activities		
Acquisition of plant and equipment, representing net cash used in investing activities	(72)	(680)
Proceeds from disposal of property, plant and equipment	4	42
Purchase of other investments	(1,547)	(1,429)
Proceeds from disposal of other investments	3,000	4,100
Net cash used in investing activities	1,385	2,033
Cash flows from financing activity		
Repayment of lease liabilities	(3)	-
Net decrease in cash and cash equivalents	(456)	619
Cash and cash equivalents at beginning of year	14,081	10,278
Cash and cash equivalents at end of year	13,625	10,897
Cash and cash equivalents comprise:		
Cash and bank balances	4,389	4,457
Deposits placed with licensed banks	9,236	6,440
	13,625	10,897

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 2020 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 2020	112,875	(3,322)	51,126	160,679
Total comprehensive income for the period	-	-	1,034	1,034
At 31 December 2020	112,875	(3,322)	52,160	161,713
At 1 October 2019	112,875	(3,322)	47,311	156,864
Total comprehensive income for the period	-	-	541	541
At 31 December 2019	112,875	(3,322)	47,852	157,405

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 2020 and the accompanying notes attached to the interim financial statements.

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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 2020.

Annual Financial Statements for the financial year ended 30 September 2020 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 2020 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

	<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 Dec 2020					
Revenue					
Total external revenue	13,763	1,025	-	-	14,788
Inter-segment revenue	-	104	-	(104)	-
Total segment revenue	13,763	1,129	-	(104)	14,788
Results					
Segment (loss)/profit	1,261	68	(561)	-	768
Add: Interest income					291
(Less): Finance costs					(1)
Operating loss / loss before taxation					1,058
(Less): Tax expense					(24)
Loss for the period					1,034

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 Dec 2020</u> RM'000	Preceding Year Corresponding Quarter <u>31 Dec 2019</u> RM'000	Current Year To Date <u>31 Dec 2020</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Dec 2019</u> RM'000
Peng Fah Engineering Sdn Bhd - For rental of factory premises	319	375	319	375
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd - For transportation charges	18	132	18	132
TTS Insu-Write Services Sdn Bhd - For marine cargo and general insurance	14	22	14	22
TTS Engineering Sdn Bhd - For services rendered on minor fabrication works and rental of factory premise	3	54	3	54
TTS Enterprise Sdn Bhd - For maintenance of equipment	15	29	15	29

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 FY21 (1Q21), revenue dropped by 46.8% from RM27.8 million in 1Q20 to RM14.8 million in 1Q21, however gross profit margin improved from 14.1% to 27.1% arising from better product mix. This quarter registered a foreign exchange loss of RM344K as compared to RM192K in 1Q20. As a result of higher gross profit, profit after tax rose from RM0.5 million in 1Q20 to RM1.0 million in this quarter.

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

Revenue decreased by 24.0% from RM19.5 million in 4Q20 to RM14.8 million, while gross profit margin decreased from from 39.6% to 27.1% over the period. This quarter registered a foreign exchange loss of RM344K against RM385K previously. Profit after tax dropped from RM4.0 million last quarter to RM1.0 million for the current quarter mainly due to both lower revenue and gross profit.

17. Prospects

The prevailing COVID-19 will continue to impact on the availability of projects in the process equipment industry.

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/(loss) for the Period

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter <u>31 Dec 2020</u> RM'000	Preceding Year Corresponding Quarter <u>31 Dec 2019</u> RM'000	Current Year To Date <u>31 Dec 2020</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Dec 2019</u> RM'000
Profit/(loss) for the period is arrived at after crediting/(charging):				
Depreciation of property, plant and equipment	(715)	(765)	(715)	(765)
Finance costs	(1)	-	(1)	-
Interest income	291	484	291	484
Net loss on foreign exchange	(344)	(192)	(344)	(192)
Net provision for liquidated and ascertained damages	-	(106)	-	(106)

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 2020</u> RM'000	Preceding Year Corresponding Quarter <u>31 Dec 2019</u> RM'000	Current Year To Date <u>31 Dec 2020</u> RM'000	Preceding Year Corresponding Year To Date <u>31 Dec 2019</u> RM'000
<u>Tax Expense</u>				
Current year	(24)	(17)	(24)	(17)

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 borrowing as at the end of the current quarter and the last financial year are as follows :

	As At 31 Dec 2020 RM'000	As At 30 Sep 2020 RM'000
<u>Lease liabilities</u>		
Minimum lease payments	78,000	82,500
Less : Future finance charges	(10,961)	(12,061)
Present value of minimum lease payments	<u>67,039</u>	<u>70,439</u>

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 loss per ordinary share was based on the loss 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 31 Dec 2020	Preceding Year Corresponding Quarter 31 Dec 2019	Current Year To Date 31 Dec 2020	Preceding Year Corresponding Year To Date 31 Dec 2019
Profit Attributable To Ordinary Shareholders (RM'000):				
Net loss attributable to ordinary shareholders	1,034	541	1,034	541
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/(loss) per ordinary share (sen)	<u>0.93</u>	<u>0.49</u>	<u>0.93</u>	<u>0.49</u>

26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 25 February 2021.

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

CHEOK KIM CHEE (MACS 00139)
Company Secretary
25 February 2021