



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 June 2021

INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2021

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter 30 Jun 2020 RM'000	Current Year To Date 30 Jun 2021 RM'000	Preceding Year Corresponding Year To Date 30 Jun 2020 RM'000
1. Revenue	10,263	14,995	43,310	69,911
2. (Loss)/Profit before taxation	(2,047)	(1,387)	1,162	(102)
3. (Loss)/Profit and total comprehensive income for the financial year	(2,074)	(1,410)	1,098	(159)
4. (Loss)/Profit and total comprehensive income for the period attributable to equity holders of the Company	(2,074)	(1,410)	1,098	(159)
5. Basic/(Diluted) earnings per ordinary share (sen)	(1.87)	(1.27)	0.99	(0.14)
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 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter 30 Jun 2020 RM'000	Current Year To Date 30 Jun 2021 RM'000	Preceding Year Corresponding Year To Date 30 Jun 2020 RM'000
1. Gross interest income	210	382	775	1,303
2. Gross interest expense	(1)	(10)	(3)	(26)

APB RESOURCES BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter 30 Jun 2020 RM'000	Current Year To Date 30 Jun 2021 RM'000	Preceding Year Corresponding Year To Date 30 Jun 2020 RM'000
Continuing Operations:				
Revenue	10,263	14,995	43,310	69,911
Cost of sales	(9,613)	(13,779)	(33,837)	(60,798)
Gross profit	650	1,216	9,473	9,113
Other income / (expenses)	254	178	673	304
Operating expenses	(3,160)	(3,153)	(9,756)	(10,796)
Results from operating activities	(2,256)	(1,759)	390	(1,379)
Interest income	210	382	775	1,303
Finance costs	(1)	(10)	(3)	(26)
Operating profit/(loss) before taxation	(2,047)	(1,387)	1,162	(102)
Tax expense	(27)	(23)	(64)	(57)
(Loss)/Profit from continuing operations	(2,074)	(1,410)	1,098	(159)
Discontinued Operation:				
Result from discontinued operation	-	-	-	-
(Loss)/Profit and total comprehensive income for the financial year	(2,074)	(1,410)	1,098	(159)
Attributable to:				
Equity holders of the Company	(2,074)	(1,410)	1,098	(159)
Minority interest	-	-	-	-
(Loss)/Profit and total comprehensive income for the financial year	(2,074)	(1,410)	1,098	(159)
Earnings per ordinary share attributable to equity holders of the Company:				
Basic/(Diluted) for profit and total comprehensive income for the financial year (sen)	(1.87)	(1.27)	0.99	(0.14)

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 30 Jun 2021 RM'000	As At 30 Sept 2020 RM'000
ASSETS		
Property, plant and equipment	42,730	41,975
Right of use assets	18,244	18,585
Other investment	35	35
Total non-current assets	61,009	60,595
Inventories	530	1,297
Receivables, deposits and prepayments	52,840	56,338
Tax assets	38	599
Short-term funds	44,701	40,832
Deposits, cash and cash equivalents	16,825	14,081
Total current assets	114,934	113,147
TOTAL ASSETS	175,943	173,742
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,322)	(3,322)
Retained earnings	52,224	51,126
Minority interest	161,777	160,679
Total equity attributable to equity holders of the Company	161,777	160,679
LIABILITIES		
Deferred tax liabilities	1,954	1,954
Total non-current liabilities	1,954	1,954
Payables, accruals and provisions	12,152	11,039
Borrowings	60	70
Total current liabilities	12,212	11,109
Total liabilities	14,166	13,063
TOTAL EQUITY AND LIABILITIES	175,943	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 30 Jun 2021 RM'000	Preceding Year To Date 30 Jun 2020 RM'000
Cash flows from operating activities		
Profit before taxation	1,162	(102)
Adjustments for:		
Depreciation of property, plant and equipment	2,214	2,262
Interest expenses	3	26
Interest income	(775)	(1,303)
Net gain on disposal of plant and equipment	(67)	(40)
Net gain on disposal short-term funds	(5)	(31)
Net reversal impairment loss of receivable	-	(27)
Net provision for liquidated and ascertained damages	-	351
Net unrealised gain on foreign exchange	(78)	(177)
Operating profit before changes in working capital	2,454	959
Change in inventories	767	(212)
Change in receivables, deposits and prepayments	3,577	(13,473)
Change in payables, accruals and provisions	1,113	4,433
Net cash from/(used in) operations	7,911	(8,293)
Interest received	775	1,303
Interest paid	(3)	(15)
Tax paid	(124)	(118)
Tax refund	620	1,791
Net cash from/(used in) operating activities	9,179	(5,332)
Cash flows from investing activities		
Acquisition of plant and equipment, representing net cash used in investing activities	(2,632)	(1,182)
Proceeds from disposal of property, plant and equipment	70	54
Purchase of other investments	(40,314)	(6,224)
Proceeds from disposal of other investments	36,451	13,500
Net cash (used in)/from investing activities	(6,425)	6,148
Cash flows from financing activity		
Proceeds from short-term borrowing	-	1,703
Repayment of lease liabilities	(10)	-
Net cash (used in)/from financing activities	(10)	1,703
Net (decrease)/increase in cash and cash equivalents	2,744	2,519
Cash and cash equivalents at beginning of year	14,081	10,278
Cash and cash equivalents at end of year	16,825	12,797
Cash and cash equivalents comprise:		
Cash and bank balances	6,588	5,974
Deposits placed with licensed banks	10,237	6,823
	16,825	12,797

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	Treasury Shares	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 October 2020	112,875	(3,322)	51,126	160,679
Total comprehensive income for the period	-	-	1,098	1,098
At 30 June 2021	<u>112,875</u>	<u>(3,322)</u>	<u>52,224</u>	<u>161,777</u>
At 1 October 2019	112,875	(3,322)	47,311	156,864
Total comprehensive income for the period	-	-	(159)	(159)
At 30 June 2020	<u>112,875</u>	<u>(3,322)</u>	<u>47,152</u>	<u>156,705</u>

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.

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

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

	Fabrication RM'000	Non-Destructive Testing ("NDT") RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Financial Year Ended 30 Jun 2021					
<u>Revenue</u>					
Total external revenue	40,219	3,091	-	-	43,310
Inter-segment revenue	-	296	-	(296)	-
Total segment revenue	40,219	3,387	-	(296)	43,310
<u>Results</u>					
Segment profit/(loss)	660	216	(486)	-	390
Add: Interest income					775
(Less): Finance costs					(3)
Operating profit before taxation					1,162
(Less): Tax expense					(64)
Profit for the period					1,098

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>30 Jun 2021</u> RM'000	Preceding Year Corresponding Quarter <u>30 Jun 2020</u> RM'000	Current Year To Date <u>30 Jun 2021</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Jun 2020</u> RM'000
Peng Fah Engineering Sdn Bhd - For rental of factory premises	319	106	957	857
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd - For transportation charges	15	34	39	269
TTS Insu-Write Services Sdn Bhd - For marine cargo and general insurance	28	15	180	185
TTS Engineering Sdn Bhd - For services rendered on minor fabrication works and rental of factory premise	9	126	49	269
TTS Enterprise Sdn Bhd - For maintenance of equipment	1	5	22	42

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 third quarter (3Q21) revenue dropped by 31.6% from RM15.0 million in 3Q20 to RM10.3 million while gross profit margin slipped from 8.11% to 6.33% during the period due to low availability of projects as the operating environment remain very difficult. This quarter registered a foreign exchange loss of RM29K as compared to gain of 110K in 3Q20. Revenue dropped and the low gross profit margin resulted in a loss after taxation of RM2.1 million against loss after taxation of RM1.4 million in 3Q20.

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

Revenue decreased by 43.8% from RM18.3 million in 2Q21 to RM10.3 million, while gross profit margin plunged from 26.4% to 6.33% during the period due to few projects and intense competitions. This quarter registered a foreign exchange loss of RM29K as compared to foreign exchange gain of RM410K in 2Q21. The lower turnover and weaker gross profit margin resulted in the loss after taxation of RM2.1 million against a profit after taxation of RM2.1 million in 2Q21.

17. Prospects

The outlook remains very challenging with very low availability of contracts and there is no indication of pick up of capital spending in the fabrication sector. The prevailing Covid-19 pandemic adds to the already uncertain environment.

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>30 Jun 2021</u> RM'000	Preceding Year Corresponding Quarter <u>30 Jun 2020</u> RM'000	Current Year To Date <u>30 Jun 2021</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Jun 2020</u> RM'000
Profit/(loss) for the period is arrived at after crediting/(charging):				
Depreciation of property, plant and equipment	(765)	(752)	(2,214)	(2,262)
Finance costs	(1)	(10)	(3)	(26)
Interest income	210	382	775	1,303
Net (loss)/gain on foreign exchange	(29)	110	37	128
Net reversal of impairment losses on trade receivables	-	27	-	27
Net provision for liquidated and ascertained damages	-	(211)	-	(351)

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>30 Jun 2021</u> RM'000	Preceding Year Corresponding Quarter <u>30 Jun 2020</u> RM'000	Current Year To Date <u>30 Jun 2021</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Jun 2020</u> RM'000
<u>Tax Expense</u>				
Current year	(27)	(23)	(64)	(57)

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's borrowing as at the end of the reporting period are as follows:

	As At 30 Jun 2021 RM'000	As At 30 Jun 2020 RM'000
Borrowings		
Foreign currency loan against imports (FCY LAI)	-	1,703
Lease liabilities	60	-
Total borrowings	<u>60</u>	<u>1,703</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. (Loss)/Earnings Per Share

Basic (loss)/earnings Per Ordinary Share

The calculation of basic (loss)/earnings per ordinary share was based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares, calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Jun 2021	Preceding Year Corresponding Quarter 30 Jun 2020	Current Year To Date 30 Jun 2021	Preceding Year Corresponding Year To Date 30 Jun 2020
(Loss)/Profit Attributable To Ordinary Shareholders (RM'000):				
Net (loss)/profit attributable to ordinary shareholders	(2,074)	(1,410)	1,098	(159)
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 (loss)/earnings per ordinary share (sen)	<u>(1.87)</u>	<u>(1.27)</u>	<u>0.99</u>	<u>(0.14)</u>

26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 26 Aug 2021.

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

CHEOK KIM CHEE (MACS 00139)
Company Secretary
26 August 2021