



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 2021

INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2021 RM'000	Preceding Year Corresponding Quarter 30 Sep 2020 RM'000	Current Year To Date 30 Sep 2021 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2020 RM'000
1. Revenue	13,561	19,456	56,871	89,367
2. (Loss)/Profit before taxation	(6,146)	4,817	(4,984)	4,715
3. (Loss)/Profit and total comprehensive income for the financial year	(6,416)	3,974	(5,318)	3,815
4. (Loss)/Profit and total comprehensive income for the period attributable to equity holders of the Company	(6,416)	3,974	(5,318)	3,815
5. (Diluted)/Basic earnings per ordinary share (sen)	(5.79)	3.59	(4.80)	3.44
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)	1.38		1.42	

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2021 RM'000	Preceding Year Corresponding Quarter 30 Sep 2020 RM'000	Current Year To Date 30 Sep 2021 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2020 RM'000
1. Gross interest income	292	318	1,067	1,621
2. Gross interest expense	(1)	(3)	(4)	(29)

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2021 RM'000	Preceding Year Corresponding Quarter 30 Sep 2020 RM'000	Current Year To Date 30 Sep 2021 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2020 RM'000
Continuing Operations:				
Revenue	13,561	19,456	56,871	89,367
Cost of sales	(10,363)	(11,743)	(44,200)	(72,541)
Gross profit	3,198	7,713	12,671	16,826
Other income / (expenses)	(7,148)	306	(6,475)	610
Operating expenses	(2,487)	(3,517)	(12,243)	(14,313)
Results from operating activities	(6,437)	4,502	(6,047)	3,123
Interest income	292	318	1,067	1,621
Finance costs	(1)	(3)	(4)	(29)
Operating (loss)/profit before taxation	(6,146)	4,817	(4,984)	4,715
Tax expense	(270)	(843)	(334)	(900)
(Loss)/Profit from continuing operations	(6,416)	3,974	(5,318)	3,815
Discontinued Operation:				
Result from discontinued operation	-	-	-	-
(Loss)/Profit and total comprehensive income for the financial year	(6,416)	3,974	(5,318)	3,815
Attributable to:				
Equity holders of the Company	(6,416)	3,974	(5,318)	3,815
Minority interest	-	-	-	-
(Loss)/Profit and total comprehensive income for the financial year	(6,416)	3,974	(5,318)	3,815
Earnings per ordinary share attributable to equity holders of the Company:				
(Diluted)/Basic for profit and total comprehensive income for the financial year (sen)	(5.79)	3.59	(4.80)	3.44

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
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At 30 Sep 2021 RM'000	As At 30 Sept 2020 RM'000
ASSETS		
Property, plant and equipment	42,105	41,975
Right of use assets	18,131	18,585
Other investment	35	35
Total non-current assets	60,271	60,595
Inventories	319	1,297
Receivables, deposits and prepayments	38,287	56,338
Tax assets	-	599
Short-term funds	47,864	40,832
Deposits, cash and cash equivalents	22,531	14,081
Total current assets	109,001	113,147
TOTAL ASSETS	169,272	173,742
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,262)	(3,322)
Retained earnings	45,808	51,126
Minority interest	155,421	160,679
Total equity attributable to equity holders of the Company	155,421	160,679
LIABILITIES		
Deferred tax liabilities	2,146	1,954
Total non-current liabilities	2,146	1,954
Payables, accruals and provisions	11,633	11,039
Borrowings	56	70
Tax liabilities	16	-
Total current liabilities	11,705	11,109
Total liabilities	13,851	13,063
TOTAL EQUITY AND LIABILITIES	169,272	173,742
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.38	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 Sep 2021	Preceding Year To Date 30 Sep 2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	(4,984)	4,715
Adjustments for:		
Depreciation of property, plant and equipment	2,977	3,016
Interest expenses	4	29
Interest income	(1,067)	(1,621)
Net gain on disposal of plant and equipment	(67)	(55)
Net (loss)/gain on disposal short-term funds	(3)	40
Net loss on disposal treasury shares	34	-
Net reversal/provision impairment loss of receivable	6,915	(27)
Net reversal impairment loss of contract asset	-	(200)
Net provision for liquidated and ascertained damages	2,178	-
Net fair value gain on other investment	(130)	-
Net unrealised gain on foreign exchange	(33)	(33)
Operating profit before changes in working capital	5,824	5,864
Change in inventories	977	(657)
Change in receivables, deposits and prepayments	11,169	(15,688)
Change in payables, accruals and provisions	(1,583)	2,545
Net cash from/(used in) operations	16,387	(7,936)
Interest received	1,067	1,621
Interest paid	(4)	(29)
Tax paid	(147)	(140)
Tax refund	620	2,167
Net cash from/(used in) operating activities	17,923	(4,317)
Cash flows from investing activities		
Acquisition of plant and equipment, representing net cash used in investing activities	(2,657)	(1,320)
Proceeds from disposal of property, plant and equipment	70	69
Purchase of other investments	(43,850)	(7,429)
Proceeds from disposal of other investments	36,951	16,800
Proceeds from disposal of treasury shares	27	-
Net cash (used in)/from investing activities	(9,459)	8,120
Cash flows from financing activity		
Repayment of lease liabilities	(14)	-
Net cash (used in)/from financing activities	(14)	-
Net (decrease)/increase in cash and cash equivalents	8,450	3,803
Cash and cash equivalents at beginning of year	14,081	10,278
Cash and cash equivalents at end of year	<u>22,531</u>	<u>14,081</u>
Cash and cash equivalents comprise:		
Cash and bank balances	9,123	6,882
Deposits placed with licensed banks	13,408	7,199
	<u>22,531</u>	<u>14,081</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 2020 and the accompanying notes attached to the interim financial statements.

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

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	-	60	(5,318)	(5,258)
At 30 September 2021	112,875	(3,262)	45,808	155,421
At 1 October 2019	112,875	(3,322)	47,311	156,864
Total comprehensive income for the period	-	-	3,815	3,815
At 30 September 2020	112,875	(3,322)	51,126	160,679

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 Sep 2021					
<u>Revenue</u>					
Total external revenue	53,014	3,856	-	-	56,870
Inter-segment revenue	-	455	-	(455)	-
Total segment revenue	53,014	4,311	-	(455)	56,870
<u>Results</u>					
Segment profit/(loss)	(5,863)	226	(410)	-	(6,047)
Add: Interest income					1,067
(Less): Finance costs					(4)
Operating profit before taxation					(4,984)
(Less): Tax expense					(334)
Profit for the period					(5,318)

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 Sep 2021</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2020</u> RM'000	Current Year To Date <u>30 Sep 2021</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2020</u> RM'000
Peng Fah Engineering Sdn Bhd - For rental of factory premises	319	319	1,276	1,426
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd - For transportation charges	10	45	49	313
TTS Insu-Write Services Sdn Bhd - For marine cargo and general insurance	19	32	198	217
TTS Engineering Sdn Bhd - For services rendered on minor fabrication works and rental of factory premise	12	44	61	313
TTS Enterprise Sdn Bhd - For maintenance of equipment	4	19	26	62

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 (4Q21) revenue dropped by 30.3% from RM19.5 million in 4Q20 to RM13.6 million while gross profit margin declined from 39.6% to 23.6% during the period due to low availability of projects as the operating environment remains very difficult. This quarter registered a foreign exchange gain of RM64K as compared to loss of 385K in 4Q20. Lower revenue and gross profit margin, coupled with provisions for doubtful debts resulted in a loss after taxation of RM6.4 million against profit after taxation of RM4.0 million in 4Q20.

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

Revenue grew by 32.1% from RM10.3m to RM13.6m, while gross profit margin rose from 6.3% to 23.6% during the period. Notwithstanding the improvement in revenue and profit margin, loss after tax increased from RM2.1 million to RM6.4 million largely as a result of provisions for doubtful debts.

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 Sep 2021</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2020</u> RM'000	Current Year To Date <u>30 Sep 2021</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2020</u> RM'000
Profit/(loss) for the period is arrived at after crediting/(charging):				
Depreciation of property, plant and equipment	(763)	(754)	(2,977)	(3,016)
Finance costs	(1)	(3)	(4)	(29)
Interest income	292	318	1,067	1,621
Net gain/(loss) on foreign exchange	64	(385)	101	(257)
Net reversal of impairment losses on trade receivables	(6,915)	27	(6,915)	27
Net reversal/allowance for impairment loss of contract assets	-	200	-	200
Net provision for liquidated and ascertained damages	(2,178)	351	(2,178)	-

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 Sep 2021</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2020</u> RM'000	Current Year To Date <u>30 Sep 2021</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2020</u> RM'000
<u>Tax Expense</u>				
Current year	(270)	(843)	(334)	(900)

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 Sep 2021 RM'000	As At 30 Sep 2020 RM'000
<u>Borrowings</u>		
Lease liabilities	56	70
Total borrowings	<u>56</u>	<u>70</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:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30 Sep 2021	Preceding Year Corresponding Quarter 30 Sep 2020	Current Year To Date 30 Sep 2021	Preceding Year Corresponding Year To Date 30 Sep 2020
(Loss)/Profit Attributable To Ordinary Shareholders (RM'000):				
Net (loss)/profit attributable to ordinary shareholders	(6,416)	3,974	(5,318)	3,815
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>(5.79)</u>	<u>3.59</u>	<u>(4.80)</u>	<u>3.44</u>

26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 29 Nov 2021.

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

CHEOK KIM CHEE (MACS 00139)
Company Secretary
29 November 2021