



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 2022

INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2022 RM'000	Preceding Year Corresponding Quarter 30 Sep 2021 RM'000	Current Year To Date 30 Sep 2022 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2021 RM'000
1. Revenue	19,950	13,561	78,018	56,871
2. Profit/(Loss) before taxation	5,913	(6,151)	9,710	(4,989)
3. Profit/(Loss) and total comprehensive income for the financial year	4,859	(6,421)	8,598	(5,323)
4. Profit/(Loss) and total comprehensive income for the period attributable to equity holders of the Company	4,859	(6,421)	8,598	(5,323)
5. Basic/(Diluted) earnings per ordinary share (sen)	4.38	(5.79)	7.75	(4.80)
6. Declared dividend per ordinary share (sen)	10.0	-	10.0	-
	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)	1.35		1.38	

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2022 RM'000	Preceding Year Corresponding Quarter 30 Sep 2021 RM'000	Current Year To Date 30 Sep 2022 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2021 RM'000
1. Gross interest income	412	292	1,212	1,067
2. Gross interest expense	(1)	(1)	(3)	(4)

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sep 2022 RM'000	Preceding Year Corresponding Quarter 30 Sep 2021 RM'000	Current Year To Date 30 Sep 2022 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2021 RM'000
Continuing Operations:				
Revenue	19,950	13,561	78,018	56,871
Cost of sales	(12,558)	(10,363)	(57,186)	(44,200)
Gross profit	7,392	3,198	20,832	12,671
Other income / (expenses)	2,062	(7,148)	1,692	(6,475)
Operating expenses	(3,952)	(2,492)	(14,023)	(12,248)
Results from operating activities	5,502	(6,442)	8,501	(6,052)
Interest income	412	292	1,212	1,067
Finance costs	(1)	(1)	(3)	(4)
Operating profit/(loss) before taxation	5,913	(6,151)	9,710	(4,989)
Tax expense	(1,054)	(270)	(1,112)	(334)
Profit/(Loss) from continuing operations	4,859	(6,421)	8,598	(5,323)
Discontinued Operation:				
Result from discontinued operation	-	-	-	-
Profit/(Loss) and total comprehensive income for the financial year	4,859	(6,421)	8,598	(5,323)
Attributable to:				
Equity holders of the Company	4,859	(6,421)	8,598	(5,323)
Minority interest	-	-	-	-
Profit/(Loss) and total comprehensive income for the financial year	4,859	(6,421)	8,598	(5,323)
Earnings per ordinary share attributable to equity holders of the Company:				
Basic/(Diluted) for profit and total comprehensive income for the financial year (sen)	4.38	(5.79)	7.75	(4.80)

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 2021 and the accompanying notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At 30 Sep 2022 RM'000	As At 30 Sept 2021 RM'000
ASSETS		
Property, plant and equipment	40,192	42,105
Right of use assets	17,677	18,131
Other investment	35	35
Total non-current assets	57,904	60,271
Inventories	677	319
Receivables, deposits and prepayments	31,656	38,287
Short-term funds	64,793	47,864
Deposits, cash and cash equivalents	15,568	22,531
Total current assets	112,694	109,001
TOTAL ASSETS	170,598	169,272
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,262)	(3,262)
Retained earnings	43,313	45,803
	152,926	155,416
Minority interest	-	-
Total equity attributable to equity holders of the Company	152,926	155,416
LIABILITIES		
Deferred tax liabilities	2,216	2,146
Total non-current liabilities	2,216	2,146
Payables, accruals and provisions	14,633	11,638
Borrowings	41	56
Tax liabilities	782	16
Total current liabilities	15,456	11,710
Total liabilities	17,672	13,856
TOTAL EQUITY AND LIABILITIES	170,598	169,272
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.35	1.38

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 2021 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 2022	Preceding Year To Date 30 Sep 2021
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before taxation	9,710	(4,989)
Adjustments for:		
Depreciation of property, plant and equipment	2,940	2,977
Interest expenses	3	4
Interest income	(1,212)	(1,067)
Net gain on disposal of property, plant and equipment	(138)	(67)
Net loss of property, plant and equipment written off	22	-
Loss on disposal of a subsidiary company	323	-
Net loss on disposal short-term funds	24	(3)
Net loss on disposal treasury shares	-	34
Net (reversal)/provision impairment loss of trade receivable	(6,327)	6,915
Net provision impairment loss of contract asset	5,278	-
Net (reversal)/provision for liquidated and ascertained damages	(2,178)	2,178
Net fair value gain on other investment	(133)	(130)
Net unrealised gain on foreign exchange	(53)	(33)
Operating profit before changes in working capital	8,259	5,819
Change in inventories	(357)	977
Change in receivables, deposits and prepayments	11,080	11,169
Change in payables, accruals and provisions	527	(1,583)
Net cash from operations	19,509	16,382
Interest received	1,212	1,067
Interest paid	(3)	(4)
Tax paid	(265)	(147)
Tax refund	-	620
Net cash from operating activities	20,453	17,918
Cash flows from investing activities		
Acquisition of plant and equipment, representing net cash used in investing activities	(1,540)	(2,657)
Proceeds from disposal of property, plant and equipment	147	70
Proceed from disposal of a subsidiary company	1,900	-
Purchase of other investments	(37,087)	(43,850)
Proceeds from disposal of other investments	20,267	36,951
Proceeds from disposal of treasury shares	-	27
Net cash (used in) investing activities	(16,313)	(9,459)
Cash flows from financing activity		
Dividends paid, representing net cash used in financing activity	(11,088)	-
Repayment of lease liabilities	(15)	(14)
Net cash (used in) financing activities	(11,103)	(14)
Net (decrease)/increase in cash and cash equivalents	(6,963)	8,445
Cash and cash equivalents at beginning of year	22,531	14,081
Cash and cash equivalents at end of year	15,568	22,526
Cash and cash equivalents comprise:		
Cash and bank balances	11,206	9,123
Deposits placed with licensed banks	4,362	13,408
	15,568	22,531

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 2021 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 2021	112,875	(3,262)	45,803	155,416
Total comprehensive income for the period	-	-	8,598	8,598
Dividend to shareholders			(11,088)	(11,088)
At 30 September 2022	112,875	(3,262)	43,313	152,926
At 1 October 2020	112,875	(3,322)	51,126	160,679
Total comprehensive income for the period	-	60	(5,323)	(5,263)
At 30 September 2021	112,875	(3,262)	45,803	155,416

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 2021 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 2021.

Annual Financial Statements for the financial year ended 30 September 2021 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 2021 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

The Board of Directors had declared an interim dividend of 10% for the financial year ending 30 September 2022, which had been paid on 15 September 2022.

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 2022					
Revenue					
Total external revenue	75,048	2,970	-	-	78,018
Inter-segment revenue	-	317	-	(317)	-
Total segment revenue	<u>75,048</u>	<u>3,287</u>	<u>-</u>	<u>(317)</u>	<u>78,018</u>
Results					
Segment profit/(loss)	9,079	232	(810)	-	8,501
Add: Interest income					1,212
(Less): Finance costs					<u>(3)</u>
Operating profit before taxation					9,710
(Less): Tax expense					<u>(1,112)</u>
Profit for the period					<u><u>8,598</u></u>

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

The Company's wholly owned subsidiary company, Era Julung Sdn Bhd, had on 28 March 2022 entered into a Share Purchase Agreement to dispose 1,600,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital in Prescan Sdn Bhd for a cash consideration of RM1.9 million. The cash consideration is based on the net tangible assets of Prescan Sdn Bhd as at 30 September 2021 and after dividend payment of RM5 million to the Group on 18 March 2022. The disposal had been completed on 31 May 2022.

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 2022</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2021</u> RM'000	Current Year To Date <u>30 Sep 2022</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2021</u> RM'000
Peng Fah Engineering Sdn Bhd - For rental of factory premises	319	319	1,276	1,276
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd - For transportation charges	25	10	78	49
TTS Insu-Write Services Sdn Bhd - For marine cargo and general insurance	18	19	223	198
TTS Engineering Sdn Bhd - For services rendered on minor fabrication works and rental of factory premise	25	12	93	61
TTS Enterprise Sdn Bhd - For maintenance of equipment	1	4	4	26

Mr. Yap Swee Sang 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 (4Q22) revenue grew by 47.1% from RM13.6 million in 4Q21 to RM20.0 million while gross profit margin improved from 23.6% previously to 37.1% as more projects were completed and a better product mix was achieved. The improved operating performance together with reversal of impairment losses on trade receivables resulted in a profit after taxation of RM4.9 million in 4Q22 versus a loss of RM6.4 million in 4Q21.

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

Although revenue for the quarter decreased by 15.7% from RM23.7 million to RM20.0 million, the Group achieved a marginal increase in profit after taxation of RM4.9 million versus RM4.3 million in 3Q FY22 largely due to the reversal of impairment losses on trade receivable and improved margin on better product mix.

17. Prospects

The outlook remains very challenging as there is no indication of pick up of capital spending in the fabrication sector despite higher commodity prices. The sector is still facing an overcapacity situation.

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 2022</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2021</u> RM'000	Current Year To Date <u>30 Sep 2022</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2021</u> RM'000
Profit/(loss) for the period is arrived at after crediting/(charging):				
Depreciation of property, plant and equipment	(702)	(763)	(2,940)	(2,977)
Finance costs	(1)	(1)	(3)	(4)
Interest income	412	292	1,212	1,067
Net gain on foreign exchange	199	64	507	101
Net reversal /(impairment) losses on trade receivables	7,083	(6,915)	6,327	(6,915)
Net gain on fair value of other investment	59	-	133	-
Net loss on disposal of a subsidiary company	(323)	-	(323)	-
Net provision for impairment loss of contract assets	(5,278)	-	(5,278)	-
Net reversal/(provision) for liquidated and ascertained damages	2,178	(2,178)	2,178	(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 2022</u> RM'000	Preceding Year Corresponding Quarter <u>30 Sep 2021</u> RM'000	Current Year To Date <u>30 Sep 2022</u> RM'000	Preceding Year Corresponding Year To Date <u>30 Sep 2021</u> RM'000
<u>Tax Expense</u>				
Current year	(1,054)	(270)	(1,112)	(334)

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 2022 RM'000	As At 30 Sep 2021 RM'000
Borrowings		
Lease liabilities	41	60
Total borrowings	<u>41</u>	<u>60</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/(Loss) Per Share

Basic earnings/(loss) Per Ordinary Share

The calculation of basic earnings/(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 <u>30 Sep 2022</u>	Preceding Year Corresponding Quarter <u>30 Sep 2021</u>	Current Year To Date <u>30 Sep 2022</u>	Preceding Year Corresponding Year To Date <u>30 Sep 2021</u>
Profit/(Loss) Attributable To Ordinary Shareholders (RM'000):				
Net (loss)/profit attributable to ordinary shareholders	4,859	(6,421)	8,598	(5,323)
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	(1,990)	(1,990)	(1,990)	(1,990)
Weighted average number of ordinary shares	<u>110,885</u>	<u>110,885</u>	<u>110,885</u>	<u>110,885</u>
Basic earnings/(loss) per ordinary share (sen)	<u>4.38</u>	<u>(5.79)</u>	<u>7.75</u>	<u>(4.80)</u>

26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 29 November 2022.

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

CHEOK KIM CHEE (MACS 00139)
Company Secretary
29 November 2022