



APB RESOURCES BERHAD
(Registration No. 200101029080 (564838-V))

INTERIM FINANCIAL STATEMENTS

The Directors are pleased to present the Interim Financial Statements for the financial period ended 30 September 2023

INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2023

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30 Sep 2023 RM'000	Preceding Year Corresponding Quarter 30 Sep 2022 RM'000	Current Period To Date 30 Sep 2023 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2022 RM'000
1. Revenue	18,934	19,950	72,465	78,018
2. Profit before taxation	2,978	5,896	7,158	9,693
3. Profit and total comprehensive income for the financial period	2,252	4,842	5,530	8,581
4. Profit and total comprehensive income for the period attributable to equity holders of the Company	2,252	4,842	5,530	8,581
5. Basic earnings per ordinary share (sen)	2.03	4.37	4.99	7.74
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)	1.40		1.35	

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30 Sep 2023 RM'000	Preceding Year Corresponding Quarter 30 Sep 2022 RM'000	Current Period To Date 30 Sep 2023 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2022 RM'000
1. Gross interest income	267	412	1,709	1,212
2. Gross interest expense	(10)	(1)	(12)	(3)

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 30 Sep 2023 RM'000	Preceding Year Corresponding Quarter 30 Sep 2022 RM'000	Current Period To Date 30 Sep 2023 RM'000	Preceding Year Corresponding Year To Date 30 Sep 2022 RM'000
Continuing Operations:				
Revenue	18,934	19,950	72,465	78,018
Cost of sales	(12,517)	(12,558)	(53,876)	(57,186)
Gross profit	6,417	7,392	18,589	20,832
Other income	63	2,062	747	1,692
Operating expenses	(3,759)	(3,969)	(13,875)	(14,040)
Results from operating activities	2,721	5,485	5,461	8,484
Interest income	267	412	1,709	1,212
Finance costs	(10)	(1)	(12)	(3)
Profit before tax	2,978	5,896	7,158	9,693
Taxation	(726)	(1,054)	(1,628)	(1,112)
Profit for the financial period, representing total comprehensive income for the financial period	2,252	4,842	5,530	8,581
Attributable to:				
Equity holders of the Company	2,252	4,842	5,530	8,581
Non-controlling interest	-	-	-	-
Profit for the financial period, representing total comprehensive income for the financial period	2,252	4,842	5,530	8,581
Earnings per ordinary share attributable to equity holders of the Company (sen):				
Basic	2.03	4.37	4.99	7.74

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 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 2023	As At 30 Sept 2022
	RM'000	RM'000
ASSETS		
Property, plant and equipment	41,984	40,192
Right of use assets	17,224	17,677
Other investment	-	35
Total non-current assets	59,208	57,904
Inventories	471	677
Trade and other receivables	52,457	8,641
Contract assets	6,984	23,015
Short-term funds	277	64,793
Deposits, cash and cash equivalents	59,710	15,568
Total current assets	119,899	112,694
TOTAL ASSETS	179,107	170,598
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,262)	(3,262)
Retained earnings	48,826	43,296
Non-controlling interest	158,439	152,909
	-	-
Total equity attributable to equity holders of the Company	158,439	152,909
LIABILITIES		
Deferred tax liabilities	2,216	2,216
Borrowings	2,327	-
Total non-current liabilities	4,543	2,216
Trade and other payables	6,321	5,225
Contract liabilities	7,700	9,425
Borrowings	234	-
Lease liabilities	26	41
Tax liabilities	1,844	782
Total current liabilities	16,125	15,473
Total liabilities	20,668	17,689
TOTAL EQUITY AND LIABILITIES	179,107	170,598
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.40	1.35

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 and the accompanying notes attached to the interim financial statements.

APB RESOURCES BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Current Period To Date 30 Sep 2023 RM'000	Preceding Year To Date 30 Sep 2022 RM'000
Cash flows from operating activities		
Profit before taxation	7,158	9,693
Adjustments for:		
Depreciation of property, plant and equipment	2,825	2,940
Interest expenses	12	3
Interest income	(1,709)	(1,212)
Net loss/(gain) on disposal of property, plant and equipment	30	(138)
Net loss on disposal of other investment	35	-
Property, plant and equipment written off	-	22
Loss on disposal of a subsidiary company	-	323
Net gain/(loss) on disposal short-term funds	(494)	24
Net provision/(reversal) on impairment loss of trade receivable	5,278	(6,327)
Net (reversal)/provision on impairment loss of contract asset	(5,278)	5,278
Net provision/(reversal) for liquidated and ascertained damages	493	(2,178)
Fair value loss/(gain) on other investment	263	(133)
Net unrealised gain on foreign exchange	(612)	(53)
Operating profit before changes in working capital	8,001	8,242
Inventories	206	(357)
Trade and other receivables	(48,482)	13,685
Trade and other payables	603	5,749
Contract assets/Contract liabilities	19,584	(7,165)
Net cash (used in)/from operations	(20,088)	20,154
Interest received	1,709	1,212
Interest paid	(12)	(3)
Tax paid	(566)	(265)
Net cash (used in)/from operating activities	(18,957)	21,098
Cash flows from investing activities		
Acquisition of plant and equipment, representing net cash used in investing activities	(1,683)	(1,540)
Proceeds from disposal of property, plant and equipment	89	147
Net cash inflow from the disposal of a subsidiary	-	1,255
Purchase of other investments	(28,382)	(37,087)
Proceeds from disposal of other investments	93,129	20,267
Net cash from/(used in) investing activities	63,153	(16,958)
Cash flows from financing activity		
Dividends paid, representing net cash used in financing activity	-	(11,088)
Repayment of borrowing	(38)	-
Repayment of lease liabilities	(16)	(15)
Net cash used in financing activities	(54)	(11,103)
Net increase/(decrease) in cash and cash equivalents	44,142	(6,963)
Cash and cash equivalents at beginning of the financial period	15,568	22,531
Cash and cash equivalents at end of the financial period	59,710	15,568
Cash and cash equivalents comprise:		
Cash and bank balances	59,710	11,206
Deposits placed with licensed banks	-	4,362
	59,710	15,568

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 and the accompanying notes attached to the interim financial statements.

APB RESOURCES BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000
At 1 October 2022	112,875	(3,262)	43,296	152,909
Total comprehensive income for the period	-	-	5,530	5,530
At 30 September 2023	<u>112,875</u>	<u>(3,262)</u>	<u>48,826</u>	<u>158,439</u>
At 1 October 2021	112,875	(3,262)	45,803	155,416
Total comprehensive income for the period	-	-	8,581	8,581
Dividend to shareholders	-	-	(11,088)	(11,088)
At 30 September 2022	<u>112,875</u>	<u>(3,262)</u>	<u>43,296</u>	<u>152,909</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 September 2022 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 MFRS 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 the financial year ended 30 September 2022.

2. Change in Financial Year End

The Board of Directors of the Company had on 9 November 2023 approved the change of the financial year end from 30 September to 31 March. Consequently, the next set of audited financial statements shall be made up from 1 October 2022 to 31 March 2024 covering a period of 18 months and subsequently, the financial year end of the Company shall end on 31 March.

3. Significant Accounting Policies

The significant accounting policies and method of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 30 September 2022.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Company's Annual Financial Statements for the financial year ended 30 September 2022 was not subjected to any qualification.

5. Comments about Seasonal or Cyclical Factors

The Group's business operations are not materially affected by any major seasonal or cyclical factors.

6. 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 under review.

7. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year that have a material effect on the results in the current quarter under review.

8. 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 period under review.

9. Dividend

There were no dividend proposed or paid during the current quarter and financial period under review.

10. Segmental Information

Business Segments

	Fabrication RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Financial Period Ended 30 Sep 2023				
Revenue				
Total external revenue	72,465	-	-	72,465
Inter-segment revenue	-	-	-	-
Total segment revenue	<u>72,465</u>	<u>-</u>	<u>-</u>	<u>72,465</u>
Results				
Segment profit/(loss)	5,957	(496)	-	5,461
Add: Interest income				1,709
(Less): Finance costs				<u>(12)</u>
Operating profit before taxation				7,158
(Less): Tax expense				<u>(1,628)</u>
Profit for the period				<u><u>5,530</u></u>

Please refer to Notes 16 and 17 below for an analysis of the performance of the business segments of the Group.

11. Significant and Subsequent Events

Proposed Acquisition of Menara Serba Dinamik

On 1 September 2023, the Company has entered into Sale and Purchase Agreement ("SPA") with Serba Dinamik Group Berhad (In Liquidation) ("Vendor") for purchase a leasehold land held under HS(D) 143324, No. PT 18 Seksyen 14, Bandar Shah Alam, Daerah Petaling, Negeri Selangor together with a sixteen (16) storey office building with four (4) storey basement car park erected thereon and bearing postal address Menara Serba Dinamik, Presint 3.4, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan ("the said Property") for a total consideration of Ringgit Malaysia Thirty Eight Million (RM38,000,000) only ("Purchase Consideration"). Prior execution and upon execution of the SPA, the Company has paid total deposit of RM3,800,000 which is equivalent to ten percent (10%) of the Purchase Consideration to the Vendor. The SPA shall become unconditional upon fulfillment of all the conditions precedent which are listed in our announcement on Bursa Malaysia Securities Berhad dated 11 October 2023 and 12 October 2023.

The Company had on 16 November 2023 received a notification from the Liquidator of the Vendor informing that they have received the sealed copy of the Order in respect of the Liquidator's application for directions on the sale of the said Property. In this regard, the High Court has ordered that the Vendor can proceed with completing the SPA.

The Company has applied for approval from the State Authority to transfer the said Property but yet to obtain the consent of transfer as of this report date.

12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period under review.

13. Contingent Liabilities

There were no material contingent liabilities for the Group as at the date of this announcement.

14. Capital Commitments

	As At 30 Sep 2023 RM'000	As At 30 Sep 2022 RM'000
Capital expenditure not provided for in the financial statements:		
Approved and contracted for	<u>34,200</u>	<u>-</u>

15. Significant Related Party Transactions

Related party transactions for the current quarter and financial period under review are as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Period</u> <u>30 Sep 2023</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>30 Sep 2022</u> RM'000	<u>Current</u> <u>Period</u> <u>To Date</u> <u>30 Sep 2023</u> RM'000	<u>Preceding Year</u> <u>Corresponding</u> <u>Year To Date</u> <u>30 Sep 2022</u> RM'000
Peng Fah Engineering Sdn Bhd - For rental of factory premises	375	319	1,464	1,276
TTS Resources Sdn Bhd's subsidiary companies:				
TTS Transport Sdn Bhd - For transportation charges	9	25	32	78
TTS Insu-Write Services Sdn Bhd - For marine cargo and general insurance	20	18	214	223
TTS Engineering Sdn Bhd - For services rendered on minor fabrication works and rental of factory premise	164	25	194	93
TTS Enterprise Sdn Bhd - For maintenance of equipment	2	1	5	4

Mr. Yap Swee Sang is substantial shareholder and Director of TTS Resources Sdn Bhd.

PART B: EXPLANATORY NOTES PURSUANT TO LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

16. Review of Performance

The fourth quarter (4Q23) revenue decreased by 5.1% from RM20.0 million in 4Q22 to RM18.9 million and gross profit margin decreased from 37.1% previously to 33.9% due to product mix. Further, the profit after tax dropped from RM4.8 million in 4Q22 to RM2.3 million in 4Q23 mainly due to the net reversal of impairment losses on trade receivable and net reversal of liquidated and ascertained damages in 4Q22.

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

Although revenue dropped by 6.9% from RM20.3 million to RM18.9 million in 4Q23, the Group has achieved an increase in profit after tax of RM2.3 million in current quarter versus RM2.0 million in previous quarter which resulted from the improvement of gross profit margin on better product mix.

18. Prospects

The outlook is improving with signs that capital spending in the fabrication sector has started to pick up.

19. Variance of Actual and Forecast Profit

There was no profit forecast or profit guarantee announced during the current quarter and financial period under review.

20. Profit for the Period

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> <u>30 Sep 2023</u> RM'000	<u>Preceding Year Corresponding Quarter</u> <u>30 Sep 2022</u> RM'000	<u>Current Year To Date</u> <u>30 Sep 2023</u> RM'000	<u>Preceding Year Corresponding Year To Date</u> <u>30 Sep 2022</u> RM'000
Profit for the period is arrived at after crediting/(charging):				
Depreciation of property, plant and equipment	(730)	(702)	(2,825)	(2,940)
Finance costs	(10)	(1)	(12)	(3)
Interest income	267	412	1,709	1,212
Net (loss)/gain on foreign exchange	(4)	199	394	507
Net (provision)/reversal of impairment losses on trade receivables	(5,278)	7,083	(5,278)	6,327
Fair value (loss)/gain on other investment	(470)	59	(263)	133
Net gain/(loss) on disposal short-term funds	494	(24)	494	(24)
Net loss on disposal of a subsidiary company	-	(323)	-	(323)
Net reversal/(provision) on impairment loss of contract asset	5,278	(5,278)	5,278	(5,278)
Net (provision)/reversal for liquidated and ascertained damages	(95)	2,178	(493)	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.

21. Taxation

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Period Quarter</u> <u>30 Sep 2023</u> RM'000	<u>Preceding Year Corresponding Quarter</u> <u>30 Sep 2022</u> RM'000	<u>Current Period To Date</u> <u>30 Sep 2023</u> RM'000	<u>Preceding Year Corresponding Year To Date</u> <u>30 Sep 2022</u> RM'000
Current tax expenses	(726)	(1,054)	(1,628)	(1,112)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial period.

22. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

23. Borrowings

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

	As At 30 Sep 2023 RM'000	As At 30 Sep 2022 RM'000
Current		
<i>Secured</i>		
Hire purchase liabilities	234	-
Non-current		
<i>Secured</i>		
Hire purchase liabilities	2,327	-
	<u>2,561</u>	<u>-</u>

The borrowings are denominated in Ringgit Malaysia.

24. Material Litigation

Amalgamated Metal Corporation (M) Sdn Bhd ("AMC") v Bijak Sakti Sdn Bhd ("BSSB")

On 16 July 2020, BSSB awarded AMC to carry out the engineering design, supply, galvanising and fabrication of lightbeacon tower lattices and all metal components at a) Tg Merang, Setiu; b) Bachok, Kelantan; and c) Bukit Chendering, Kuala Terengganu for Lembaga Dius Api, Jabatan Laut Malaysia with the total contract sum of RM114,000. On 22 April 2021, BSSB has further awarded AMC to carry out the design, supply, fabrication (ExWork) of Hot Dipped Galvanized (HDG) Lantern House including glazing for Pulau Kuraman Lighthouse at W.P. Labuan with the total sub-contract sum of RM156,787.

After taking into account the payments made by BSSB, BSSB owes AMC the sum of RM252,647 for the abovementioned two (2) projects. AMC has filed a Writ and Statement of Claim on 23 November 2023. The Court is scheduled the first case management on 2 January 2024.

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 by the weighted average number of ordinary shares, calculated as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Period Quarter 30 Sep 2023	Preceding Year Corresponding Quarter 30 Sep 2022	Current Period To Date 30 Sep 2023	Preceding Year Corresponding Year To Date 30 Sep 2022
Profit Attributable To Ordinary Shareholders (RM'000)	2,252	4,842	5,530	8,581
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 per ordinary share (sen)	<u>2.03</u>	<u>4.37</u>	<u>4.99</u>	<u>7.74</u>

Diluted earnings per ordinary share is the same as basic earnings per share as there were no potentially dilutive ordinary shares in issue at the end of the financial period under review.

26. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 30 November 2023.

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