



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 31 March 2024

INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2024

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2024 to 31.03.2024		01.10.2022 to 31.03.2024	
	RM'000		RM'000	
1. Revenue	22,876		115,811	
2. Loss before taxation	(38,049)		(29,861)	
3. Loss and total comprehensive loss for the financial period	(37,863)		(31,761)	
4. Loss and total comprehensive loss for the financial period attributable to equity holders of the Company	(37,863)		(31,761)	
5. Basic/Diluted loss per ordinary share (sen)	(34.15)		(28.64)	
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)	1.07		1.35	

PART A3 : ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2024 to 31.03.2024		01.10.2022 to 31.03.2024	
	RM'000		RM'000	
1. Gross interest income	350		2,179	
2. Gross interest expense	(1,527)		(1,596)	

APB RESOURCES BERHAD

(Registration No. 200101029080 (564838-V))

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	01.01.2024 to 31.03.2024	01.10.2022 to 31.03.2024
	RM'000	RM'000
Continuing Operations:		
Revenue	22,876	115,811
Cost of sales	(13,827)	(81,966)
Gross profit	9,049	33,845
Other expenses	(40,054)	(39,428)
Operating expenses	(6,172)	(25,166)
Results from operating activities	(37,177)	(30,749)
Interest income	350	2,179
Finance costs	(1,527)	(1,596)
Share of results in an associate, net of tax	305	305
Loss before tax	(38,049)	(29,861)
Taxation	186	(1,900)
Loss for the financial period, representing total comprehensive loss for the financial period	(37,863)	(31,761)
Attributable to:		
Equity holders of the Company	(37,863)	(31,761)
Non-controlling interest	-	-
Loss for the financial period, representing total comprehensive loss for the financial period	(37,863)	(31,761)
Loss per ordinary share attributable to equity holders of the Company (sen):		
Basic/Diluted	(34.15)	(28.64)

As announced on 9 November 2023, the financial year end of the Group has been changed from 30 September 2023 to 31 March 2024. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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

(Registration No. 200101029080 (564838-V))

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At 31.03.2024 RM'000	As At 30.09.2022 RM'000
ASSETS		
Property, plant and equipment	42,415	40,192
Right of use assets	17,027	17,677
Investment in an associate	103,600	-
Other investment	-	35
Total non-current assets	163,042	57,904
Inventories	492	677
Trade and other receivables	83,493	8,641
Contract assets	11,442	23,015
Short-term funds	227	64,793
Deposits, cash and cash equivalents	57,397	15,568
Total current assets	153,051	112,694
TOTAL ASSETS	316,093	170,598
EQUITY		
Share capital	112,875	112,875
Treasury shares	(3,262)	(3,262)
Retained earnings	11,535	43,296
	121,148	152,909
Non-controlling interest	-	-
Total equity attributable to equity holders of the Company	121,148	152,909
LIABILITIES		
Deferred tax liabilities	3,499	2,216
Borrowings	103,558	-
Lease Liabilities	32	26
Total non-current liabilities	107,089	2,242
Trade and other payables	9,238	5,225
Contract liabilities	9,603	9,425
Borrowings	68,692	-
Lease liabilities	16	15
Tax liabilities	307	782
Total current liabilities	87,856	15,447
Total liabilities	194,945	17,689
TOTAL EQUITY AND LIABILITIES	316,093	170,598
Net assets per ordinary share attributable to equity holders of the Company (RM)	1.07	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
(Registration No. 200101029080 (564838-V))

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CUMULATIVE QUARTER
	01.10.2022 to 31.03.2024
	RM'000
Cash flows from operating activities	
Loss before taxation	(29,861)
Adjustments for:	
Depreciation of property, plant and equipment	4,512
Interest expenses	1,596
Interest income	(2,179)
Net loss on disposal of property, plant and equipment	22
Net loss on disposal of other investment	35
Net gain on disposal short-term funds	(494)
Net provision on impairment loss of trade receivable	9,724
Net reversal on impairment loss of contract asset	(5,278)
Net provision for liquidated and ascertained damages	210
Impairment loss on investment in an associate	36,705
Fair value loss on other investment	263
Net unrealised gain on foreign exchange	(385)
Share of results in associate	(305)
Operating profit before changes in working capital	14,565
Inventories	185
Trade and other receivables	(84,170)
Trade and other payables	3,790
Contract assets/Contract liabilities	17,029
Net cash used in operations	(48,601)
Interest received	2,171
Interest paid	(1,596)
Tax paid	(1,092)
Net cash used in operating activities	(49,118)
Cash flows from investing activities	
Acquisition of plant and equipment	(3,574)
Investment in an associate	(140,000)
Increased in deposits pledged with licensed bank	(51,139)
Proceeds from disposal of property, plant and equipment	97
Purchase of other investments	(57,696)
Proceeds from disposal of other investments	122,493
Net cash used in investing activities	(129,819)
Cash flows from financing activity	
Proceeds from term loans	115,275
Repayment of term loans	(563)
Repayment of hire purchase liabilities	(272)
Repayment of lease liabilities	(23)
Drawdown of bankers' acceptance	11,418
Net cash from financing activities	125,835
Net decrease in cash and cash equivalents	(53,102)
Cash and cash equivalents at beginning of the financial period	15,568
Cash and cash equivalents at end of the financial period	(37,534)
Cash and cash equivalents comprise:	
Deposits, cash and cash equivalents	57,397
Bank overdrafts	(43,792)
Less : Deposits pledged with licensed bank	(51,139)
	(37,534)

As announced on 9 November 2023, the financial year end of the Group has been changed from 30 September 2023 to 31 March 2024. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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

(Registration No. 200101029080 (564838-V))

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Treasury Shares	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 October 2022	112,875	(3,262)	43,296	152,909
Total comprehensive loss for the period	-	-	(31,761)	(31,761)
At 31 March 2024	112,875	(3,262)	11,535	121,148

As announced on 9 November 2023, the financial year end of the Group has been changed from 30 September 2023 to 31 March 2024. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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.

APB RESOURCES BERHAD

(Registration No. 200101029080 (564838-V))

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

The Board of Directors had declared share dividend by way of distribution of 1,978,158 treasury shares on the basis of one (1) treasury share for every fifty-six (56) ordinary shares held for financial period ended 31 March 2024, which completed on 5 April 2024.

10. Segmental Information

Business Segments

	Fabrication RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
For 18 Months Period Ended 31 Mar 2024				
Revenue				
Total external revenue	114,411	1,400	-	115,811
Inter-segment revenue	-	-	-	-
Total segment revenue	114,411	-	-	115,811
Results				
Segment profit/(loss)	8,162	(38,911)	-	(30,749)
Add: Interest income				2,179
(Less): Finance costs				(1,596)
Add: Share of results in an associate				305
Operating profit before taxation				(29,861)
(Less): Tax expense				(1,900)
Profit for the period				(31,761)

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 obtained Consent of Transfer from the State Authority to transfer the said Property. The SPA was completed on 4 April 2024.

Proposed Acquisition of Shares and Diversification of Business Activities

On 18 December 2023, the Company had entered into share sale agreement ("SSA") with General Produce Agency Sdn. Berhad and Ng Kweng Chong Holdings Sendirian Berhad for the acquisition of 70,000,000 ordinary shares in Globetronics Technology Bhd ("Globetronics") ("Proposed Acquisition"), representing approximately 10.41% of the equity interest in Globetronics, for a total cash consideration of RM140,000,000. In conjunction with the Proposed Acquisition, the Company will diversify its business activities to include the investment in manufacturing and distribution of semiconductors and semiconductor components business ("Proposed Diversification").

On 6 February 2024, the Company has obtained approval from the Shareholders for the Proposed Acquisition and Proposed Diversification. Subsequently, the Company completed the SSA on 16 February 2024.

12. Changes in Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial period under review, except for the following:

The Proposed Acquisition of share in Globetronics was completed on 16 February 2024 and consequently, Globetronics become an associate of the Company.

13. Contingent Liabilities

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

14. Capital Commitments

	As At <u>31 Mar 2024</u> RM'000	As At <u>30 Sep 2022</u> RM'000
Capital expenditure not provided for in the financial statements: Approved and contracted for	10,125	-

15. Significant Related Party Transactions

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

	<u>Individual Quarter</u> 01.01.2024 to <u>31.03.2024</u> RM'000	<u>Cumulative Quarter</u> 01.10.2022 to <u>31.03.2024</u> RM'000
Peng Fah Engineering Sdn Bhd - For rental of factory premises	375	2,214
TTS Resources Sdn Bhd's subsidiary companies:		
TTS Transport Sdn Bhd - For transportation charges	13	70
TTS Insu-Write Services Sdn Bhd - For marine cargo and general insurance	142	373
TTS Engineering Sdn Bhd - For services rendered on minor fabrication works and rental of factory premise	5	202
TTS Enterprise Sdn Bhd - For maintenance of equipment	0	7

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

As stated in Note 2, the Group has changed its financial year end from 30 September 2023 to 31 March 2024. This reporting covers the eighteen months period from 1 October 2022 to 31 March 2024. As such, there are no comparative information presented in this report.

The Group recorded revenue of RM115.8 million and loss after tax of RM31.8 million for the financial period ended 31 March 2024.

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

Revenue for the current quarter increased by 11.8%, from RM20.5 million to RM22.9 million. This growth was driven by a favorable product mix, which also contributed to an increase in the gross profit margin from 30.3% to 39.6%. Despite the revenue and gross profit improvements, the Group recorded a loss after tax of RM37.9 million for the current quarter, compared to a profit after tax of RM0.6 million in the preceding quarter. The primary reason for this significant loss was the recognition of impairment losses of RM36.7 million on our investment in an associate and RM4.4 million on trade receivables. The impairment loss on the investment in an associate reflects the market value of the quoted shares as of 31 March 2024. The impairment on trade receivables was necessitated by a dispute with a customer, which led to the decision to fully impair the outstanding balance. The Group is currently seeking legal advice to pursue legal proceedings against the customer to resolve this dispute.

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. Loss for the Period

	<u>Individual Quarter</u> 01.01.2024 to 31.03.2024 RM'000	<u>Cumulative Quarter</u> 01.10.2022 to 31.03.2024 RM'000
Loss for the period is arrived at after crediting/(charging):		
Depreciation of property, plant and equipment	(852)	(4,512)
Finance costs	(1,527)	(1,596)
Interest income	350	2,179
Net gain on foreign exchange	1,074	1,294
Net provision of impairment losses on trade receivables	(4,446)	(9,724)
Fair value loss on other investment	-	(263)
Impairment loss on investment in an associate	(36,705)	(36,705)
Net gain on disposal short-term funds	-	494
Net reversal on impairment loss of contract asset	-	5,278
Net reversal/ (provision) for liquidated and ascertained damages	97	(210)

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> 01.01.2024 to 31.03.2024 RM'000	<u>Cumulative Quarter</u> 01.10.2022 to 31.03.2024 RM'000
Income tax		
Current income tax	575	(1,511)
Adjustments in prior year	894	894
	1,469	(617)
Deferred tax		
Origination of temporary differences	(1,108)	(1,108)
Adjustments in prior year	(175)	(175)
	(1,283)	(1,283)
	186	(1,900)

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 borrowings as at the end of the reporting period are as follows:

	As At 31.03.2024 RM'000	As At 30.09.2022 RM'000
Current		
<i>Secured</i>		
Bankers' acceptances	11,418	-
Bank overdraft	43,792	-
Hire purchase liabilities	485	-
Term loans	12,997	-
	68,692	-
Non-current		
<i>Secured</i>		
Hire purchase liabilities	1,843	-
Term loans	101,715	-
	103,558	-
	172,250	-

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. On 29 January 2024, BSSB's solicitor requested for settlement proposal and AMC informed the Court that the parties would like to attempt settlement and record consent judgment. On 19 March 2024, BSSB has proposed monthly settlement to AMC. However, AMC has disagreed the proposed settlement term and proceed for the assessment of damages.

As of this report date, pending for quantum of damages and the decision will be given on 7 June 2024.

25. Loss Per Share

Basic Loss Per Ordinary Share

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

	Individual Quarter 01.01.2024 to 31.03.2024	Cumulative Quarter 01.10.2022 to 31.03.2024
Loss Attributable To Ordinary Shareholders (RM'000)	(37,863)	(31,761)
Weighted Average Number Of Ordinary Shares ('000):		
Issued ordinary shares at beginning of period	112,875	112,875
(Less): Effect of treasury shares held	(1,990)	(1,990)
Weighted average number of ordinary shares	110,885	110,885
Basic loss per ordinary share (sen)	(34.15)	(28.64)

Diluted loss per ordinary share is the same as basic loss 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 31 May 2024.

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