

# APB RESOURCES BERHAD

(Registration No. 200101029080 (564838-V))

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<b>INDIVIDUAL QUARTER QUARTER ENDED 30 JUNE 2024</b>	<b>CUMULATIVE QUARTER PERIOD ENDED 30 JUNE 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	25,578	25,578
Cost of sales	(19,837)	(19,837)
Gross profit	5,741	5,741
Other income	385	385
Administrative expenses	(4,045)	(4,045)
Other expenses	(840)	(840)
Results from operating activities	1,241	1,241
Interest income	380	380
Finance costs	(2,508)	(2,508)
Net finance costs	(2,128)	(2,128)
Share of results in an associate, net of tax	443	443
Loss before tax	(444)	(444)
Taxation	(658)	(658)
<b>Loss for the financial period</b>	<b>(1,102)</b>	<b>(1,102)</b>
<b>Other comprehensive income, net of tax:</b>	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Revaluation on leasehold lands and buildings	38,453	38,453
<b>Other comprehensive income for the financial period</b>	<b>38,453</b>	<b>38,453</b>
<b>Total comprehensive income for the financial period</b>	<b>37,351</b>	<b>37,351</b>
<b>Loss attributable to:</b>		
Owners of the Company	(1,102)	(1,102)
Non-controlling interest	-	-
<b>Loss for the financial period</b>	<b>(1,102)</b>	<b>(1,102)</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	37,351	37,351
Non-controlling interest	-	-
<b>Total comprehensive income for the financial period</b>	<b>37,351</b>	<b>37,351</b>
<b>Loss per ordinary share attributable to owners of the Company (sen):</b>		
Basic/Diluted	(0.98)	(0.98)

In view of the change in financial year end from 30 September 2023 to 31 March 2024, there were no comparative figures presented.

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 31 March 2024 and the accompanying notes attached to the interim financial statements.

# APB RESOURCES BERHAD

(Registration No. 200101029080 (564838-V))

<b>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>		
	<b>AS AT 30 JUNE 2024 RM'000</b>	<b>AS AT 30 MARCH 2024 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	66,026	42,415
Right of use assets	35,941	17,027
Investment property	39,891	-
Investment in an associate	103,600	103,600
<b>Total non-current assets</b>	<b>245,458</b>	<b>163,042</b>
<b>Current assets</b>		
Inventories	455	492
Trade and other receivables	44,102	83,492
Contract assets	18,214	11,442
Short-term funds	229	227
Tax assets	21	38
Deposits, cash and cash equivalents	58,151	57,397
<b>Total current assets</b>	<b>121,172</b>	<b>153,088</b>
<b>TOTAL ASSETS</b>	<b>366,630</b>	<b>316,130</b>
<b>EQUITY</b>		
Share capital	112,875	112,875
Treasury shares	(20)	(20)
Revaluation reserves	38,453	-
Retained earnings	7,189	8,291
<b>Equity attributable to owners of the Company</b>	<b>158,497</b>	<b>121,146</b>
Non-controlling interest	-	-
<b>Total equity</b>	<b>158,497</b>	<b>121,146</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	7,772	3,499
Borrowings	111,339	103,558
Lease Liabilities	28	32
<b>Total non-current liabilities</b>	<b>119,139</b>	<b>107,089</b>
<b>Current liabilities</b>		
Trade and other payables	14,515	9,239
Contract liabilities	4,934	9,603
Borrowings	68,695	68,692
Lease liabilities	16	16
Tax liabilities	834	345
<b>Total current liabilities</b>	<b>88,994</b>	<b>87,895</b>
<b>Total liabilities</b>	<b>208,133</b>	<b>194,984</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>366,630</b>	<b>316,130</b>
Net assets per ordinary share attributable to owners of the Company (RM)	1.40	1.07

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 March 2024 and the accompanying notes attached to the interim financial statements.

# APB RESOURCES BERHAD

(Registration No. 200101029080 (564838-V))

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	<b>PERIOD ENDED</b> <b>30 JUNE 2024</b> <b>RM'000</b>
<b>Cash flows from operating activities</b>	
Loss before taxation	(444)
Adjustments for:	
Depreciation of property, plant and equipment	494
Interest expenses	2,508
Interest income	(380)
Net gain on disposal of property, plant and equipment	(8)
Net reversal on impairment loss of trade receivable	(99)
Net reversal for liquidated and ascertained damages	(16)
Impairment loss on investment in an associate	443
Net unrealised gain on foreign exchange	(268)
Share of results in an associate	(443)
<b>Operating profit before changes in working capital</b>	1,787
Inventories	37
Trade and other receivables	39,774
Trade and other payables	5,292
Contract assets/Contract liabilities	(11,441)
<b>Net cash from operations</b>	35,449
Interest received	363
Interest paid	(2,508)
Tax paid	(152)
<b>Net cash from operating activities</b>	33,152
<b>Cash flows from investing activities</b>	
Acquisition of plant and equipment	(308)
Acquisition of Investment property	(39,891)
Proceeds from disposal of property, plant and equipment	21
<b>Net cash used in investing activities</b>	(40,178)
<b>Cash flows from financing activity</b>	
Drawdown of term loan	10,125
Repayment of term loans	(2,810)
Repayment of hire purchase liabilities	(119)
Repayment of lease liabilities	(4)
Drawdown of bankers' acceptance	4,788
Repayment of bankers' acceptance	(5,183)
<b>Net cash from financing activities</b>	6,797
<b>Net decrease in cash and cash equivalents</b>	(229)
<b>Cash and cash equivalents at beginning of the financial period</b>	(37,534)
<b>Cash and cash equivalents at end of the financial period</b>	(37,763)
<b>Cash and cash equivalents comprise:</b>	
Deposits, cash and cash equivalents	58,151
Bank overdrafts	(44,775)
Less : Deposits pledged with licensed bank	(51,139)
	(37,763)

In view of the change in financial year end from 30 September 2023 to 31 March 2024, there were no comparative figures presented.

The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial period ended 31 March 2024 and the accompanying notes attached to the interim financial statements.

# APB RESOURCES BERHAD

(Registration No. 200101029080 (564838-V))

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000
<b>At 1 April 2024</b>	<b>112,875</b>	<b>(20)</b>	<b>-</b>	<b>8,291</b>	<b>121,146</b>
Loss for the financial period	-	-	-	(1,102)	(1,102)
Other comprehensive income for the financial period	-	-	38,453	-	38,453
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>38,453</b>	<b>(1,102)</b>	<b>37,351</b>
<b>At 30 June 2024</b>	<b>112,875</b>	<b>(20)</b>	<b>38,453</b>	<b>7,189</b>	<b>158,497</b>

In view of the change in financial year end from 30 September 2023 to 31 March 2024, there were no comparative figures presented.

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 March 2024 and the accompanying notes attached to the interim financial statements.

# APB RESOURCES BERHAD

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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 the reporting requirements as set out in Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with audited financial statements for the financial period ended 31 March 2024 which were prepared under Malaysian Financial Reporting Standards. These explanatory notes attached to the interim financial statements provide 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 period ended 31 March 2024.

#### 2. Change in Financial Year End

As announced on 9 November 2023, the Group and the Company has changed its financial year end from 30 September to 31 March. As such, no comparative figures are presented as it is not comparable with any comparative period previously reported.

#### 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 period ended 31 March 2024.

#### 4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the annual financial statements of the Group for the financial period ended 31 March 2024 was qualified and the details of the qualification are as described below:-

##### ***Details of the qualified opinion disclosed in the external auditors' report***

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial period from 1 October 2022 to 31 March 2024 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

##### ***Basis for Qualified Opinion***

As disclosed in Note 10 to the financial statements, the Group's trade and other receivables include a total amount of RM22,782,070 paid to various parties. Included in these receivables are 50% advance payments for the contract sum for the upgrading and construction project for the office premises and factories; payments for ERP software consultation and implementation services; advance payments for the supply of pipes; 25% partial payments towards the purchase consideration for the acquisition of a company; and advance payments for project tenders.

Subsequent to the end of the financial period, the above transactions were aborted, and the entire deposits were fully refunded. In view of the above circumstances, the Group should undertake extensive procedures to check the business rationale of these transactions and to determine whether any non-compliance with applicable laws and regulations.

The Group has engaged a firm to conduct a review of these transactions and appointed a legal firm to determine if there were any non-compliance with applicable laws and regulations. As of the date of authorisation of the financial statements, the outcomes of both reviews undertaken by the Group have not been completed.

Given that the extensive procedures are not complete, we were unable to obtain sufficient appropriate audit evidence regarding these transactions and the related disclosures in the financial statements. We were unable to determine whether any consequential adjustments to the financial statements were necessary.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## 5. Comments about Seasonal or Cyclical Factors

The Group's business operations were 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
<b>3 months period ended 30 June 2024</b>				
<b>Revenue</b>				
Total external revenue	25,578	-	-	25,578
Inter-segment revenue	-	-	-	-
Total segment revenue	25,578	-	-	25,578
<b>Results</b>				
Segment profit/(loss)	2,419	(1,178)	-	1,241
Add: Interest income				380
(Less): Finance costs				(2,508)
Add: Share of results in an associate				443
Loss before taxation				(444)
(Less): Tax expense				(658)
Loss for the financial period				(1,102)

Please refer to Notes 17 and 18 below for an analysis of the performance of the business segments of the Group.

## 11. Property, Plant and Equipment ("PPE") and Right-of-use ("ROU") Assets

### Valuation of Leasehold Lands and Buildings under PPE and ROU Assets

Pursuant to change of accounting policy for land and buildings, the Group's leasehold lands and buildings are subsequently measured at revalued amount less accumulated depreciation and any accumulated impairment losses.

## 11. Property, Plant and Equipment ("PPE") and Right-of-use ("ROU") Assets (cont'd)

*Revaluation surplus on PPE and ROU assets*

	Carrying amount RM'000	Market value RM'000	Revaluation surplus RM'000	Deferred tax liabilities RM'000	Revaluation surplus, net of deferred tax RM'000
<b>Property, plant and equipment</b>					
Leasehold buildings	32,794	56,600	23,806	2,381	21,425
<b>Right-of-use asset</b>					
Leasehold lands	16,981	35,900	18,919	1,892	17,027
	<u>49,775</u>	<u>92,500</u>	<u>42,725</u>	<u>4,273</u>	<u>38,453</u>

The valuations were carried out by independent professional valuers namely One Asia Property Consultants (PJ) Sdn Bhd and JB Jurunilai Bersekutu Sdn Bhd. The valuation of the leasehold lands and buildings has been determined using the comparison method depending on the nature of the property. The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as locations and accessibility, size, building construction and finishes, building services, management and maintenance, age and stat of repair, market conditions and other relevant characteristics.

## 12. Significant Events Subsequent to the Reporting Date

There were no significant events subsequent to the end of the current quarter up to the reporting date.

## 13. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

## 14. Contingent Liabilities

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

## 15. Capital Commitments

There were no significant capital commitments as at 30 June 2024.

## 16. Related Party Transactions

There were no significant related party transactions during the current quarter under review.

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

**17. Review of Performance**

As stated in Note 2, the Group has changed its financial year from 30 September 2023 to 31 March 2024. As such, the performance of the current financial period is not comparable against any comparative period previously reported.

The Group recorded revenue of RM25.6 million and loss after tax of RM1.1 million for the current quarter ended 30 June 2024.

**18. Review of Current Quarter's Results against Preceding Quarter's Results**

	<b>Current Quarter 30 June 2024 RM'000</b>	<b>Immediate Preceding Quarter 31 March 2024 RM'000</b>
Revenue	25,578	22,876
Gross profit margin	22.5%	39.6%
Loss before tax	(444)	(38,049)
Loss for the financial period	<u>(1,102)</u>	<u>(37,863)</u>

The Group recorded revenue of RM25.6 million and loss before tax of RM0.4 million for the current quarter, as compared to revenue of RM22.9 million and loss before tax of RM38 million in the immediate preceding quarter. The growth of revenue was driven by a favorable product mix, while gross profit margin decreased from 39.6% to 22.5% over the period. Significant loss recognised in immediate preceding quarter mainly due to the impairment losses incurred on the investment in an associate and trade receivables.

**19. Prospects**

Despite the current macroeconomic and geopolitical challenges, we remain committed to delivering exceptional products and services. By leveraging our expertise and maintaining strong relationships with our existing customers, we ensure the resilience and growth of our company. Nevertheless, the Group remained proactive in strengthening its portfolio and exploring new growth avenues.

**20. Variance of Actual and Forecast Profit**

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

**21. Loss for the Period**

	<b>Individual Quarter Quarter Ended 30 June 2024 RM'000</b>	<b>Cumulative Quarter Quarter ended 30 June 2024 RM'000</b>
Loss for the period is arrived at after crediting/(charging):		
Depreciation of property, plant and equipment	(494)	(494)
Finance costs	(2,508)	(2,508)
Interest income	380	380
Net loss on foreign exchange		
- realised	(391)	(391)
- unrealised	268	268
Net reversal of impairment losses on trade receivables	99	99
Net reversal for liquidated and ascertained damages	<u>16</u>	<u>16</u>

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.



## 22. Taxation

	Individual Quarter Quarter Ended 30 June 2024 RM'000	Cumulative Quarter Quarter ended 30 June 2024 RM'000
<b>Income tax</b>		
Current income tax	(658)	(658)

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

## 23. Corporate Proposals

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

## 24. Borrowings

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

	As at 30 June 2024 RM'000	As at 31 March 2024 RM'000
<b>Current</b>		
<i>Secured</i>		
Bankers' acceptances	11,023	11,418
Bank overdraft	44,775	43,792
Hire purchase liabilities	491	485
Term loans	12,406	12,997
	68,695	68,692
<b>Non-current</b>		
<i>Secured</i>		
Hire purchase liabilities	1,718	1,843
Term loans	109,621	101,715
	111,339	103,558
	180,034	172,250

The borrowings are denominated in Ringgit Malaysia.

## 25. 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.

The judgement for general damages has been obtained on 7 June 2024, the Court has awarded RM15,000 as the overall cost. AMC had tried garnishee proceedings in effort of recovering the outstanding, and subsequently AMC decided to proceed with the winding-up proceeding against BSSB. The winding notice has been served to BSSB on 18 June 2024, and AMC is currently in the process of filling a winding-up petition against BSSB.

## 26. 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:

	<b>Individual Quarter Quarter Ended 30 June 2024</b>	<b>Cumulative Quarter Quarter ended 30 June 2024</b>
Loss Attributable To Ordinary Shareholders (RM'000)	(1,102)	(1,102)
Weighted Average Number Of Ordinary Shares ('000):		
Issued ordinary shares at beginning of period	112,875	112,875
(Less): Effect of treasury shares held	(12)	(12)
Weighted average number of ordinary shares	112,863	112,863
Basic loss per ordinary share (sen)	(0.98)	(0.98)

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.

## 27. Authorisation for Issue

The interim financial statements were authorised for issue by the Board on 22 August 2024.

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