

APB RESOURCES BERHAD

(Registration No. 200101029080 (564838-V))

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER QUARTER ENDED 30 SEPT 2024	CUMULATIVE QUARTER PERIOD ENDED 30 SEPT 2024
	RM'000	RM'000
Revenue	22,308	47,886
Cost of sales	(18,906)	(38,743)
Gross profit	3,402	9,143
Other income	902	1,287
Administrative expenses	(4,823)	(8,868)
Other expenses	(58,878)	(59,718)
Results from operating activities	(59,397)	(58,156)
Interest income	339	719
Finance costs	(2,622)	(5,130)
Net finance costs	(2,283)	(4,411)
Share of results in an associate, net of tax	54	497
Loss before tax	(61,626)	(62,070)
Taxation	117	(541)
Loss for the financial period	(61,509)	(62,611)
Other comprehensive income, net of tax:	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Revaluation on leasehold lands and buildings	-	38,453
Other comprehensive income for the financial period	-	38,453
Total comprehensive (loss)/income for the financial period	(61,509)	(24,158)
Loss attributable to:		
Owners of the Company	(61,509)	(62,611)
Non-controlling interest	-	-
Loss for the financial period	(61,509)	(62,611)
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(61,509)	(24,158)
Non-controlling interest	-	-
Total comprehensive (loss)/income for the financial period	(61,509)	(24,158)
Loss per ordinary share attributable to owners of the Company (sen):		
Basic/Diluted	(54.50)	(55.48)

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))

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	AS AT 30 SEPT 2024 RM'000	AS AT 31 MAR 2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	103,661	59,442
Investment property	39,891	-
Investment in an associate	46,200	103,600
Total non-current assets	<u>189,752</u>	<u>163,042</u>
Current assets		
Inventories	405	492
Trade and other receivables	37,422	83,492
Contract assets	8,075	11,442
Short-term funds	231	227
Tax assets	4	38
Deposits, cash and cash equivalents	61,772	57,397
Total current assets	<u>107,909</u>	<u>153,088</u>
TOTAL ASSETS	<u>297,661</u>	<u>316,130</u>
EQUITY		
Share capital	112,875	112,875
Treasury shares	(20)	(20)
Revaluation reserves	38,453	-
Retained earnings	(54,320)	8,291
Equity attributable to owners of the Company	<u>96,988</u>	<u>121,146</u>
Non-controlling interest	-	-
Total equity	<u>96,988</u>	<u>121,146</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	7,772	3,499
Borrowings	108,008	103,558
Lease Liabilities	1,027	32
Total non-current liabilities	<u>116,807</u>	<u>107,089</u>
Current liabilities		
Trade and other payables	7,209	9,239
Contract liabilities	4,331	9,603
Borrowings	70,812	68,692
Lease liabilities	919	16
Tax liabilities	595	345
Total current liabilities	<u>83,866</u>	<u>87,895</u>
Total liabilities	<u>200,673</u>	<u>194,984</u>
TOTAL EQUITY AND LIABILITIES	<u>297,661</u>	<u>316,130</u>
Net assets per ordinary share attributable to owners of the Company (RM)	0.86	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

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

PERIOD ENDED
30 SEPTEMBER 2024
RM'000

Cash flows from operating activities	
Loss before taxation	(62,070)
Adjustments for:	
Depreciation of property, plant and equipment	1,062
Interest expenses	5,130
Interest income	(719)
Fair value loss on investment in an associate	57,897
Net gain on disposal of property, plant and equipment	(8)
Net reversal on impairment loss of trade receivable	(1,004)
Net reversal for liquidated and ascertained damages	(140)
Net unrealised loss on foreign exchange	785
Share of results in an associate	(497)
Operating profit before changes in working capital	436
Inventories	88
Trade and other receivables	46,195
Trade and other payables	(1,777)
Contract assets/Contract liabilities	(1,905)
Net cash from operations	43,037
Interest received	701
Interest paid	(5,130)
Tax paid	(257)
Net cash from operating activities	38,351
Cash flows from investing activities	
Acquisition of plant and equipment	(579)
Acquisition of investment property	(39,891)
Proceeds from disposal of property, plant and equipment	21
Placement of short-term funds	(4)
Net cash used in investing activities	(40,453)
Cash flows from financing activity	
Drawdown of term loan	10,125
Repayment of term loans	(5,831)
Repayment of hire purchase liabilities	(239)
Repayment of lease liabilities	(93)
Drawdown of bankers' acceptance	14,003
Repayment of bankers' acceptance	(13,484)
Drawdown of revolving credit	2,000
Net cash from financing activities	6,481
Net increase in cash and cash equivalents	4,379
Cash and cash equivalents at beginning of the financial period	(37,534)
Cash and cash equivalents at end of the financial period	(33,155)
Cash and cash equivalents comprise:	
Deposits, cash and cash equivalents	61,772
Bank overdrafts	(43,788)
Less : Deposits pledged with licensed bank	(51,139)
	(33,155)

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total Total RM'000
At 1 April 2024	112,875	(20)	-	8,291	121,146
Loss for the financial period	-	-	-	(62,611)	(62,611)
Other comprehensive income for the financial period	-	-	38,453	-	38,453
Total comprehensive income for the financial period	-	-	38,453	(62,611)	(24,158)
At 30 September 2024	112,875	(20)	38,453	(54,320)	96,988

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

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.

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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
6 months period ended 30 September 2024				
Revenue				
Total external revenue	47,886	-	-	47,886
Inter-segment revenue	-	-	-	-
Total segment revenue	47,886	-	-	47,886
Results				
Segment profit/(loss)	1,856	(60,012)	-	(58,156)
Add: Interest income				719
(Less): Finance costs				(5,130)
Add: Share of results in an associate				497
Loss before taxation				(62,070)
(Less): Tax expense				(541)
Loss for the financial period				(62,611)

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")

Valuation of Leasehold Lands and Buildings under PPE

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") (cont'd)

Revaluation surplus on PPE

	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
Property, plant and equipment					
Leasehold buildings	32,794	56,600	23,806	2,381	21,425
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 September 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 RM47.9 million and loss after tax of RM62.6 million for the period quarter ended 30 September 2024.

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

	Current Quarter 30 September 2024 RM'000	Immediate Preceding Quarter 30 June 2024 RM'000
Revenue	22,308	25,578
Gross profit margin	15.3%	22.5%
Loss before tax	(61,626)	(444)
Loss for the financial period	<u>(61,509)</u>	<u>(1,102)</u>

In current quarter, the Group's revenue dropped by 12.8% from RM25.6 million in the immediate preceding quarter to RM22.3 million, while the gross profit margin also falling from 22.5% to 15.3%. Furthermore, the Group has recorded a substantial fair value loss of RM57.5million on its investment in an associate during current quarter. The fair value adjustment reflects the market value of the quoted shares as of 30 September 2024. As a result, the loss before tax increased substantially from RM0.4 million to RM61.6 million. In addition, unfavourable foreign exchange movement also contributed to the negative results, impacting the overall financial performance of the Group in the current quarter.

19. Prospects

In the palm oil sector, the recent surge in crude palm oil (CPO) prices beyond RM4,500 per metric tonne reflects ongoing inflationary pressures and supply uncertainties, including disruptions in the availability of substitute oils such as soybean, sunflower and rapeseed oil. This price momentum is expected to invigorate activities in the oil palm processing industry, a key market for APB's specialised engineering solutions. APB's established capabilities in serving this sector position the Group to benefit from increased demand driven by these favourable market conditions.

The oil and gas sector is set to experience heightened activity, supported by Petronas' substantial capital expenditure commitment of RM50 billion to RM60 billion for 2024. This robust investment is expected to stimulate growth across upstream and downstream activities, particularly in the petrochemical industry. As a leading provider of specialized engineering solutions, including the fabrication of finned tubes and manufacturing of custom-designed equipment, APB is well-equipped to meet the rising demand from this dynamic sector. The Group's expertise extends to a wide range of industries, including petrochemical, chemical, oil palm processing, and power generation, ensuring a diversified revenue base and strategic resilience.

Despite the external environment remains challenging due to persistent global uncertainties, APB is optimistic about its prospects. The Group's strategic positioning within key industries, combined with a focus on operational excellence and adaptability, provides a solid platform to navigate these complexities. APB remains committed to leveraging its core competencies to capitalise on emerging opportunities, enhance shareholder value, and sustain its growth trajectory in the coming quarters.

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

	Individual Quarter Quarter Ended 30 September 2024 RM'000	Cumulative Quarter Quarter ended 30 September 2024 RM'000
Loss for the period is arrived at after crediting/(charging):		
Depreciation of property, plant and equipment	(568)	(1,062)
Finance costs	(2,622)	(5,130)
Interest income	339	719
Fair value loss on investment in an associate	(57,454)	(57,897)
Net loss on foreign exchange		
- realised	(378)	(769)
- unrealised	(1,053)	(785)
Net reversal of impairment losses on trade receivables	905	1,004
Net reversal for liquidated and ascertained damages	124	140

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 September 2024 RM'000	Cumulative Quarter Quarter ended 30 September 2024 RM'000
Income tax		
Current income tax	117	(541)

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 September 2024 RM'000	As at 31 March 2024 RM'000
Current		
<i>Secured</i>		
Bankers' acceptances	11,937	11,418
Bank overdraft	43,788	43,792
Hire purchase liabilities	498	485
Revolving credit	2,000	-
Term loans	12,589	12,997
	70,812	68,692
Non-current		
<i>Secured</i>		
Hire purchase liabilities	1,591	1,843
Term loans	106,417	101,715
	108,008	103,558
	178,820	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-up petition against BSSB was filed on 30 September 2024 and the Court has fixed the hearing on 9 January 2025.

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:

	Individual Quarter Quarter Ended 30 September 2024	Cumulative Quarter Quarter ended 30 September 2024
Loss Attributable To Ordinary Shareholders (RM'000)	<u>(61,509)</u>	<u>(62,611)</u>
Weighted Average Number Of Ordinary Shares ('000):		
Issued ordinary shares at beginning of period	112,875	112,875
(Less): Effect of treasury shares held	<u>(12)</u>	<u>(12)</u>
Weighted average number of ordinary shares	<u>112,863</u>	<u>112,863</u>
Basic loss per ordinary share (sen)	<u>(54.50)</u>	<u>(55.48)</u>

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 28 November 2024.

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