

RESOURCES

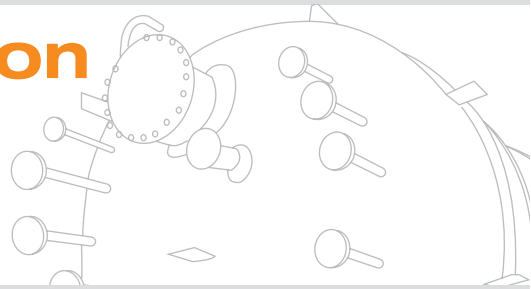
APB RESOURCES BERHAD
(Company No. 564838 V)



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Corporate Information



BOARD OF DIRECTORS

Yap Kow @ Yap Kim Fah

Chairman / Managing Director

Tan Teng Khuan

Executive Director / Chief Operating Officer

Lim Lye Hock

Executive Director

Cheong Boon Yu

Executive Director

Johari Low bin Abdullah @ Low Han Hing

Non-Independent Non-Executive Director

Yap Kau @ Yap Yeow Ho

Non-Independent Non-Executive Director

Mak Fong Ching

Independent Non-Executive Director

Muhayuddin bin Musa

Independent Non-Executive Director

Chua Eng Seng

Independent Non-Executive Director

AUDIT COMMITTEE

Mak Fong Ching

Chairperson

Muhayuddin bin Musa

Chua Eng Seng

Johari Low bin Abdullah @

Low Han Hing

COMPANY SECRETARY

Cheok Kim Chee

(LS000012)

Chua Cheng Poh

(MAICSA 7017041)

REGISTERED OFFICE

D12, Tingkat 1,

Plaza Pekeliling

No. 2 Jalan Tun Razak

50400 Kuala Lumpur

Tel No. : 03 - 4042 3041

Fax No. : 03 - 4042 3422

REMUNERATION COMMITTEE

Muhayuddin bin Musa

Chairman

Yap Kow @ Yap Kim Fah

Tan Teng Khuan

Mak Fong Ching

Chua Eng Seng

AUDITORS

KPMG (AF0758)

Wisma KPMG

Jalan Dungun

Damansara Heights

50490 Kuala Lumpur

Tel No. : 03 - 2095 3388

PRINCIPAL BANKERS

Affin Bank Berhad

Ambank Berhad

HSBC Bank Malaysia Berhad

UOB Berhad

Malayan Banking Berhad

Bumiputra - Commerce

Bank Berhad

NOMINATION COMMITTEE

Chua Eng Seng

Chairman

Muhayuddin bin Musa

Mak Fong Ching

SHARE REGISTRAR

Symphony Share

Registrars Sdn. Bhd. (378993-D)

Level 26, Menara

Multi-Purpose, Capital Square

No.8, Jalan Munshi Abdullah

50100 Kuala Lumpur

Tel No. : 03 - 2721 2222

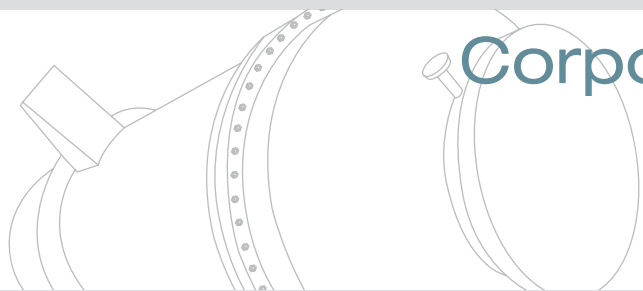
Fax No. : 03 - 2721 2530/31

STOCK EXCHANGE LISTING

Main Board of the Bursa

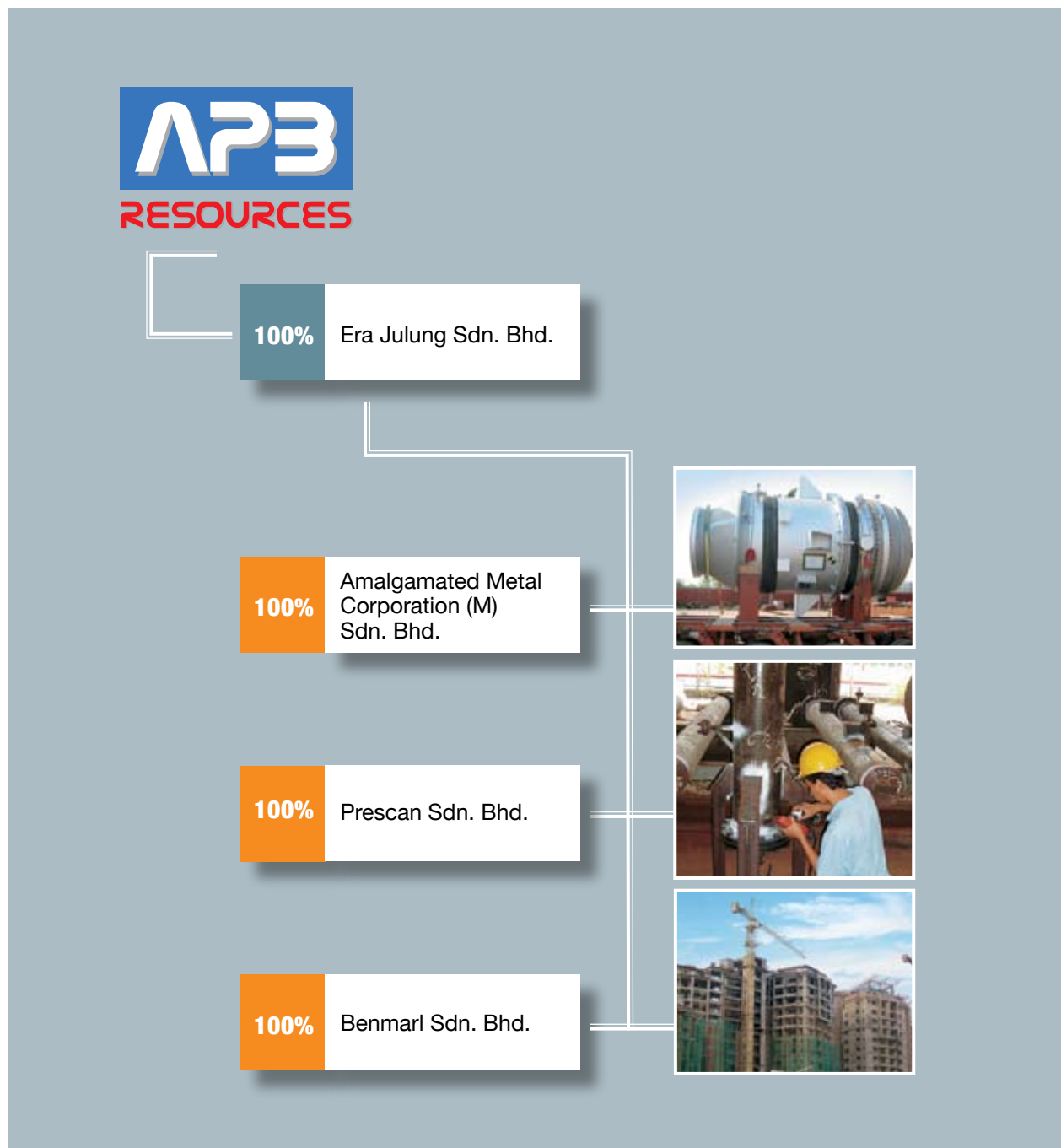
Malaysia Securities Berhad

Stock Code - 5568

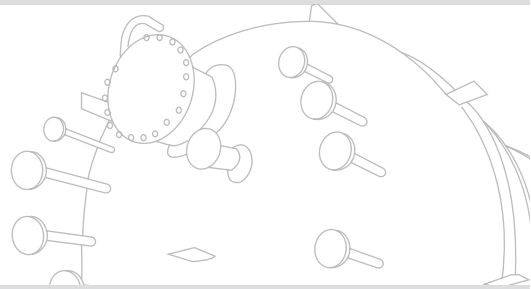


Corporate Structure

The corporate structure of the APB Group is set out below:



Directors' Profile



YAP KOW @ YAP KIM FAH

61 years of age, Malaysian / Chairman / Managing Director / Member of the Remuneration Committee

Mr. Yap was appointed to the Board on 30 March 2004. He is the founder and Managing Director of Amalgamated Metal Corporation (M) Sdn. Bhd. (AMC). His working career started in 1968 as a welder at Brown & Root / McDermott Ltd, one of the largest engineering, construction and maintenance companies in the world. He left Brown & Root in 1974 and joined Industrial Boiler Allied Equipment Sdn. Bhd., a company dealing in the manufacture of process equipment and boilers and held the position of Workshop Superintendent for fabrication works. In 1979, he founded Peng Fah Engineering Sdn. Bhd., a company involved in the fabrication, welding and provision of engineering services. With his vast experience and technical expertise in the manufacture of process equipment in the oil and gas industry, Mr. Yap set up AMC in 1989 and was instrumental in the growth of the company from its early years, providing strategic directions and leadership for the company, thus establishing the company as one of the major players in the industry. He is also a Director of several other private companies. His current responsibilities include providing strategic directions and leadership for the Group.

Mr. Yap is not a director of any other public company.

His brother, Mr. Yap Kau @ Yap Yeow Ho, is a Non-Executive Director of the Company.

TAN TENG KHUAN

50 years of age, Malaysian / Chief Operating Officer / Executive Director / Member of the Remuneration Committee

Mr. Tan was appointed to the Board on 30 March 2004. His current responsibilities include overseeing all corporate, strategic, financial, personnel and investment matters of the Group. He is also one of the key personnel dealing with the corporate affairs and investment relation of the Group. Mr. Tan has over twenty (20) years of experience in banking, equity research and the corporate sector. He received an Honours Degree in Bachelor of Technology in Industrial Engineering & Management and Master of Business Studies in Business Administration & Finance in New Zealand. He later obtained a Diploma in Banking from the New Zealand Bankers Institute and the Diploma in Management from the New Zealand Institute of Management. His working career began in 1979 as a Development Engineer at New Zealand Aluminium Smelters Ltd, a wholly owned subsidiary company of Comalco Australia Ltd. He was later employed as a Research Analyst at Westpac Banking Corporation, New Zealand in 1980. In 1982, he joined W R Grace (New Zealand) Ltd, a wholly-owned subsidiary of W R Grace Inc. of USA as a Financial Analyst before being promoted to Chief Accountant. Upon his return to Malaysia in 1985, he worked as Credit & Marketing Officer at Lee Wah Bank Limited, Malaysia and subsequently promoted to Senior Credit Officer in 1987 and Deputy Manager in 1988 at the same establishment. He left the bank in 1988 and joined Asia Commercial Finance (M) Berhad as Loans Supervision Manager and in 1990, he was with Metroplex Berhad as Senior Corporate Investment and Planning Manager. Mr. Tan moved from the corporate sector to equity market in 1992 as a Senior Investment Analyst with GK Goh Research Pte Ltd where he undertook equity research on the banking, gaming and property sectors. In January 1995, he was Deputy Head of Research at Credit Lyonnais Securities Research. He joined Deutsche Morgan Grenfell, Malaysia in September 1995 as Director of Research, managing the research team and was responsible for strategy equity research on the banking and finance sectors and macro research on Malaysia. He was subsequently promoted to Chief Representative for Malaysia in 1997. In 1999, he was the Senior Vice President, Business Development at Hwang-DBS Securities Berhad and in 2001, he was with SJ Asset Management Sdn. Bhd. as Senior Vice-President, Private Equity and also became the Managing Partner at SJAM Capital Partners Sdn. Bhd. that same year.

Mr. Tan is not a director of any other public company.

Directors' Profile (cont'd)

LIM LYE HOCK

50 years of age, Malaysian / Executive Director

Mr. Lim was appointed to the Board on 30 March 2004. He is the founder and Project Director of Benmarl. His involvement in air conditioning industry started in 1983 and in subsequent years Benmarl expanded its contracting business by undertaking work packages in mechanical & electrical (M&E) services. During late 1990s, Benmarl completed two (2) M&E hotel projects in Cambodia and Sudan. He has been the Managing Director of Benmarl since its establishment in September 1986 and has been responsible for the overall management of the company. Mr. Lim attended product and technical training with air-condition equipment manufacturers including Daikin (Japan), Trane (USA) and York (Malaysia) on equipment and design applications. He also attended seminars conducted by Flanders Precision Aire (USA) and FARR Company (USA) on clean room air filtration systems. Other seminars and courses attended by Mr. Lim were on Indoor Air Quality (IAQ), building management system, home automation & security systems, renewable energy, hydrology and sustainable development. He is also a Director of several private companies.

Mr. Lim is not a director of any other public company.

His brother, Mr. Lim Hong Liang, is a substantial shareholder of the Company.

CHEONG BOON YU

50 years of age, Malaysian / Executive Director

Mr. Cheong was appointed to the Board on 30 March 2004. He is the founder and Director of Prescan, a company established in July 1988. He has been awarded the Certificate of Proficiency from the Atomic Energy Licencing Board and also certified as a Radiographic Interpreter, Radiation Protection Officer and SIRIM Radiographic Tester Level II. Other qualifications include an ASNT Level II in Radiographic Testing, Magnetic Particle Testing, Liquid Penetrant Testing in 1999. His working career started in 1974 as a trainee radiographer at Independent Testing Co. Sdn. Bhd. and in 1975, joined United Testing Co. Sdn. Bhd. as a NDT Technician responsible for radiography and stress relieving work at the Johor Bahru Power Station, the Port Dickson Power Station as well as involved in radiography work on the ammonia sphere tank at the Chemical Company of Malaysia, Malaysian Electro-Chemical Industries and the Grik Dam. In 1979, Mr. Cheong joined Maju Timor Sdn. Bhd. and was responsible for MPI and stress relieving work at Prai Power Station before returning to United Testing Co. Sdn Bhd in 1981 as Technical Supervisor and later as Manager. He was responsible for performing NDT work on various fabrication establishments.

Mr. Cheong is not a director of any other public company.

JOHARI LOW BIN ABDULLAH @ LOW HAN HING

56 years of age, Malaysian / Non-Independent Non-Executive Director / Member of the Audit Committee

Encik Johari was appointed to the Board on 30 March 2004. He is a Fellow Member of The Institute of Chartered Accountants (England & Wales), and a member of the Malaysian Institute of Certified Public Accountants (MICPA), the Malaysian Institute of Accountants (MIA) and MENSA International. He was an Executive Director of the Arab-Malaysian Group from 1984 to 1987, Chief Executive Officer of Raleigh Berhad in 1987, Group Managing Director of Berjaya Group Berhad from 1989 to 1992, Managing Director of Agate Duty Free (BB) Sdn. Bhd. and Advisor to the Lion Group from 1992 to 1993, Chief Executive Director of KFC (M) Holdings Berhad from 1993-1994, Executive Director of Metroplex Bhd and Deputy Chairman of Anglo Eastern Plantations Plc from 1994 until 1998. He currently runs his own consultancy practices.

He also sits on the Board of Nam Fatt Corporation Bhd, Hirotako Holdings Bhd, I-Berhad, Kumpulan Powernet Berhad and Global Carriers Berhad.

YAP KAU @ YAP YEOW HO

63 years of age, Malaysian / Non-Independent Non-Executive Director

Mr. Yap was appointed to the Board on 30 March 2004. He started his career in the transportation sector and served as an Operation Manager at TTS Transportation Sdn Bhd from 1977 to 1984. He has been a Director of TTS Transportation Sdn Bhd since 1984. He had been conferred the titles of Pingat Jasa Khidmat, Ahli Mahkota Pahang and Setia Mahkota Pahang by Duli Yang Maha Mulia Sultan Pahang in year 1990, 1996 and 1999 respectively.

Mr. Yap is not a director of any other public company.

His brother, Mr. Yap Kow @ Yap Kim Fah, is the Chairman and Managing Director of the Company.

Directors' Profile (cont'd)**MAK FONG CHING**

50 years of age, Malaysian / Independent Non-Executive Director / Chairperson of the Audit Committee / Member of the Remuneration Committee / Member of the Nomination Committee

Miss Mak was appointed to the Board on 27 January 2004. She is a member of the Australian Certified Public Accountant and the Malaysian Institute of Certified Public Accountants (MICPA). Ms Mak started her career in the government service, in the Inland Revenue Department, as a Tax Examiner from 1977 to 1980. She then went on to further her education in the University of Malaya where she graduated with an Honours Degree (Second Class Upper) in Bachelor of Accounting in 1984. Ms Mak joined a top five (5) accounting firm in Kuala Lumpur as a Tax/Audit Senior from 1984 to 1987. She worked in a local bank as an officer and subsequently as an Assistant Manager in the Loans Recovery Division of another financial institution before pursuing her studies in Australia in 1991. She joined JB Were & Sons, Australia from 1993 to 1995 as an Assistant to the Group Management Accountant. From 1995 to 1998, she was an Investment Analyst in Deutsche Securities specialised in the banking, finance, insurance and stockbroking sectors. Thereafter, she worked briefly as a Group Accountant in a housing construction group before attaching to Danaharta Urus Sdn Bhd in 1999 to undertake a role in loan rehabilitation and recovery. She is currently employed as a vice president in the investment research division of a licenced asset management company.

Miss Mak is not a director of any other public company.

MUHAYUDDIN BIN MUSA

44 years of age, Malaysian / Independent Non-Executive Director / Chairman of Remuneration Committee / Member of Audit Committee / Member of Nomination Committee

Encik Muhayuddin, was appointed to the Board since 10 December 2001. He holds a Bachelor of Commerce (Honours) degree from Carleton University, Ottawa, Canada.

He began his career as a Financial Officer at Lembaga Letrik Negara (LLN). Thereafter he joined the banking industry marking his tenure in the private sector. He held various positions in both local and foreign banks. Subsequently he joined Federal Furniture Holdings (M) Bhd as Corporate Affairs Manager and also as Managing Director of one of the Group subsidiaries.

Encik Muhayuddin is presently the Managing Director / Chief Executive Officer of Computer Forms (Malaysia) Berhad.

Currently, he also sits on the Board of Malpac Holdings Berhad, Computer Forms (Malaysia) Berhad and its subsidiary companies.

CHUA ENG SENG

61 years of age, Malaysian / Independent Non-Executive Director / Chairman on the Nomination Committee / Member of the Audit Committee / Member of the Remuneration Committee

Mr. Chua was appointed to the Board on 30 January 2004. He graduated with a Bachelor of Mechanical Engineering (Honours) from the University of Malaya. He served with the Malaysian Industrial Development Authority ("MIDA") from 1971 to 2000, during which time, he held such senior positions as Director of MIDA's Investment Centre in Tokyo, Director of Metal and Engineering Industries Division and Director of Tariff Division. His last position before retirement from Government was Deputy Director General of MIDA.

Mr. Chua presently sits on the Board of several private companies.

He is also the Independent Non-Executive Director of Hirotako Holdings Berhad.

NOTE:

- None of the directors other than Mr. Yap Kow @ Yap Kim Fah, Mr. Yap Kau @ Yap Yeow Ho and Mr. Lim Lye Hock, have any family relationship with any director and/or major shareholders of the Company.
- The Group has entered into recurrent related party transactions with parties in which the directors of the Company, namely Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho have direct and/or indirect interest in Note 21 in the accompanying financial statements. Save as disclosed above, none of the other directors have any conflict of interest with the Group.
- None of the directors have been convicted of any offences within the past ten (10) years other than traffic offences, if any.

Chairman's Statement

Dear Valued Shareholders

On behalf of the Board of Directors, I have the pleasure of presenting the annual report and financial statements of APB Resources Berhad and its subsidiary Companies ("Group") for the financial year ended 30 September 2005.

YAP KOW @ YAP KIM FAH Chairman / Managing Director

FINANCIAL REVIEW

The Group recorded a commendable performance for the financial year ended 30 September 2005 on the back of an improved operating environment as compared to the same period last year. Revenue rose 46% year-on-year (yoy) vis-à-vis the preceding year (on a proforma basis) as a sharp increase in orders at the Group's Fabrication division. The growth came primarily from overseas demand as reflected in 59% jump in 2005 export sales from 62.2 million in 2004. In contrast, the domestic market was relatively soft. The strongest demand came from the Middle-East where buoyant oil prices provided the impetus to spending for both upstream production and downstream petrochemical capacity.

The higher turnover coupled with a slight margin improvement boosted the Group's gross profit from RM18.8 million to RM28.5 million, an increase of 52%. Notwithstanding the 52% increase in turnover, the Group's operating expenses rose by only 6.5%. This sharp efficiency gain further contributed to the 90% increase in operating profit to RM19 million. As a result, the Group's audited pretax profit for financial year ended 30 September 2005 rose by 115% to RM17.4 million against the adjusted 2004 equivalent figure of RM8.1 million (on a proforma basis and after adjustment for transfer of NCK Corporation Berhad's listing status and listing expenses write-offs of RM15.0 million and RM1.4 million respectively). For the period under review, profit after tax rose to RM12.5 million from an adjusted RM5.5 million previously.

The Fabrication division, the principal revenue and profit contributor to the Group, accounted for 96% of the revenue and pretax profit for financial year 2005. The division benefited from a much improved global operating environment as compared to 2004. The strong demand for process equipment was largely driven by buoyant oil & gas prices and the rush to expand capacity to ease bottlenecks particularly in downstream petrochemical production. Improvement in overall global economic conditions in 2005, particularly in China and India where capital expenditure rose sharply in fabrication projects in the power sector. In short, the fabrication industry in 2005 was being characterized by strong order flows and a tight capacity situation.

The Group's Non-destructive Testing division performed in line with expectation as order flows were largely driven by demand in the local fabrication industry. However, the division grew less than the Fabrication division as the domestic fabrication sector was relatively soft whereas the latter benefited substantially



- 1 Fine Filtration System
- 2 Erection for Oleochemical Plant
- 3 Heat Exchanger

Chairman's Statement (cont'd)

from overseas demand. It reported an audited profit after tax of RM0.5 million for financial year 2005, representing a contribution of 4% to the Group's total.

The operating environment continued to be very difficult for the Group's Mechanical, Electrical and Industrial Air-conditioning division (MEIA). The sector is still characterized by excess capacity, limited project flows, rising raw material prices and thin margins. The cash-strapped building construction industry faces the real possibility of bad debts. Consequently, the Group adopted a very cautious approach in selecting projects and instead focused on keeping cost to the minimum and redeploying spared resources to other divisions. For financial year 2005, the division incurred a marginal loss of RM0.6 million.

The overall strong performance of the Group further strengthened its financial position where its net cash position rose to RM18.6 million or net cash per share of 21.1 sen as at 30 September 2005, from RM14.8 million or 16.8 sen in the last corresponding year-end.

PROSPECTS

The financial year 2005 ended on a high note and we anticipate the strong momentum to carry on into 2006 with the Fabrication division continuing to be the dominant contributor of the Group's earnings. The Non-destructive Testing division is expected to hold its own while, barring any unforeseen circumstances, we could see improvement at the MEIA division as the division has secured a few smallish jobs while in the running for a few sizeable ones.

The current global outlook for the metal fabrication sector is very favourable. We believe this bullish trend is sustainable for at least the next three to four years given the huge capital expenditure allocation for petrochemical and power projects which are expected to take quite a number of years to implement. Capital expenditure in the oil & gas (petrochemical), power and oleo-chemical sectors is the main force behind metal fabrication demand.

Local demand for metal fabrication could see a moderate pick up for the coming years but the overseas market should remain the principal growth driver. New discoveries of oil and gas reserves in Malaysia over the past two years should translate into increased capital expenditure for upstream production capacity going forward. The rapid increase in crude palm oil production in East Malaysia should likewise raise demand for downstream oleo-chemical processing capacity in the coming years. The scenario is probably different for the local power sector as the current excess capacity situation will persist for a while yet.

The current huge capital spending in both upstream and downstream oil, gas and petro-chemical activities in the Middle-East are anticipated to continue for a number of years given the buoyant prices of oil and the resultant windfall revenue. Similar trends albeit at a slow pace are



- | | |
|---|--|
| 1 | Column |
| 2 | Falling Film Evaporator |
| 3 | Splitting Column & Hydrogeneration Reactor |



Chairman's Statement (cont'd)



Feed Gas Dryer



Skid loaded on Barge



Column

also taking place through rising demand generated by a general pick up of global economic activities. The rapid economic growth of the emerging markets such as China and India are creating a greater demand for energy. Apart from oil & gas, we should see huge capital spending for additional capacity in the power sector for many years to come. Closer to home, the rapid maturing acreage of palm oil investment in the near to medium term will require significant downstream capacity. This is the scenario we have premised our optimism that the strong demand for metal fabrication will continue and the current capacity shortage to persist.

The past year bottleneck problems in steel capacity and logistics are gradually normalizing and volatility of steel plate prices is expected to decline further.

Rapid regional economic growth is offering opportunities, particularly in the setting up of operations in certain countries to take advantage of their lower cost base and for market accessibility. We can assure you that the Group is putting significant effort in exploring opportunities for expansion. Moreover, we are in a fairly strong financial position to embark on good investments that offer attractive returns. Notwithstanding this, the Group will continue to adopt a cautious and prudent strategy on any overseas expansion option as strong growth can still be achieved from our existing local base. We strongly believe that any overseas expansion, like any other investment, must be synergistic to our existing business and core competency; and most importantly, be capable of enhancing shareholder value.

DIVIDEND

The Board has recommended a final dividend of 2% less 28% tax per ordinary share each for the year ended 30 September 2005. Upon approval by shareholders at the forthcoming Fourth Annual General Meeting, together with the interim dividend of 3.5% paid earlier will bring the total dividend to 5.5% for the year ended 30 September 2005.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express our appreciation to all employees for their dedication and contribution to the Group.

I would also like to extend my gratitude to our customers, business partners and the community, including our shareholders, for their continued support and confidence in the Group.

Finally, to my fellow Board members, I extend my appreciation and thanks for their continued support, guidance and contribution.

YAP KOW @ YAP KIM FAH

Chairman / Managing Director

Statement on Corporate Governance



The Board of Directors of APB Resources Berhad (the Board) is committed to the standard of corporate governance as prescribed in the Malaysian Code on Corporate Governance (the Code). The Board is committed to ensure that the highest standards of corporate governance are practiced throughout the Group to protect and enhance shareholder value and the financial performance of the Group.

1 THE BOARD OF DIRECTORS

1.1 The Board

The Group is controlled and led by a Board of Directors which has the overall responsibility for the corporate governance, the strategic direction, major capital expenditure, investment and the consideration of significant financial matters. The Board comprises members from diverse professional backgrounds with vast experience of a mixture of technical, entrepreneurial and financial skills.

During the financial year, the Board met five (5) times. The number of meetings attended by each director is as follows:

Name of Directors	No. of Meetings Held	No. of Meetings Attended
Yap Kow @ Yap Kim Fah <i>(Chairman / Managing Director)</i>	5	5
Tan Teng Khuan <i>(Chief Operating Officer / Executive Director)</i>	5	5
Lim Lye Hock <i>(Executive Director)</i>	5	5
Cheong Boon Yu <i>(Executive Director)</i>	5	4
Johari Low bin Abdullah @ Low Han Hing <i>(Non-Independent Non-Executive Director)</i>	5	4
Yap Kau @ Yap Yeow Ho <i>(Non-Independent Non-Executive Director)</i>	5	5
Mak Fong Ching <i>(Independent Non-Executive Director)</i>	5	4
Muhayuddin bin Musa <i>(Independent Non-Executive Director)</i>	5	4
Chua Eng Seng <i>(Independent Non-Executive Director)</i>	5	5

1.2 Board Balance

The Board is well balanced with Executive and Non-Executive Directors to meet the requirement of the Group. There are currently nine (9) members on the Board, comprising four (4) Executive Directors, two (2) Non-Independent Non-Executive and three (3) Independent Non-Executive Directors.

The roles of the Chairman and the Managing Director are combined as he possesses the intimate knowledge and experience in the core business activities of the Group. Notwithstanding this, the functionality of the Board is not compromised as the five Non-Executive Directors on the Board are respected professionals in their own rights who have demonstrated their continued professionalism in the discharge of their duties.

Statement on Corporate Governance (cont'd)

1.3 Supply of Information

Meetings are scheduled in advance for sufficient notice to be given and information to be prepared and circulated in a timely manner. Members have unrestricted access to timely and accurate information, which is not confined to quantitative but also other qualitative information as required. All Board members in discharging their respective duties, exercise balanced and independent judgements when deliberating on matters concerning strategies, operations, financials and investments in relation to the Group.

1.4 Re-election of Directors

In accordance with the Articles of Association of the Company, at least one-third of the Directors will retire by rotation at each Annual General Meeting and all the Directors will retire from office at least once every three years. Directors scheduled for retirement shall be eligible for re-election.

1.5 Sub-Committees

To ensure the most effective and professional discharge of duties, three (3) sub-committees were formed to focus on specific areas, namely, the Audit Committee, Nomination Committee and Remuneration Committee, each operating within clearly defined terms of references. The details of these committees are set below. These committees are empowered to examine specific issues under their respective purview and to henceforth, make recommendations to the Board accordingly. However, the ultimate responsibilities and final decisions rest with the Board.

a) Audit Committee

The Audit Committee assists the Board to meet its responsibilities regarding financial reporting and strengthens the independence of external auditors through the ability to communicate with Non-Executive Directors. Its role also includes monitoring the works of the internal audit unit.

The Audit Committee comprises of three (3) Independent Non-Executive directors and one (1) Non-Independent Non-Executive director. The composition of the Committee is as follows:

Mak Fong Ching (Miss) - Chairperson (Independent Non-Executive Director)

Muhayuddin bin Musa - (Independent Non-Executive Director)

Chua Eng Seng - (Independent Non-Executive Director)

Johari Low bin Abdullah @ Low Han Hing - (Non-Independent Non-Executive Director)

The Report of the Audit Committee for the financial year is set out on pages 14 to 16.

b) Nomination Committee

The Nomination Committee comprises of three (3) members of the Board, all of whom are Independent Non-Executive Directors. The members of the committee are as follows:

Chua Eng Seng - Chairman

Muhayuddin bin Musa

Mak Fong Ching

The Nomination Committee's roles are as follows:

- assessment and recommendation of new directors to the Board and Board Committees;
- annual assessment on the effectiveness of the Board, the various Board Committees and the contribution of individual Board members; and
- annual review on the composition of skills, experience and balance of Board members, in particular, the composition of non-executive directors, to ensure the effectiveness of the Board as a whole.

Statement on **Corporate Governance** (cont'd)

c) Remuneration Committee

The Remuneration Committee is made up of five (5) members of the Board, comprising three (3) Independent Non-Executive Directors and two (2) Executive Directors. The composition of the Committee is as follows:

Muhayuddin bin Musa - Chairman

Chua Eng Seng

Mak Fong Ching

Yap Kow @ Yap Kim Fah

Tan Teng Khuan

The main roles of the Remuneration Committee are as follows:

- to make the necessary recommendations to the Board in regard to executive remuneration, in particular, remuneration packages pertaining to the Executive Directors; and
- to review and recommend the annual salary increments of the Executive Directors to ensure that the remunerations commensurate to performance and market rates.

However, the Board ultimately determines the remuneration packages of the Executive and the Non-Executive Directors and Members are required to abstain from participating in any deliberations regarding their own remuneration.

2 DIRECTORS' REMUNERATION

The aggregate of the Directors' remuneration received and/or receivable from the Group for the full twelve (12) months during the financial year ended 30 September 2005 are as follows:

	Executive RM	Non-Executive RM
Salaries and bonuses	843,217	-
Directors' fees	20,000	85,000
EPF contributions	21,519	-
	884,736	85,000

Number of Directors whose remuneration falls within the respective bands is as follows:

	Executive	Non-Executive
Below RM50,000	-	5
RM50,001 - RM100,000	-	-
RM100,001 - RM250,000	3	-
RM250,001 - RM400,000	1	-

Statement on Corporate Governance (cont'd)

3 SHAREHOLDER

3.1 Communication and Investor Relations

The Board recognises the need and importance for the shareholders to be adequately informed of all material business matters pertaining to the company. It values regular communication with the shareholders. Various regular and timely announcements will be made throughout the year, including quarterly results and Annual Report which will provide an overview of the Group business operations and financial performance. The Group will also use the Company's Annual General Meeting as a forum to further communicate to the shareholders, where such issues like the group's strategies, goals, business and financial performances and major developments within the Group can be discussed. Additionally, the Group's Corporate & Finance Division will be available to meet institutional investors and investment analysts from time to time to explain and provide information pertaining to the Group's direction and performance.

Mr. Tan Teng Khuan, the Executive Director/Chief Operating Officer has been designated as the Group's principal investor relations officer. Investors can direct their queries to him. Shareholders and members of the public can also obtain information of the Company through Bursa Malaysia's website at www.bursamalaysia.com. All announcements, including full versions of its quarterly results announcement and Annual Report, are published and accessible.

3.2 Annual General Meeting

The Board recognises that the Annual General Meeting (AGM) is an important forum for the shareholders, regardless of their stature, to keep abreast of the Group's performance and direction. The Company will hold its Fourth AGM on 24 March 2006 at 10.00 a.m.

At the AGM, the Board will present the progress and performance of the Group's businesses as contained in the annual report and provide opportunity for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to respond to shareholders' questions during the meeting.

4 ACCOUNTABILITY & AUDIT

4.1 Financial Reporting

The Group's financial statements were prepared in accordance to the Companies Act, 1965 with the approved accounting standards so as to give a true and fair view of the state of affairs of the Group at the end of the financial year. In preparation of the financial statements, the Directors aim to present a balanced and accurate assessment of the Group's financial position and prospects. The Group's financial statements and quarterly announcements are reviewed and deliberated by the Audit Committee in the presence of senior staff members of the Corporate and Finance Division and the external auditors and internal auditors are encouraged to attend whenever possible.

All financial statements and quarterly announcements have to be adopted by the Audit Committee first before recommending them for adoption by the Board of Directors. The Audit Committee Chairman will brief the Board of any significant matters including material changes that need to be made to the financial statements and quarterly announcements.

4.2 Internal Control

The Board has the overall responsibility for monitoring a sound system of internal control to safeguard shareholders' investment and the Group's assets by identifying principal risks and ensuring the implementation of appropriate systems to manage these risks. The Board working together with the management is committed to the continuous process of enhancing the Group's system of internal controls, which takes into account the changes in the external and internal environment of the Group.

The Group's Internal Control Statement is set out on pages 17 to 18.

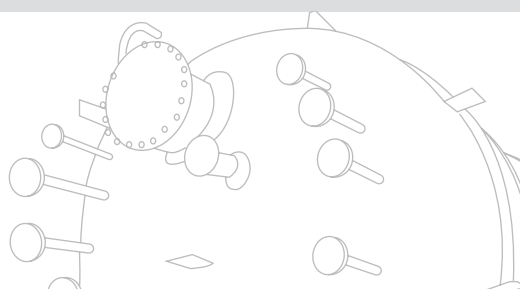
4.3 Relationship with the auditors

The Board maintains a close and transparent professional relationship with the Group's auditors, both external and internal through the Audit Committee where full assistance is extended to enable them to discharge their duties effectively. The Group's external auditors report independently to the shareholders of the Company in accordance to statutory requirements. The auditors are invited to attend Audit Committee meetings held from time to time, and will highlight to the Committee, significant matters requiring deliberation and attention.

The role of the Audit Committee in relation to the external and internal auditors is stated on pages 14 to 16.

This Corporate Governance Statement has been approved and signed by the Board of Directors in accordance with the resolution dated 18 January 2006.

Audit Committee Report



1 MEMBERSHIP AND MEETINGS

The Audit Committee currently comprises of four (4) members with the resignation of the fifth member, Mr Tan Teng Khuan on 10th May 2005. Three (3) members of the Committee are independent non-executive directors and one (1) is a non-independent non-executive director.

The members of the Committee are:-

- Ms. Mak Fong Ching - Chairperson (Independent Non-Executive Director)
- En. Muhayuddin bin Musa (Independent Non-Executive Director)
- Mr. Chua Eng Seng (Independent Non-Executive Director)
- En. Johari Low bin Abdullah @ Low Han Hing (Non-Independent Non-Executive Director)
- Mr. Tan Teng Khuan (Executive Director) - *resigned on 10th May 2005*

Five meetings were held during the financial year and the record of attendance for each member of the Audit Committee is as follow:-

Name of Directors	No. of Meetings Held	No. of Meetings Attended
Mak Fong Ching	5	4
Muhayuddin bin Musa	5	4
Chua Eng Seng	5	5
Johari Low bin Abdullah @ Low Han Hing	5	4
Tan Teng Khuan (<i>resigned on 10th May 2005</i>)	3	2

2 TERMS OF REFERENCE

COMPOSITION

The Audit Committee shall consists of not less than three (3) members, the majority of whom shall comprise independent directors, one of whom shall be in compliance with Part C - 15.10 (c) of the Bursa Malaysia Berhad's Listing Requirement. The Chairman of the Committee shall be an independent director.

MEETINGS

Meetings shall be held not less than four (4) times a year. The external auditor may request a meeting if he considers that one is necessary to discuss matters which he believes should be brought to the attention of the Committee.

The external auditor shall appear before the Committee when required to do so. The external auditor shall have the right to appear and be heard at any meeting of the Committee. At least once a year, the Committee shall meet with the external auditor without any executive Board member present.

The Company Secretary shall be the Secretary of the Committee.

Audit Committee Report (cont'd)

QUORUM

The quorum for each meeting shall be a majority of members who are independent directors.

OBJECTIVES

The primary objectives of the Audit Committee are:

- a) to act as a committee of the full Board to assist in discharging the Board's responsibilities as they relate to the Company's management and internal controls, accounting policies and financial reporting;
- b) to provide, by way of regular meetings, a line of communication between the Board and the auditors;
- c) to enhance the perceptions held by other interested parties (such as shareholders, regulators and creditors) of the credibility and objectivity of financial reports.

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

RESPONSIBILITIES

The Audit Committee shall have the following responsibilities:

- 1 to review with the external auditors:
 - the audit plan;
 - their evaluation of the system of internal controls;
 - the audit report on the financial statements; and
 - the assistance given by the Company's officers to the auditors;
- 2 to review the quarterly and year-end financial statements with management and the auditors prior to them being approved by the full Board;
- 3 to review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- 4 to review any letter of resignation from the external auditors;
- 5 to nominate external auditors for the Company;
- 6 to review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- 7 to review the internal audit programme, processes, and the results of the internal audit programme, processes or investigation undertaken and whether management has taken appropriate actions;
- 8 to review the effectiveness of management information and other systems of control within the Company;
- 9 to review arrangements established by management for compliance with any regulatory or other external reporting requirements;
- 10 to review the accounting policies adopted, any changes in accounting principles or practices, and level of prudence applied in areas requiring judgment;

Audit Committee Report (cont'd)

- 11 to review interim financial information and press releases relating to financial matters of importance;
- 12 to review any significant transactions which are not a normal part of the Company's business;
- 13 to review the co-ordination of audit approach between the external and internal auditors;
- 14 to confirm that management has placed no restrictions on the scope of audits; and
- 15 to perform such other functions as may be agreed to by the Audit Committee and the Board of Directors.

3 SUMMARY OF ACTIVITIES

The Audit Committee met at scheduled times, with due notices of meetings issued, and with agendas planned so that issues raised in respect of financial statements were deliberated and discussed in a focused and detailed manner.

In line with the term of reference of the Committee, the following activities were carried out during the year:-

- review of the internal auditors' appointment, scope of work and their audit plan;
- review with the external auditors without the presence of executive directors;
- review with the external and internal auditors, the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of audit;
- review of the related party transactions entered into by the Group and the disclosure of such transactions in the annual report;
- review of the quarterly unaudited financial results announcements and annual financial statements prior to recommending the same for the approval of the Board;
- review of the Company's compliance with the Listing Requirements, the applicable approved accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.

4 INTERNAL AUDIT FUNCTION

The Company has outsourced its Internal Audit Function to an independent professional firm on 12th April 2005 with the principal objective of reviewing the systems of control, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

During the year, the internal audit function focused on reviewing the effectiveness of existing controls and procedures in core risk areas. After each audit, the findings and recommendations for improvement were communicated to the respective management for their responses and corrective actions, if necessary. On the quarterly basis, the internal audit reports with the management responses were submitted to the Audit Committee for their review and subsequently recommending to the Board for strengthening the internal controls and corporate governance of the Group.



Statement of Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and Group's assets. Bursa Malaysia Securities Berhad's Listing Requirements require directors of the listed companies to include, in annual reports, a statement on the state of their internal controls.

RESPONSIBILITY

The Board is aware of its responsibility for maintaining a sound system of internal control that would provide reasonable assurance in monitoring the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Board also recognises that reviewing the adequacy of the Group's system of internal control is a concerted and continuous process, and the systems put in place are designed to manage rather than to eliminate risks. Therefore, internal controls can only provide reasonable but not absolute assurance against material misstatement or loss.

KEY PROCESSES OF INTERNAL CONTROL

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:

- 1 A clearly defined delegation of responsibilities, organization structure and appropriate authorization levels have been established by the Board for the Committee of the Board and to the management of the key operating companies in the Group.
- 2 The Board meets quarterly to deliberate on the Group's financial performance, business development, management and corporate issues.
- 3 An Executive Committee (EXCO) was established comprising key members of senior management. The EXCO's principal role is to deliberate on strategic matters, capital expenditures, investment matters, remuneration and other major corporate and operational issues. Issues deliberated at the EXCO are subsequently tabled to the Board for final approval.
- 4 The Environment, Safety and Health (ESH) Committee at a major subsidiary comprising representatives from various departments meet periodically to deliberate on staff safety and health issues to ensure compliance with the ESH Policy.
- 5 One of the subsidiary companies was accredited with ISO9001:2000 and hence documented internal procedures and standard operating procedures have been put in place.
- 6 The centralised control of key functions such as corporate affairs, finance, tax and human resources.

Statement of Internal Control (cont'd)

- 7 The Board has outsourced its Internal Audit function to an independent professional firm on 12th April 2005. Internal audits are being carried out to review the adequacy and integrity of the internal control system of the group based on the audit plan that has been reviewed and approved by the Audit Committee.

During the period under review of the last two (2) quarters, the following areas have been reviewed:-

- a) Credit management
- b) Procurement / Logistics
- c) Inventory management
- d) Recurrent related party transactions

The Audit Committee reviews the internal audit reports on the quarterly basis and highlights to the Board its activities, findings and recommendations.

CONCLUSION

During the year under review, a number of improvements to internal controls were identified and implemented. None of the weaknesses have resulted in any significant losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The Board confirms that there is an ongoing process of identification, assessment and management of significant business issues and risks facing the Group.

The Board, working together with the management, is committed to the continuous process of enhancing the Group's system of internal controls, which takes into account the changes in the external and internal environment of the Group.

This statement is made in accordance with a resolution of the Board dated 18 January 2006.

Disclosure Requirements Pursuant To The Listing Requirements of The Bursa Malaysia Securities Berhad

REMUNERATION OF DIRECTOR

The details of remuneration of directors are stated on Page 12.

UTILISATION OF PROCEEDS

The gross proceeds amounted to RM21.002 million arising from the listing of the Company on 6th May 2004, would be utilised by the Company over the three (3) financial years ending 30 September 2004 to 2006 as the Board has resolved the Extension of Time to utilise the proceeds on 15th September 2005.

As at 30 September 2005, the proceeds have been utilized as follows:

Utilisation of Proceeds	Forecast RM'000	Revised RM'000	Actual RM'000
Capital expenditure	4,860	4,860	-
Repayment of bank borrowings	3,481	8,626	8,626
Repayment of hire purchase facilities	1,913	-	-
Listing expenses	2,000	2,613	2,613
Working capital	8,748	4,903	4,446
Total	21,002	21,002	15,685

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise for the financial year ended 30 September 2005.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the Company did not issue any options, warrants or convertible securities.

AMERICAN DEPOSITORY RECEIPT (ADR) / GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMMES

The Company did not sponsor any ADR or GDR programmes during the financial year.

IMPOSITION OF SANCTIONS / PENALTIES

There was no public imposition of sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the financial year.

NON-AUDIT FEES

There were no non-audit fees paid by the Group to external auditors, KPMG for the financial year ended 30 September 2005.

Disclosure Requirements

Pursuant to The Listing Requirements of The Bursa Malaysia Securities Berhad (cont'd)

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection for the financial year. There were no variances of 10% or more between the audited results for the financial year and the unaudited results previously announced.

PROFIT GUARANTEE

The Company did not give any profit guarantee to any parties during the financial year.

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

There were no material contracts of the Company and subsidiary companies involving directors and substantial shareholders.

There were no contracts relating to loan entered into by the Company and its subsidiaries which involve the Directors' and major shareholders' interests since the previous financial year ended 30 September 2004.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

At the forthcoming Annual General Meeting, the Company intends to seek its shareholders' approval to renew the related party transactions and secure a new shareholders' mandate for recurrent related party transactions of a revenue or trading nature. The details of the shareholders' mandate to be sought will be furnished in the Circular to Shareholders dated 1 March 2006 attached to this Annual Report.

The details of related party transactions are stated in Note 21 to the Financial Statements.

REVALUATION POLICY ON LANDED PROPERTIES

The Group does not adopt a policy on regular revaluation of its landed properties.

Statement Of Directors' Responsibility For Preparing The Financial Statements



The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgement and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared the financial statement on a going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company and which enable them to ensure that financial statements comply with the Companies Act, 1965 and applicable approved accounting standards.

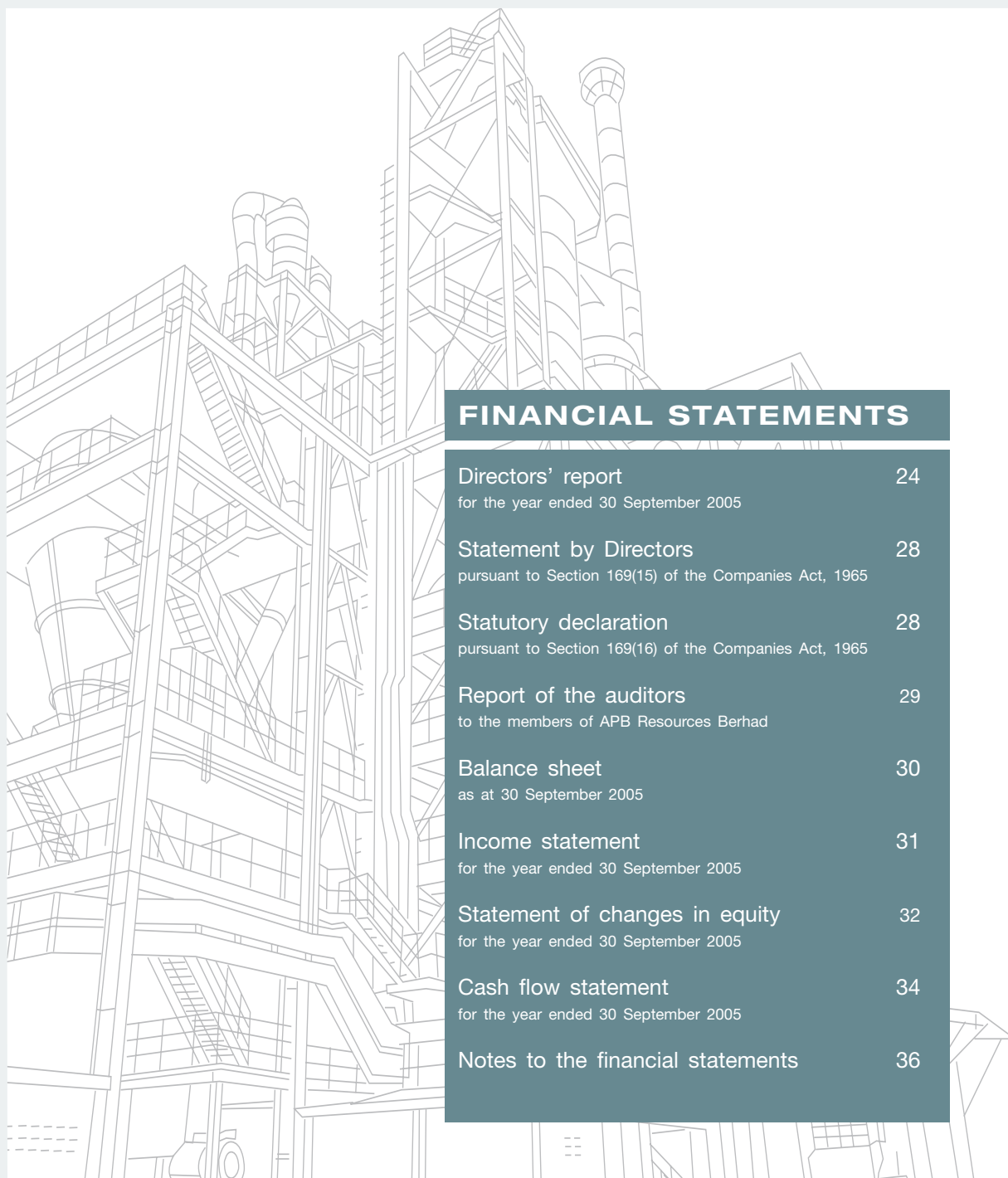
The Directors have overall responsibilities for taking steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

The Statement of Directors pursuant to Section 169 (15) of the Companies Act, 1965 is set out on Page 28.



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Financial Statements



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Directors' Report

 for the year ended 30 September 2005

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 30 September 2005.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, whilst the principal activities of its subsidiaries are stated in Note 3 to the financial statements. There have been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the year	12,492,253	5,837,386

DIVIDEND

Since the end of the previous financial year, the Company declared and paid an interim dividend of 3.5% less 28% tax totalling RM2,219,420 in respect of the year ended 30 September 2005, on 24 June 2005.

The final dividend recommended by the Directors in respect of the year ended 30 September 2005 is 2% less tax totalling RM1,268,240.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review except as disclosed in the financial statements.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Muhayuddin Bin Musa

Mak Fong Ching

Yap Kow @ Yap Kim Fah

Yap Kau @ Yap Yeow Ho

Tan Teng Khuan

Lim Lye Hock

Cheong Boon Yu

Johari Low Bin Abdullah @ Low Han Hing

Chua Eng Seng

Directors' Report for the year ended 30 September 2005 (cont'd)

DIRECTORS OF THE COMPANY (cont'd)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1.00 each			
	At 1.10.2004	Bought	Sold	At 30.9.2005
<i>Direct interest in the Company</i>				
Muhayuddin Bin Musa	1	-	-	1
Yap Kow @ Yap Kim Fah	10,441,381	-	-	10,441,381
Yap Kau @ Yap Yeow Ho	33,000	-	-	33,000
Tan Teng Khuan	101,993	-	(100,000)	1,993
Lim Lye Hock	1,448,966	-	(122,400)	1,326,566
Cheong Boon Yu	624,144	-	-	624,144
Johari Low Bin Abdullah	970,522	-	(950,000)	20,522
<i>Indirect interest in the Company</i>				
Yap Kow @ Yap Kim Fah	29,372,257	-	-	29,372,257
Yap Kau @ Yap Yeow Ho	3,452,257	-	-	3,452,257
Tan Teng Khuan	25,920,000	-	-	25,920,000
Lim Lye Hock	25,920,000	-	-	25,920,000

	Number of irredeemable convertible preference shares of RM1.00 each			
	At 1.10.2004	Bought	Sold	At 30.9.2005
<i>Direct interest in the Company</i>				
Yap Kow @ Yap Kim Fah	3,975,023	-	-	3,975,023
Tan Teng Khuan	242,102	-	-	242,102
Lim Lye Hock	745,879	-	-	745,879
Cheong Boon Yu	301,013	-	-	301,013
Johari Low Bin Abdullah	468,063	-	-	468,063
<i>Indirect interest in the Company</i>				
Yap Kow @ Yap Kim Fah	14,164,958	-	-	14,164,958
Yap Kau @ Yap Yeow Ho	1,664,958	-	-	1,664,958
Tan Teng Khuan	12,500,000	-	-	12,500,000
Lim Lye Hock	12,500,000	-	-	12,500,000

By virtue of their interest in the Company, the above Directors are also deemed interested in the shares of all its wholly owned subsidiaries during the financial year to the extent that, APB Resources Berhad has an interest.

None of the other Directors holding office at 30 September 2005 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Report for the year ended 30 September 2005 (cont'd)**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of related companies) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who may be deemed to derive a benefit by virtue of trading transactions in the ordinary course of business between the Company or its related corporations and companies in which the Directors have interests as disclosed in Note 21 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES OR DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Directors' Report for the year ended 30 September 2005 (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 30 September 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

.....
Yap Kow @ Yap Kim Fah

.....
Tan Teng Khuan

Kuala Lumpur,

Date: 18 January 2006

Statement by **Directors**

Pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 30 to 59 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 September 2005 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....
Yap Kow @ Yap Kim Fah

.....
Tan Teng Khuan

Kuala Lumpur,

Date: 18 January 2006

Statutory **Declaration**

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Ng Le Leng**, the officer primarily responsible for the financial management of APB Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 30 to 59 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 18 January 2006.

.....
Ng Le Leng

Before me:

No. W334

Wong Ah Ying

Commissioner for Oaths

Kuala Lumpur

Report of the Auditors

to the members of **APB Resources Berhad**

We have audited the financial statements set out on pages 30 to 59. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 30 September 2005 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Lim Hun Soon @ David Lim
Partner
Approval Number: 1514/05/06(J)

Kuala Lumpur,

Date: 18 January 2006

Balance Sheet as at 30 September 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Property, plant and equipment	2	43,230,577	43,541,720	-	-
Investments in subsidiaries	3	-	-	76,837,000	76,837,000
Other investments	4	129,585	129,585	-	-
Goodwill on consolidation	5	15,209,905	15,209,905	-	-
		58,570,067	58,881,210	76,837,000	76,837,000
Current assets					
Inventories	6	5,032,672	2,907,910	-	-
Trade and other receivables	7	53,382,639	41,655,693	18,554,068	8,151,289
Cash and bank balances	8	27,305,399	26,391,992	7,954,636	15,132,786
		85,720,710	70,955,595	26,508,704	23,284,075
Current liabilities					
Trade and other payables	9	22,043,192	15,518,752	6,094,741	5,713,448
Borrowings (secured)	10	8,481,974	6,571,828	-	-
Taxation		2,729,689	1,366,973	251,176	22,000
		33,254,855	23,457,553	6,345,917	5,735,448
Net current assets		52,465,855	47,498,042	20,162,787	17,548,627
		111,035,922	106,379,252	96,999,787	94,385,627
Financed by:-					
Capital and reserves					
Share capital	11	108,730,978	107,727,172	108,730,978	107,727,172
Accumulated losses		(5,933,214)	(15,202,241)	(15,875,215)	(18,489,375)
Shareholders' funds		102,797,764	92,524,931	92,855,763	89,237,797
Long term and deferred liabilities					
Borrowings (secured)	10	242,134	5,041,991	-	-
Deferred tax liabilities	12	3,852,000	3,664,500	-	-
Irredeemable Convertible Preference Shares	11	4,144,024	5,147,830	4,144,024	5,147,830
		8,238,158	13,854,321	4,144,024	5,147,830
		111,035,922	106,379,252	96,999,787	94,385,627

The financial statements were approved and authorised for issue by the Board of Directors on 18 January 2006.

The notes set out on pages 36 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

Income Statement

for the year ended 30 September 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Revenue	13	130,467,748	47,395,250	-	-
Cost of sales		(101,989,796)	(37,029,781)	-	-
Gross profit		28,477,952	10,365,469	-	-
Other operating income		1,439,791	1,158,047	9,317,683	157,437
Distribution costs		(613,535)	(245,921)	-	-
Administration expenses		(10,201,574)	(5,421,570)	(611,734)	(271,670)
Operating profit/(loss)	13	19,102,634	5,856,025	8,705,949	(114,233)
Loss on transfer of NCK Corporation Berhad's listing status	15	-	(15,036,000)	-	(15,036,000)
Listing expenses written off		-	(1,414,752)	-	(1,414,752)
Gain on disposal of associate		-	6,577	-	-
Finance costs	16	(1,687,247)	(1,074,786)	(360,348)	(197,330)
Profit/(Loss) before taxation		17,415,387	(11,662,936)	8,345,601	(16,762,315)
Tax expense	17	(4,923,134)	(1,834,245)	(2,508,215)	(22,000)
Net profit/(loss) for the year		12,492,253	(13,497,181)	5,837,386	(16,784,315)
Dividend per ordinary share - net (sen)	18	2.52	-	2.52	-
Basic profit/(loss) per ordinary share (sen)	19	13.04	(32.31)		
Diluted profit per ordinary share (sen)	19	11.39	*		

* The conversion of the ICPS is expected to have an anti-dilutive effect on the loss per share ("LPS") for 30 September 2004; accordingly, the fully diluted LPS is not computed.

Statement of Changes in Equity

for the year ended 30 September 2005

Group	Note	Ordinary share capital RM	Irredeemable convertible preference shares - equity component RM	Accumulated losses RM	Total RM
At 1 October 2003		2	-	(1,214,890)	(1,214,888)
Issue of shares:					
- Acquisition of subsidiaries		66,873,000	25,000,000	-	91,873,000
- Restricted issue		2,802,000	-	-	2,802,000
- Special issue		16,200,000	-	-	16,200,000
- Public issue		2,000,000	-	-	2,000,000
- Conversion from ICPS		197,207	(197,207)	-	-
ICPS					
- reclassified to liability component		-	(5,638,000)	-	(5,638,000)
- capitalisation of liability component on dividend	18	-	490,170	-	490,170
Net loss for the year		-	-	(13,497,181)	(13,497,181)
Dividend on ICPS					
- equity component		-	-	(490,170)	(490,170)
At 30 September 2004		88,072,209	19,654,963	(15,202,241)	92,524,931
ICPS					
- capitalisation of liability component on dividend	18	-	1,003,806	-	1,003,806
Net profit for the year		-	-	12,492,253	12,492,253
Dividend on ICPS		-	-	(1,003,806)	(1,003,806)
- equity component		-	-	-	-
Dividends - 2005 interim	18	-	-	(2,219,420)	(2,219,420)
At 30 September 2005		88,072,209	20,658,769	(5,933,214)	102,797,764
		Note 11	Note 11		

Statement of **Changes in Equity** for the year ended 30 September 2005 (cont'd)

Company	Note	Ordinary share capital RM	Irredeemable convertible preference shares - equity component RM	Accumulated losses RM	Total RM
At 1 October 2003		2	-	(1,214,890)	(1,214,888)
Issue of shares:					
- Acquisition of subsidiaries		66,873,000	25,000,000	-	91,873,000
- Restricted issue		2,802,000	-	-	2,802,000
- Special issue		16,200,000	-	-	16,200,000
- Public issue		2,000,000	-	-	2,000,000
- Conversion from ICPS		197,207	(197,207)	-	-
ICPS					
- reclassified to liability component		-	(5,638,000)	-	(5,638,000)
- capitalisation of liability component on dividend	18	-	490,170	-	490,170
Net loss for the year		-	-	(16,784,315)	(16,784,315)
Dividend on ICPS					
- equity component		-	-	(490,170)	(490,170)
At 30 September 2004		88,072,209	19,654,963	(18,489,375)	89,237,797
ICPS					
- capitalisation of liability component on dividend	18	-	1,003,806	-	1,003,806
Net profit for the year		-	-	5,837,386	5,837,386
Dividend on ICPS					
- equity component		-	-	(1,003,806)	(1,003,806)
Dividends - 2005 interim	18	-	-	(2,219,420)	(2,219,420)
At 30 September 2005		88,072,209	20,658,769	(15,875,215)	92,855,763
		Note 11	Note 11		

The notes set out on pages 36 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

Cash Flow Statement

for the year ended 30 September 2005

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash flows from operating activities				
Profit/(Loss) before taxation	17,415,387	(11,662,936)	8,345,601	(16,762,315)
Adjustments for:				
Depreciation	4,123,598	2,061,608	-	-
Gain on disposal of property, plant and equipment	(174,139)	(124,049)	-	-
Loss/(Gain) on foreign exchange				
- unrealised	96,375	(15,794)	-	-
Loss on transfer of NCK's listing status	-	15,036,000	-	15,036,000
Listing expenses written off	-	1,414,752	-	1,414,752
Gain on disposal of associate	-	(6,577)	-	-
Interest expense	930,782	708,697	-	-
Interest income	(539,349)	(316,922)	(235,704)	(157,437)
Dividend on ICPS	360,348	197,330	360,348	197,330
Dividend income	-	-	(9,081,979)	-
Operating profit/(loss) before working capital changes	22,213,002	7,292,109	(611,734)	(271,670)
Changes in working capital:				
Inventories	(2,124,762)	(769,432)	-	-
Trade and other receivables	(11,726,946)	(7,517,765)	(7,642,584)	(7,151,289)
Trade and other payables	5,350,385	(654,097)	(696,392)	2,811,058
Cash used in operations	13,711,679	(1,649,185)	(8,950,710)	(4,611,901)
Income taxes paid	(3,659,391)	(571,682)	(22,557)	-
Interest paid	(745)	(44)	-	-
Interest received	539,349	316,922	235,704	157,437
Net cash generated from/(used in) operating activities	10,590,892	(1,903,989)	(8,737,563)	(4,454,464)

Cash Flow Statement for the year ended 30 September 2005 (cont'd)

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash flows from investing activities				
Purchase of property, plant and equipment	(3,830,316)	(587,580)	-	-
Proceeds from disposal of property, plant and equipment	192,000	149,698	-	-
Acquisition of subsidiaries, net of cash acquired (Note 24)	-	21,279,019	-	-
Proceeds from disposal of associate	-	235,463	-	-
Pledged deposits with licensed banks	(454,966)	(2,363,195)	-	-
Dividend received from subsidiary company	-	-	3,778,833	-
Net cash (used in)/generated from investing activities	(4,093,282)	18,713,405	3,778,833	-
Cash flows from financing activities				
Drawdown/(Repayment) of trade financing facilities	3,683,540	(4,509,957)	-	-
Interest paid on trust receipts and bankers' acceptance	(738,071)	(188,792)	-	-
Repayment of term loans	(6,054,318)	(6,456,574)	-	-
Interest paid on term loans	(119,201)	(444,176)	-	-
Repayment of hire purchase and finance leases	(781,189)	(692,685)	-	-
Interest paid on hire purchase and finance leases	(72,765)	(75,685)	-	-
Proceed from issuance of shares	-	21,002,000	-	21,002,000
Listing expenses	-	(1,414,752)	-	(1,414,752)
Interim dividend paid	(2,219,420)	-	(2,219,420)	-
Net cash (used in)/generated from financing activities	(6,301,424)	7,219,379	(2,219,420)	19,587,248
Net increase/(decrease) in cash and cash equivalents	196,186	24,028,795	(7,178,150)	15,132,784
Cash and cash equivalents at beginning of year	24,028,797	2	15,132,786	2
Cash and cash equivalents at end of year	24,224,983	24,028,797	7,954,636	15,132,786

Notes to cash flow statements

Cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash and bank balances	16,346,900	21,913,022	7,954,636	14,132,786
Deposits with licensed banks(net of pledged deposits)	8,140,338	2,115,775	-	1,000,000
Bank overdrafts	(262,255)	-	-	-
	24,224,983	24,028,797	7,954,636	15,132,786

The notes set out on pages 36 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and by the Company.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill on acquisition is calculated based on the fair value of net assets acquired.

Notes to the Financial Statements (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The Group revalues its properties comprising land and buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to the date of valuation are stated at cost until the next revaluation exercise.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment loss, if any.

Depreciation

Long-term leasehold land and buildings are amortised in equal instalments over the respective lease periods ranging from 57 to 63 years while freehold buildings are depreciated on a straight line basis over 50 years. The straight-line method is used to write off the cost of the other property, plant and equipment over the term of their estimated useful lives at the following principal annual rates:

Buildings	2%
Furniture, fittings, office equipment and renovation	10% - 20%
Motor vehicles	20%
Plant and machinery and testing equipment	10%

(e) Goodwill

Goodwill on consolidation represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated impairment losses (refer Note 1(f)).

Goodwill is not amortised.

(f) Impairment

The carrying amount of assets, other than inventories, deferred tax assets, amount due from contract customers and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

Notes to the Financial Statements (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Investments

Long term investments other than investment in subsidiaries term are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investment in subsidiaries are stated at cost in the Company, less impairment loss, where applicable.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value with first-in-first-out (FIFO) being the main basis for cost. The cost of inventories consists of cost of purchase and incidental costs of bringing the inventories to their present location and condition.

(i) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(j) Amount due from contract customers

Amount due from contract customers on fixed price contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct contract costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade and other payables as amount due to contract customers.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits and bank overdrafts.

(l) Liabilities

Borrowings and trade and other payables are stated at cost.

(m) Finance lease

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not the Group's incremental borrowing rate is used.

(n) Hire purchase arrangements

Property, plant and equipment acquired under hire purchase arrangements are capitalised at the purchase costs and are depreciated on the same basis as owned assets. The corresponding obligation relating to the remaining capital payments are treated as a liability. The interest element of the hire purchase arrangements is amortised over the period of the hire purchase on the sum of digits method.

(o) Irredeemable Convertible Preference Shares

The Irredeemable Convertible Preference Shares issued by the company comprises both liability and equity components. The components are derived using the Residual Value of Equity Component Method.

Notes to the Financial Statements (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(q) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in the translation of foreign currency monetary assets are as follows:

	2005	2004
USD 1.00	RM3.78	RM3.78
SGD 1.00	RM2.25	RM2.22
EURO 1.00	RM4.66	RM4.64

(r) Revenue recognition

i) Fixed price contract

Revenue from fixed price contracts is recognised on the percentage of completion method, measured by reference to the proportion that contract costs incurred for contract work performed to date that reflect work performed bear to the total estimated contract costs.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

ii) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

Notes to the Financial Statements (cont'd)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(t) Financing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred. The interest component of finance lease payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

(u) Employee benefits

(i) Short term employee benefits

Wages, salaries and bonuses are recognised as an expense in the year in which the associated services are rendered by the employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

2. PROPERTY, PLANT AND EQUIPMENT

Group	Long term leasehold land	Freehold buildings	Leasehold buildings	Furniture, fittings, office equipment and renovation	Motor vehicles	Plant and machinery and testing equipment	Total
Cost	RM	RM	RM	RM	RM	RM	RM
At 1 October 2004	9,373,000	1,770,000	16,882,148	3,273,930	4,914,621	29,940,930	66,154,629
Additions	-	-	1,603,783	351,598	101,136	1,773,799	3,830,316
Disposal	-	-	-	-	(757,312)	-	(757,312)
At 30 September 2005	9,373,000	1,770,000	18,485,931	3,625,528	4,258,445	31,714,729	69,227,633
Accumulated Depreciation							
At 1 October 2004	410,472	97,350	624,770	2,041,481	3,607,592	15,831,244	22,612,909
Charge for the year	152,743	35,400	280,866	225,497	528,282	2,900,810	4,123,598
Disposal	-	-	-	-	(739,451)	-	(739,451)
At 30 September 2005	563,215	132,750	905,636	2,266,978	3,396,423	18,732,054	25,997,056
Net book value							
At 30 September 2005	8,809,785	1,637,250	17,580,295	1,358,550	862,022	12,982,675	43,230,577
At 30 September 2004	8,962,528	1,672,650	16,257,378	1,232,449	1,307,029	14,109,686	43,541,720
Depreciation charge for the year ended 30 September 2004	76,371	16,700	139,697	101,048	276,666	1,451,126	2,061,608

Notes to the Financial Statements (cont'd)

2. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2.1 Security

- (i) Land and buildings at cost charged to licensed banks as securities for borrowings (see Note 10) are as follows:

	Group	
	2005 RM	2004 RM
Long term leasehold land	9,373,000	9,373,000
Buildings	18,895,932	17,292,149
	28,268,932	26,665,149

- (ii) Plant and machinery at net book value of RM2,557,500 (2004 - RM3,052,000) of a subsidiary were charged to licensed banks as securities for credit facilities granted to the subsidiary (see Note 10).

2.2 Assets under hire purchase and leases

The net book value of plant and equipment acquired under hire purchase and finance lease arrangements included in the above are as follows:

	Group	
	2005 RM	2004 RM
Office equipment	-	81,333
Motor vehicles	485,432	972,480
Plant and machinery and testing equipment	90,417	2,014,437
	575,849	3,068,250

2.3 Titles

- (i) Included in buildings are properties at valuation of RM1,360,000 (2004 - RM1,360,000) for which the strata titles for the buildings have yet to be issued to the respective subsidiaries.
- (ii) Buildings at cost of RM540,000 (2004 - RM540,000) and motor vehicles with net book value of RM11,000 (2004 - RM55,000) in a subsidiary are registered in the name of a Director who holds them in trust for the subsidiary. These assets are in the process of being transferred to the name of a subsidiary.

Notes to the **Financial Statements** (cont'd)**3. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2005 RM	2004 RM
Unquoted shares, at cost	76,837,000	76,837,000

The details of the subsidiaries all of which are incorporated in Malaysia, are as follows:-

Name	Principal activities	Effective ownership interest	
		2005 %	2004 %
<i>Subsidiary of APB Resources Berhad</i>			
Era Julung Sdn. Bhd.	Investment holding	100	100
<i>Subsidiaries of Era Julung Sdn. Bhd.</i>			
Amalgamated Metal Corporation (M) Sdn. Bhd.	Fabrication of specialised design and manufacturing of engineering process equipment	100	100
Benmarl Sdn. Bhd.	Provision of mechanical and electrical services and contractor for industrial air-conditioning	100	100
Prescan Sdn. Bhd.	Provision of non-destructive testing services and other related services	100	100

4. OTHER INVESTMENTS

	Group	
	2005 RM	2004 RM
Other investments, at cost	210,000	210,000
Less: Allowance for diminution in value	(84,115)	(84,115)
Quoted shares, at cost - Malaysia	125,885 3,700	125,885 3,700
	129,585	129,585
Market value of quoted shares	980	1,120

Notes to the Financial Statements (cont'd)

5. GOODWILL ON CONSOLIDATION

	Group	
	2005 RM	2004 RM
At cost		
Opening balance/closing balance	15,209,905	15,209,905

6. INVENTORIES

	Group	
	2005 RM	2004 RM
At cost		
Raw materials and consumables	5,022,672	2,834,410
Merchandised inventories	10,000	73,500
	5,032,672	2,907,910

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade receivables	35,830,614	31,913,263	-	-
Less: Allowance for doubtful debts	(2,161,689)	(1,987,109)	-	-
	33,668,925	29,926,154	-	-
Amount due from contract customers	18,188,838	8,541,085	-	-
Amount due from subsidiary	-	-	18,529,138	8,134,649
Other receivables, deposits and prepayments	1,524,876	3,188,454	24,930	16,640
	53,382,639	41,655,693	18,554,068	8,151,289

7.1 Retention sums

	Group	
	2005 RM	2004 RM
Retention sums included in trade receivables	2,337,187	3,166,960

Notes to the **Financial Statements** (cont'd)**7. TRADE AND OTHER RECEIVABLES** (cont'd)**7.2 Amount due from contract customers**

	Group	
	2005 RM	2004 RM
Aggregate costs incurred to date	37,236,731	28,375,504
Attributable profits	6,644,776	5,760,069
Less: Progress billings	43,881,507 (30,937,000)	34,135,573 (30,646,503)
Amount due to contract customers (Note 9)	12,944,507 5,244,331	3,489,070 5,052,015
Amount due from contract customers	18,188,838	8,541,085
Additions to aggregate costs incurred during the year include:		
Depreciation	2,520,793	1,285,157
Hire of machinery	101,380	32,786
Rental of factory	12,000	6,000
Rental of equipment	14,981	276,764

7.3 Amount due from subsidiary

The amounts due from subsidiary is non-trade in nature, unsecured, interest free and has no fixed term of repayment.

7.4 Other receivables, deposits and prepayments

Included in other receivables, deposits and prepayments of the Group are advances to Renewable Hydro Resources Sdn. Bhd. (formerly known as EPIC Constant Sdn. Bhd.) amounting to RM546,243 (2004 - RM412,760) for working capital purposes to carry out preliminary works at their hydro power project site.

Other receivables, deposits and prepayments of the Group in 2004 included:

- i) an amount of RM1,710,000 due from a third party in respect of the sale of an associate of a subsidiary in 2002. The amount has been fully settled in 2005.
- ii) an amount of RM500,000 due from a third party in respect of management fees receivable for professional services rendered. The amount has been fully settled in 2005.

Notes to the Financial Statements (cont'd)

8. CASH AND BANK BALANCES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Deposits with licensed banks	10,958,499	4,478,970	-	1,000,000
Cash and bank balances	16,346,900	21,913,022	7,954,636	14,132,786
	27,305,399	26,391,992	7,954,636	15,132,786

Deposits of the Group amounting to RM2,818,161 (2004 - RM2,363,195) are pledged to licensed banks for credit facilities granted to the subsidiaries (Note 10).

Deposits of a subsidiary held in the name of a Director amounted to RM1,019,662 (2004 - RM1,019,662). These deposits were pledged to a licensed bank for credit facilities granted to the subsidiary prior to the acquisition of the subsidiary by the Company in 2004. Subsequent to the financial year end, the deposits were uplifted and transferred to the name of the subsidiary company.

9. TRADE AND OTHER PAYABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade payables	13,551,347	8,635,124	-	-
Amount due to contract customers (Note 7.2)	5,244,331	5,052,015	-	-
Amount due to subsidiary	-	-	4,685,617	4,730,608
Other payables and accruals	2,218,975	1,144,113	380,585	295,340
Dividend payable	1,028,539	687,500	1,028,539	687,500
	22,043,192	15,518,752	6,094,741	5,713,448

9.1 Trade payables

Included in trade payables of the Group is an amount of RM1,135,681 (2004 - RM384,992) owing to companies in which the Directors have interest.

9.2 Amount due to subsidiary

The amounts due to subsidiary is non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

9.3 Other payables and accruals

Included in other payables and accruals of the Group is an amount of RM52,655 (2004 - RM56,603) owing to a company in which the Directors have interest.

Notes to the **Financial Statements** (cont'd)**10. BORROWINGS (SECURED)**

	Group	
	2005 RM	2004 RM
Current:		
Bankers' acceptances	6,999,000	273,000
Bank overdrafts	262,255	-
Trust receipts	966,382	4,008,842
Term loans	-	1,508,071
Hire purchase and finance lease liabilities	254,337	781,915
	8,481,974	6,571,828
Non-current:		
Term loans	-	4,546,247
Hire purchase and finance lease liabilities	242,134	495,744
	242,134	5,041,991

10.1 Terms and debt repayment schedule

The bankers' acceptances are subject to fixed interest rate between 0% to 1.5% (2004 - 0.75%) above money market discount rate. The trust receipts and bank overdrafts are subject to interest rates varying between 1.0% to 1.5% (2004 - 1.5% to 2.5%) above the lenders' base lending rate per annum. The hire purchase liabilities are subject to interest rate fixed between 3.45% to 6.20% (2004 - 3.5% to 6.2%).

In 2004, term loans were subject to interest rates varying between 1.25% to 1.50% above the lenders' base lending rate per annum.

The borrowings are secured by:

- (i) fixed charge over certain land and buildings of a subsidiary (Note 2);
- (ii) fixed and floating charge over plant and equipment of a subsidiary;
- (iii) pledge over certain fixed deposits of the subsidiaries (Note 8); and
- (iv) joint and several guarantees by the Directors of the Company.

Notes to the Financial Statements (cont'd)

10. BORROWINGS (SECURED) (cont'd)

10.2 Hire purchase and finance lease liabilities

Hire purchase and finance lease liabilities are payable as follows:-

Group	<-----2005----->			<-----2004----->		
	Payments RM	Interest RM	Principal RM	Payments RM	Interest RM	Principal RM
Less than one year	281,207	(26,870)	254,337	853,633	(71,718)	781,915
Between one and five years	254,693	(12,559)	242,134	536,258	(40,514)	495,744
	535,900	(39,429)	496,471	1,389,891	(112,232)	1,277,659

11. SHARE CAPITAL

	Group and Company	
	2005 RM	2004 RM
Authorised		
Ordinary shares of RM1.00 each:		
At 1 October	175,000,000	100,000
Created during the year	-	174,900,000
At 30 September	175,000,000	175,000,000
5.5% Irredeemable Convertible Preference Shares 2004/2009 of RM1.00 each:		
At 1 October	25,000,000	-
Created during the year	-	25,000,000
At 30 September	25,000,000	25,000,000
Total	200,000,000	200,000,000

Notes to the Financial Statements (cont'd)

11. SHARE CAPITAL (cont'd)

	Group and Company	
	2005 RM	2004 RM
Issued and paid up		
Ordinary shares of RM1.00 each:		
At 1 October	88,072,209	2
Issued during the year via		
- Acquisition of subsidiaries	-	66,873,000
- Restricted issue	-	2,802,000
- Special issue	-	16,200,000
- Public issue	-	2,000,000
- Conversion from ICPS	-	197,207
At 30 September	88,072,209	88,072,209
5.5% Irredeemable Convertible Preference Shares 2004/2009 of RM1.00 each:		
At 1 October	24,802,793	-
Issued during the year via		
- Acquisition of subsidiaries	-	25,000,000
- Conversion to ordinary shares during the year	-	(197,207)
	24,802,793	24,802,793
Classified as liability component	(4,144,024)	(5,147,830)
At 30 September	20,658,769	19,654,963
Total	108,730,978	107,727,172

The salient features of the Irredeemable Convertible Preference Shares ("ICPS") are as follows:

- (i) issued for a period of five (5) years from the date of issuance and maturing upon the expiry of the five (5) years period being 30 March 2009;
- (ii) convertible into new ordinary shares of RM1.00 each in APB at any time throughout the remaining tenure during which the ICPS are outstanding at the rate of one (1) ICPS for one (1) APB ordinary share;
- (iii) not redeemable for cash. All outstanding ICPS will be mandatorily converted into new ordinary shares of RM1.00 each in APB on the maturity date at the conversion rate stated.
- (iv) The ICPS holders are entitled to receive a fixed cumulative dividend of 5.5% per annum and payable annually in arrears on 31 December each year during the five (5) year period the ICPS remain outstanding;
- (v) The 25,000,000 new ordinary shares to be issued upon conversion of the ICPS will upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company except that such shares will not be entitled to any dividends, rights, allotments and/or distributions, the entitlement date of which is prior to the allotment of the said shares;
- (vi) The ICPS is entitled to a return in capital in preference to holders of ordinary shares when APB is wound up but shall not be entitled to any further participation in profit or assets.
- (vii) The ICPS holders do not carry any rights to vote at any general meetings of the Company except in matters that would affect the rights and privileges of the ICPS holders.

Notes to the Financial Statements (cont'd)

12. DEFERRED TAX LIABILITIES

	Group	
	2005 RM	2004 RM
The recognised deferred tax liabilities are as follows:		
Property, plant and equipment		
- capital allowances in excess of depreciation	4,387,153	4,310,000
Provisions	(536,453)	(673,500)
Others	1,300	28,000
	3,852,000	3,664,500

No deferred tax asset has been recognised for the following items:

	Group	
	2005 RM	2004 RM
Deductible temporary differences	(1,000)	-
Unabsorbed capital allowances	(9,000)	-
Unutilised tax losses	(132,000)	-
	(142,000)	-

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

Notes to the Financial Statements (cont'd)

13. OPERATING PROFIT/(LOSS)

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Revenue - contract revenue	125,775,837	44,750,020	-	-
- sale of goods and services rendered	4,691,911	2,645,230	-	-
	130,467,748	47,395,250	-	-
Contract costs recognised as an expense	(99,415,653)	(34,992,633)	-	-
Cost of goods sold and services rendered	(2,574,143)	(2,037,148)	-	-
	(101,989,796)	(37,029,781)	-	-
Gross profit	28,477,952	10,365,469	-	-

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Operating profit is arrived at after crediting:				
Allowance for doubtful debts written back	80,674	54,167	-	-
Dividend income	-	-	9,081,979	-
Gain on disposal of property, plant and equipment	174,139	124,049	-	-
Interest income	539,349	316,922	235,704	157,437
Rental income	32,800	10,500	-	-
Realised gain on foreign exchange	604,386	259,231	-	-
Unrealised gain on foreign exchange	-	15,794	-	-
and after charging:				
Allowance for doubtful debts	291,537	70,046	-	-
Auditors' remuneration	52,500	52,500	12,500	12,500
Depreciation	4,123,598	2,061,608	-	-
Directors' fees	105,000	138,000	105,000	138,000
Directors' remuneration				
Directors of the Company	864,736	288,036	112,123	-
Other Directors	238,101	115,392	-	-
Hire of machinery	101,380	32,786	-	-
Rental of land and building	48,320	44,160	-	-
Rental of crane	33,280	81,775	-	-
Rental of equipment	14,981	-	-	-
Rental of factory	12,000	6,000	-	-
Rental of motor vehicle	22,402	7,606	-	-
Realised loss on foreign exchange	4,898	-	-	-
Unrealised loss on foreign exchange	96,375	-	-	-

The estimated monetary value of Directors' benefits-in-kind for the Group and the Company are Nil (2004 - RM41,412) and Nil (2004 - RM17,400).

Notes to the Financial Statements (cont'd)

14. EMPLOYEE INFORMATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Staff costs	6,239,280	2,849,959	22,335	-

14.1 The number of employees of the Group and Company (including Directors) at the end of the year was 301 (2004 - 249) and 1 (2004 - Nil).

14.2 Staff costs include contributions to Employees' Provident Fund for the Group and the Company are RM462,334 (2004 - RM217,481) and RM2,259 (2004 - Nil).

15. LOSS ON TRANSFER OF NCK CORPORATION BERHAD'S LISTING STATUS

	Group and Company	
	2005 RM	2004 RM
The loss on transfer of NCK Corporation Berhad ("NCK")'s listing status arose from the following:		
Consideration for acquisition of NCK	-	934,000
Consideration for the settlement of the liabilities of NCK	-	14,102,000
	-	15,036,000

16. FINANCE COSTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Interest payable on:				
Bank overdraft	745	44	-	-
Trust receipts and bankers' acceptance	738,071	188,792	-	-
Term loans	119,201	444,176	-	-
Hire purchase and finance leases	72,765	75,685	-	-
	930,782	708,697	-	-
Dividend on ICPS	360,348	197,330	360,348	197,330
Other bank charges	396,117	168,759	-	-
	1,687,247	1,074,786	360,348	197,330

Notes to the Financial Statements (cont'd)

17. TAX EXPENSE

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Income tax expense				
- current year	4,909,703	1,191,373	2,507,658	22,000
- overprovision in prior years	(174,069)	(280,997)	557	-
	4,735,634	910,376	2,508,215	22,000
Deferred tax expense				
- origination and reversal of temporary differences	206,500	142,869	-	-
- (over)/underprovision in prior years	(19,000)	781,000	-	-
	187,500	923,869	-	-
	4,923,134	1,834,245	2,508,215	22,000
Reconciliation of effective tax expense				
Profit/(Loss) before taxation	17,415,387	(11,662,936)	8,345,601	(16,762,315)
Income tax using Malaysian tax rate	4,876,308	(3,265,623)	2,336,769	(4,693,448)
Effect on changes in tax rate	(40,000)	(12,007)	-	-
Non-deductible expenses	715,247	5,052,382	234,086	4,735,786
Tax incentives	(514,155)	(342,898)	-	-
Non-taxable income	(63,197)	(97,612)	(63,197)	(20,338)
Effect of deferred tax asset not recognised	142,000	-	-	-
(Over)/Underprovision in prior years	5,116,203	1,334,242	2,507,658	22,000
	(193,069)	500,003	557	-
Tax expense	4,923,134	1,834,245	2,508,215	22,000

The Malaysian tax rate for the current year is based on 20% on chargeable income of up to RM500,000 (2004 - RM500,000) for small and medium scale companies with paid-up capital of RM2,500,000 and below. The Malaysian tax rate on chargeable income in excess of RM500,000 (2004 - RM500,000) remains at 28%.

Notes to the Financial Statements (cont'd)

18. DIVIDENDS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Preference dividend				
Current year	1,364,154	687,500	1,364,154	687,500
Less: Amount relating to liability component	(360,348)	(197,330)	(360,348)	(197,330)
Amount relating to equity component	1,003,806	490,170	1,003,806	490,170

	Amount		Dividend per share	
	2005 RM	2004 RM	2005 sen	2004 sen
In respect of 30 September 2005:				
Interim dividend:				
3.5% less tax paid on 24 June 2005	2,219,420	-	2.52	-

The proposed final dividend of 2% per share less tax totaling RM1,268,240 in respect of the year ended 30 September 2005 has not been accounted for in the financial statements.

19. EARNING PER ORDINARY SHARE - GROUP

The calculation of basic earnings per share is based on the net profit/(loss) attributable to ordinary shareholders of RM12,492,253 and the weighted average number of ordinary shares outstanding during the year of 88,072,209.

The net profit/(loss) attributable to ordinary shareholders is calculated as follows:

	2005 RM	2004 RM
Net profit/(loss) for the year	12,492,253	(13,497,181)
Less: Dividends on ICPS - equity component	(1,003,806)	(490,170)
Net profit/(loss) attributable to ordinary shareholders	11,488,447	(13,987,351)

Weighted average number of ordinary shares is calculated as follows:

	2005	2004
Issued ordinary shares at beginning of the year	88,072,209	2
Effect of shares issued on 30 March 2004	-	33,619,213
Effect of shares issued on 16 April 2004	-	9,640,263
Effect of shares converted on 3 August 2004	-	31,790
	88,072,209	43,291,268

Diluted earnings per share is calculated based on the assumption of full conversion of the ICPS as at 30 September 2005.

Notes to the **Financial Statements** (cont'd)**20. SEGMENTAL INFORMATION**

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business segments

The Group comprises the following main business segments:-

Fabrication	Fabrication of specialised design and manufacturing of engineering process equipment.
Mechanical, Electrical and Industrial Air Conditioning	Provision of mechanical and electrical services and contractor for industrial air-conditioning.
Non-Destructive Testing	Provision of non-destructive testing services and other related services.

Geographical segments

All activities of the Group are located within Malaysia. Accordingly, segment information based on geographical segments are not presented.

Notes to the Financial Statements (cont'd)

20. SEGMENTAL INFORMATION (cont'd)

<i>Business Segments</i> 2005	Fabrication RM	Mechanical and electrical services and industrial air-conditioning RM	Non- Destructive Testing RM	Elimination RM	Consolidation RM
Revenue from external customers	125,094,483	1,399,850	3,973,415	-	130,467,748
Inter-segment revenue	-	5,252	1,249,381	(1,254,633)	-
Total revenue	125,094,483	1,405,102	5,222,796	(1,254,633)	130,467,748
Segment results	19,482,229	(605,627)	606,522	-	19,483,124
Unallocated expenses					(919,839)
Interest income					539,349
Operating profit					19,102,634
Finance costs					(1,687,247)
Profit before tax					17,415,387
Tax expense					(4,923,134)
Net profit for the year					12,492,253
Segment assets	112,098,471	3,931,400	4,946,129	-	120,976,000
Unallocated assets					23,314,777
Total assets					144,290,777
Segment liabilities	19,460,197	624,871	547,004	-	20,632,072
Unallocated liabilities					20,860,941
Total liabilities					41,493,013
Capital expenditure	3,130,579	15,626	684,111	-	3,830,316
Depreciation	3,480,477	125,302	517,819	-	4,123,598
Non-cash expenses/(income) other than depreciation	(122,847)	(665)	256,611	-	133,099

Notes to the Financial Statements (cont'd)

20. SEGMENTAL INFORMATION (cont'd)

<i>Business Segments</i> 2004	Fabrication RM	Mechanical and electrical services and industrial air-conditioning RM	Non- Destructive Testing RM	Elimination RM	Consolidation
Revenue from external customers	44,050,294	1,322,562	2,022,394	-	47,395,250
Inter-segment revenue	-	720	436,873	(437,593)	-
Total revenue	44,050,294	1,323,282	2,459,267	(437,593)	47,395,250
Segment results	5,549,333	10,452	255,255	-	5,815,040
Unallocated expenses					(275,937)
Interest income					316,922
Operating profit					5,856,025
Loss on transfer of NCK					(15,036,000)
Listing expenses written off					(1,414,752)
Gain on disposal of associate					6,577
Finance costs					(1,074,786)
Loss before tax					(11,662,936)
Tax expense					(1,834,245)
Net loss for the year					(13,497,181)
Segment assets	90,737,298	4,118,164	4,544,519	-	99,399,981
Unallocated assets					30,436,824
Total assets					129,836,805
Segment liabilities	13,618,500	531,156	381,592	-	14,531,248
Unallocated liabilities					22,780,626
Total liabilities					37,311,874
Capital expenditure	507,687	115,839	24,054	-	647,580
Depreciation	1,772,352	62,859	226,397	-	2,061,608
Non-cash (income)/expenses other than depreciation	(123,665)	(58,646)	58,347	-	(123,964)

Notes to the Financial Statements (cont'd)

21. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Controlling related party relationships are as follows:-

- (i) Its subsidiaries as disclosed in Note 3; and
- (ii) Companies in which the Directors have interest.

Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	Group	
	2005 RM	2004 RM
With companies in which Mr. Yap Kow @ Yap Kim Fah and Mr. Yap Kau @ Yap Yeow Ho, have interests		
Peng Fah Engineering Sdn. Bhd. Rental expenses	12,000	6,000
Technical Resources Sdn. Bhd. Purchases of welding consumables material	1,472,989	293,254
TTS Insu-Write Services Sdn. Bhd. General and marine cargo insurance	239,972	91,332
TTS Enterprise Sdn. Bhd. Maintenance of lorries	11,110	10,460
TTS Transport Sdn. Bhd. Transportation services	925,598	323,177
TTS Engineering Sdn. Bhd. Minor fabrication works	23,934	15,280
TTS Teknik Sdn. Bhd Machining and processing works	-	3,080

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been made at arms length, on the Group's normal commercial terms and on terms not more favourable to the related parties than those generally available to the public.

22. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Exposure to credit, interest rate, currency and liquidity risks arise in the normal course of the Group's business. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

Management carries out a continuous review over the Group's exposure to credit risk, which is monitored on an ongoing basis. Fixed deposits are placed only with licensed banks.

At balance sheet date, concentrations of credit risk arose from trade receivables net carrying amounts of RM15,506,090 (2004 - RM21,147,336) due from certain major customers of the Group. The maximum exposure to credit risk for the Group is represented by the carrying amount of the financial assets.

Notes to the **Financial Statements** (cont'd)**22. FINANCIAL INSTRUMENTS** (cont'd)**Currency risk**

Foreign currency risk arise on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is US Dollars, Singapore Dollars, Euro Dollars and Brunei Dollars. The Group mitigate their foreign currency risk through utilisation of trade facilities such as bankers' acceptance, trust receipts and letter of credit, thereby limiting the foreign currency exposure during the tenure of the credit period given.

During the year under review, US Dollar transaction exposures are hedged with derivative financial instruments such as forward foreign exchange contracts when the government depegged US Dollar.

The Directors monitor the Group's exposure to foreign currency risk on an ongoing basis.

Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing repayments and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Interest rate risk

The Group's primary interest rate risk arises from interest bearing borrowings. The effective interest rates at balance sheet date of interest-earning assets and interest-bearing liabilities, and the periods in which they reprice, are as follows:

	Effective interest rates %	Total RM	Within 1 year RM
2005			
Group			
Financial asset			
Deposits with licensed banks	2.69	10,958,499	10,958,499
Cash and bank balances	2.55	7,753,347	7,753,347
Financial liabilities			
Secured bankers' acceptances	3.99	6,999,000	6,999,000
Secured trust receipts	7.27	966,382	966,382
Secured bank overdrafts	7.50	262,255	262,255
Company			
Financial asset			
Deposits with licensed banks	-	-	-
Cash and bank balances	2.55	7,753,347	7,753,347

Notes to the Financial Statements (cont'd)

22. FINANCIAL INSTRUMENTS (cont'd)

	Effective interest rates %	Total RM	Within 1 year RM
2004			
Group			
Financial asset			
Deposits with licensed banks	3.14	4,478,790	4,478,790
Financial liabilities			
Secured term loans	7.33	6,054,318	6,054,318
Secured bankers' acceptances	4.15	273,000	273,000
Secured trust receipts	7.50	4,008,842	4,008,842
Company			
Financial asset			
Deposits with licensed banks	3.00	1,000,000	1,000,000

Fair values

Recognised financial instruments

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The aggregate fair values of other financial assets and liabilities carried on the balance sheet as at the year/period end date are shown below:

	2005		2004	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial asset				
Other investments	129,585	126,865	129,585	126,925
Financial liability				
Secured term loans	-	-	6,054,318	6,054,318

The basis used in determining the fair value of the financial instruments:-

- i) The fair value of quoted shares is their quoted bid price at the balance sheet date.
- ii) Other investments represent golf club memberships whereby the carrying amount and fair value were determined based on the current price of the membership.

23. COMPARATIVE FIGURES

On 30 March 2004, the Company acquired all shares in Era Julung Sdn. Bhd. together with its subsidiaries. Therefore, the comparative figures in the Consolidated Income Statement, Statement of Changes in Equity and Cash Flow Statement as well as the related notes to the financial statements reflects the consolidated results for the six months period ended 30 September 2004. Hence, this is not comparable to that of the current twelve months year ended 30 September 2005 results.

List of Properties

 as at 30 September 2005

Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2005	Open market value RM	Date of valuation
AMC						
1. No. 69, Jalan Kapal, Off Jalan Chain Ferry, 12100 Butterworth. (HS(D)7241, PT 290 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara.)	Freehold	Intermediate double storey shoplot (22 years) / Tenanted	1,400 / 2,500 N/A.	203,500	220,000	17.06.02
2. No 167-04-03, Gurney Park, Persiaran Gurney, 10250 Penang. (Master Title Nos.: GRN 60550 (formerly Geran 16514) Lot 2641 Seksyen 1, Bandar Georgetown, Daerah Timor Laut, Pulau Pinang.)	Freehold	Apartment (5 years) / Staff amenities	- / 856 N/A.	231,250	250,000	20.06.02
3. Lot No. 23-C, Kawasan Perindustrian Gebeng, 26080 Kuantan. (HS(D) 18127, PT 7533 Mukim Sungai Karang, Daerah Kuantan, Pahang Darul Makmur.)	Leasehold 66 years expiring on 23.08.2064	Two (2) workshop (2 years) / Factory Operations	26,110 / 36,747 8.06.2003	5,351,642	2,800,000 (Land only)	10.06.02
4. Lot No. 109B, Kawasan Perindustrian Gebeng, 26080 Kuantan. (HS(D)17909, PT 7494 Mukim Sungai Karang, Daerah Kuantan, Pahang Darul Makmur.)	Leasehold 66 years expiring on 26.05.2064	Factory and office (5 years) / Factory Operations	39,250 / 179,541.2 12.06.1995	13,991,328	14,000,000	10.06.02
5. Lot 540, Jalan Batu Tiga - TUDM, Subang New Village, 40150 Shah Alam, Selangor. (H.S.(D) 116988, Lot PT540, Mukim of Pekan Subang, District of Petaling, Selangor Darul Ehsan.)	Leasehold 60 years expiring on 13.01.2058	Workshop and 3-storey office (1 ½ years) / office operation	8,094 / 4,597 29.03.2004	6,954,612	2,373,000 (Land only)	17.06.02

List of **Properties** as at 30 September 2005 (cont'd)

Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2005	Open market value RM	Date of valuation
Benmarl						
1. Parcel No. 45-10-14, Forum Condominium, Off Jalan Tun Razak, Kuala Lumpur. (Strata Title No.: Geran 23892/M1/11/170. Lot 1253, Section 67, Kuala Lumpur, Wilayah Persekutuan.)	Freehold	Condominium (11 years) / Tenanted	- / 1,238 11.08.1995	323,750	350,000	17.06.02
2. Wira Court Shoplots, Lot No. 23, Level 1, Wira Court , Shopping Complex, No. 35 Jalan Kuning, Taman Bukit Paser, 83000 Batu Pahat, Johor. (Master Title Nos.: H.S.(D) 16797 PTD 10039 Mukim Simpang Kanan, Daerah Batu Pahat, Johor Darul Takzim.)	Freehold	Shop lot unit (6 years) / Vacant	- / 354 27.12.1996	101,750	110,000	17.06.02
3. Wira Court Shoplots Lot No. 24 Level 1 Wira Court Shopping Complex, No. 35 Jalan Kuning, Taman Bukit Paser, 83000 Batu Pahat, Johor. (Master Title Nos.: H.S.(D) 16797 PTD 10039 Mukim Simpang Kanan, Daerah Batu Pahat, Johor Darul Takzim.)	Freehold	Shop lot unit (6 years) / Vacant	- / 354 27.12.1996	101,750	110,000	17.06.02

List of **Properties** as at 30 September 2005 (cont'd)

Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2005	Open market value RM	Date of valuation
Benmarl						
4. Centre Point, Unit A7-6, Blok A, Centre Point Business Park, No. 5, Jalan Tanjung Keramat 26/35, 40400 Shah Alam, Selangor. (Master Title Nos.: HS(D) 22212 & 22214, PT 5123 & 5117, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan.)	Freehold	Office unit (7 years) / Office operation	- / 1,287 19.12.1998	203,500	220,000	17.06.02
5. Centre Point, Unit A7-7, Blok A, Centre Point, Business Park, 5 Jalan Tanjung, Keramat 26/35, 40400 Shah Alam, Selangor. (Master Title Nos.: HS(D) 22212 & 22214, PT 5123 & 5117, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan.)	Freehold	Office unit (7 years) / Office operation	- / 1,287 19.12.1998	203,500	220,000	17.06.02
6. Sepang Utama Apartment Parcel No. B-3-12, 2 nd Floor Block B. Taman Langat Utama, Bukit Changgang, 42700 Banting, Selangor. (Master Title Nos.: HS(M) 8117 PT 8741, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Bukit Changgang, Selangor Darul Ehsan.)	Leasehold 99 years expiring on 1.01.2095	Apartment (4 years) / Vacant	- / 997 30.12.1999	92,500	100,000	17.06.02

List of **Properties** as at 30 September 2005 (cont'd)

Property (Individual/ Master/Strata title no.)	Tenure	Description (approximate age of building) / Existing use	Land area / Built-up area (square metres) / Certificate of Fitness Date	NBV as at 30.9.2005	Open market value RM	Date of valuation
Prescan						
1. No. 24, Jalan Tabla 33/21, Shah Alam, Technology Park, Seksyen 33, 40400 Shah Alam, Selangor. (Master Title Nos.: Geran 28189, Lot 22200, Geran 28185, Lot 22196, all at Mukim Klang, Daerah Klang, Selangor Darul Ehsan.)	Freehold	Intermediate 1½ storey terrace factory (2 years) / Office operation	2,000 / 3,000 11.08.2000	268,250	290,000	17.06.02

Analysis of Shareholding

 as at 23 January 2006

ORDINARY SHARES OF RM1.00 EACH

Authorised Share Capital	:	RM175,000,000
Issued & Paid-up	:	RM88,072,209
Voting Rights	:	One vote per ordinary shares

DISTRIBUTION OF SHAREHOLDING

Size of Shareholding	No of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 - 99	2,194	44.76	84,350	0.09
100 - 1,000	1,905	38.86	789,197	0.90
1,001 - 10,000	588	12.00	2,124,294	2.41
10,001 - 100,000	130	2.65	4,431,086	5.03
100,001 - less than 5% of issued shares	81	1.65	42,764,901	48.56
5% and above of issued shares	4	0.08	37,878,381	43.01
	4,902	100.00	88,072,209	100.00

TOP 30 LARGEST SHAREHOLDERS FOR ORDINARY SHARES

No.	Name	No. of shares	% of shares
1	Ikram Pintas Sdn. Bhd.	18,937,000	21.50
2	AMSEC Nominees (Tempatan) Sdn. Bhd. Ambank (M) Berhad for Ikram Pintas Sdn. Bhd.	8,500,000	9.65
3	ABB Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Yap Kow @ Yap Kim Fah	5,800,000	6.59
4	Yap Kow @ Yap Kim Fah	4,641,381	5.27
5	Aspirasi Jitu Sdn. Bhd.	3,775,788	4.29
6	TTS Resources Sdn. Bhd.	3,452,257	3.92
7	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pheim Asset Management Sdn. Bhd. for Employees Provident Fund	3,055,000	3.47
8	Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt An for Amanah SSCM Nominees (Tempatan) Sdn. Bhd.	2,336,400	2.65
9	HDM Nominees (Tempatan) Sdn. Bhd. EON Finance Berhad for Lim Hong Liang	2,100,000	2.38
10	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Yin Keen	2,008,700	2.28
11	ABB Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Hong Liang	1,300,000	1.48
12	Loh Siew Hooi	1,030,011	1.17
13	ABB Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Lye Hock	1,000,000	1.14

Analysis of Shareholding as at 23 January 2006 (cont'd)

TOP 30 LARGEST SHAREHOLDERS FOR ORDINARY SHARES (cont'd)

No. Name	No. of shares	% of shares
14 Lim Hong Liang	973,045	1.10
15 Darul Karisma (M) Sdn. Bhd.	840,800	0.95
16 AMMB Nominees (Tempatan) Sdn. Bhd. Amanah SSCM Asset Management Berhad for Tenaga Nasional Berhad Retirement Benefit Trust Fund	808,400	0.92
17 Goh Siang Kuan	807,300	0.92
18 Lim Hong Liang	750,000	0.85
19 EB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pua Joo Teck	730,300	0.83
20 Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Farisha Binti Pawan Teh	650,000	0.74
21 HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Phem Emerging Companies Balanced Fund	567,900	0.64
22 Chi Hoo @ Chu Chi Hoo	556,093	0.63
23 How Teck Seng	520,700	0.59
24 Muhammad Marzuki Bin A Samad	500,000	0.57
25 Lim Guat Im	490,100	0.56
26 HSBC Nominees (Asing) Sdn. Bhd. HSBC-FS for Pheim-Aizawa Asia Fund	485,400	0.55
27 Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Megat Abdul Munir Bin Megat Abdullah Rafaie	481,000	0.55
28 Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Syed Agil Bin Syed Ali	451,800	0.51
29 Cheong Boon Yu	424,144	0.48
30 Gan Chin Boon	424,144	0.48
	68,397,663	77.66

Analysis of Shareholding as at 23 January 2006 (cont'd)**LIST OF DIRECTORS' SHAREHOLDINGS IN THE ORDINARY SHARES**

Names of Directors	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Yap Kow @ Yap Kim Fah	10,441,381	11.86	⁽¹⁾ 30,889,257	35.07
Tan Teng Khuan	1,993	*	-	-
Lim Lye Hock	1,236,566	1.41	-	-
Cheong Boon Yu	624,144	0.71	-	-
Johari Low bin Abdullah @ Low Han Hing	20,522	0.02	-	-
Yap Kau @ Yap Yeow Ho	33,000	0.04	⁽²⁾ 3,452,257	3.92
Mak Fong Ching	-	-	-	-
Muhayuddin bin Musa	1	*	-	-
Chua Eng Seng	-	-	-	-

* Negligible

Notes:-

- (1) Deemed interest by virtue of his shareholdings in TTS Resources Sdn. Bhd. and Ikram Pintas Sdn. Bhd.
(2) Deemed interest by virtue of his shareholdings in TTS Resources Sdn. Bhd.

LIST OF SUBSTANTIAL SHAREHOLDERS

Names of Shareholders	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Ikram Pintas Sdn. Bhd.	27,437,000	31.15	-	-
Lim Hong Liang	5,234,545	5.94	⁽²⁾ 27,852,959	31.62
Rosley Bin Abdul Rahman	-	-	⁽³⁾ 27,437,448	31.15
Rosnah Binti Abdul Rahman	-	-	⁽³⁾ 27,437,448	31.15
Danau Restu Sdn. Bhd.	448	*	⁽⁴⁾ 27,437,000	31.15
Yap Kow @ Yap Kim Fah	10,441,381	11.86	⁽¹⁾ 30,889,257	35.07

* Negligible

Notes:-

- (1) Deemed interest by virtue of his shareholdings in TTS Resources Sdn. Bhd. and Ikram Pintas Sdn. Bhd.
(2) Deemed interest by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and Rare Prestige Sdn. Bhd.
(3) Deemed interest by virtue of his shareholdings in Ikram Pintas Sdn. Bhd. and Danau Restu Sdn. Bhd.
(4) Deemed interest by virtue of his shareholdings in Ikram Pintas Sdn. Bhd.

Analysis of Shareholding as at 23 January 2006 (cont'd)

CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES OF RM1.00 EACH ("ICPS")

Authorised Share Capital :	RM25,000,000
Issued & Paid-up :	RM24,802,793
Number of holders :	15
Voting Rights :	The ICPS does not carry any right to vote at any general meeting of the Company except for the right to vote either in person or by proxy at such meeting in each of the following circumstances:-
	<ul style="list-style-type: none"> i) When the dividend on the ICPS is in arrears or unpaid for more than six (6) months after the due date of the dividend; or ii) On a proposal to reduce the Company's share capital; or iii) On a proposal for disposal of the whole of the Company's property, business and undertaking; or iv) On a proposal which abrogates or varies the special rights and privileges attaching to the ICPS; or v) On a proposal to wind up the Company; and vi) During the winding up of the Company.

ICPS OF RM1.00 EACH

Distribution of Shareholding

Size of Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 - 99	-	-	-	-
100 - 1,000	1	6.67	181	*
1,001 - 10,000	-	-	-	-
10,001 - 100,000	1	6.67	74,298	0.30
100,001 - less than 5% of issued shares	8	53.33	3,186,784	12.84
5% and above of issued shares	5	33.33	21,541,530	86.86
	15	100.00	24,802,793	100.00

* Negligible

Analysis of Shareholding as at 23 January 2006 (cont'd)**TOP 30 LARGEST HOLDERS FOR ICPS**

No.	Name	No. of shares	% of shares
1	Ikram Pintas Sdn. Bhd.	12,500,000	50.40
2	Yap Kow @ Yap Kim Fah	3,975,023	16.03
3	Aspirasi Jitu Sdn. Bhd.	1,869,219	7.53
4	TTS Resources Sdn. Bhd	1,664,958	6.71
5	Lim Hong Liang	1,532,330	6.19
6	Loo Pak Soon	807,007	3.25
7	Lim Lye Hock	745,879	3.01
8	Johari Low Bin Abdullah @ Low Han Hing	468,063	1.89
9	Cheong Boon Yu	301,013	1.21
10	Gan Chin Boon	301,013	1.21
11	Tan Teng Khuan	242,102	0.97
12	Rare Prestige Sdn. Bhd.	200,610	0.81
13	Chi Hoo @ Chu Chi Hoo	121,097	0.49
14	Jaafar Bin Padil	74,298	0.30
15	Danau Restu Sdn. Bhd.	181	-
		24,802,793	100.00

LIST OF DIRECTORS' SHAREHOLDINGS IN ICPS

Names of Directors	Direct Interest		Deemed Interest	
	No. of ICPS	%	No. of ICPS	%
Yap Kow @ Yap Kim Fah	3,975,023	16.03	⁽¹⁾ 14,164,958	57.11
Tan Teng Khuan	242,102	0.97	-	-
Lim Lye Hock	745,879	3.01	-	-
Cheong Boon Yu	301,013	1.21	-	-
Johari Low bin Abdullah @ Low Han Hing	468,063	1.89	-	-
Yap Kau @ Yap Yeow Ho	-	-	⁽²⁾ 1,664,958	6.71
Mak Fong Ching	-	-	-	-
Muhayuddin bin Musa	-	-	-	-
Chua Eng Seng	-	-	-	-

Notes:-

- ⁽¹⁾ Deemed interest by virtue of his substantial shareholdings in TTS Resources Sdn. Bhd. and Ikram Pintas Sdn. Bhd.
- ⁽²⁾ Deemed interest by virtue of his substantial shareholdings in TTS Resources Sdn. Bhd.

Notice of Fourth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of APB Resources Berhad will be held at Multipurpose Hall (Card Room), Royal Selangor Club, Dataran Merdeka, Jalan Raja, 50704 Kuala Lumpur on Friday, 24 March 2006 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

- 1 To receive the Audited Financial Statements of the Company for the year ended 30 September 2005 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
- 2 To declare a final dividend of 2% less 28% income tax in respect of the year ended 30 September 2005 as recommended by the Directors. **(Resolution 2)**
- 3 To approve payment of Directors' fees for the year ended 30 September 2005. **(Resolution 3)**
- 4 To re-elect the following Directors who retire by rotation in accordance with Article 84 of the Company's Articles of Association:

Mak Fong Ching **(Resolution 4)**

Yap Kow @ Yap Kim Fah **(Resolution 5)**
- 5 To appoint auditors and to authorize the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

- 6 Authority to Directors to Issue Shares **(Resolution 7)**

To consider and, if thought fit, to pass the following Ordinary Resolution:

"THAT, subject always to the Articles of Association of the Company and the approvals of the relevant Regulatory Authorities, pursuant to Section 132D of the Companies Act 1965, the Directors of the Company be and are hereby authorized to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes and to such person or persons as the Directors of the Company may, in their absolute discretion deem fit, PROVIDED THAT the aggregate number of shares to be issued does not exceed ten (10) per centum of the issued share capital of the Company for the time being AND THAT the Directors of the Company are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

- 7 Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for APB and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related party ("The Proposal"). **(Resolution 8)**

To consider and, if thought fit, to pass the following Ordinary Resolution:

"THAT the mandate granted by the Shareholders of APB Resources Berhad (APB) on 24 March 2005 pursuant to paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, authorizing APB and its subsidiaries ("the APB Group") to enter into the recurrent transactions of a revenue or trading nature which are necessary for the APB Group's day-to-day operations as set out in the Circular to Shareholders dated 1st March 2006 with the related parties mentioned therein, be and is hereby renewed, AND THAT authority be further given to the APB Group as specified in the Circular to Shareholders to enter into new recurrent related party transactions of a revenue or trading nature as specified in the said Circular to Shareholders subject to the following:

Notice of **Fourth Annual General Meeting** (cont'd)

- i) The transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public, and the transactions are undertaken on arm's length basis and are not to the detrimental of the minority shareholders;
- ii) The Shareholders' Mandate is subject to annual renewal and this Shareholders' Mandate shall only continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which the Proposed Shareholders' Mandate will lapse, unless by resolution passed at the AGM the authority is renewed; or
 - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(l) of the Companies Act, 1965 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
 - (c) revoked or varied by resolution passed by the shareholders in a general meeting,whichever is earlier;
- iii) The Directors of the Company and/or its subsidiaries and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate; and
- iv) The disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the Shareholders' Mandate in the Annual Report, in which the Company must provide a breakdown of the aggregate value of the recurrent related party transactions made during the financial year, amongst others, based on the following information:
 - (a) the type of the recurrent related party transactions made; and
 - (b) the names of the related party involved in each type of recurrent related party transactions made and their relationship with the Company's subsidiaries.

AND THAT, the estimates given of the Related Party Transactions specified in Section 4.2 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorized to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 6 of the Circular. "

- 8 To transact any other business of which due notice shall have been given.

CHEOK KIM CHEE (LS 000012)
CHUA CHENG POH (MAICSA 7017041)
Secretaries

Kuala Lumpur.
1st March 2006

Notice of Fourth Annual General Meeting (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that subject to the approval of Members at the Annual General Meeting to be held on 24th March 2006, a dividend of 2% less 28% income tax in respect of the financial year ended 30th September 2005, will be paid on 17th April 2006 to Depositors whose names appear in the record of Depositors on 7th April 2006.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- a. Shares transferred into the Depositor's securities account before 4.00 p.m. on 7th April 2006 in respect of transfers;
- b. Shares bought on Bursa Malaysia Securities Berhad ("the Exchange") on a cum entitlement basis according to the Rules of the Exchange.

BY ORDER OF THE BOARD

CHEOK KIM CHEE (LS 000012)
CHUA CHENG POH (MAICSA 7017041)
Secretaries

Kuala Lumpur.
1st March 2006

Notes

- 1 A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and/or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.
- 2 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorized.
- 3 The instrument appointing a proxy must be deposited at the registered office, D12, Tingkat 1, Plaza Pekeliling, No.2, Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 4 Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 5 The Directors retiring at the Fourth Annual General Meeting are Ms. Mak Fong Ching, Mr. Yap Kow @ Yap Kim Fah and Mr. Cheong Boon Yu. Mr. Cheong Boon Yu has advised that he does not wish to seek re-election at the Fourth Annual General Meeting.

Explanatory notes on Special Business:-

- 6 Authority to Directors to Issue Shares

The Proposed Ordinary Resolution 7, if passed, is to give the Directors of the Company flexibility to issue and allot shares upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority will expire at the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

- 7 Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for APB and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related party ("The Proposal").

The Ordinary Resolution No. 8, if passed, will allow the APB Group to enter into related party transactions provided that such transactions are in the ordinary course of business and undertaken at arm's length, on normal commercial terms of APB Group which are not more favourable to the related parties than those generally available to the public and are not to the detrimental of the minority shareholders ("Proposed Shareholders' Mandate").

The Proposed Shareholders' Mandate would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential recurrent related party transactions arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to APB Group.

Further information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders of the Company which is despatched together with the Annual Report of the Company for the financial year ended 30 September 2005.

Statement Accompanying Notice of Annual General Meeting

1 Directors who are standing for re-election are as follows:

Pursuant to Article 84 of the Company's Articles of Association

(a) Mak Fong Ching

(b) Yap Kow @ Yap Kim Fah

Details of the above Directors are set out in the Directors' Profiles appearing on page 4 to page 6 of the Annual Report.

Notes:

Mr. Cheong Boon Yu who retires at the Fourth Annual General Meeting, has advised that he does not wish to seek for re-election at the Fourth Annual General Meeting.

2 Details of Attendance of Directors at the Board Meeting

A total of five (5) Board of Directors' Meetings were held at the Boardroom, No. 47, Jalan Batu Tiga TUDM, Subang New Village, 40150 Shah Alam, Selangor Darul Ehsan during the financial year. Details of attendance of the Directors at the Board Meetings are set out in the Corporate Governance Statement on page 10 to page 13 of the Annual Report.

3 Details of date and time of the Board of Directors Meeting

Friday, 26th November 2004 at 5.00 p.m.

Wednesday, 19th January 2005 at 4.00 p.m.

Wednesday, 23rd February 2005 at 4.30 p.m.

Wednesday, 18th May 2005 at 4.30 p.m.

Monday, 29th August 2005 at 4.00 p.m.

Corporate Directory

CORPORATE OFFICE

APB RESOURCES BERHAD

47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Seksyen U6, Shah Alam, 40150 Selangor Darul Ehsan.
Tel : 603 - 7846 1389
Fax : 603 - 7846 3795

FABRICATION DIVISION

AMALGAMATED METAL CORPORATION (M) SDN. BHD.

Head Office - Shah Alam

47 (Lot 540), Jalan TUDM, Kampung Baru Subang, Seksyen U6, Shah Alam, 40150 Selangor Darul Ehsan.
Tel : 603 - 7846 1389
Fax : 603 - 7846 3795
E-mail : amcsubg@po.jaring.my

Branch - Kuantan

Lot 109B, Kawasan Perindustrian Gebeng, Kuantan, 26080 Pahang Darul Makmur.
Tel : 609 - 585 8888
Fax : 609 - 585 8892
E-mail: ammetal@po.jaring.my

M & E AND INDUSTRIAL AIR-CONDITIONING DIVISION

BENMARL SDN. BHD.

Unit A7-6 & A7-7, Block A, Level 6 & 7, Pusat Perdagangan Centre Point, No.5, Jalan Tanjung Keramat 26/35, Shah Alam, 40000 Selangor Darul Ehsan.
Tel : 603 - 519 19588
Fax : 603 - 5191 9388
E-mail: benmarl@pd.jaring.my

NON-DESTRUCTIVE TESTING DIVISION

PRESCAN SDN. BHD.

Head Office - Shah Alam

No.24, Jalan Tabla 33/21, Shah Alam Technology Park, Shah Alam, 40640 Selangor Darul Ehsan.
Tel : 603 - 5121 5951
Fax : 603 - 5121 2906
E-mail: prescan@pd.jaring.my

Branch - Kuantan

A31, Tingkat 1, Jalan Gebeng 2/6, Kuantan, 26080 Pahang Darul Makmur.
Tel/Fax: 609-583 4457

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Proxy Form



RESOURCES

APB RESOURCES BERHAD

(Company No. 564838 V)
(Incorporated in Malaysia)

* I/We _____ NRIC No. _____

of _____

being a member/members of the above-name Company, hereby appoint

_____ or failing him _____

of _____

as *my/our proxy to vote for *me/us and on *my/our behalf at the Fourth Annual General Meeting of the Company, to be held on Friday, 24 March 2006 at 10.00 a.m. and at any adjournment thereof.

My/Our Proxy is to vote as indicated below (unless otherwise instructed, the proxy may vote as he thinks fit):

No.	Resolution	For	Against
1	To receive the Audited Financial Statements of the Company for the year ended 30 September 2005 and the Reports of the Directors and Auditors thereon.		
2	To declare a final dividend of 2% less 28% income tax in respect of the year ended 30 September 2005.		
3	To approve payment of Directors' fees for the year ended 30 September 2005.		
4	To re-elect Mak Fong Ching as Director.		
5	To re-elect Yap Kow @ Yap Kim Fah as Director.		
6	To appoint auditors and to authorize the Directors to fix their remuneration.		
7	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
8	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature.		

(Please indicate with an "X" how you wish to cast your vote)

Signed this _____ day of _____ 2006.

Signature of Member

No. of Shares Held

Notes

- 1 A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and/or a qualified legal practitioner, an approved company auditor or a person approved by the Registrar.
- 2 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorized.
- 3 The instrument appointing a proxy must be deposited at the registered office, D12, Tingkat 1, Plaza Pekeliling, No.2, Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 4 Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Fold this flap for sealing

Fold here

Affix
Stamp

The Company Secretary
APB Resources Berhad
(Company No. 564838-V)

D12, Tingkat 1
Plaza Pekeliling
No. 2 Jalan Tun Razak
50400 Kuala Lumpur
Tel No. : 03 - 4042 3041
Fax No. : 03 - 4042 3422

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