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If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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RESOURCES

APB RESOURCES BERHAD

Company No. 200101029080 (564838-V)
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO ENABLE APB RESOURCES BERHAD TO PURCHASE UP TO 10% OF ITS TOTAL NUMBER OF ISSUED SHARES

AND

**IN CONJUNCTION WITH THE SPECIAL BUSINESS
AT THE 18TH ANNUAL GENERAL MEETING**

The notice of the 18th Annual General Meeting ("**AGM**") to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 27 February 2020 at the time stated below or at any adjournment thereof together with the Proxy Form are enclosed in the 2019 annual report.

The Proxy Form should be completed and lodged at the registered office of APB Resources Berhad at D12, Tingkat 1, Plaza Pekeliling, No. 2, Jalan Tun Razak, 50400 Kuala Lumpur or before the time and date indicated below should you be unable to attend the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Tuesday, 25 February 2020 at 10.00 a.m.
Date and time of AGM..... : Thursday, 27 February 2020 at 10.00 a.m.

This Circular is dated 29 January 2020

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and Statement:

“Act”	: Companies Act, 2016
“AGM”	: Annual General Meeting
“AMC”	: Amalgamated Metal Corporation (M) Sdn Bhd (Company No. 80429-P)
“APB” or the “Company”	: APB Resources Berhad (Company No. 564838-V)
“APB Group” or the “Group”	: Collectively, APB and its subsidiary companies
“APB Share(s)” or “Share(s)”	: Ordinary share(s) in APB
“Audit Committee”	: The audit committee established and appointed by the Board pursuant to Chapter 15, Part C of the Listing Requirements
“Board”	: Board of Directors of APB
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
“Circular”	: This circular to shareholders of APB dated 29 January 2019
“Director(s)”	: Has the same meaning as given in Section 2(1) of the Capital Markets and Services Act, 2007
“EJ”	: Era Julung Sdn Bhd (Company No. 561466-K)
“EPS”	: Earnings per share
“Finned Tubes”	: Finned Tubes Malaysia Sdn Bhd (Company No. 747549-H)
“FYE”	: Financial year ended
“FPE”	: Financial period ended/ending, as the case may be
“Ikram Pintas”	: Ikram Pintas Sdn Bhd (Company No. 542766-K)
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 31 December 2019, being the latest practicable date prior to the despatch of this Circular
“Market Day(s)”	: Any day(s) between Monday to Friday (inclusive), excluding public holidays, and a day on which Bursa Securities is open for trading of securities
“NA”	: Net assets
“NDT”	: Non-destructive testing
“Peng Fah Engineering”	: Peng Fah Engineering Sdn Bhd (Company No. 54784-P)
“Persons Connected”	: Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements

DEFINITIONS (Cont'd)

“Prescan”	: Prescan Sdn Bhd (Company No. 169056-V)
“Proposals”	: Collectively, the Proposed RRPT Renewal and Proposed Share Buy-Back Renewal
“Proposed RRPT Renewal”	: Proposed renewal of shareholders’ mandate for the APB Group to enter into RRPT of a revenue or trading nature which are necessary for the day-to-day operation and are in the ordinary course of business of the APB Group
“Proposed Share Buy-Back Renewal”	: Proposed renewal of shareholders’ mandate to enable APB to purchase up to 10% of its total number of issued shares at any point in time
“Purchased Share(s)”	: APB Share(s) purchased pursuant to the Proposed Share Buy-Back Renewal
“Related Party(ies)”	: A director, major shareholder or person connected with such director or major shareholder. For the purpose of this definition, “director” and “major shareholder” shall have the meanings given in Paragraph 10.02 of the Listing Requirements
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RRPT(s)”	: Recurrent related party transaction(s)
“Rules”	: The Rules on Take-overs, Mergers and Compulsory Acquisitions
“SC”	: Securities Commission Malaysia
“Transacting Party(ies)”	: The company or companies transacting with the APB Group for which the Proposed RRPT Renewal is sought
“TTS Engineering”	: TTS Engineering Sdn Bhd (Company No. 141028-U)
“TTS Enterprise”	: TTS Enterprise Sdn Bhd (Company No. 105289-V)
“TTS Insu-Write”	: TTS Insu-Write Services Sdn Bhd (Company No. 214986-M)
“TTS Resources”	: TTS Resources Sdn Bhd (Company No. 242504-W)
“TTS Transport”	: TTS Transport Sdn Bhd (Company No. 36620-K)
“VWAP”	: Volume weighted average market price

Any reference in this Circular and Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular and Statement shall be a reference to Malaysian time, unless otherwise specified.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

For ease of reading, certain figures in this Circular and Statement have been rounded. Any discrepancy in the figures included in this Circular and Statement between the amounts stated and the totals thereof are due to rounding.

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PART A

**CIRCULAR TO THE SHAREHOLDERS OF APB IN RELATION TO THE PROPOSED RRPT
RENEWAL**



APB RESOURCES BERHAD
Company No. 200101029080 (564838-V)
(Incorporated in Malaysia)

Registered office:

D12, Tingkat 1
Plaza Pekeliling
No. 2, Jalan Tun Razak
50400 Kuala Lumpur

29 January 2020

Board of Directors:

Yap Kow @ Yap Kim Fah	<i>(Non-Independent Non-Executive Director / Chairman)</i>
Tan Teng Khuan	<i>(Chief Operating Officer / Executive Director)</i>
Lim Hong Liang	<i>(Non-Independent Non-Executive Director)</i>
Datuk Yap Kau @ Yap Yeow Ho	<i>(Non-Independent Non-Executive Director)</i>
Mak Fong Ching	<i>(Independent Non-Executive Director)</i>
Chua Chia Cheng @ Chua Chia Kwee	<i>(Independent Non-Executive Director)</i>
Yap Swee Sang	<i>(Chief Executive Officer / Alternate Director to Yap Kow @ Yap Kim Fah)</i>
Yap Puhui Lin	<i>(Alternate Director to Datuk Yap Kau @ Yap Yeow Ho)</i>

To: The shareholders of APB Resources Berhad

Dear Sir/Madam,

PROPOSED RRPT RENEWAL

1. INTRODUCTION

At the 17th AGM of the Company held on 27 February 2019, the Board had obtained the shareholders' mandate to allow APB Group to enter into RRPTs as set out in the circular to shareholders of APB dated 29 January 2019. The aforesaid authorisation for the shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 18th AGM of the Company scheduled to be held on 27 February 2020.

The purpose of this Circular is to provide you with the relevant information on the Proposed RRPT Renewal and to seek your approval for the resolution to be tabled at the forthcoming AGM of the Company. The Notice of AGM and the Proxy Form are enclosed in the 2019 annual report.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RRPT RENEWAL AT THE FORTHCOMING AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED RRPT RENEWAL

2.1 Background information

APB is an investment holding company, while the principal activities of its subsidiary companies are in fabrication of specialised design and manufacturing of engineering equipment for the oil, gas, oleochemical, petrochemical and power industries, and provision of NDT services and other related services which include ultrasonic flaw detection, pipeline radiographic inspection utilising remote control crawlers, positive material identification and magnetic particle inspection.

The subsidiary companies of APB and their respective principal activities as at the LPD are as follows:-

Name of company	Date/ place of incorporation	Issued share capital (RM)	Effective interest (%)	Principal activity
Subsidiary of APB				
EJ	12.10.2001/ Malaysia	45,638,085	100	Investment holding
Subsidiaries of EJ				
AMC	28.01.1982/ Malaysia	3,000,000	100	Fabrication of specialised design and manufacturing of engineering equipment
Prescan	10.03.1988/ Malaysia	1,600,000	100	Provision of NDT services and other related services
Subsidiary of AMC				
Finned Tubes	15.09.2006/ Malaysia	2,000,000	100	Fabrication of finned tubes

APB Group have from time to time, entered into various RRPTs. Pursuant to Paragraph 10.09(1) of the Listing Requirements, APB is required to make an immediate announcement of such RRPTs where:

- (i) the consideration, value of assets, capital outlay or costs of the RRPT is RM1 million or more; or
- (ii) the percentage ratios of such RRPT is 1% or more,

whichever is the higher.

In addition, Paragraph 10.08 of the Listing Requirements states that:

- (i) where any one of the percentage ratios of a related party transaction is 5% or more, a listed issuer must issue a circular to its shareholders, obtain specific shareholders' approval for the transaction in general meeting and appoint an independent adviser; and
- (ii) where any one of the percentage ratios is 25% or more, in addition to the foregoing, a listed issuer must also appoint a main adviser.

However, pursuant to Paragraph 10.09(2) of the Listing Requirements, APB is allowed to seek a mandate from its shareholders to enter into RRPTs on terms not more favourable to the Related Parties than those generally available to the public.

2.2 Validity period of the Proposed RRPT Renewal

The Proposed RRPT Renewal will take effect from the date of the passing of the ordinary resolution proposed at the forthcoming AGM and shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(1) of the Act, (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of APB in a general meeting,

whichever is the earlier.

The Proposed RRPT Renewal is subject to annual renewal and as such, approval from the shareholders for a renewal of the shareholders' mandate will be sought at each subsequent AGM of the Company. The aggregate value of the RRPTs conducted pursuant to the Proposed RRPT Renewal during the financial year shall be disclosed in APB's annual report. During the period for which such mandate is in force, the requirements of Paragraph 10.08 of the Listing Requirements shall not apply to the RRPTs which are comprised in the mandate.

2.3 Class of Related Parties

The Proposed RRPT Renewal involves the following classes of Related Parties:

Transacting Parties	Principal activity	Date of incorporation	Issued share capital (RM)	Period of business relationship with APB Group
Peng Fah Engineering ⁽¹⁾	Manufacturing, welding and engineering works	05.02.1980	500,000	> than 19 years
TTS Transport ⁽²⁾	Provision of transportation	15.12.1977	2,000,000	> than 19 ybears
TTS Insu-Write ⁽²⁾	Insurance agent	02.04.1991	100,002	> than 19 years
TTS Engineering ⁽²⁾	Provision of minor fabrication and repairing works	13.06.1985	1,200,002	> than 19 years
TTS Enterprise ⁽²⁾	Trading, servicing and repairing of vehicle parts and accessories	13.08.1983	200,000	> than 19 years

Notes:

- (1) *Yap Swee Sang is the major shareholder.*
- (2) *These are subsidiary companies of TTS Resources, which is controlled by Yap Swee Sang and Datuk Yap Kau @ Yap Yeow Ho.*

The interests of Yap Swee Sang and Datuk Yap Kau @ Yap Yeow Ho as at the LPD in the Transacting Parties, are as follows:

	Yap Swee Sang	Datuk Yap Kau @ Yap Yeow Ho
Peng Fah Engineering	55.80%	-
TTS Resources	67.33%	32.67%

The interested Related Parties and their direct and indirect interests in APB as at the LPD, are as follows:

Interested Related Parties	Shareholdings in APB				Nature of interest
	Direct		Indirect		
	No. of Shares	*%	No. of Shares	*%	
Yap Swee Sang	15,905,494	14.35	⁽¹⁾ 35,993,215	32.47	Major shareholder and Director of APB. Deemed interested by virtue of his shareholdings in Peng Fah Engineering and TTS Resources.
Yap Kow @ Yap Kim Fah	-	-	⁽²⁾ 51,898,709	46.82	Major shareholder and Director of APB. Deemed interested by virtue of his son's shareholdings in Peng Fah Engineering and TTS Resources.
Datuk Yap Kau @ Yap Yeow Ho	-	-	⁽³⁾ 163,200	0.15	Director of APB. Deemed interested by virtue of his shareholdings in TTS Resources.
Ikram Pintas	35,993,215	32.47	-	-	Major shareholder of APB. Deemed interested as Yap Swee Sang is the major shareholder of Ikram Pintas.
TTS Resources	-	-	-	-	Deemed interested as Yap Swee Sang and Datuk Yap Kau @ Yap Yeow Ho are the major shareholders of TTS Resources.
Peng Fah Engineering	-	-	-	-	Deemed interested as Yap Swee Sang is the major shareholder of Peng Fah Engineering.

Notes:

- * Excluding 2,030,200 treasury shares held by the Company.
(1) Deemed interested by virtue of his shareholdings in Ikram Pintas.
(2) Deemed interested by virtue of his son's direct and indirect shareholdings in APB.
(3) Deemed interested by virtue of his daughter's shareholdings in APB.

2.4 Nature of the RRPT

The details of the RRPTs and their estimated values for which approval is being sought at the forthcoming AGM pursuant to the Proposed RRPT Renewal and actual value of RRPT transacted from the date of existing mandate was obtained on 27 February 2019, being the date of the 17th AGM of APB up to the LPD being 31 December 2019 against the estimated value of RRPT as disclosed in the preceding year's circular to shareholders dated 29 January 2019, are set out as follows:

Companies within the APB Group transacting with the Transacting Parties ("The Recipient")	Nature of transaction	Transacting Parties ("The Providers")	Interested Related Party	Estimated value of transactions as per circular to shareholders dated 29 January 2019 ("Estimated Value") (RM)	Actual value of transactions 27 February 2019 up to the LPD ("Actual Value") (RM)	Estimated value of transactions from the forthcoming AGM to the date of the next AGM ⁽¹⁾ (RM)
Renewal of shareholders' mandate for RRPT						
AMC	Rental of factory premise: <ul style="list-style-type: none"> Payable at RM52,500 per month for 87,120 square feet factory premise at No. 46 (Lot 539), Jalan TUDM, Kampung Baru Subang, Seksyen U6, 40150 Shah Alam; Rental is payable on a monthly basis; and Tenure of the agreement is for a period of 1 year. 	Peng Fah Engineering	<ul style="list-style-type: none"> Yap Swee Sang Yap Kow @ Yap Kim Fah 	693,000	635,250	693,000
AMC	Provision of transportation services for inbound and outbound forwarding.	TTS Transport	<ul style="list-style-type: none"> Yap Swee Sang Yap Kow @ Yap Kim Fah Datuk Yap Kau @ Yap Yeow Ho TTS Resources 	2,000,000	221,380	2,000,000

Companies within the APB Group transacting with the Transacting Parties ("The Recipient")	Nature of transaction	Transacting Parties ("The Providers")	Interested Related Party	Estimated value of transactions as per circular to shareholders dated 29 January 2019 ("Estimated Value") (RM)	Actual value of transactions February 2019 up to the LPD ("Actual Value") (RM)	Estimated value of transactions from the forthcoming AGM to the date of the next AGM ⁽¹⁾ (RM)
AMC	Provision of insurance coverage for all types - general, all risk, fire, burglary, public liability, workmen compensation, marine and cargo.	TTS Insu-Write	<ul style="list-style-type: none"> Yap Swee Sang Yap Kow @ Yap Kim Fah Datuk Yap Kau @ Yap Yeow Ho TTS Resources 	500,000	223,984	500,000
AMC	Rental of factory premise: <ul style="list-style-type: none"> Payable at RM25,000 per month for 82,750 square feet factory premise at Lot 3485, Batu 3½, Jalan Gambang, 25150 Kuantan, Pahang; Rental is payable on a monthly basis; and Tenure of the agreement is for a period of 1 year. 	TTS Engineering	<ul style="list-style-type: none"> Yap Swee Sang Yap Kow @ Yap Kim Fah Datuk Yap Kau @ Yap Yeow Ho TTS Resources 	300,000	-	300,000
AMC	Provision of minor fabrication and repairing works, purchase and rental of vehicles and equipment.	TTS Engineering	<ul style="list-style-type: none"> Yap Swee Sang Yap Kow @ Yap Kim Fah Datuk Yap Kau @ Yap Yeow Ho TTS Resources 	500,000	323,912	500,000

Companies within the APB Group transacting with the Transacting Parties ("The Recipient")	Nature of transaction	Transacting Parties ("The Providers")	Interested Related Party	Estimated value of transactions as per circular to shareholders dated 29 January 2019 ("Estimated Value") (RM)	Actual value of transactions 27 February 2019 up to the LPD ("Actual Value") (RM)	Estimated value of transactions from the forthcoming AGM to the date of the next AGM ⁽¹⁾ (RM)
AMC	Trading, servicing and repairing of vehicle parts and accessories.	TTS Enterprise	<ul style="list-style-type: none"> Yap Swee Sang Yap Kow @ Yap Kim Fah Datuk Yap Kau @ Yap Yeow Ho TTS Resources 	100,000	42,125	100,000
AMC	Rental of factory premise: <ul style="list-style-type: none"> Payable at RM61,250 per month for 8,081 square metre factory premise at PT 198 (Lot 42545), Jalan TUDM, Kampung Baru Subang, Seksyen U6, 40150 Shah Alam; Rental is payable on a monthly basis; and Tenure of the agreement is for a period of 1 year. 	Peng Fah Engineering	<ul style="list-style-type: none"> Yap Swee Sang Yap Kow @ Yap Kim Fah 	808,500	741,125	808,500

Note:

(1) The estimated values of RRPT from the date of the forthcoming AGM to the date of the next AGM are based on historical records and/or management estimates. Due to the nature of transactions, the actual may vary from the estimated values disclosed.

There are no amounts due and owing by the Transacting Parties to APB Group pursuant to the RRPT as at the LPD which exceeded the credit terms.

2.5 Review procedures for the RRPT

The following review and approval procedures are in place to ensure that the RRPT are undertaken on commercial terms, consistent with the APB Group's usual business practices and policies, which are no more favourable to the Transacting Parties than those extended to third parties/public, and are not detrimental to the minority shareholders of APB:

- (a) All companies within the Group have been informed of the definition of Related Party and the review procedures applicable to all the RRPT with Related Parties;
- (b) All companies within the Group shall only enter into the RRPT after taking into account the pricing, level of service, quality of product as compared to market prices and industry standards. Any RRPT entered into shall be treated and processed on normal commercial terms and are not more favourable to the Related Parties than those generally available to the public, consistent with the Company's usual business practices and policies and will not be detrimental to the minority shareholders;
- (c) All companies within the Group are guided by a set of rules and policies with regard to new RRPT to be entered into. The main rules and policies include, among others, the following:
 - (i) Certain documentations such as quotations from several sources other than the Related Party must be obtained prior to Related Party's products and/or services are rendered to or from the Group. This is to ensure that the transactions are based on prices which are competitive in comparison with the prevailing market prices, and on rental, the tenure and renewal of rental and maintenance services provided that are similar to the commercial terms for transaction with the public, which depend on the demand and supply of the products and services;
 - (ii) Where a Related Party is engaged for its services, proper documentation shall be prepared such as agreement, contract and letter of engagement to govern the services, which would be reviewed from time to time (normally within 2 years); and
 - (iii) An interested director and/or shareholder is required to abstain from negotiations and from deliberating and voting on a proposal to enter into a recurrent transaction;
- (d) A list of RRPT will be circulated to the Audit Committee for review to ensure that the transactions entered into are based on commercial terms and are not more favourable to the Related Parties than those generally available to the public and, are not detrimental to the minority shareholders;
- (e) The Audit Committee will review all aspects of the RRPTs amounting to more than RM10,000 entered into to ensure that the relevant approvals have been obtained and that the transactions are conducted at commercial terms and are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Where the RRPT is below RM10,000, it will be reviewed and approved by the General Manager and Head of the respective subsidiary companies;
- (f) The Audit Committee will also review conflict of interest situations that may arise within the APB Group as a result of the RRPT;

- (g) Such reviews will be conducted on a quarterly basis together with the review of quarterly results, or such other frequency as the Audit Committee may consider appropriate;
- (h) If a member of the Audit Committee has an interest in the RRPT, he will abstain from any decision making by the Audit Committee in respect of such transactions;
- (i) The annual internal audit plan will incorporate a review of all RRPT in its corporate governance audit to ensure that the review procedures in respect of such transactions are adhered to; and
- (j) The Audit Committee will report its review of all RRPT to the Board.

At least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that such quotation or comparative pricing cannot be obtained, the Board and the Audit Committee will rely on their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency or services to be provided or required to ensure that the RRPT is not detrimental to the APB Group.

2.6 Statement from the Audit Committee

The Audit Committee of the Company has seen and reviewed the procedures mentioned in **Section 2.5** above and is of the view that the said procedures for the RRPTs as well as the annual review to be made by the Audit Committee in relation thereto, are sufficient to ensure that the RRPTs will be made in accordance with the Company's normal commercial terms and are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Group has placed adequate procedures and process to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

3. RATIONALE AND BENEFITS OF THE PROPOSED RRPT RENEWAL

The RRPT entered or to be entered into by the APB Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of the same may render it impractical to seek shareholders' approval on a case by case basis before entering into such related party transactions. Therefore, the Board is seeking the shareholders' mandate pursuant to Paragraph 10.09 of the Listing Requirements to allow the Group to enter into such RRPTs, details of which are set out in this Circular.

Consequently, this will eliminate the need to make regular announcements to Bursa Securities and to convene separate general meetings to seek shareholders' approval as and when the need arises. Also, it would substantially reduce administrative time, inconvenience and expenses associated with the making of such announcements and the convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the APB Group.

The APB Group has a long-standing business relationship with the Transacting Parties. The Transacting Parties are reliable suppliers of goods and services required by the APB Group for its business. The goods and services provided by the Transacting Parties are in the view of the Board and Audit Committee priced competitively and all transactions between the APB Group and the Transacting Parties are carried out based on commercial terms and are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

Although the APB Group also sources from third parties, the APB Group proposes to seek shareholders' mandate as the close co-operation with the Transacting Parties is in the view of the Board expected to continue to be of benefit to the APB Group.

4. FINANCIAL EFFECTS OF THE PROPOSED RRPT RENEWAL

The Proposed RRPT Renewal will not have any financial effect on the issued share capital, earnings and EPS, NA, substantial shareholders' shareholdings and dividend policy of the APB Group.

5. APPROVAL REQUIRED

The Proposed RRPT Renewal is conditional upon the approval of the shareholders of APB being obtained at the forthcoming AGM.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The direct and indirect shareholdings of the interested Directors and major shareholders in APB as at the LPD are as follows.

	As at the LPD			
	Direct		Indirect	
	No. of Shares	*%	No. of Shares	*%
Interested Directors				
Yap Swee Sang	15,905,494	14.35	⁽¹⁾ 35,993,215	32.47
Yap Kow @ Yap Kim Fah	-	-	⁽²⁾ 51,898,709	46.82
Datuk Yap Kau @ Yap Yeow Ho	-	-	⁽³⁾ 163,200	0.15
Interested major shareholders				
Ikram Pintas	35,993,215	32.47	-	-
Yap Swee Sang	15,905,494	14.35	⁽¹⁾ 35,993,215	32.47
Yap Kow @ Yap Kim Fah	-	-	⁽²⁾ 51,898,709	46.82

Notes:

- * Excluding 2,030,200 treasury shares held by the Company.
- (1) Deemed interested by virtue of his shareholdings in Ikram Pintas.
- (2) Deemed interested by virtue of his son's direct and indirect shareholdings in APB.
- (3) Deemed interested by virtue of his daughter's shareholdings in APB.

The interested Directors and major shareholders namely Yap Swee Sang and Yap Kow @ Yap Kim Fah, and interested Director namely Datuk Yap Kau @ Yap Yeow Ho, have abstained and will continue to abstain from all Board deliberations and voting in respect of the RRPT in which they have an interest as detailed in **Section 2.4** of this Circular. Such interested Directors and/or major shareholder will also abstain from voting in respect of their shareholdings on the resolution approving the Proposed RRPT Renewal at the forthcoming AGM.

The interested major shareholder namely Ikram Pintas will abstain from voting in respect of their shareholdings on the resolution approving the Proposed RRPT Renewal at the forthcoming AGM.

Where applicable, the above interested Directors and/or major shareholders have also undertaken to ensure that the Persons Connected will abstain from voting in respect of their shareholdings on the resolution pertaining to the Proposed RRPT Renewal at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or major shareholders or any Persons Connected has any interest, direct or indirect, in the Proposed RRPT Renewal.

7. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed RRPT Renewal, the Board (save for Yap Swee Sang, Yap Kow @ Yap Kim Fah and Datuk Yap Kau @ Yap Yeow Ho, who are deemed interested in the Proposed RRPT Renewal and have abstained from giving any opinion in respect of the Proposed RRPT Renewal) is of the opinion that the Proposed RRPT Renewal is in the best interest of APB and its shareholders.

Accordingly, the Board, (save for Yap Swee Sang, Yap Kow @ Yap Kim Fah and Datuk Yap Kau @ Yap Yeow Ho, who have abstained from making a recommendation on the Proposed RRPT Renewal), recommend that you vote in favour of the resolution pertaining to the Proposed RRPT Renewal to be tabled at the forthcoming AGM.

8. AGM

The 18th AGM of APB, the notice and an extract of the resolution in relation to the Proposed RRPT Renewal are set out in the 2019 annual report, will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 27 February 2020 at 10.00 a.m. or any adjournment (as the case may be) there of for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed RRPT Renewal contained herein. If you are unable to attend and vote in person at the AGM, you should complete and return the Proxy Form in accordance with the instructions therein to Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, as soon as possible, and in any event not later than 48 hours before the time fixed for the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached **Appendix I** for further information.

Yours faithfully,
For and on behalf of
APB RESOURCES BERHAD

MAK FONG CHING
Independent Non-Executive Director

PART B

**STATEMENT TO THE SHAREHOLDERS OF APB IN RELATION TO THE PROPOSED
SHARE BUY-BACK RENEWAL**



APB RESOURCES BERHAD
Company No. 200101029080 (564838-V)
(Incorporated in Malaysia)

Registered office:

D12, Tingkat 1
Plaza Pekeliling
No. 2, Jalan Tun Razak
50400 Kuala Lumpur

29 January 2020

Board of Directors:

Yap Kow @ Yap Kim Fah	<i>(Non-Independent Non-Executive Director/ Chairman)</i>
Tan Teng Khuan	<i>(Chief Operating Officer / Executive Director)</i>
Lim Hong Liang	<i>(Non-Independent Non-Executive Director)</i>
Datuk Yap Kau @ Yap Yeow Ho	<i>(Non-Independent Non-Executive Director)</i>
Mak Fong Ching	<i>(Independent Non-Executive Director)</i>
Chua Chia Cheng @ Chua Chia Kwee	<i>(Independent Non-Executive Director)</i>
Yap Swee Sang	<i>(Chief Executive Officer / Alternate Director to Yap Kow @ Yap Kim Fah)</i>
Yap Puhui Lin	<i>(Alternate Director to Datuk Yap Kau @ Yap Yeow Ho)</i>

To: The shareholders of APB Resources Berhad

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK RENEWAL

1. INTRODUCTION

The purpose of this Statement is to provide you with the relevant information on the Proposed Share Buy-Back Renewal and to seek your approval for the ordinary resolution pertaining to the Proposed Share Buy-Back Renewal to be tabled at the forthcoming AGM of the Company. The Notice of the AGM and the Proxy Form are enclosed in the 2019 annual report.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK RENEWAL AT THE FORTHCOMING AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK RENEWAL

2.1 Quantum

As the authority for the Company to purchase its own shares will expire upon the forthcoming AGM of the Company, the Company wishes to seek a renewal of mandate from its shareholders for the Company to purchase up to 10% of its total number of issued shares at any point in time. The purchase of APB's own shares will be carried out through Bursa Securities via stockbroker(s) to be appointed by APB.

As at the LPD, the issued share capital of the Company is RM112,875,002 comprising 112,875,002 APB Shares. As an illustration, based on the total number of issued shares of the Company as at the LPD, the maximum number of APB Shares which may be purchased by the Company will not be more than 11,287,500 APB Shares.

As at the LPD, the Company have a total of 2,030,200 APB Shares which are held as treasury shares. Accordingly, the number of shares which are available for further buy-back by the Company is up to 9,257,300 APB Shares, which together with the 2,030,200 treasury shares, represents 10% of the total number of issued shares of the Company as at the LPD.

Paragraph 12.10 of the Listing Requirements stipulates that a listed issuer must ensure that the proposed purchase of its own shares is made wholly out of retained profits and/or the share premium account of the listed company.

The maximum amount of funds to be utilised by the Company for the Proposed Share Buy-Back Renewal will not exceed the Company's retained profits and/or share premium. Based on the Company's latest available audited financial statements as at 30 September 2019, the retained profits stood at RM1,354,750 and there is no share premium account as at that date.

2.2 Duration and funding

The shareholders' mandate for the Proposed Share Buy-Back Renewal will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-Back Renewal at the forthcoming AGM until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

whichever occurs first.

Any APB Shares to be bought by APB pursuant to the Proposed Share Buy-Back Renewal will be first funded from internally generated funds and/or funded by external borrowings, if so required. At the moment, the Company does not have any external borrowings for such purpose. In the event that the Company intends to purchase its own shares using external borrowings, the Board shall ensure that the Company shall have sufficient funds to repay the external borrowings and interest expense and that the repayment would not have any material effect on the cash flow of the Company.

The actual amount of internal funds and/or external borrowings to be utilised will depend on, among others, the available internally generated funds, actual number of APB Shares to be purchased and other relevant cost factors at the time of purchase(s).

2.3 Ranking and treatment of the Purchased Shares

Pursuant to Section 127 of the Act, the Directors may deal with the Purchased Shares in either of the following manner:

- (a) cancel the Purchased Shares;
- (b) retain the Purchased Shares as treasury shares held by the Company; or
- (c) retain part of the Purchased Shares as treasury shares and cancel the remainder.

The Purchased Shares held as treasury shares may be dealt with in the following manner:-

- (a) distributed to the shareholders of APB as share dividends;
- (b) resold on Bursa Securities in accordance with the relevant rules of Bursa Securities;
- (c) transferred for the purposes of or under an employees' share scheme or as purchase consideration;
- (d) subsequently cancelled; or
- (e) sold, transferred or otherwise used for such other purposes as the minister charged with the responsibility for companies may by order prescribe.

The Company may have the opportunity to realise capital gains if these shares, held as treasury shares, are resold on Bursa Securities at a price higher than the purchase price. The decision whether to retain the Purchased Shares as treasury shares, or to cancel the APB Shares purchased or a combination of both, will be made by the Board at the appropriate time.

In the event that the Purchased Shares are held as treasury shares, the rights attached to these shares in relation to voting, dividends and participation in any other distribution or otherwise are suspended. The treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.4 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, APB may only purchase its own shares at a price which is not more than 15% above the VWAP of the APB Shares for the 5 Market Days immediately preceding the date of the purchase(s).

In the case of a resale of treasury shares, if any, the Company may resell the treasury shares on Bursa Securities at:

- (a) a price which is not less than the VWAP for the APB Shares for the 5 Market Days immediately prior to the resale; or

- (b) a discounted price of not more than 5% to the VWAP for the APB Shares for the 5 Market Days immediately prior to the resale provided that:
- (i) the resale takes place no earlier than 30 days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the APB Shares being resold.

As at the LPD, the public shareholding spread of APB stood at 37,485,134 APB Shares representing 33.82% in the hands of 1,825 public shareholders holding not less than 100 APB Shares each. The public shareholding spread of APB will reduce as a result of the Proposed Share Buy-Back Renewal, assuming all purchased APB Shares are purchased from the market from public shareholders, as follows:

	⁽¹⁾ Before the Proposed Share Buy-Back Renewal	After the Proposed Share Buy-Back Renewal
Public shareholders' shareholdings	33.82%	27.79%

Note:

(1) Excluding 2,030,200 treasury shares held by the Company.

Pursuant to Paragraph 12.14 of the Listing Requirements, APB must not purchase its own shares on Bursa Securities if that purchase(s) will result in the Company being in breach of the 25% public shareholding spread.

In view of the above, APB will take necessary measures to ensure that the aforesaid public shareholding spread is met and maintained at all times (including, among others, only purchasing such number of APB Shares under the Proposed Share Buy-Back Renewal to maintain at least 25% public shareholding spread).

2.5 Implication of the Rules

The Proposed Share Buy-Back Renewal may result in the substantial shareholder(s) and/or parties acting-in-concert with it triggering an obligation for a mandatory take-over offer under the Rules. Based on the current shareholdings as at the LPD, Ikram Pintas by itself holds 35,993,215 APB Shares representing 32.47% of the issued share capital of APB. Further, Ikram Pintas, together with its parties acting-in-concert (namely Yap Kow @ Yap Kim Fah, Yap Swee Sang, Tan Teng Khuan, Lim Hong Liang, Datuk Yap Kau @ Yap Yeow Ho, Yap Puhui Lin and Rare Prestige Sdn Bhd) collectively own 62,888,873 APB Shares representing 56.74% of the issued share capital of APB (excluding 2,030,200 treasury shares held by the Company).

In view of the above, Ikram Pintas, either by itself or together with its parties acting-in-concert, will be required to make a mandatory take-over offer should APB purchases its own shares pursuant to the Proposed Share Buy-Back Renewal such that Ikram Pintas and its parties acting-in-concert increases their total shareholdings in APB by more than 2% in a 6 month period unless an exemption under the Rules has been granted beforehand by the SC.

In the event the Company purchases its own shares which would result in the substantial shareholders and/or its parties acting-in-concert triggering a mandatory take-over offer obligation under the Rules, approval would be sought from the SC for an exemption under the Rules before the purchases are made.

2.6 Potential advantages and disadvantages of the Proposed Share Buy-Back Renewal

The potential advantages of the Proposed Share Buy-Back Renewal to the Company and its shareholders are:

- (a) if the purchased APB Shares are cancelled, the EPS of APB Group will be enhanced and shareholders are likely to enjoy an increase in the value of their investment in the Company;
- (b) the Company's share capital base will be reduced pursuant to the Proposed Share Buy-Back Renewal, which may increase the likelihood of a higher dividend rate being declared in the future; and
- (c) if the purchased APB Shares are retained as treasury shares, it will provide the Board with an option to sell the purchased APB Shares at a higher price and therefore make an exceptional gain for the Company. Alternatively, the purchased APB Shares can be distributed as share dividends to shareholders and provide a reward to the shareholders of the Company.

The potential disadvantages of the Proposed Share Buy-Back Renewal to the Company and its shareholders are:

- (a) as the Proposed Share Buy-Back Renewal can only be made out of retained profits and share premium reserves, it may reduce the financial resources available for distribution to the shareholders of the Company in the foreseeable future;
- (b) resultant opportunity costs for the Company as better investment opportunities may be foregone in the future with the reduction in financial resources of APB Group available upon implementation of the Proposed Share Buy-Back Renewal; and
- (c) deprive the Group of interest income that can be derived from the funds utilised for the Proposed Share Buy-Back Renewal. Further, if the Proposed Share Buy-Back Renewal is financed via bank borrowings, the Group shall have to service interest obligations.

The Proposed Share Buy-Back Renewal, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of APB which need to be balanced against investment opportunities and other proposals that can enhance value for its shareholders. The Board in exercising any decision on the Proposed Share Buy-Back Renewal will be mindful of the interest of the Company and of its shareholders.

2.7 Purchase of APB Shares and resale of treasury shares made in the previous 12 months

As at the LPD, the Company holds 2,030,200 APB Shares as treasury shares. The Company has not purchased any APB Shares over the past 12 months preceding the LPD. In addition, the Company has not resold, cancelled and/or distributed any treasury shares as dividends in the past 12 months preceding the LPD.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK RENEWAL

The Proposed Share Buy-Back Renewal would enable the Company to purchase its own shares from the open market to capitalise on market inefficiencies and to act in the best interest of the Company. The Proposed Share Buy-Back Renewal, if implemented, may stabilise the supply and demand of APB Shares, which may subsequently have a favourable effect on the market price for APB Shares.

Any shares purchased under the Proposed Share Buy-Back Renewal, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of APB Shares carrying voting and participation rights. Therefore, the shareholders of the Company may enjoy an increase in the value of their investment in APB due to the increase in its EPS.

The purchased APB Shares could be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total number of issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Share Buy-Back Renewal is not expected to have any potential material disadvantage to the Company and its shareholders, and it will only be exercised after due consideration of the financial resources of the APB Group and any resultant impact on the shareholders of the Company. The Board, in exercising any decision to buy-back any APB Shares, will be mindful of the interests of the Company and its shareholders.

4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK RENEWAL

The financial effects of the Proposed Share Buy-Back Renewal shown below are based on the assumption that APB will have adequate retained earnings and/or share premium account to undertake the Proposed Share Buy-Back Renewal up to the maximum of 10% of its total number of issued shares. The actual quantum of shares purchased under the Proposed Share Buy-Back Renewal may be limited to the availability of the above-mentioned reserves.

The proforma effects of the Proposed Share Buy-Back Renewal (assuming no resale or distribution of 2,030,200 treasury share) are set out below:

4.1 Share capital

The Proposed Share Buy-Back Renewal will have no effect on the total number of issued shares of APB if the purchased APB Shares are retained in full as treasury shares, resold or distributed as dividends to shareholders.

However, in the event the purchased APB Shares are cancelled, the total number of issued shares will decrease by the number of shares cancelled. For illustrative purposes only, assuming that the maximum number of APB Shares are purchased and cancelled under the Proposed Share Buy-Back Renewal, the effect on the total number of issued shares of the Company is set out below.

The actual quantum of shares purchased under the Proposed Share Buy-Back Renewal may be limited to the availability of the retained earnings and/or share premium account of APB.

Scenario	No. of APB Shares
Total number of issued shares as at the LPD	112,875,002
Less : Treasury shares ⁽¹⁾	(2,030,200)
	110,844,802
Less : Maximum number of shares able to be purchased pursuant to the Proposed Share Buy-Back Renewal ⁽¹⁾	⁽²⁾ (9,257,300)
Resultant total number of issued shares	101,587,502

Notes:

- (1) Assuming cancellation of all the APB Shares purchased and treasury shares held by the Company.
- (2) 10% of the total number of issued shares of APB as at the LPD less treasury shares of 2,030,200.

4.2 NA

The effect of the Proposed Share Buy-Back Renewal on the NA per Share of the Group will depend on the number of APB Shares purchased, the purchase price(s) of the APB Shares, the effective cost of funding and the treatment of the APB Shares purchased.

If all the Purchased Shares are cancelled, the Proposed Share Buy-Back Renewal will reduce the NA per Share if the purchase price per Purchased Share exceeds the NA per Share at the relevant point in time, and vice versa.

4.3 Gearing

The effects of the Proposed Share Buy-Back Renewal on the gearing of the Group will depend on the proportion of borrowing utilised to fund the purchase of APB Shares, if any. Assuming that the treasury shares are retained by the Company and no borrowing is utilised to fund the purchase of APB Shares, the Proposed Share Buy-Back Renewal may increase the gearing of the Group as the equity will be reduced by the cost of shares acquired and held as treasury shares.

4.4 Working capital

The Proposed Share Buy-Back Renewal will reduce funds available for working capital purposes of the Company, the quantum of which depends on the purchase price(s) of the APB Shares, the actual number of purchased APB Shares and any associated costs incurred in making the purchase.

4.5 Earnings and EPS

The effects of the Proposed Share Buy-Back Renewal on the earnings and EPS of the APB Group will depend on the purchase price(s) of the APB Shares, the number of APB Shares purchased and the effective funding cost of APB Group. The effective reduction in the total number of issued shares of the Company pursuant to the Proposed Share Buy-Back Renewal will, generally, all else being equal, have a positive impact on the consolidated EPS of the Company.

4.6 Dividend

Barring any unforeseen circumstances, the Proposed Share Buy-Back Renewal is not expected to have any effect on the Group's dividend policy. The decision to declare and pay dividends in the future would depend on the performance, cash flow position and financing requirements of the APB Group. The Board may also have the option to distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back Renewal.

4.7

Directors' and substantial shareholders' shareholding

The effects on the Directors' and substantial shareholders' shareholding based on the Company's Register of Directors and Register of Substantial Shareholders as at the LPD (assuming no resale or distribution of 2,030,200 treasury shares) are as follows:

Directors	As at the LPD				Proforma After the Proposed Share Buy-Back Renewal [^]			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	@%	No. of Shares	@%	No. of Shares	%	No. of Shares	%
Yap Swee Sang	15,905,494	14.35	⁽¹⁾ 35,993,215	32.47	15,905,494	15.66	⁽¹⁾ 35,993,215	35.43
Yap Kow @ Yap Kim Fah	-	-	⁽²⁾ 51,898,709	46.82	-	-	⁽²⁾ 51,898,709	51.09
Tan Teng Khuan	244,095	0.22	-	-	244,095	0.24	-	-
Lim Hong Liang	9,966,300	8.99	⁽³⁾ 616,569	0.56	9,966,300	9.81	⁽³⁾ 616,569	0.61
Datuk Yap Kau @ Yap Yeow Ho	-	-	⁽⁴⁾ 163,200	0.15	-	-	⁽⁴⁾ 163,200	0.16
Mak Fong Ching	-	-	-	-	-	-	-	-
Chua Chia Cheng @ Chua Chia Kiwee	-	-	-	-	-	-	-	-
<u>Alternate Director</u>								
Yap Puhui Lin	163,200	0.15	-	-	163,200	0.16	-	-

Substantial shareholders	As at the LPD				Proforma After the Proposed Share Buy-Back Renewal [^]			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	@%	No. of Shares	@%	No. of Shares	%	No. of Shares	%
Ikram Pintas	35,993,215	32.47	-	-	35,993,215	35.43	-	-
Yap Swee Sang	15,905,494	14.35	(1)35,993,215	32.47	15,905,494	15.66	(1)35,993,215	35.43
Yap Kow @ Yap Kim Fah	-	-	(2)51,898,709	46.82	-	-	(2)51,898,709	51.09
Lim Hong Liang	9,966,300	8.99	(3)616,569	0.56	9,966,300	9.81	(3)616,569	0.61
Urusharta Jamaah Sdn Bhd	8,850,300	7.98	-	-	8,850,300	8.71	-	-

Notes:

- @ Excluding 2,030,200 treasury shares held by the Company.
[^] Based on the maximum number of APB Shares that may be purchased.
(1) Deemed interested by virtue of his shareholdings in Ikram Pintas.
(2) Deemed interested by virtue of his son's direct and indirect shareholdings in APB.
(3) Deemed interested by virtue of his shareholdings in Rare Prestige Sdn Bhd.
(4) Deemed interested by virtue of his shareholdings in his daughter's shareholdings in APB.

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5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of APB Shares as traded on the Main Market of Bursa Securities for the last 12 months from January 2019 to December 2019 are as follows:

	High RM	Low RM
2019		
January	0.815	0.800
February	0.800	0.725
March	0.790	0.650
April	0.650	0.500
May	0.570	0.570
June	0.570	0.570
July	0.585	0.575
August	0.585	0.575
September	0.585	0.495
October	0.505	0.385
November	0.450	0.365
December	0.470	0.355

The last transacted price of APB Shares on 20 January 2020, being the last day on which APB Shares were traded and the latest practicable date, prior to the printing of this Statement, was RM0.505.

(Source: Bloomberg)

6. APPROVAL REQUIRED

The Proposed Share Buy-Back Renewal is conditional upon the approval of the shareholders of APB being obtained at the forthcoming AGM.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and major shareholders of APB or Persons Connected have any interest, direct or indirect, in the Proposed Share Buy-Back Renewal or resale of the treasury shares (if any in the future).

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back Renewal is of the opinion that the Proposed Share Buy-Back Renewal is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back Renewal to be tabled at the forthcoming AGM.

9. AGM

The 17th AGM of APB, the notice and an extract of the resolution in relation to the Proposed Share Buy-Back Renewal are set out in the 2019 annual report, will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 27 February 2020 at 10.00 a.m. or any adjournment (as the case may be) thereof for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Share Buy-Back Renewal contained herein. If you are unable to attend and vote in person at the AGM, you should complete and return the Proxy Form in accordance with the instructions therein to Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, as soon as possible, and in any event not later than 48 hours before the time fixed for the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to the attached **Appendix I** for further information.

Yours faithfully,
For and on behalf of
APB RESOURCES BERHAD

MAK FONG CHING
Independent Non-Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular and Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular and Statement misleading.

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) that has been entered by APB and/or its subsidiaries during the past two years immediately preceding the LPD.

3. MATERIAL LITIGATION

As at the LPD, the APB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board do not have any knowledge of any proceedings, pending or threatened, against the APB Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the APB Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at D12, Tingkat 1, Plaza Pekeliling, No. 2, Jalan Tun Razak, 50400 Kuala Lumpur, during normal business hours from Mondays to Fridays but excluding public holidays for the period commencing from the date of this Circular and Statement to the date of the forthcoming AGM:

- (a) Constitution of APB; and
- (b) The audited consolidated financial statements of the APB Group for the last two FYE 30 September 2018 and 2019.